

# WIPO



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## 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

PROPOSAL BY AUSTRALIA

*Document prepared by the International Bureau*

1. In a communication dated March 27, 2007, the International Bureau received a proposal from Australia in relation to further work on the future development of the Madrid system, for consideration by the *ad hoc* Working Group on the Legal Development of the Madrid System for the International Registration of Marks, at its fourth session to be held in Geneva from May 30 to June 1, 2007. Australia has requested that the proposal be translated and circulated as part of the documents for that session.
2. The said proposal is annexed to this document.
3. *The ad hoc Working Group is invited to note the contents of the attached proposal by Australia.*

[Annex follows]

ANNEX

**Proposal by Australia  
to the *Ad Hoc* Working Group on the Legal Development of the Madrid System  
for the International Registration Of Marks**

in relation to further work on the future development of the Madrid System

A paper of the same title was distributed informally (and in English only) at the third meeting of the Working Group in January 2007. The attached paper differs from the earlier one only at paragraphs 9, 12, 16, 19 and 22. The revisions are intended to clarify the proposal and respond to comments made at the earlier meeting.

Proposal by Australia  
to the *Ad Hoc* Working Group on the Legal Development of the Madrid System  
in relation to further work on the future development of the Madrid system.<sup>1</sup>

Introduction

1. Australia wishes to assist the progress of the proposed discussion of the future development of the Madrid system by the Working Group on the Legal Development of the Madrid System, as well as the discussion at this meeting.
2. At the meeting of the Madrid Assembly in September 2006, Australia supported the recommendations of the Working Group regarding its continuing review of the safeguard clause. Emphasising the importance of the Madrid system continuing to meet users' needs, Australia strongly supported the recommendation seeking to ensure that the Group would, at its earliest opportunity, consider the future development of the Madrid system. In line with this view, Australia proposed an amendment of the Working Group's recommendation regarding that further work. The Assembly endorsed the proposal to include a reference to the Working Party reporting back on progress of this work at the next meeting of the Madrid Assembly.
3. Australia believes that, in discussing the development of the Madrid system, priority should be given to considering improving accessibility of information regarding international registrations. This is a matter that has been commented upon frequently in the Working Group discussions of the possible repeal of the safeguard clause.

Background

4. In light of the current and proposed work of the Working Group, IP Australia has been consulting Australian trade mark owners and their representatives to find out more about their use and experience of the Madrid system. Early discussions have reflected an appreciation of many benefits of the Protocol and a strong desire to utilise the Madrid system to greatest effect in gaining international protection for trade marks. However, comments indicate a broad range of concerns with the current operation of the Protocol and this must be seen as having the potential to limit the extent to which the system is utilised.
5. Australian users are enthusiastic about the Madrid system and its potential. They are keen that the system should be simplified with provisions applied consistently across contracting parties wherever possible. They believe such changes would in turn see an increase in the number of member states. With such aims in mind, users in Australia showed considerable interest in the Working Group undertaking the broad consideration of the future development of the Madrid system recommended by the July 2005 and June 2006 meetings of the Working Group.

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<sup>1</sup> This paper includes revisions to paragraphs 9, 12, 16, 19 and 22 of the paper of the same title distributed informally at the third meeting of the Working Group.

6. In light of the proposals for change tabled at those meetings, Australia recognises that discussions on the development of the Madrid system may result in significant changes in its operation. Our view is that the consideration of the future development of the system would be most effective if a cohesive approach was adopted.
7. This need not mean that we suspend discussion of particular issues. Indeed, in proposing that priority be given to considering the provision of information to users, Australia believes that it is possible for progress to be made on this important issue while ensuring that the scheme developed will:
  - not constrain other later discussions of the future development of the Madrid system,
  - fit within a general framework for the proposed discussion of the development of the Madrid system (see Attachment), and
  - demonstrate a commitment to increasing consistency of treatment across the system as a whole and to improving levels of service.

