

WIPO/IP/CAI/03/INF.2

ORIGINAL: English

DATE: March 2003



EGYPTIAN ASSOCIATION FOR THE PROTECTION  
OF INDUSTRIAL PROPERTY (AEPPi)



WORLD INTELLECTUAL  
PROPERTY ORGANIZATION

**WIPO/AEPPi INTERNATIONAL SYMPOSIUM ON INTELLECTUAL  
PROPERTY PROTECTION IN THE 21<sup>ST</sup> CENTURY: CHALLENGES  
AND OPPORTUNITIES FOR DEVELOPING COUNTRIES**

organized by  
the World Intellectual Property Organization (WIPO)  
and  
the Egyptian Association for the Protection of Industrial Property (AEPPi)

**Cairo, April 14 and 15, 2003**

**THE MADRID SYSTEM:  
RECENT DEVELOPMENTS AND OUTLOOK**

*Document prepared by the International Bureau of WIPO*

## I. INTRODUCTION

1. This Paper will focus on some recent developments regarding the Madrid System for the International Registration of Marks, and on prospects for its future. In particular, it will deal with issues concerning: Membership of the Madrid System; Operation of the International Trademark Register; Legal Framework for the Madrid System; Information on International Applications and Registrations.

## II. MEMBERSHIP OF THE MADRID SYSTEM

2. Since its entry into force in 1995, the Madrid System has seen a steady flow of new members, which was generated, in particular, by the constant accession of States to the Madrid Protocol. On December 1, 1995 (date of entry into force of the Madrid Protocol), four States were party to the Protocol (China, Spain, Sweden, the United Kingdom), whereas the number of Contracting Parties of the Protocol will reach 57 on April 10, 2003. On the same date, the membership of the Madrid Agreement will be 52. On April 10, 2003, the overall number of Madrid Union members will be 71 (38 bound by the Agreement and the Protocol, 14 bound by the Agreement only and 19 bound by the Protocol only). The list of Contracting Parties to the Madrid Union appears in the Annex.

3. The trend towards accession to the Madrid System is clearly continuing, and the most recent developments relate to the Republic of Korea, the United States of America and the Netherlands Antilles.

### *Republic of Korea*

4. The Government of the Republic of Korea deposited its instrument of accession to the Madrid Protocol on January 10 of this year. This means that the accession will become effective on April 10 of this year, making the Republic of Korea the 57<sup>th</sup> country to become a party to the Madrid Protocol.

5. The Republic of Korea is the most recent country from the Asia and Pacific region to accede to the Madrid System. Other countries from that region that are already bound by the Madrid System are: Australia, Bhutan, China, the Democratic People's Republic of Korea, Japan, Mongolia, Singapore and Viet Nam.

6. This clearly shows that the plan to enlarge the membership of the Madrid System by introducing certain amendments through the adoption of the Madrid Protocol, and thereby open the system up to new non-European countries, is working.

### *United States of America*

7. The continuing growth of the base of the Madrid System is also demonstrated by the decision of the Government of the United States of America to accede to the Madrid Protocol.

8. Concerning the accession of the United States of America to the Madrid Protocol, the United States House of Representatives agreed on October 8, 2002, to H. Con. Res. 503, a bill directing the correction of the enrollment<sup>1</sup> of bill H.R. 2215, the "21st Century Department of Justice Appropriations Authorization Act," which, in Division C, Title III, Subtitle D, contains the "Madrid Protocol Implementation Act." On October 17, 2002, the United States Senate subsequently agreed to H. Con. Res. 503. On November 2, 2002, the President of the United States of America signed H.R. 2215 into law, whereupon it was assigned Public Law Number 107-273 (November 2, 2002).

9. On October 17, 2002, the Senate also agreed to the recommended resolution of advice and consent to accession/ratification which had been reported out of the Senate Foreign Relations Committee to the Senate on November 15, 2001.

10. The Madrid Protocol Implementation Act contains a built-in minimum delay of one year. Its effective date will be the later of (1) one year from the date it was signed by the President or (2) the entry into force of the Madrid Protocol in the United States of America. Consequently, although the implementing legislation is in place, the actual date of the entry into force of the Madrid Protocol with regard to the United States of America will depend on the timing of the deposit of its instrument of accession. This flexibility is intended to allow the USPTO sufficient time to draft and adopt implementing regulations and to update its internal operating procedures and information technology systems before committing itself to a date certain.

11. At present, the USPTO is making all necessary preparations to be ready to receive international applications and US designations on November 2, 2003. A first draft of the implementing regulations was published in the Federal Register for public comment on March 28, 2003. The period for public comment will close 2 months later. The final regulations must be published 30 days prior to their implementation. On the operational side, a team of USPTO operations and information technology staff are currently preparing for full electronic communications with WIPO.

