

# WIPO



**MM/WG/2/4**

**ORIGINAL:** English

**DATE:** April 11, 2001

**WORLD INTELLECTUAL PROPERTY ORGANIZATION**  
GENEVA

**WORKING GROUP ON THE MODIFICATION OF THE COMMON  
REGULATIONS UNDER THE MADRID AGREEMENT  
CONCERNING THE INTERNATIONAL REGISTRATION OF  
MARKS AND THE PROTOCOL RELATING TO THAT  
AGREEMENT**

**Second Session**  
**Geneva, June 11 – 15, 2001**

NOTES ON NEW AND REVISED PROPOSALS FOR MODIFICATION OF THE  
COMMON REGULATIONS UNDER THE MADRID AGREEMENT AND PROTOCOL

*Document prepared by the International Bureau*

## INTRODUCTION

1. This document contains notes on the new and revised proposals for modification of the Common Regulations under the Madrid Agreement and Protocol, set out in document MM/WG/2/3.

*Notes on Rule 1*  
*Abbreviated Expressions*

2. *Paragraph (xix)*. As foreshadowed in the first session (see paragraphs 5 to 10 of document MM/WG/1/4 and paragraphs 78 to 83 of document MM/WG/1/5), the present definition of “refusal” has been replaced by a definition of “notification of provisional refusal” in order to make clear that the declaration which is referred to in Article 5(1) of the Agreement and Article 5(1) of the Protocol is not a definitive refusal but one which is open to review or appeal.

3. It was indicated in the documents cited in paragraph 1 that the definition of “provisional refusal” would be drafted so as to relate only to an *ex officio* refusal and would be supplemented by a definition of “opposition”; this has however proved impracticable. The definition of “notification of provisional refusal” in Rule 1(xix) therefore covers both the notification of an *ex officio* refusal and the notification of a refusal based on an opposition. This has been made clear in the proposed revised text of Rule 17(1) (see the notes concerning that provision).

4. *Paragraph (xixbis)*. As also foreshadowed in the first session (see paragraphs 42 to 44 of document MM/WG/1/4 and paragraphs 112 and 113 of document MM/WG/1/5), a definition of “invalidation” is proposed in order to make clear that this term covers any proceedings, whether administrative or judicial, which result in protection that had been granted being terminated, whether retrospectively or with effect for the future only. It does not matter if the term “invalidation” (or its equivalent) has a restricted meaning in a given Contracting Party, for example if at the national level it is used to refer only to proceedings before a court. At the international level, the outcome of *any* proceedings falling within the proposed definition may be notified to the International Bureau in accordance with Rule 19.

*Notes on Rule 7*  
*Notification of Certain Special Requirements*

5. It was suggested in document MM/WG/1/3 (see footnote 3) that the Working Group examine whether there is any justification for maintaining paragraph (1) of Rule 7. In the first session, no-one argued for its retention, though the delegations of two countries that have made the notification under this provision said that they were unable yet to take a position. As stated in paragraph 19 of document MM/WG/1/5, the International Bureau is consulting the Offices of the Contracting Parties that have made this notification. Pending the outcome of that consultation, it is proposed to delete paragraph (1) of Rule 7, so that it will no longer be possible to make this notification, and to specify a date by which such notifications already made shall be withdrawn. After that date, the International Bureau will no longer reject a request for subsequent designation on the ground that it has been presented directly by a holder whose address is in the territory of a Contracting Party that had, before the deletion of Rule 7(1), made the notification provided for in that provision, provided of course that the request does not contain any designation under the Agreement.

*Notes on Rule 9*  
*Requirements Concerning the International Application*

6. *Paragraph (4)(a)(ixbis)*. It is proposed to provide for an international application to contain an indication that the mark consists of a color as such. This would be done by providing an appropriate box to check on the official form. In accordance with Rule 9(5)(d)(iii) as amended (see document MM/WG/2/2), the Office of origin would have to certify that the basic mark was of this kind. Where, according to the law of a designated Contracting Party, a color as such is not considered to be capable of constituting a mark, the Office concerned would of course be entitled to refuse protection.

7. *Paragraph (4)(b)(v)*. As foreshadowed in the first session (see paragraph 48 of document MM/WG/1/5), it is proposed to provide for the possibility for an international application to contain a disclaimer of non-distinctive elements of the mark. This would be done by the applicant, on a voluntary basis, in order to forestall objections from certain designated Contracting Parties.

