

Working Group on the Legal Development of the Madrid System for the International Registration of Marks

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REVIEW OF THE PROPOSAL TO FREEZE THE APPLICATION OF ARTICLE 14(1) AND (2)(A) OF THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS

Document prepared by the International Bureau

INTRODUCTION

1. In its eleventh session, the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”) discussed a proposal, contained in document MM/LD/WG/11/5, to freeze the application of Article 14(1) and (2)(a) of the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Agreement”). While there was no consensus on the proposal, the Working Group requested that the International Bureau prepare, for its thirteenth session, a new document that, in the context of public international law, review the legal framework for the freezing, either total or in part, of international treaties, and its possible consequences. The Working Group also requested that the document consider other options that might achieve the same objective¹.

2. On July 31, 2015, the Government of Algeria deposited with the Director General of the World Intellectual Property Organization (WIPO) its instrument of accession to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Protocol”). As from that date, no country remains bound by the Agreement only.

¹ See document MM/LD/WG/11/5, Report, paragraph 245.

3. The last accession to the Agreement occurred on August 5, 2004, when the Agreement entered into force with respect to the Syrian Arab Republic, which has since denounced it². Membership to the Agreement has not increased in more than a decade and now stands at 55 countries. In contrast, at the time this document was being drafted, more than 25 years after the adoption of the Protocol, 95 Contracting Parties are bound by this treaty, including the European Union and the African Intellectual Property Organization (OAPI), covering a total of 111 States.

4. In accordance with Article 9*sexies*(1)(a) of the Protocol, as from October 31, 2015, the entry into force of the Protocol with respect to Algeria, the Protocol alone applies to the relations between all the Contracting Parties of the Madrid System for the International Registration of Marks. Moreover, under Rule 1*bis*(1)(i) of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement, all the designations in all the international registrations in force are governed by the Protocol alone. As a result, the Agreement is, *de facto*, a non-operational treaty and the Madrid System is a one-treaty system.

5. As early as 2006, during the sessions of the then *ad hoc* Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the *ad hoc* Working Group”), the idea of a unified system, under the Protocol, began to take hold. This idea was best expressed by the Chair of the second session of the *ad hoc* Working Group when, summarizing the conclusions of the *ad hoc* Working Group on the preparatory work for the review of Article 9*sexies* of the Protocol, he stated that said review should be done with the aim of simplifying, as much as possible, the operations of the Madrid System, keeping in mind the ultimate goal that the system be governed by only one treaty (see document MM/LD/WG/2/11). Such conclusions were later endorsed by the Assembly of the Madrid Union (hereinafter referred to as “the Assembly”) during its thirty-seventh (21st extraordinary) session (see document MM/A/37/4).

6. The first step towards a one-treaty system was taken by the Assembly in September 2007, when it approved a modification of paragraph (1) of Article 9*sexies* of the Protocol, the so-called safeguard clause, establishing, in a new subparagraph (a), the principle that the Protocol, and the Protocol alone, would, in all aspects, apply between States bound by both the Agreement and the Protocol. The Assembly further established, in a new subparagraph (b), that in these relations declarations made under Articles 5(2) (extension of the refusal period) and 8(7) (individual fee) would not apply.

7. Having achieved the goal of making the Madrid System a one-treaty system under the Protocol, it is time now for the Working Group to discuss a possible recommendation to the Assembly of the Madrid Union that would consolidate the unity of the Madrid System, by no longer accepting accessions to the Agreement alone, while preserving the features introduced by paragraph (1)(b) of Article 9*sexies* of the Protocol.

PART I: CONSTITUTIONAL CONSIDERATIONS REGARDING THE POSSIBILITY TO FREEZE THE OPERATION OF A TREATY OR OF A PROVISION CONTAINED THEREIN

8. The Working Group, in its previous session, discussed a document concerning a proposal to freeze the operation of certain Articles of the Agreement and of the Protocol concerning dependency (document MM/LD/WG/12/4, paragraphs 24 to 36). In this document, the International Bureau elaborated, in the context of public international law, on the possibility to freeze the operation of a treaty or of provisions contained therein, and provided some relevant precedents within WIPO and, in particular, within the Madrid System.

² The Government of the Syrian Arab Republic denounced the Agreement with effect on June 29, 2013.

9. Taking into account the pertinence of the arguments made in the previously referred document to the question at hand, those arguments are now reproduced in the following paragraphs, with some minor modifications.

SUSPENSION OF THE OPERATION OF TREATIES OR OF PROVISIONS THEREOF

10. The application of treaties or provisions contained therein can be suspended for a certain period or until a decision is taken to resume their application.

