



## FOURTEENTH SESSION OF THE MADRID WORKING GROUP

Geneva, 13 – 17 June 2016

### **MARQUES' PROPOSALS FOR IMPROVEMENTS TO THE MADRID SYSTEM**

**MARQUES** is an official non-governmental organisation that was granted observer status at the World Intellectual Property Organization - WIPO in 1989 by the Governing Bodies at their Twentieth Series of Meetings (cf. paragraph 213 of General Report, document AB/XX/20). **MARQUES** is the European association representing brand owners' interests. **MARQUES'** mission is to be the trusted voice for brand owners. More information about **MARQUES** and its initiatives is available at [www.marques.org](http://www.marques.org).

At the bilateral meeting between the World Intellectual Property Organisation and **MARQUES** held on 15 March 2016 **MARQUES** was invited to comment on potential improvements to the Madrid system of International Trade Mark Registrations, in view of the Fourteenth Session of the Madrid Working Group being held in Geneva between 13 and 17 June, 2016.

This document outlines a number of **MARQUES'** proposals for improvements of the Madrid system in the following four areas:

1. **the reduction of the dependency term** of the basic mark from five years to two years (Article 6(3) of the Madrid Agreement);
2. **the restriction of the effect of the dependency clause** to actions affecting the basic mark that result from relative grounds only and not from absolute grounds challenges (Article 6(3) of the Madrid Agreement);
3. **improving access to the Madrid System** for users that reside in countries that use other scripts than Latin script or applicants who wish to designate countries that use other scripts than Latin; and
4. **the transformation process** under Article 9quinquies of the Madrid Agreement.

#### **1. Reduction of the dependency term**

**MARQUES** proposes that the dependency term of the basic mark set out in Article 6(3) of the Madrid Agreement be reduced from the current five years to two years. This proposal would preserve the option of so-called "central attack", which was the main objection to and major reason for the failure of the Norwegian proposal, but would reduce the period during which brand owners' face uncertainty in relation to the continued protection of their trade mark rights, even in designated territories in which the "attacker" does not hold prior trade mark rights. **MARQUES** considers that a two year period gives concerned parties sufficient time to

challenge the basic mark while removing one of the major disadvantages of the Madrid system for brand owners (the five year period of uncertainty during which central attack remains possible currently).

**2. Restriction of the effect of changes to the basic mark to those resulting from relative rather than absolute grounds.**

Article 6(3) of the Madrid Agreement provides that if the basic application or registration has been the subject of a final decision of rejection, revocation, cancellation or invalidation in respect of all or some of the goods and services listed in the international registration during the five year dependency term, the proprietor will no longer have protection for the International Registration on the relevant part of the goods or services. The Office of Origin will notify the International Bureau, and the International Register will be amended accordingly.

**MARQUES** submits that this is, in some circumstances, an unnecessary restriction on the rights of brand owners, and constitutes a disadvantage of the Madrid system. **MARQUES'** proposal is that only those restrictions, cancellations, revocations or invalidity decisions that result from challenges by third parties based on prior rights should, during the dependency term, affect the protection of the International Registration and be notified to the International Bureau by the Office of Origin. Other changes to the basic mark during the dependency term should not change the scope of the International Registration or any designations, but only affect the scope of protection of the basic mark.

The reasons for making a distinction between the effect of a reduction of the scope of protection for a basic mark that results from absolute rather than relative grounds are:

- a. examination standards and thresholds for whether an examining Office of Origin considers a mark to be descriptive, devoid of distinctive character, misleading, immoral or against public policy (or similar) varies by Office and can be significantly affected by the language of the Office, the use and understanding of particular languages by the relevant public in that territory, and the cultural norms and context;
- b. International Registration designations are examined in accordance with relevant local practice and may be accepted or refused according to the standards of the examining office;
- c. the ability of prior rights' owners to effectively challenge the basic mark (and consequently narrow the scope of or remove the International Registration during the dependency period) is retained.

**3. Proposed solution to handling the issues with scripts that are not Latin characters**

**MARQUES** proposes that a solution be considered to improve access to the Madrid system for those users whose home territory (and therefore the likely Office of Origin they would use for filing an International Registration) does not use Latin script for its primary language or

languages. The proposal is such that the extension of a Latin script International Registration into non-Latin script countries is likewise improved. Thus, the proposal is universal.

It has long been understood that the Madrid system has disadvantages for users in these territories, as they may wish to obtain protection for a basic mark in their local non-Latin script language, but in an equivalent mark in Latin (or other) script in relation to other designations of the International Registration filed from that basic mark. As the system currently operates, this is not possible as the International Registration and any designation must be identical to the basic registration in terms of the form of the mark. At present, affected users must file another application in Latin (or other) script in their home territory and use that as the basic registration, which increases the cost of access to the Madrid system, and – in some countries – also leaves the basic registration open to non-use cancellation during the dependency term.

**MARQUES** therefore proposes a solution that means that users in this position can file an "equivalent" translation or transliteration during the International Registration process, and then use this equivalent mark for some or all of the designations, as follows:

- a. When filing an application for International Registration the applicant should be allowed to include other script versions of the trademark - either in the form of a translation or a transliteration.
- b. Only one translated or transliterated version of the mark per script is allowed.
- c. Only one script version of the mark may be used per designation and this must be clearly indicated in the International Registration filing form.
- d. The applicant must include a certification or certifications by a certified translator with the filing of the International Registration. The examining office for the basic registration will not examine the translation, transliteration or any certification.
- e. The certification(s) must certify that the script version(s) used for the International Registration are a correct translation or appropriate transliteration of the basic mark, i.e. that there is the required identity of trademark.
- f. The certification(s) must be in the procedural language of the International Registration.
- g. There will be no requirement for legalisation of the certification.
- h. WIPO will forward the basic mark as well as the relevant script version together with the certification to the designated office.
- i. The designated office will examine only the script version of the trademark that is indicated for the designation (Latin or local script).
- j. WIPO will publish on the ROMARIN all versions of the mark and the certification(s), indicating clearly what script version is relevant for each designation.
- k. If a third party wishes to challenge a translation or transliteration, this must be done individually through the designated office concerned and will only concern that designation.
- l. When filing the basic mark, the applicant should be allowed to, for the sole purpose of claiming priority at later filing of an International Registration, include other script versions of the trademark.