12. Discussions between the USPTO and WIPO are ongoing, with the purpose of adapting USPTO regulations, practice and IT systems so they are compatible with their counterparts in the Madrid System.

13. The accession of the US will have a strong impact on the Madrid System. This impact will not only be felt in the area of operations, where precise predictions of growth in volume due to new accessions cannot be made, but also on the geographical scope of the System. Because of the trade links that the US maintains with so many other countries throughout the world, there is no doubt that the participation of the US will make the Protocol even more attractive to these other countries.

### *The Netherlands Antilles*

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<sup>1</sup> "Enrollment" is the process by which a final copy of a bill that has been approved by both chambers of the United States Congress is prepared by the enrolling clerk of the chamber in which the bill originated, printed on parchment-type paper and certified as correct by the secretary of that chamber--in this case the Clerk of the House.

14. The Netherlands Antilles is an overseas territory of the Netherlands, which was up to now excluded from the application of the Madrid Agreement and Protocol, by means of a declaration from the Kingdom of the Netherlands.

15. However, the Kingdom of the Netherlands has deposited with the Director General of WIPO its instrument of acceptance, in respect of the Netherlands Antilles, of the Madrid Protocol. The Madrid Protocol will enter into force in respect of the Netherlands Antilles on April 28, 2003. The extension of the effects of the Madrid Protocol by a member to a part of its territory which, so far, was excluded, does at first sight not appear to be an extraordinary event. However, this case has raised a number of interesting questions of interpretation of the Madrid Protocol and the Common Regulations, which will be dealt with in more detail in the chapter concerning the legal framework of the Madrid System.

#### *Other Developments Concerning Membership*

16. In Eastern Europe and Central Asia, a number of countries party to the Madrid Agreement have been moving toward accession to the Madrid Protocol. In fact, most of these countries are already party to the Protocol. Those which have not yet joined it, are considering accession and, in particular, Albania, Azerbaijan and Kyrgyzstan may be doing so in the near future.

17. One of the main objectives of the establishment of the Madrid Protocol was to allow for a link between regional trademark registration systems, such as the European Community Trade Mark System, and the Madrid System of International Registration of Marks. Accession of the European Communities to the Madrid Protocol under Article 14(1)(b) of the Madrid Protocol would enable users of the Madrid System:

(i) to designate the EC in an international application or to extend an existing international registration to the EC and,

(ii) to base an international application on a Community Trade Mark application or registration.

18. Proposals for the accession of the EC to the Protocol and for the relevant amendment of the Community Trade Mark Regulation have been made in the past. However, to date, the EC has not reached agreement on the matter.

19. WIPO is of course supportive of any initiative which could lead to the establishment of a link between the European Community Trade Mark System and the Madrid System. Such a link would, without doubt, be highly beneficial for all users of the system and, in particular, to trademark owners in the European Union countries who file more than 80% of international applications and more than 60% of Community Trade Mark applications.

### III. OPERATION OF THE INTERNATIONAL TRADEMARK REGISTER

20. In the area of operations, the mandate of WIPO is to ensure that the processing of the various transactions that are required for the acquisition and maintenance of rights under the Madrid System, be dealt with in a swift, reliable and cost-effective manner.

21. During the course of the year 2002, the International Bureau of WIPO received and examined more than 23,000 applications, recorded and published more than 22,000 registrations, dealt with a large number of requests for renewals (6,023), subsequent designations (6,090) and other changes to existing registrations (46,700). It further processed more than 100,000 refusals of protection and related notifications.

22. Compared to previous years, and despite a slight decrease in the number of new registrations, owing to the global economic slowdown, the total number of transactions under the Madrid System, in 2002, continued to increase for the fifth consecutive year. This was mainly due to a further increase in the number of requests for modifications and refusals, which have been growing steadily over the last few years.

23. At the end of 2002, the International Register contained a total of some 400,000 registrations in force. This is roughly equivalent to over 4.5 million national registrations.

24. Information technology has played an essential role in Madrid internal operations for several years already. One of the biggest challenges now is to continue to develop and further expand electronic communication with the Offices of Contracting Parties, and as much as possible, also with users.

25. An accepted standard for the electronic transmission of Madrid-related data already exists (the so-called MECA standard) and WIPO is providing such data in electronic format to a number of Offices of Contracting Parties. In 2002, five new Offices were added to the list, so that, by the end of the year, the Offices receiving our data electronically were already 23.