### The proposal

8. Australia proposes a scheme which would address standards in provision of information on the status of international registrations in designated contracting parties. It would establish a standard which must ultimately be achieved by all contracting parties. A minimum standard would apply in the interim, with a specified period being allowed for contracting parties to meet the minimum requirements.
9. The scheme would run along the following lines.

The intention to establish standards in provision of information which will apply throughout the Madrid system would be made known. We envisage this might be done by a statement of the Assembly. Those standards, and the period provided for them to come into effect, would be decided in the discussion of the future of the system.<sup>2</sup>

As an interim measure, a *minimum* standard in provision of information would be set and all parties bound by the Protocol would be required to meet that standard by a specified date.

- From an earlier date, all contracting parties with declarations in force opting for individual fees or an 18-month refusal period<sup>3</sup> must comply with the minimum standard.
- Prior to that time, a country which is party to the Protocol when the safeguard clause is repealed and makes a declaration under Article 8(7) or 5(2) which comes into effect after the repeal, must comply with the minimum standard at the time the declaration takes effect.

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<sup>2</sup> At its third meeting, the Working Group adopted the following proposal of the Chair: ‘- that the Working Group declare its intention that standards be established in the provision of information, which would apply throughout the membership of the Protocol’ – document MM/LD/WG/3/5, paragraphs 152-153.

<sup>3</sup> That is declarations under Article 8(7) or 5(2).

Setting standards in provision of information

10. The long-term standards for the provision of information would have to be decided in the context of the broader discussion about the future development of the system.
11. It is suggested that such a standard should acknowledge that all parties interested in an international registration should be able to access information as to the status of an international registration in all designated countries. This aim would not be met if notifications were sent only to the holder; the information must also be published. In addition, information should also be provided to the holder, either directly or through the International Bureau. The holder should not be required to chase up information on progress of the international registration in designated countries.
12. With this long term discussion in mind, it is proposed that the following might constitute the minimum standard required in the interim.

Offices of Contracting Parties must advise the International Bureau when protection is extended to all or some of the goods and services of the international registration.<sup>4</sup>

The International Bureau would then publish the information.

This would mean that holders would always have confirmation that a mark has become protected in a designated country when that occurs. Others with an interest in the status of the mark would also have access to this information on the International Bureau's database.

Meeting the minimum standard – implications for offices and the International Bureau

13. Confirmation of partial provisional refusal as required by Rule 17(5) is often regarded as equivalent to notifying extension of protection for those goods and services which are not refused protection. This might continue to be the approach in relation to this interim measure. However, this would not meet the intent of the suggested change unless the notification and publication under Rule 17(5) occurs as soon as practicable after procedures before the office have been completed. (Allowing notification under Rule 17(5) to meet the requirements as part of the interim measure would not preclude a different approach being taken during later discussions of the future of the Madrid system.)
14. Extension of protection for all of the goods and services may result in different ways. One is that provisional refusal is withdrawn. Again Rule 17(5) requires that this is notified by the office and published by the International Bureau.
15. Protection for all goods and services will also be the outcome where the designated contracting party does not issue any provisional refusal based on examination or opposition.

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<sup>4</sup> Failure to notify the International Bureau would in no way affect the status of the international registration in a designated contracting party.

16. If this occurs within the applicable refusal period, the option of notifying protection is provided under Rule 17(6): offices may send a statement of grant of protection to the International Bureau which must publish the information and send a copy of the notice to the holder.

The proposal would require offices to notify the International Bureau in all instances when a mark becomes protected without any earlier notification of provisional refusal. In some contracting parties this may occur when a decision is made within the refusal period that no grounds for refusal exist i.e. in the conditions described in Rule 17(6). In other circumstances, the mark becomes protected when the refusal period elapses.