*Notes on Rule 16*  
*Time Limit for Provisional Refusal Based on an Opposition*

8. *Paragraph (1)(a)*. The proposed new wording is intended to cover what is at present covered by “where applicable” and to make clear that it is not sufficient to send this information in all cases, since that would simply be re-stating the fact that the Contracting Party concerned has made the declaration under Article 5(2)(c). In other words, a decision as to whether to send this information needs to be made by the Office concerned in each case.

9. *Paragraph (1)(b)*. The information about the start and end dates of the opposition period is required solely in order for the International Bureau to be able to check that the requirements of Article 5(2)(c)(ii) have been met. In practice therefore, where an Office has been unable to include this information in the communication under subparagraph (a), it may send it only in the case where an opposition has actually been filed.

*Notes on Rule 17*  
*Provisional Refusal and Statement of Grant of Protection*

10. *Paragraph (1)(a)*. The term “*ex officio* provisional refusal” is intended to cover all kinds of notification of the results of the *ex officio* examination, whether the notification states as such that protection is refused or whether it simply sets out the objections found by the Office (sometimes referred to as “examination report” or “Office action”).

11. The wording of this provision makes it clear that an Office may include an *ex officio* provisional refusal and one or more oppositions in the same notification or may make these the subject of separate notifications. For example, an Office which carries out its examination in parallel with the opposition period may find it more convenient to consolidate the results of its examination and any oppositions into a single notification. On the other hand, where the opposition period does not start to run until the *ex officio* examination stage has been completed and all objections arising out to the examination have been resolved, the Office will first of all communicate the results of the *ex officio* examination (whether as a provisional

refusal or as a statement of grant of protection under Rule 17(6)(a)(ii)) and will subsequently notify any oppositions. An Office is free to include several oppositions in one and the same notification or to make them the subject of separate notifications; its practice in this regard may vary according to what is convenient in a given case.

12. It may be appropriate to specify in the Administrative Instructions what should be included in the notification as regards the grounds of an opposition. A mere statement that an opposition has been filed would be unhelpful to the holder. On the other hand, the International Bureau wishes to avoid having to handle lengthy memoranda or annexes containing the arguments put forward in support of the opposition.

13. The data contained in the notification will include the fact that it concerns an *ex officio* provisional refusal and/or an opposition, as the case may be. This would be reflected in the publication in the Gazette and in ROMARIN.

14. *Paragraph (1)(b)*. The reference to Article 5 of the Agreement and the Protocol has been deleted because it is considered to be unnecessary; the definition in Rule 1 of “notification of provisional refusal” makes it clear that the notification is made in accordance with Article 5.

15. It is proposed to amend *paragraph (2)(vi)* in order to make clear that the notification of provisional refusal should indicate the goods and services in respect of which there are grounds for refusal. In other words, protection should not be refused for goods or services with regard to which there is no objection.

16. *Paragraph (2)(vii)*. As agreed at the first session, the words “whether the refusal may be subject to review or appeal” have been deleted. According to Article 5(3) of the Agreement and Article 5(3) of the Protocol, the holder must have the same remedies as if the mark had been deposited direct with the Office concerned. So far as the International Bureau is aware, in no Contracting Party is the possibility of at least one level of review or appeal excluded.

17. *Paragraph (2)(viii)* has been deleted for two reasons. Firstly, it seems inappropriate to refer to “the date on which the refusal was pronounced” in the context of a notification which merely states that an opposition has been filed. Secondly, the only reason why the date of the refusal might be relevant is that, in some Contracting Parties, it constitutes the starting-point from which the time limit for requesting review or filing an appeal is calculated. But subparagraph (vii) already requires that this time limit be indicated in the notification. One way (though by no means the only way) of indicating this time limit is to state the date on which the refusal was pronounced together with the information that any request for review or appeal must be made within a given period of time from that date. Offices remain free to choose how to give, in accordance with item (vii), the information needed by the holder in order to determine the deadline for filing such a request or an appeal. It would also be useful for holders to be told the precise date on which the period for filing a response ends (as is done by the International Bureau in its irregularity letters, in accordance with Rule 4(5)). It is therefore proposed to amend item (vii) by adding the words “preferably with an indication of the date on which the said time limit expires”. It is not however proposed to make it mandatory to give this information since it is understood that this would present difficulties for those Offices for whom the starting point of the period for requesting review is calculated, for example, from the date of receipt of the notification by the International Bureau or by the holder and is therefore not known when the notification is sent.

18. *Paragraph (4)* now deals with the transmittal of notifications of refusal as well as their recording; former paragraph (5) is therefore deleted.

