

# WIPO



MM/A/36/3

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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**  
GENEVA

**SPECIAL UNION FOR THE INTERNATIONAL REGISTRATION OF MARKS  
(MADRID UNION)**

**ASSEMBLY**

**Thirty-Sixth (16<sup>th</sup> Ordinary) Session  
Geneva, September 26 to October 5, 2005**

REPORT

*adopted by the Assembly*

1. The Assembly was concerned with the following items of the Consolidated Agenda (document A/41/1): 1, 2, 3, 4, 5, 6, 19, 26, 28 and 29.
2. The report on the said items, with the exception of item 19, is contained in the General Report (document A/41/17 .).
3. The report on item 19, is contained in the present document.
4. Mr. James Otieno-Odek (Kenya) was elected Chair of the Assembly; Mr. Željko Topić (Croatia) and Mr. Hekmatollah Ghorbani (Islamic Republic of Iran) were elected Vice-Chairs.

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## ITEM 19 OF THE CONSOLIDATED AGENDA:

## MATTERS CONCERNING THE MADRID UNION

Legal Development of the Madrid System

5. Discussions were based on document MM/A/36/1.
6. The Chair of the *Ad Hoc* Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”), Mr. António Campinos from Portugal, said that delegations attending the meeting of the Working Group in July 2005 had expressed the wish to make the international trademark registration system more attractive, for the benefit of current and future Members of the Madrid Union alike. The aim of the meeting of the Working Group in July had been to prepare the reviews of the refusal procedure and of the safeguard clause, as called for by the Madrid Protocol, but also to consider possible improvements to the Madrid System. The Working Group had reached consensus on a large number of issues. However, despite this positive result, there were nevertheless some aspects upon which it had not been possible to arrive at a consensus, or which remained pending because it had been felt that those issues required further discussion. In that regard, the Chair of the Working Group stressed the need to hold a second meeting of the Working Group in the first half of 2006, in order to complete the process and to prepare concrete proposals regarding the possible modification of the Madrid Protocol and the Common Regulations, for adoption by the Madrid Assembly in September 2006.
7. The Delegation of Switzerland indicated its approval of the proposals made in document MM/A/36/1, in particular the proposal for the convening of a further meeting of the Working Group in order to complete the work which had been begun so successfully. The Delegation stated that while the Madrid system was an undeniable success, it needed, however, to be simplified, and in the medium term only the Madrid Protocol should be the applicable treaty. From a management perspective, a simplification of the Madrid System was essential. The repeal of the safeguard clause, which had been designed as a provisional measure, would lead to improved application of the Madrid system. Simplification of the system should of course also take account of the interests of its users. In this context, the debate on the future development of the Madrid system should focus on two aspects, i.e. the refusal periods and the fee system. The aim should be to find solutions allowing the option for an 18-month refusal period to be removed and the refusal period to be reduced to 12 months only. This would shorten the period of uncertainty, for the benefit of users. Similarly, solutions should be found so as to avoid an excessive increase in fees. In that regard, the Delegation suggested that consideration might be given to a reduction of the maximum amount allowed for the individual fee.
8. The Delegation of the United Kingdom, speaking on behalf of the European Community and its Member States, and the Acceding States Bulgaria and Romania, indicated support for the proposal for further discussion on the legal development of the Madrid System in a second meeting of the Working Group.
9. The Delegation of France indicated that it also supported the proposal for the continuation of the activities of the Working Group and would like to see it completing its

work as soon as possible. The Delegation stated that its country, with its community of users, had always had a strong attachment to the fundamental principles of the Madrid Agreement, which had contributed significantly to the success of the international system of trademark registration for users. In this context, the Delegation said that it was open to a modification of the safeguard clause. However, it did not favor such a change with respect to the refusal period and the fee system, in the interests of users. The Delegation wished to note that, whereas the Working Group was open to representatives from all member countries, the review of the safeguard clause only concerned countries that were party to both the Agreement and the Protocol.