26. WIPO is not only sending but is also receiving data electronically from three Offices, namely: the Swiss Office, the Australian Office (since 2001) and the Benelux Office (since March 2003). This year, it is planned to extend electronic communication facilities to other Offices, including the Korean Office (KIPO) (as of April) and the USPTO (as soon as the Protocol begins to apply in the United States of America).

### IV. LEGAL FRAMEWORK FOR THE MADRID SYSTEM

27. The International Bureau of WIPO has the responsibility for keeping the Madrid System under constant review and making sure that its legal framework is adapted to changing situations. In this respect, the preparation by the International Bureau of draft amendments to the Common Regulations, to be submitted to the Assembly of the Madrid Union for adoption, and Administrative Instructions, is regularly required.

*Changes in the Common Regulations*

28. A number of amendments to the Common Regulations under the Madrid Agreement and Protocol recently came into force. These introduced several important changes in the international procedure. The purpose of these amendments is to make the international procedures simpler and user-friendly, while at the same time accommodating the needs of the growing number of Contracting Parties participating in the Madrid System. The following is a description of the most important changes that were made to the Common Regulations over the last three years.

29. In November 2000, the possibility for Offices to issue a statement of grant of protection (so that holders do not have to wait for the expiry of the refusal period to know whether their mark is protected in the country concerned) was introduced. This results in a real and practical benefit for users of the Madrid System. There has been an active take-up of this new facility: 11 Offices notify at present such statements to the International Bureau, namely the Offices of Australia, Georgia, Greece, Ireland, Japan, Kyrgyzstan, Norway, Turkey, Sweden, Singapore and the United Kingdom.

30. On October 4, 2001, an amendment of Rule 34 entered into force, allowing a Contracting Party which has elected to receive an individual fee to specify that such a fee is to be paid in two parts (the first part being payable at the time of filing and the second part when—and provided that—the Office concerned is satisfied that the mark qualifies for protection). To date, Japan is the only country which has made the corresponding declaration.

31. On April 1, 2002, *inter alia*, the following amendments took effect:

- A new provision (Rule 20*bis*) allowing for the recording in the International Register of licenses relating to international registrations. Thus, holders are now relieved of the previous more costly and cumbersome procedure under which they were obliged to apply individually through the Office of each Contracting Party concerned, when they required to record licenses relating to an international registration. Since the coming into operation of Rule 20*bis*, around 500 requests for the recording of licenses have already been received by the International Bureau.

- An amendment of Rule 25 to allow holders to present directly to the International Bureau—rather than through the intermediary of their country's Office—requests for the recording of a change in ownership or a limitation in the list of goods and services. This change actually presents an opening of that rule, as this facility was in the past limited to designations concerning Protocol countries only. As a result of the new rule, the number of requests for the recording of transfers presented directly to the International Bureau tripled in one year. Concerning the number of requests for limitations presented directly to the International Bureau these even quadrupled.

– The introduction (in Rule 9) of provisions permitting an applicant to disclaim protection of an element of the mark at the application stage, in order to avoid a refusal of protection by a designated Contracting Party (58 international applications have been the subject of such disclaimers since then).

– The mandatory indication, in an international application, of the fact that the mark which is the subject of a basic application or registration consists of a color or a combination of colors as such (Rule 9(4)(a)(vii) *bis*). So far, this indication was given in 28 international applications.

– The reduction of irregularities that may affect the date of the international registration, from seven to four (Rule 15).

– An extensive revision of Rules 17 and 18 concerning the notification of refusals of protection by designated Offices.

– A new Rule (41) providing for the establishment of Administrative Instructions to deal with matters that need to be specified but do not warrant inclusion in the Regulations themselves.

### *The Netherlands Antilles*

32. As already mentioned above, the extension, by the Kingdom of the Netherlands, of the effects of the Madrid Protocol to the Netherlands Antilles, has raised a number of interesting questions of interpretation.

33. In its instrument of acceptance in respect of the Netherlands Antilles, the Kingdom of the Netherlands has specified that the Netherlands Antilles has its own trademark legislation and its own Office for the registration of trademarks under that legislation. Registrations which are done under the Netherlands Antilles legislation, have no effect in the territory of the Kingdom of the Netherlands in Europe. Vice versa, Benelux registrations have no effect in the Netherlands Antilles. The notification under Article 9 *quarter* of the Madrid Protocol, made by the Kingdom of the Netherlands jointly with the Kingdom of Belgium and the Grand Duchy of Luxembourg in view of the unification of their domestic legislation on marks (their national Offices substituted by a common Office; their respective territories deemed to be a single State), will only remain applicable to the territory of the Kingdom of the Netherlands in Europe. Thus, the territory of the Kingdom of the Netherlands in Europe and the Netherlands Antilles would be separate entities represented by one and the same Contracting Party in the Assembly of the Madrid Union.