19. *Paragraph (5)*. Rule 17(4)(b) as it currently stands was the result of much discussion in the Working Group on the Application of the Madrid Protocol (1990-94) aimed at establishing a procedure for notifying, recording and publishing events and decisions subsequent to (provisional) refusal which would be compatible with all the different national or regional systems. It is predicated on the understanding that, however many levels of review or appeal there are, and however many decisions subsequent to the original refusal, there can only ever be one *final* decision in a given Contracting Party, namely the one which definitively terminates the proceedings in that Contracting Party. Under the system established by this provision, where the holder files a request for review or appeal with respect to a (provisional) refusal issued by the Office of a designated Contracting Party, or where the time for doing so expires without such a request being filed, the Office should so inform the International Bureau. Once there is a *final* decision on the review or appeal (that is, once all avenues for appeal have been exhausted), this decision should be notified to the International Bureau. Likewise if a request for review or appeal is withdrawn, the International Bureau should be so informed. All this is explained in paragraphs B.III.49.03-04 of the *Guide to the International Registration of Marks* where, in particular, it is stated that

*“Final decision” means a decision which is no longer subject to any administrative or judicial review or appeal. A decision by an Office is therefore not a final decision if there is still the possibility of review or appeal by a court or other body. Such a decision should not be notified to the International Bureau until the period allowed for requesting such review or appeal has expired.*

20. Although the system established by Rule 17(4)(b) is believed to be theoretically sound, experience over the past five years has shown that it is not working as intended. Only about one third of the Offices send information in accordance with Rule 17(4)(b)(i).<sup>1</sup> Even where this information is communicated, it has a different meaning and implications according to which Office sent it. Rather than contributing to the transparency of the International Register therefore, the recording and publication of this information is a source of confusion for holders and third parties. It is therefore proposed to delete the provisions relating to the sending of this information.

21. Moreover it is noted that many of the “final decisions” notified to the International Bureau cite a period allowed for appealing against the decision. Although, during the first session of the Working Group, some delegations said that they did in fact notify a decision as a final decision only when it was no longer subject to review or appeal, others said that what they notified was the final decision *before the Office*. The main reason given for this was that the Office may not necessarily be aware whether or not an appeal has been filed with a body outside the Office; the Office is therefore not able to know with certainty whether or not a decision issued by it has become final. Nor is the Office necessarily aware of the outcome of any such appeal. The Delegation of Austria, indicating that this was the situation in its country, added that, where there was in fact an appeal from the decision of the Office that

---

<sup>1</sup> During 2000, there were recorded in the International Register 38,635 (provisional) refusals and 36,562 final decisions but only 6,743 items of information relating to the filing or withdrawal of a request for review or appeal or the expiry of the appeal period.

resulted in that decision being reversed, the Office would notify a second “final decision”; however, since this occurred only infrequently, it considered that the risk of third parties being misled was minimal.

22. Another reason given by some Offices for communicating, as a final decision, a decision which is still open to appeal is that this is the only way whereby the Office can inform the holder about the decision and the possibility of appeal where the holder has not appointed a local representative. This was not foreseen in the formulation of Rule 17(4)(b), where it was assumed that a review or appeal would only take place at the request of the holder; since this normally has to be filed through a local representative, it was expected that a decision subsequent to a (provisional) refusal would be issued only where the holder was already in contact with the Office. In some Offices however, even though the notification of (provisional) refusal indicates that any request for review must be filed within a specified period through a local representative, each refusal is automatically reviewed, and may indeed be withdrawn, even where the holder has filed no request for review. One solution where the holder does not yet have a local representative would be for the Office concerned to send this decision to the holder or the representative in the country of origin, it being understood of course that any request for review or appeal concerning the decision would have to be filed through a local representative. However some Offices have said that this would not be permitted according to their law.

23. It is important to find a workable solution to the problem of final decisions relating to refusals, not only because this is essential for the transparency of the International Register, but because of the large and rapidly-increasing number of such decisions received by the International Bureau.<sup>2</sup>

24. *Subparagraph (a)*. It is therefore proposed that Rule 17 be amended to bring forward the stage at which an Office should notify the International Bureau of the outcome of proceedings subsequent to a provisional refusal. Instead of waiting until the situation is definitively resolved, an Office would send the decision that terminates the procedure *before the Office*. This is the stage which corresponds, in the national procedure, to registration. According to the proposal, the notification would also state what is the scope of the protection of the mark at this stage, just as would be done at the registration stage in the case of a national application.

25. *Subparagraphs (b) and (c)*. Where there is a further decision (for example, on appeal) which reverses, in whole or in part, the decision already notified, that further decision should also be notified to the International Bureau. It will be recorded and published. Although this will mean that, in some instances, there will be two (or even more) decisions subsequent to refusal, it is expected that this will be relatively infrequent. Moreover the fact that, in many instances, a decision subsequent to provisional refusal will be recorded and published at an earlier stage than is the case at present will have advantages for both holders and third parties.