10. The Delegation of Denmark also indicated its support for the proposals in question. The Delegation said that a revision of the provisions that had been discussed by the Working Group might be useful for ensuring that such provisions followed the development of trademark law.

11. The Delegation of Kenya said that it was in favor of the proposal for a simplified drafting of Article 5(2)(c)(ii) of the Protocol and a restriction of the safeguard clause in all aspects. The safeguard clause made the Madrid System quite unattractive and should be repealed altogether, thus allowing the Madrid system to expand further its geographical coverage. The fees charged by the national Offices should be commensurate to the services rendered. Therefore, a further meeting of the Working Group should be convened, to discuss all the points suggested in document MM/A/36/1.

12. The Delegation of Germany indicated its endorsement of all the proposals contained in document MM/A/36/1. As regards the substantive issues that would be discussed in a further meeting of the Working Group, it simply wished to put on record that its line of thinking was close to what had been expressed by the Delegation of France.

13. The Delegation of the United States of America expressed support for continued discussions in a Working Group meeting next year.

14. The Delegation of Norway strongly supported the recommendation of the Working Group to meet again in 2006 and continue its work on all points referred to in document MM/A/36/1. It further stressed the importance of a development of the Madrid system towards an ever more efficient, user-friendly and attractive system for users and potential new Contracting Parties.

15. The Assembly:

- (i) took note of the conclusions and recommendations of the Working Group as contained in the Annex to document MM/A/36/1, and
- (ii) decided that the Director General should convene a further meeting of the Working Group for the first half of 2006 to undertake the work set forth in paragraph 18(b)(i) to (v) of that document.

#### Fee Reduction for Applicants From Least Developed Countries

16. Discussions were based on document MM/A/36/2.

17. The Delegation of the United Kingdom, speaking on behalf of the European Community and its Member States, and the Acceding States Bulgaria and Romania, stated that it was clearly in favor of a fee reduction for applicants from least developed countries (LDCs). It was considered that this was a concrete measure which would contribute to the development of an intellectual property culture in the countries concerned.

18. The Delegation of China said that development was the biggest issue faced by LDCs and that intellectual property was an important means in the promotion of development. The fee reduction for applicants from LDCs proposed by the International Bureau would be in the interest of those countries. The Delegation therefore supported the proposal and hoped that its implementation would actively promote the development of LDCs in a practical manner. It was the Delegation's sincere expectation that more and more countries and organizations would join the Madrid Union. The Delegation had noted that the fee reduction would only concern the basic fee payable to the International Bureau, considering that the basic interests of the various national Offices should not be affected. It agreed with the International Bureau that implementation of the proposal would have no financial impact on the budget of the Madrid Union. However, it proposed that the International Bureau should come up with long-term planning on this issue, analyzing and responding to the long-term effects of the implementation of the proposed fee reduction for LDCs.

19. The Delegation of Denmark stated that it also supported the proposal in question.

20. The Delegation of Sudan also supported the proposed fee reduction for applicants from LDCs, which would be a very positive and effective measure in favor of development.

21. The Delegation of Kenya said that it supported the proposed fee reduction in order to encourage trademark users from LDCs to take full advantage of the benefits offered by the Madrid system. However, the Delegation suggested that a case might be made for extending the fee reduction also to some developing countries, such as Kenya, as the broad developmental problems faced by users in LDCs were shared by users in Kenya. It spoke of the low number of international registrations originating from Kenya, and stated that this was due to the prohibitive levels of fees in many cases. Kenyan applicants were nevertheless keen to protect their trademarks also in the countries of the African trading blocks, such as COMESA, and a reduction of fees would be of great assistance.

22. The Delegations of Germany, Norway and the United States of America also indicated their support for the proposed fee reduction for LDC applicants. The Delegation of the United States of America referred to the model of the PCT, where a similar scheme operated successfully.

23. The Assembly:

- (i) adopted the amendment to the Schedule of Fees annexed to the Common Regulations, as set out in the Annex to document MM/A/36/2, and
- (ii) decided that that amendment should enter into force on January 1, 2006.

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