34. As a result, protection of a mark in respect of the territory of the Netherlands Antilles shall be requested through a specific designation of the Netherlands Antilles, distinct from that of the Benelux. The application form will be adapted for this purpose.

35. An application for international registration effected under the Madrid Protocol may be based on a mark filed with the Office of the Netherlands Antilles or registered by that Office. Such international application will have to be presented to the International Bureau by the Office of the Netherlands Antilles.

36. Finally, it will be possible to designate the Netherlands Antilles in respect of any international registration having the Benelux Office as Office of origin. Reciprocally, it will be possible to designate Benelux in respect of any international registration having the Office of the Netherlands Antilles as Office of origin.

#### *Spanish as a New Working Language*

37. Subject to the approval of the Assembly of the Madrid Union, another issue, which is currently under consideration, could lead to a change in the Common Regulations. This concerns the possible inclusion of Spanish as a new working language.

38. In September 2002, upon request of the Assembly of the Madrid Union, the International Bureau of WIPO presented a study on the implications of adding Spanish as a third working language of the Madrid System (in addition to English and French). Following discussions on this study within the Assembly, it was concluded that adding Spanish would make the system more attractive to countries currently outside the system and users from these countries. The International Bureau was therefore requested to pursue consultations with member States to see whether (in the light of progress made on this and other related issues) concrete proposals could be submitted to the next meeting of the Assembly in September 2003.

39. The main advantage of adding Spanish as a working language of the Madrid System must be appraised in terms of potential new accessions. Spanish is the official language of 20 countries in the world (representing around 400 million people), of which only two (Cuba and Spain) are currently party to the Madrid System. (These two countries are bound by both the Agreement and the Protocol.)

40. It is felt that the inclusion of Spanish would operate as a clear and strong incentive for Spanish-speaking countries (especially those from the Latin American region) to join the Madrid System and/or would facilitate their accession process. Moreover, the inclusion of Spanish or the participation of new Spanish-speaking countries within the Madrid System would also likely encourage the accession to the Madrid System of new Contracting States (not necessarily hispanophone) or Contracting Organizations.

41. Furthermore, it is clear that adding Spanish as a working language of the Madrid System would be of immediate interest for those Offices of Spanish-speaking countries which are already party to the Madrid System (namely, Cuba and Spain at present), as well as for trademark owners established in those territories.

#### *Link between the CTM and the Protocol*



42. In case the EC decides to adhere to the Protocol, it would appear necessary to amend the Common Regulations Under the Madrid Agreement and Protocol with a view to accommodate certain specific features of the Community Trade Mark System arising from its regional nature. Since December last year, the International Bureau had some preliminary and informal contacts with the Office for Harmonization in the Internal Market (OHIM) in order to explore those aspects. If and when a positive decision on the adherence of the EC to the Protocol is taken, the necessary amendments to the Common Regulations should be pursued in a timely manner.

## V. INFORMATION ON INTERNATIONAL APPLICATIONS AND REGISTRATIONS

43. The International Bureau produces a number of Madrid related information products that take advantage of the most recent innovations in the area of information technology with a view to providing to users of the Madrid System and to the general public the best possible means of obtaining relevant information on that system.

### *The WIPO Gazette of International Marks*

44. The International Gazette contains all relevant data on international registrations, renewals, subsequent designations, changes in ownership, refusal of protection and contains also various other entries affecting international registrations.

45. At present, the WIPO Gazette is available in both paper form and, since the beginning of 1999, in electronic form (on CD-ROM). The paper form of the Gazette is published every two weeks, while the CD-ROM edition is published every four weeks and is cumulative over a calendar year (in this sense that the second disc of each year contains all the data published in the first disc, the third disc contains all the data published in the first two discs, and so on for a period of one calendar year).

46. The International Gazette, which is sent by the International Bureau to the Office of each Contracting Party, takes the place of the publication required by its respective domestic legislation.

### *Guide to the International Registration of Marks*

47. This Guide provides for detailed explanations concerning the running of the international procedure under the Madrid Agreement and Protocol. It is available in paper form and may also be consulted on-line on WIPO's Internet website.

### *"ROMARIN" CD-ROM*

48. ROMARIN is the name given to an electronic publication issued by the International Bureau, which reflects the current status of all international registrations in force (more than

400,000 today). The ROMARIN database is available on CD-ROM and, as from this month, also on DVD. (The price of a yearly subscription to ROMARIN is 2,000 Swiss francs.)