26. Concerning the changes that are proposed regarding the publication of information relating to refusals, see the Notes on Rule 32.

---

<sup>2</sup> The numbers of final decisions recorded in the years since the Common Regulations came into force are as follows: 1997, 20,652; 1998, 23,052; 1999, 25,245; 2000, 36,562; during the first three months of 2001, 10,358 final decisions were recorded, corresponding to an annual rate of over 41,000.

*Notes on Rule 18*  
*Irregular Notifications of Provisional Refusal*

27. *Paragraph (1)(a)(ii)*. The purpose of the amendment is to make clear that the notification of provisional refusal will not be regarded as such only if it contains no international registration number at all, unless other indications permit the international registration to which the refusal relates to be identified. Where a number is indicated but it is apparent from other indications contained in the notification that the number is incorrect, or where it transpires subsequently that the indicated number was incorrect, it may be necessary for the International Bureau to request the Office concerned to clarify the situation and, if necessary, to rectify the notification, but this will not impugn the validity of the notification.
28. *Paragraph (1)(c)*. Two alternative versions have been provided of what is at present the final part of subparagraph (c). At the same time, the opportunity has been taken to subdivide the provision in order to make it more readable.
29. Alternative A corresponds in substance to the present subparagraph (c). Its effect is that, where the International Bureau finds that the notification of provisional refusal is irregular (for example, because it did not include the reproduction of an earlier mark referred to in the grounds for refusal) and the Office that sent the refusal does not send a rectified notification within two months of being invited to do so, the notification of refusal is not regarded as such by the International Bureau. Consequently the refusal will not be recorded in the International Register.
30. Under alternative B, where the International Bureau finds that a notification of provisional is irregular, it will invite the Office concerned to send a rectified notification but there will be no consequences if the Office does not do so. This corresponds to the situation under Rule 17(4) of the former Regulations under the Madrid Agreement, in force until March 31, 1996.<sup>3</sup> It also corresponds with the current situation under the Hague Agreement (see Rule 17.2(c)) and with what is proposed under the Geneva Act of the Hague Agreement (see Rule 19(2)), as well as with the current practice under the Lisbon Agreement.
31. At first glance, alternative A may seem more favorable to holders of international registrations since, if the refusal is not rectified in time, it is not recorded in the International Register. It is suggested however that any such advantage is illusory. Even if the fact that a notification of refusal is not considered as such by the International Bureau has the result that the refusal has no effect in the Contracting Party concerned (which may not necessarily be the case), the grounds on which the refusal was based may still remain relevant and continue to cast doubt on the validity of the protection of the mark. For example, if a notification of *ex officio* provisional refusal is not considered as such because a formal defect has not been

---

<sup>3</sup> Former Rule 17(4) read as follows: “In cases other than those referred to in paragraph (2), the International Bureau shall record the refusal in the International Register without delay and shall transmit a copy of the notification to the national Office of the country of origin, to the owner and to the national Office of the country of the owner where that country is not the same as the country of origin. However, if the notification does not comply with Rule 16(1) and (2) in respect of requirements not specified in paragraph (2) of this Rule, the national Office which pronounced the refusal shall be obliged to rectify the notification without delay at the request of the International Bureau, at the request of the national Office of the country of the owner or at the request of the owner.”

rectified in due time by the Office that issued it, the same substantive grounds may be used as the basis of a subsequent opposition. Or, where a notification of refusal based on an opposition is not considered as such because an irregularity has not been remedied within the prescribed period, the person who filed the opposition may file a cancellation action in the Contracting Party concerned. The absence of any mention in the International Register of the refusal therefore means that third parties are not aware of problems relating to the protection of the mark in the Contracting Party concerned.

32. *Paragraph (1)(d) [Alternatives A and B]* A rectified notification of provisional refusal should indicate a new time limit for response, since the holder may reasonably decide to defer taking action (or may even be unable to take action) until the irregular notification has been rectified.

33. *Paragraph (1)(e) [Alternative A only]*. The inserted wording “for the purposes of Article 5 of the Agreement” makes clear that it is only for the purposes of establishing that the refusal was sent in good time that the rectified notification is regarded as having been sent on the date of the original (defective) notification. For other purposes, for example, in order to determine the time allowed for requesting review or appeal, it is the actual date of the rectified notification which counts (see paragraph 32).