17. Currently, when there is no provisional refusal based on examination, and an office has notified in accordance with Rule 16 that opposition may occur outside the 18-month period, there may be no subsequent correspondence if there is no opposition. The proposal would mean that when this situation arises and no provisional refusal will issue as there has been no opposition, the office of the contracting party concerned must notify the International Bureau that protection has been extended.
18. This aspect of the proposal would address a problem with existing arrangements. Under Rule 16, the International Bureau must be notified that opposition may occur outside the 18-months, but the end date for the opposition period may not be known when the notification is made. Under that Rule, the date doesn't have to be provided if there is no opposition as Rule 16(1)(b) requires that the end-date 'must be communicated at the latest at the same time as any notification of provisional refusal based on opposition...'. However, it may be well beyond the 18-months before it is clear to the office that there will be no provisional refusal based on opposition. In the absence of advice on this situation, users may not know whether or not the period for opposition has ended.
19. The proposal in paragraph 16 would entail some offices sending additional notifications to the International Bureau and their subsequent publication.

It will be necessary to decide what information an office should provide in these notifications and when they should be sent to the International Bureau in order to meet the minimum standard.

The following proposal may be suitable.

The minimum standard will be met if, in relation to each mark to which protection is extended, the International Bureau is notified of the protection either by a notice under Rule 17(6), a notice under Rule 17(5), or by including the mark in a list of protected marks. If the notification is in a list of marks, that should be sent as soon as is practicable after the mark becomes protected and in any case within 1 month from the end of the applicable refusal period.

#### *Amendment of the Common Regulations*

20. If a scheme along these lines was considered appropriate, its implementation would require amendment of the Common Regulations to take account of the proposals included in paragraph 16.

21. This would include amendment to take account of the requirement for publishing notification of protection where no provisional refusal has issued. Article 9bis prescribes matters that the International Bureau shall record in the Register. Article 9bis (v) requires recording of 'any other relevant fact, identified in the Regulations, concerning the rights in a mark that is the subject of an international registration. The Common Regulations indicate many details which are to be published on notification. As mentioned above, these include notifications under Rule 17(4), 17(5) and 17(6). If it is agreed that notification of protection (other than that covered under Rule 17(6)) should also be published, it may be necessary to include this in the Regulations.

Overview and advantages of the proposed scheme

22. Australia sees such a scheme as having several significant benefits for the Madrid system.

- Improvement in the accessibility of information for users will occur in the short- to medium-term.
- Contracting parties availing themselves of individual fees or an 18-month refusal period must meet the minimum requirements within a specified time.
  - Any countries or organisations which are parties to the Protocol at the time the safeguard clause is repealed, and which make a declaration under Article 5(2) or 8(7) which comes into effect after that time, must comply with the minimum standard at the time the declaration takes effect.
- All other contracting parties will be on notice that they will be required to meet this minimum standard in a specified longer period. This will reinforce the broad aims for harmonising the operations of the system.
- Users' needs for improved services, including the provision of better information on international registrations, which representatives of users have spoken about at previous meetings of the Working Group will be addressed. A significant element of this scheme would be that WIPO databases would be a key central repository of accessible information about the status of a mark in designated jurisdictions. Furthermore, this information would be available to all users of the system not only to holders.
- All contracting parties will appreciate that requirements for particular information to be accessible to all users of the Madrid system will be established as part of the consideration of the future development of the system.
- The scheme would not constrain discussion of fees or the length of the refusal period in further work on the future of the Madrid system.
- The elements of the scheme can progress in parallel with the development of a plan for work on the future development of the Madrid system and early stages of those discussions, or will be concluded within that work.

## ATTACHMENT

### THE FUTURE DEVELOPMENT OF THE MADRID SYSTEM – CONSIDERING PROPOSALS FOR LEGISLATIVE CHANGES

#### INTRODUCTION

The Working Group's meetings of 2005 and 2006 largely focussed on the review of the safeguard clause and concluded that an objective of that work was 'to 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'.

During the meetings a number of delegations proposed other changes to the way the Madrid system operates. These proposals cover potential changes to the Protocol as well as amendments of the Common Regulations. Some broad objectives which have been mentioned include:

- introducing more efficiency into the system and making it more user-friendly,
- increasing the number of contracting parties, with particular mention made of the Asia-Pacific region,
- simplification and harmonisation of operations under the system.