11. The Vienna Convention on the Law of Treaties (hereinafter referred to as “the Vienna Convention”) sets out the law and procedure for the termination and suspension of the operation of treaties. To be effective, the denunciation, termination or suspension of operations of a treaty may take place only as a result of the application of the provisions of the treaty or of the Vienna Convention (Article 42(2) of the Vienna Convention). Article 57 of the Vienna Convention provides that “*the operation of a treaty in regard to all the parties or to a particular party may be suspended: (a) in conformity with the provisions of the treaty; or (b) at any time by consent of all the parties after consultation with the other Contracting States*”.

EXPRESS PROVISIONS IN WIPO TREATIES

12. Most WIPO treaties are of unlimited duration. They remain in force without limitation as to time (see for example, Articles 15 of the Madrid Agreement and of the Madrid Protocol).

13. The only provisions regarding their termination relate to the possibility for Contracting Parties to denounce them. Most of the WIPO treaties, including the Agreement and Protocol, contain provisions on denunciation, which is a unilateral act by a party whereby it terminates its participation in a treaty.

TERMINATION OR SUSPENSION OF THE OPERATION BY CONSENT

14. A treaty may be terminated or its operation suspended at any time by consent of all the parties, and the parties are free to choose the form their consent will take. The consent does not have to be expressed in any particular form. Although the provisions of the Vienna Convention would appear to envisage the power to terminate or suspend the whole treaty, the parties are free to terminate or suspend only some provisions of the treaty.

15. In the case of the Agreement and Protocol, since the Contracting Parties are members of the Madrid Union Assembly, the consent to suspend the application of the provision under consideration can be obtained in the Assembly through the consensus principle. Moreover, Articles 10(3)(c) of the Agreement and of the Protocol provide for a procedure to get the consent of any members who were not present when the decision was taken by the Assembly.

16. The application of certain WIPO treaties has been discontinued by consent of all the Contracting Parties in the following cases.

RELEVANT PRECEDENTS IN WIPO ON THE SUSPENSION OF THE OPERATION OF A TREATY

17. The first precedent concerns the Trademark Registration Treaty (TRT), which was concluded in Vienna in 1973. The TRT came into effect in 1980 among five countries, but no further countries adhered to it. Only two trademarks were ever registered under it. Although the TRT is formally still in force, its application was “frozen” by virtue of a decision by the TRT Assembly in October 1991. This means that the system ceased to function: no new accessions can be accepted, no new registrations may be made and the Assembly of the TRT Union may no longer meet in ordinary sessions. The TRT could, however, be “unfrozen” by decision of the Assembly of the TRT Union in an extraordinary session (see documents TRT/A/VII/1 and 2). This has never happened and all registrations made under the Treaty have ceased through failure to renew.

18. The Treaty on the International Registration of Audiovisual Works (Film Register Treaty) had the same fate. The Treaty was concluded in 1989, and it established an International Register of audiovisual works. It entered into force in February 1991. Approximately 400 audiovisual works were registered. Since the decision of the Film Register Treaty Assembly, in May 1993, to relocate the International Register from Austria to Geneva, there has been no further activity recorded in respect of the International Register, which for all practical purposes is defunct. At the 1993 Assembly meeting of the Film Register Treaty Union, it was decided that until any further decision by the Assembly of the Film Register Treaty Union, the application of the Treaty be suspended. At the General Assemblies, in 2000, the Assembly of the Film Register Treaty Union decided that it would not be reconvened unless there was a specific request to convene the Assembly. Such request has never been made.

19. More recently, in order to reduce the complexity of the Hague System for the International Registration of Industrial Designs, the Contracting States to the London (1934) Act of the Hague Agreement Concerning the International Deposit of Industrial Designs (hereinafter referred to as “the London (1934) Act”) decided in an Extraordinary Meeting, which took place in Geneva on September 24, 2009, to freeze the application of the London (1934) Act, with effect from January 1, 2010. In addition, the Extraordinary Meeting agreed that the next course of action would be to move towards the termination of the London (1934) Act, through receipt of the consent to the termination (signed by a competent authority) from all the 15 Contracting States.

20. In all the cases described above, the decision concerned the suspension of the application of the entire treaty. In all cases the competent Assembly of Member States took the decision. Although the terminology used was different – in one case, it was a decision to “suspend” the application of the treaty; in the other, to “freeze” its application – the legal consequences were the same. Finally, in all cases, the suspension or freeze could be reversed by a subsequent decision by the Assembly or by the Member States.

RELEVANT PRECEDENT IN THE MADRID SYSTEM

21. A last precedent is worth mentioning, as it concerns the Agreement and the suspension of the operation of a part of one provision of the Treaty. The Madrid Assembly decided, in 1995, that the International Bureau should cease to apply the last sentence of Article 9*bis*(1)³ of the Agreement.

³ The last sentence of Article 9*bis*(1) reads: “If the transfer has been effected before the expiration of a period of five years from the international registration, the International Bureau shall seek the consent of the Office of the country of the new proprietor, and shall publish, if possible, the date and registration number of the mark in the country of the new proprietor.”