*Notes on Rule 20*  
*Restriction of the Holder’s Right of Disposal*

34. As agreed in the first session, *paragraph (1)* has been amended in order to allow a restriction of the holder’s right of disposal of the international registration as such (and not, as at present, a restriction only in respect of the international registration in the territory of a given designated Contracting Party) to be recorded in the International Register as a result of information given to the International Bureau by the Office of the Contracting Party of the holder. Such information may for example be given by the Office at the request of a third party who has acquired an interest in the international registration or at the request of a court.

35. There may however be occasions on which the holder himself wishes such a restriction to be recorded. The provision has therefore been further amended in order to allow the holder to give such information direct to the International Bureau.

36. As also agreed in the first session, *paragraph (4)*, which precludes the recording of licenses in the International Register, has been deleted and a new rule making provision for such recording is proposed (see Rule 20*bis*).

*Notes on Rule 20bis*  
*Licenses*

37. *Rule 20bis* is new and is proposed following the views expressed in the first session that provision should be made for recording in the International Register licenses granted in respect of international registrations (see paragraphs 52 to 58 of document MM/WG/2/5).



38. *Paragraph (1)(a)*. The recording of a license will be subject to the payment of a fee, provision for which will be made in the Schedule of Fees. It will be possible for a single request to cover several international registrations in the name of the same holder where the facts to be recorded (licensee, Contracting Parties and goods and services concerned) are the same, though the fee will need to be paid for each international registration mentioned in the request.

39. It is proposed that a request to record a license may be presented to the International Bureau either directly by the holder or through the Office of the Contracting Party of the holder or a Contracting Party in respect of which the license is granted. The request must be signed by the holder or Office, as the case may be (see *subparagraph (d)*). It has been suggested that the licensee may wish to present the request directly to the International Bureau and that the holder, while not opposed to this being done, may be unwilling himself to take such action. In such a case, the licensee (who is likely to be established in a Contracting Party for which the license has been granted) may ask the Office of his Contracting Party to present the request. That Office may take whatever measures it considers appropriate in order to verify that the person concerned is entitled to be recorded as a licensee. The International Bureau should not however have to accept a request from the licensee (who is a person unknown to the International Bureau) which is not signed by either the holder or an Office.

40. The list in *paragraph (1)(b)* is based on the indications or elements listed in Article 2 of the Joint Recommendation Concerning Trademark Licenses (document A/35/10) adopted by the General Assembly of WIPO and the Assembly of the Paris Union in September 2000. Those indications or elements which do not appear pertinent in the framework of the recording of licenses at the international level have not been included. Concerning *item (vi)*, the terms “exclusive license” and “sole license” are defined in Article 1 of the said Joint Recommendation<sup>4</sup>.

41. *Paragraph (1)(c)* indicates some additional elements which may be required by some designated Contracting Parties with respect to which the license is granted. If it appears from the discussion in the Working Group that no Contracting Party requires any of these items, this paragraph can be omitted.

42. *Paragraph (5)* is included in order to deal with the situation of Contracting Parties which, at the national level, examine such and decline to record a license if, for example, they consider that the use of the mark by the licensee would be liable to mislead or deceive the public, as was mentioned in the first session (see paragraphs 53 and 55 of document MM/WG/1/5).

---

<sup>4</sup> In Article 1(ix) and (x) of the said Joint Recommendation, “exclusive license” is defined as a license which is only granted to one licensee and excludes the holder from using the mark and from granting licenses to any other person, while “sole license” is defined as a license which is only granted to one person and excludes the holder from granting licenses to any other person but does not exclude the holder from using the mark.

43. *Paragraph (6)*. Some Contracting Parties already provide for the recording at the national level of licenses in respect of international marks, such recording then having the same legal effect as does the recording of a license in respect of a national mark. The purpose of the proposed Rule *20bis* is to relieve holders of international registrations from the need to take such action with the Office of each Contracting Party in respect of which a license has been granted. Providing for the recording of licenses at the international level clearly makes sense only if at least the great majority of Contracting Parties are prepared to accept the recording of a license with respect of the use of an international mark in their territory as having the same effect as if the license were recorded in their national register. In some Contracting Parties, no change in the law may be needed in order for the recording of licenses at the international level to replace or to subsist alongside recording at the national level. Where however, on the date when the proposed Rule *20bis* comes into force, or the date on which a country which is not yet a member of the Madrid Union becomes bound by the Agreement or the Protocol, the applicable law would not permit licenses recorded in the International Register to be recognized as having legal effect, the Contracting Party may so notify the Director General. This would be a (temporary) derogation from the general principle whereby all recordings of international registrations and subsequent events in the International Register are recognized as having an equivalent effect in the Contracting Parties concerned. Any such notification would be published in the Gazette, in accordance with Rule 32(2)(i). It is also understood that any such notification would be withdrawn as soon as modification of the national law allows.