#### PROPOSALS FOR CHANGE TO THE MADRID SYSTEM

Proposed changes to the treaties:

1. Goal is for the system to be governed by one treaty.  
(Agreed by Working Group – see MM/LD/WG/2/11, para. 112)
2. Removing the requirement for a basic application or registration  
(Proposed by Norway - MM/LD/WG/1/3 para. 154, MM/LD/WG/2/9, paras 7-21; and Japan - MM/LD/WG/1/3 para. 156)

Particular impacts of the current provision with regard to marks in non-Roman letters were identified.

Other effects of the proposal which were identified include:

- removing the dependency of the international registration on the basic application/registration
  - no requirement for transformation
  - possibility of allowing international applications to include designation in the country of origin of the applicant
  - impact on criteria regarding entitlement to file
3. Change of the time limits for notifying provisional refusal  
(Proposed by Norway - MM/LD/WG/1/3 para. 154, MM/LD/WG/2/9, paras 22-29)



The two options identified are that:

- the same time limit (12 months) operates under both the Agreement and the Protocol, or
- members may choose to have either 9 or 12 months as the period for notification.

(The possibility that contracting parties may advise within this time that notification of provisional refusal based on opposition may occur outside this period would be retained.)

4. Designation of the holder's office of origin within the framework of the present system.  
(Proposed by Norway - MM/LD/WG/2/9, paras 30-31)

This may be considered as a separate proposal if 2 above does not go ahead. Such a designation might occur after the end of the dependency period.

5. Abolition of, or shorter, period of dependency  
(Proposed by Japan – document circulated at meeting July 2005)

This need not be considered further if agreement is reached that the requirement for a basic mark should be abolished.

6. Individual fees  
(Discussed in relation to the review of the safeguard clause - MM/LD/WG/1/3 paras 73-86, MM/LD/WG/2/11, section III, MM/LD/WG/3/2)

It may be necessary to review any previous consideration of individual fees in light of further discussions on costs associated with the Madrid processes. Additionally, changes might introduce additional efficiencies into the system or reduce workloads in offices.

Proposed changes to the Common Regulations:

7. Notification of grant of protection

Possible requirement to issue a statement of grant of protection mentioned in relation to the review of the safeguard clause - MM/LD/WG/2/11, section III, MM/LD/WG/3/2;

Japan's proposal - MM/LD/WG/1/3 para. 156 and informal document circulated at meeting July 2005

8. Reduced period for notifying corrections  
(Proposed by Japan – MM/LD/WG/1/3 para. 137)

Proposal is to restrict operation of Rule 28(4) so that the period provided for requesting corrections is shorter than 9 months and a single limit would apply, including to errors made by the International Bureau.

### Further proposals would be anticipated

Additional amendments of the Common Regulations would be consequent on changes to the treaty.

- As many delegations would wish to consult with their user groups in regard to proposals for change it must be anticipated that additional proposals will come from those discussions. It is already apparent from discussions with our users that Australia will be in this position. While more work needs to be done to develop proposals it is clear that we will support many of the proposals already tabled and generally seek increased harmonisation and simplification of practice.

### Timing of work

#### Changes to the treaties

Moving to a single treaty, necessitating the amendment of the Protocol, would require a diplomatic conference. That would also be required to change or repeal provisions of the Protocol regarding the requirement for a basic mark, dependency, or the duration of the dependency period (prescribed in Art. 6).

It could be suggested that decisions on those changes to the Protocol already suggested (and any additional proposals which might come from delegations within a specified period) should be finalised as soon as possible. This would clarify the extent of the proposals which will be put to a diplomatic conference.

#### Amendment of the Common Regulations

Repeal of safeguard clause will necessitate changes to the Common Regulations.

Further changes would be required in moving to a single treaty.

As amendment of the Common Regulations may be approved by the Assembly, the timing of changes could be more flexible and much could precede amendments to the Protocol.

[End of Annex and of document]