22. The last sentence of Article 9*bis*(1) of the Agreement required the consent of the Office of the Contracting Party of the transferee before the recording in the International Register of a change in ownership within five years from the date of the international registration. The International Bureau reported that, in most cases, the Office of the Contracting Party of the transferee gave its consent. Indicating that the procedures described by the last sentence of Article 9*bis*(1) had lost their original legal justification, the International Bureau proposed that this sentence cease to apply⁴. The Madrid Union Assembly decided that the last sentence of Article 9*bis*(1) of the Agreement ceased to be applied by the International Bureau with immediate effect⁵.

PART II: FREEZING THE APPLICATION OF ARTICLE 14(1) AND (2)(A) OF THE AGREEMENT

23. A decision to freeze the application of Article 14(1) and (2)(a) of the Agreement would have only one implication, namely, that a country would no longer be able to deposit an instrument of ratification or accession to the Agreement alone with the Director General of WIPO. A country would be able to deposit such instrument, in accordance with Article 14 of the Agreement, only with the simultaneous deposit of an instrument of ratification or accession to the Protocol.

24. The above-mentioned decision would not result in either the suspension or the termination of the Agreement. This treaty would remain in force and the countries that are a party to the Agreement would remain bound by it. Accordingly, paragraph (1)(b) of Article 9*sexies* of the Protocol, which renders inoperative declarations made under Articles (5)(2)(b) and (c) (extension of the refusal period) and 8(7) of the Protocol (individual fee), would continue to apply in the relations between countries both bound by both the Agreement and Protocol.

25. The decision would be in line with the course charted in 2005, during the first session of the *ad-hoc* Working Group, where it was indicated that the Agreement would no longer be applicable as part of the international registration procedure if three circumstances were cumulative met, namely, (i) that the Assembly decided to repeal the safeguard clause; (ii) all contracting countries bound by the Agreement only became bound by the Protocol; and (iii) the Assembly decided to “freeze’ the application of the Madrid Agreement (as was done in 1991 for the Trademark Registration Treaty ‘TRT’) so that no country could accede to the Agreement alone in the future and international applications could no longer be filed under such treaty.”⁶

26. The proposal to freeze the application of Article 14(1) and (2)(a) of the Agreement:

(a) would prevent new contracting countries from ratifying or acceding to the Agreement alone; international applications would no longer be filed under such treaty;

(b) would allow new Contracting Parties to ratify or accede simultaneously to the Agreement and Protocol;

(c) No operations under the Agreement would be conducted, including the presentation of subsequent designations

(d) in the relations between Contracting Parties bound by both the Agreement and the Protocol, Article 9*sexies*(1)(b) would still apply;

⁴ See document MM/A/XXVI/1.

⁵ See document MM/A/XXVI/3.

⁶ See document MM/LD/WG/1/2, paragraph 112.

(e) the Assembly could still occupy itself with matters concerning the implementation of the Agreement; and,

(f) the decision to freeze the application of Article 14(1) and (2)(a) of the Agreement, if taken by the Assembly, would have effect as from a certain date, established by the Assembly, and it could be reviewed or reversed by the Assembly at any time in the future.

27. *The Working Group is invited to:*

(i) consider the proposal made in this document; and,

(ii) indicate whether it would recommend that the Madrid Union Assembly freeze the application of Article 14(1) and (2)(a) of the Agreement, as described in paragraphs 23 to 26 of this document, including the date as from which such decision would have effect.

[Annex follows]

**PROPOSAL TO FREEZE THE APPLICATION OF ARTICLE 14(1) AND (2)(A) OF THE
MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS**

Article 14^{*}

[Ratification and Accession. Entry into Force. Accession to Earlier Acts. Reference to Article 24 of Paris Convention (Territories)]

^{*}(1) Any country of the Special Union which has signed this Act may ratify it, and, if it has not signed it, may accede to it.

^{*}(2) (a) Any country outside the Special Union which is party to the Paris Convention for the Protection of Industrial Property may accede to this Act and thereby become a member of the Special Union.

[...]

[End of Annex and of document]

^{*} The Assembly of the Madrid Union decided to freeze the application of paragraphs (1) and (2)(a) of Article 14 as from [date]. The freeze of the application of paragraphs (1) and (2) of Article 14 prevents new contracting countries from ratifying or acceding to the Agreement alone, but any country would be able to deposit an instrument of ratification or accession to the Agreement with the simultaneous deposit of an instrument of ratification or accession to the Protocol. The freeze of the application of paragraphs (1) and (2)(a) of Article 14 also implies that international applications can no longer be filed under the Agreement and that no operations under the Agreement will be conducted, including the presentation of subsequent designations.