*Notes on Rule 25*  
*Request for Recordal of a Change or a Cancellation*

44. *Paragraph (1)(b) and (c)*. Under the present Rule 25(1)(b), any request to record a change or a cancellation (other than a change in the name or address of the holder or representative) must be presented to the International Bureau by the Office of origin or another interested Office where the change affects any Contracting Party designated under the Agreement. In contrast, where the change affects only Contracting Parties designated under the Protocol, the request may be presented to the International Bureau direct by the holder.

45. The historical background to this distinction was described in the documents presented to the first session and proposals were made for amendment of the Regulations in this respect (see paragraphs 5 to 21 of the document MM/WG/1/2 and pages 27 and 28 of document MM/WG/1/3. The aim of those proposals was, firstly, to give users of the Madrid system the greatest possible freedom to decide whether to communicate directly with the International Bureau or to send communications via an Office and, secondly, to relieve an Office from the task of acting as a channel of communication where the holder of the international registration no longer has any connection with the Office. This latter aim was met by amending subparagraph (b) so that the Office through which a request would be presented would be the Office of the Contracting Party of the holder (or, in the case of a change of ownership, the Office of the Contracting Party with which the new owner has the necessary connection which entitles him to be recorded as the holder of the international registration).

46. Regarding the aims of greater flexibility, four alternative versions of subparagraph (c) were proposed in document MM/WG/1/3. Version A corresponded to the present situation; that is, it required all requests relating to a change in ownership, a limitation, a renunciation or a cancellation to be presented through an Office where a Contracting Party designated under the Agreement is affected. Version B would have imposed this restriction only in the case of a request to record a limitation, renunciation or cancellation, so that a request to record a change in ownership could be presented directly. Version C would have imposed the indirect route only in the case of renunciation or cancellation. Finally, version D consisted in omitting subparagraph (c), thereby allowing *all* requests to be presented directly.

47. The discussions in the first session revealed support for the policy of greater flexibility, though some delegations said that they were not yet able to take a position on the different versions set out in document MM/WG/1/3. After further reflecting on the matter and holding informal discussions with some Offices, the International Bureau proposes in document MM/WG/2/3 a version of subparagraph (c) that corresponds to version C of the previous document; that is, it would allow direct presentation of *all* requests other than those which relate to a renunciation or cancellation and affect a Contracting Party designated under the Agreement.

48. In the light of comments made during the first session, the International Bureau has examined again the question of whether this proposal is compatible with the provisions of the Agreement (and, in particular, Article 9) and is satisfied that it is. As discussed in paragraphs 18 and 19 of document MM/WG/1/3, Article 9(1) of the Agreement deals only with changes *which result from changes in the national register*, while Article 9(3) is taken to mean that the procedure described in Article 9(2) (recording, notification and publication) shall be applied in the case of a limitation.

49. On policy grounds alone, there is no reason why requests to record a renunciation or cancellation should not also be presented direct. However, having regard to the terms of Article 8*bis* of the Agreement, a request relating to a renunciation which affects a Contracting Party designated under the Agreement should be presented by an Office. It would appear somewhat illogical to require this in the case of a renunciation but not a cancellation. Moreover the number of requests to record a renunciation or a cancellation is low compared with the number of requests to record a change of ownership, so that the practical effect of maintaining such a restriction in the case of renunciation and cancellation is not so great. If however the Madrid Union Assembly were prepared to follow a teleological interpretation of Article 8*bis* (as it did when, in 1995, it agreed that the International Bureau should no longer apply the final sentence of Article 9*bis*(1) of the Agreement), subparagraph (c) of Rule 25(1) could simply be omitted.

50. Allowing direct presentation of requests to record a change in ownership would greatly increase the freedom of action of users. Some Offices have however expressed hesitation in taking that step, on the grounds of legal security. However, direct requests have been permitted for the past five years in the case where all the Contracting Parties concerned are designated under the Protocol, without any evidences of a problem. Moreover any request to record a change in ownership which does not come via an Office must be signed by the holder, that is, by the present owner of the mark (the transferor). Where therefore the new owner (the transferee) has not obtained the signature of the holder (the transferor), the request must be presented through an Office (that of the Contracting Party of either the holder or the transferee), which is entitled to take whatever measures it considers appropriate to verify that the person concerned is in fact the new owner. In this connection however, it is relevant to note that the effect of Article 11 of the Trademark Law Treaty (TLT) (which currently binds

26 States, including 19 members of the Madrid Union) is that an Office must accept, as evidence of a transfer resulting from a contract, an uncertificated document signed by the transferor and the transferee. It is also appropriate to bear in mind, concerning the question as to whether a request to record a transfer ought to be handled by the Office of origin, that the right which is being transferred has no effect in the country of origin.