49. This electronic publication comprises two discs. The first, called "BIBLIO," contains the bibliographic data of all international registrations in force and the images of figurative marks registered in the current year. This disc is published every four weeks. The second disc, called "IMAGES," contains the images of all marks in the International Register, up to the end of the preceding calendar year. This disc is published once a year at the same time as the first "BIBLIO" disc.

#### *"Madrid Express" IPDL Service*

50. The *Madrid Express* IPDL Service is a search tool available on WIPO's Internet website, as part of the WIPO IPDL (Industrial Property Digital Library). It offers free -of-charge on-line access to data concerning all international registrations, international applications and subsequent designations, including in particular those *not yet published in the WIPO Gazette*.

#### *Fee Calculator*

51. The Fee Calculator is a search tool, also available on WIPO's Internet website, which calculates instantaneously the amount of the fee to be paid in connection with the filing of an international application, of a subsequent designation and of renewals, on the basis of the indications input by the user (relating to the Contracting Parties concerned, the number of classes of goods and services and other relevant particulars, for example whether the mark is in color, is a collective mark, etc.). Since its introduction in 1998, this tool has proved to be of great help for international applicants, holders and trademark agents.

## VI. CONCLUSION

52. The Madrid System has roots going back to the end of the 19<sup>th</sup> century. Today, the oldest international trademark which is still on the register was registered in 1893. During the best part of its life in the 20<sup>th</sup> century, the Madrid System was seen as a "eurocentric" means of obtaining easy trademark registration in a number of deposit -type countries in continental Europe.

53. However, the scenery has changed. The European Community Trade Mark System came into force at the same time with the entry into operation of the Madrid Protocol. While the Community Trade Mark has proved to be an interesting and well -accepted means for obtaining protection in the European Union, the Madrid Protocol has been living up to the expectations of its founders in 1989. Indeed, in less than 15 years, it attracted 57 member States, and expanded into new regions where it was not present before. Today, on the brink of the accession of the United States of America, the Madrid System is expected to continue its way towards a truly global trademark protection system.

[Annexfollows]

## ANNEX

### Members of the Madrid Union

Albania(A)  
Algeria(A)  
AntiguaandBarbuda(P)  
Armenia(A&P)  
Australia(P)  
Austria(A&P)  
Azerbaijan(A)  
Belarus(A&P)  
Belgium\* (A&P)  
Bhutan(A&P)  
BosniaandHerzegovina(A)  
Bulgaria( A&P)  
China(A&P)  
Croatia(A)  
Cuba(A&P)  
CzechRepublic(A&P)  
DemocraticPeople's  
RepublicofKorea(A&P)  
Denmark(P)  
Egypt(A)  
Estonia(P)  
Finland(P)  
France(A&P)  
Georgia(P)  
Germany(A&P)  
Greece(P)  
Hungary(A&P)  
Iceland(P)  
Ireland(P)  
Italy(A&P)  
Japan(P)  
Kazakhstan(A)  
Kenya(A&P)  
Kyrgyzstan(A)  
Latvia(A&P)  
Lesotho(A&P)  
Liberia(A)  
Liechtenstein(A&P)  
Lithuania(P)  
Luxembourg\* (A&P)  
Monaco(A&P)  
Mongolia(A&P)  
Morocco(A&P)  
Mozambique(A&P)  
Netherlands\* (A&P)  
Norway(P)  
Poland(A&P)  
Portugal(A&P)  
RepublicofKorea(P)<sup>1</sup>  
RepublicofMoldova(A&P)  
Romania(A&P)  
RussianFederation(A&P)  
SanMarino(A)  
SerbiaandMontenegro(A&P)  
SierraLeone(A&P)  
Singapore(P)  
Slovakia(A&P)  
Slovenia(A&P)  
Spain(A&P)  
Sudan(A)  
Swaziland(A&P)  
Sweden(P)  
Switzerland(A&P)  
Tajikistan(A)  
TheformerYugoslavRepublicof  
Macedonia(A&P)  
Turkey(P)  
Turkmenistan(P)  
Ukraine(A&P)  
UnitedKingdom(P)  
Uzbekistan(A)  
VietNam(A)  
Zambia(P)

(71)

(A): indicates a State party only to the Agreement (14)

(P): indicates a State party only to the Protocol (19)

(A&P): indicates a State party to both the Agreement and Protocol (38)

[End of Annex and of document]

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\* Protection may not be requested separately for Belgium, Luxembourg or the Netherlands, but only for all three countries as a whole (Benelux), subject to payment of a single complementary or individual fee.

<sup>1</sup> With effect from April 10, 2003.