#### 4. Improvements to the transformation process

Article 6 of the Madrid Protocol provides, in substance, that the International Registration is dependent on the basic mark for a period of 5 years from the date of registration and is vulnerable to "central attack". This means that if the basic mark is cancelled or invalidated for any reason within this period of 5 years, the International Registration shall be automatically cancelled, together with all of the national designations under it. The applicant then has the option of transforming the national designations (pursuant to Article 9quinquies of the Madrid Protocol) into national applications in the relevant countries, whilst retaining the original date of the International Registration, if it meets the following conditions:

*"(i) such application is filed within three months from the date on which the international registration was cancelled,  
(ii) the goods and services listed in the application are in fact covered by the list of goods and services contained in the international registration in respect of the Contracting Party concerned, and  
(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees."*

The difficulties inherent in the broad text of condition (iii) have been recognised, as early as May 2006, when the International Bureau published the Proposals for the Establishment of Model Provisions Concerning the Issue of Transformation ("IB Paper") (see document MM/LD/WG/2/7, accessible from [http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=61433](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=61433)). The model provisions were endorsed by the Assembly of the Madrid Union that same year and are available to offices of contracting parties to implement into their local laws.

**MARQUES** represents brand owner businesses who face significant practical (and sometimes legal) challenges to protecting their rights via transformation when an International Registration has been cancelled, specifically:

- a. Inconsistent implementation of Transformation Model Provisions across contracting parties

The Transformation Model Provisions have already been incorporated into the accession kit for contracting parties (see [http://www.wipo.int/madrid/en/contracting\\_parties/](http://www.wipo.int/madrid/en/contracting_parties/)), but it is not mandatory that all contracting parties adopt model provisions, and to date a number of contracting parties have yet to implement the Transformation Model Provisions into their local laws. India, for example, became a party to the Madrid Protocol in 2013, but has not implemented provisions for making a transformation application in its Trade Marks Act, 1999.

In such countries, the IB Paper presupposes that the application will be filed using the same official form as prescribed for filing of ordinary applications (see document MM/LD/WG/2/7, paragraph 23). However, even if a contracting party prefers that its national application form should be used, the failure to indicate the correlation to the international registration on such

a form may potentially slow down examination by the office of the contracting party. Also, if the mark had already been reviewed substantively in the past and accepted for registration as an International Registration, it may create unnecessary duplication of work for the office of the contracting party. Transformation Model Provision 3(a) seeks to address this problem, by allowing an automatic registration of the transformed application as a national mark.

b. No prescribed form for transformation application

Transformation Model Provision 2(a) gives an office of a contracting party the flexibility of using its own national application form, with additional details to link the application to the International Registration on which it was previously based. However, it may not be ideal to use the national application form, as there may be duplication of resources, particularly if certain documents were already submitted at the point of making the initial application for the International Registration.

c. Fees

In terms of processing fees, there is also a lack of consistency across contracting parties, which creates uncertainty for the applicant when assessing costs of transformation. In some countries such as Singapore, a national filing fee is required for transformation, whereas in the UK, no additional fees are required.

**MARQUES** therefore proposes certain possible improvements to the transformation process:

**I. Mandate implementation of Transformation Model Provisions**

The implementation of the Transformation Model Provisions is mandated across contracting parties, by elevating the Transformation Model Provisions to the level of the Madrid Protocol (perhaps by inclusion into Article 9quinquies).

It may also be useful to identify which contracting parties have not adopted equivalent Transformation Model Provisions and support these contracting parties to adopt them into national laws in an expedient manner.

**II. Use a prescribed form similar to an existing form to streamline the transformation process**

The applicant could use a variant of Form MM2(E) to select the jurisdictions for transformation, and to include the current status of all its national designations, with translations of the goods and services, as applicable. If additional formalities are required by the office of the contracting party, these can be sought at a later stage. It could also provide for the inclusion of relevant local representative details so that once the form has been transmitted to the contracting parties, the national process can commence immediately without further involvement from the International Bureau.

If technology allows, the transformation application form may be customised from an electronic database of each contracting party's additional requirements for national applications that are not already featured in the prescribed transformation application form (e.g. a drop down menu of additional fields). The final output can be sent directly to the national registries, and ideally, it should contain all the formalities already required by the national registries. Upon receipt of this form, the national registry can then assign the application a national application number and process it as a national application.

### **III. More involvement by the International Bureau to facilitate transformation**

Whilst transformation is usually done at the national level without the International Bureau's involvement, it may be worthwhile for the International Bureau to have involvement in the initial step of transformation to transmit the application form to national registries, collect and distribute the fees payable, and confirm receipt of the transformation application at the national registry level. This final step can be taken after the notification of cessation of the basic mark and may facilitate the assignment of national application numbers to the former international registration. Once the transformation application is received by the national registries, any outcome of processing can be communicated directly to the applicant or local representative.

Submitted this 3<sup>rd</sup> June 2016

On behalf of **MARQUES** The European Association of Trade Mark Owners

A handwritten signature in blue ink, appearing to read "J. Hoehfeld".

Jochen Hoehfeld, Chair of the **MARQUES** International Trade Mark Law and Practice Team