*Notes on Rule 27*

*Recordal and Notification of a Change or of a Cancellation:  
Declaration that a Change in Ownership or a Limitation Has No Effect*

51. *Paragraph (5)*. In document MM/WG/1/3, the International Bureau proposed to modify paragraph (4) of Rule 27 (which at present provides for the Office of a designated Contracting Party to declare that a change in ownership has no effect) in order to provide for an Office to make a similar declaration in respect of a limitation or a partial cancellation. This proposal was supported by a number of delegations, who suggested however that it be made the subject of a separate provision. In document MM/WG/2/3 therefore, paragraph (4) deals only with a declaration that a change in ownership has no effect (as at present), while new paragraph (5) provides for a declaration that a limitation has no effect.

52. It is proposed however that this new provision should deal only with limitations and not also with partial cancellation. This is because the latter would involve additional complications as a result of the inherent differences between limitation and partial cancellation. A limitation entails modifying the list of goods and services in respect of each Contracting Party affected by the limitation but does not involve changing the basic list of goods and services of the international registration; that basic list may be the subject of a subsequent designation and it is that list that will be used to calculate the supplementary fees on renewal of the registration. Since it is normal for the list of goods and services to differ from one Contracting Party to another following a *limitation*, there is no added difficulty in recording in the International Register that, for a Contracting Party which has declared that it does not accept the effect of a limitation, the list remains unchanged. In contrast, where a *partial cancellation* is recorded, the basic list of goods and services is modified; since there can be only one basic list for a given international registration, it is not possible to record variants in that list for different Contracting Parties.

*Notes on Rule 28*

*Corrections in the International Register*

53. *Paragraph (3)*. Consideration of the question of a time limit for requesting correction of the International Register (see paragraphs 55 and 56) has led the International Bureau to re-examine the wording of paragraph (3) of Rule 28. It is clearly reasonable that, where a correction in the International Register results in the international registration being unacceptable under the law of a designated Contracting Party, the period allowed for communicating a refusal of protection in accordance with Article 5 of the Agreement or

Article 5 of the Protocol should be counted from the date on which the correction was notified to that Office, since the “normal” refusal period may by then have largely or completely elapsed. The Office is however refusing *the international registration as corrected*, not refusing to recognize the effects of a correction (which would apparently mean that it was accepting to protect the registration in its incorrect form). It is believed that the proposed new wording of paragraph (3) makes this clear.<sup>5</sup>

54. The following examples indicate how Rule 28(3) should work in practice. Where the correction consists in adding a designated Contracting Party which has been omitted because of an error by the Office of origin or by the International Bureau, the period for the Contracting Party concerned to refuse protection of the mark will run from the date of notification of the correction; the refusal period for the other designated Contracting Parties remains unaffected (indeed, in accordance with Rule 28(2), they should not be notified of this correction). Where the correction consists in adding new goods or services or replacing those already indicated with new ones, the refusal period runs from the date of notification of the correction where the refusal relates to the new or substituted goods or services but is unchanged as regards a refusal in respect of goods and services which were indicated in the international registration as originally notified. Finally, where the correction relates to the reproduction of the mark or its attributes (for example, color claim, collective mark), the period allowed for communicating a refusal which relates to the corrected element runs from the date of notification of the correction.

55. *Paragraph (4)*. It was agreed in the first session of the Working Group (see paragraphs 68 to 72 of document MM/WG/2/5) that the International Bureau would make a proposal to amend Rule 28 in order to introduce a time limit for requesting the correction of substantive errors, as was the case under the former Regulations under the Madrid Agreement.<sup>6</sup> There was however no agreement about the duration of this period. It has been provisionally set at nine months, and the Working Group is invited to express its views on this question.

56. As was the case under the former Regulations, this time limit would not apply to the correction of errors made by the International Bureau. It is considered that where the International Bureau is able to verify, from the documents already in its possession, that it has made an error in transcribing information from the documents into the International Register, the holder should not be deprived of the opportunity to have the error corrected.

---

<sup>5</sup> Rule 23(5) of the former Regulations under the Madrid Agreement, in force until March 31, 1996, read: “Where a refusal pronounced by a national Office relates to a corrected element, Rule 17 shall apply *mutatis mutandis*; the date of publication of the correction shall be considered by the International Bureau to be the date of recording referred to in Rule 17(1).”

<sup>6</sup> Former Rule 23(2) read: “Errors attributable to a national Office which affect registrations or recordings in the International Register or their notification or publication and which, in the view of the International Bureau, may adversely affect the rights deriving from the international registration shall be corrected by the International Bureau if the request for correction, filed by the national Office, reaches the International Bureau within six months of the publication of the international registration or of the recording in the International Register which is the subject of the correction.”

*Notes on Rule 32  
Gazette*

57. *Paragraph (1)(a)(iii)*. For the reasons set out in paragraphs 34 to 36 of document MM/WG/1/4, it is proposed that the publication of a provisional refusal should indicate whether the refusal is total or partial with, in the latter case, an indication of the numbers of the classes affected, but without listing the goods and services concerned.<sup>7</sup> Details of the goods and services for which protection is granted would be published only following receipt of a statement sent in accordance with Rule 17(5)(a) (as amended). Any information or decision subsequent to such a statement which is communicated in accordance with Rule 17(5)(b) would likewise be published.

58. *Paragraph (2)(v)*. It is proposed to discontinue the publication of information concerning the dates on which Offices of Contracting Parties are not scheduled to be open to the public. The information received by the International Bureau is incomplete (only 13 Offices have communicated the dates on which they will be closed during 2001) and not necessarily up to date. Moreover information concerning the dates on which an Office is closed will normally be of interest to someone who is in the Contracting Party concerned or who has a representative there. This information can better be obtained directly from the Offices (for example, via their websites).

*Rule 34  
Amounts and Payment of fees*

59. *Paragraph (1)* is proposed in order to make clear the legal status of the Schedule of Fees. It is modeled on Rule 28.1 of the Regulations under the Hague Agreement, Rule 27(1) of the Regulations under the Geneva Act of the Hague Agreement and Rule 96 of the Regulations under the PCT. The present Schedule of Fees was adopted by the Assembly in January 1996, at the same time as the Common Regulations<sup>8</sup>.

60. *Paragraph (3)* is proposed at the request of the Office of Australia, which is about to deposit its instrument of accession to the Madrid Protocol. The proposal is intended to take account of the fact that, at the national level, an applicant for the registration of a trademark must pay an application fee at the time of filing and, if the application is accepted, a registration fee. This situation also exists in other countries and intergovernmental organizations that may become party to the Madrid Protocol. The proposal is based on the solution that was adopted in order to deal with a similar situation in the framework of the Geneva Act of the Hague Agreement (see Rule 12(3) of the Regulations under the Geneva Act).

---

<sup>7</sup> It is recalled that, under the Regulations in force until March 31, 1996, provisional refusals were not published at all.

<sup>8</sup> Before April 1, 1996, the amounts of the fees were specified in the Regulations.

61. A Contracting Party wishing to make use of this provision would, either in its declaration under Article 8(7) of the Protocol or subsequently, state that the individual fee is to be paid in two parts and would specify the amounts of the respective parts. In accordance with Rule 35; these amounts would be expressed in the currency used by the Office and corresponding amounts in Swiss currency would be established. The first part would be payable at the time of the international application or subsequent designation, in the usual way. When the Office concerned is satisfied that the mark qualifies for protection (in other words, at the stage which, in the case of a national application, would mean that the Office was ready to register the mark), it would notify the International Bureau that the second part of the fee is due, specifying the date by which the payment must be made and (where this would affect the amount due) the number of classes for which protection is to be granted. This notification would be communicated to the holder, who would have to pay the requisite amount (in Swiss francs) to the International Bureau. Where the second part of the fee is paid within the applicable period, the International Bureau will so notify the Office concerned. Where the second part of the fee is not paid within the applicable period, the International Bureau will cancel the designation of the Contracting Party concerned (in other words, the consequence will be the same as if, in the case of national application, the registration fee had not been paid) and notify the Office concerned and the holder accordingly.

62. The date on which the second part of the individual fee is considered to have been paid would be determined in accordance with *paragraph (6)* (formerly paragraph (4)), which would be modified accordingly.

63. The amount of the second part of the individual fee that is due in a given case would be determined in accordance with *paragraph (7)(c)*, that is, it would be the amount that is valid on the date on which, as indicated in the notification sent by the Office in accordance with paragraph (3)(c), the payment is due.

64. The second part of the individual fee would be credited to the account of the Contracting Party concerned within the month following the month in which the payment of the fee was recorded. *Rule 38* would be modified accordingly.

[End of document]