

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

**Eighteenth Session**  
**Geneva, October 12 to 16, 2020**

PARTIAL REPLACEMENT

*Document prepared by the International Bureau*

### **INTRODUCTION**

1. The Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”) has discussed replacement at its previous six sessions<sup>1</sup>.

2. Following a request made by the Working Group at its seventeenth session, held in Geneva from July 22 to 26, 2019, this document proposes an amendment to Rule 21 of the Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Regulations”). The proposed amendment clarifies that replacement of a national or regional registration by an international registration can be partial, namely for some only of the goods and services covered by the national or regional registration. This proposal is reproduced in the Annex to this document.

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<sup>1</sup> See documents MM/LD/WG/12/5, MM/LD/WG/13/2, MM/LD/WG/14/2 Rev., MM/LD/WG/15/2, MM/LD/WG/16/2 and MM/LD/WG/17/2 ([https://www.wipo.int/meetings/en/topic.jsp?group\\_id=147](https://www.wipo.int/meetings/en/topic.jsp?group_id=147)).

## ISSUE

3. In October 2019<sup>2</sup>, the Assembly of the Madrid Union adopted the recommendation made by the Working Group at its seventeenth session, to reflect, in Rule 21 of the Regulations, the key principles governing replacement. These amendments, which will enter into force, on February 1, 2021<sup>3</sup>, are intended to foster a common understanding of and a uniform practice concerning replacement.

4. However, one issue remains under discussion in the Working Group, namely, partial replacement. More specifically, the situation where some but not all the goods and services listed in the national or regional registration are also listed in the international registration in respect of that Contracting Party. While the international registration may be broader or narrower in scope, at least there is some overlap of the goods and services.

## HISTORY OF REPLACEMENT IN THE MADRID SYSTEM

5. Article 4*bis* was adopted and included in the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Agreement”) at the Brussels Diplomatic Conference, on December 4, 1900. Article 4*bis* of the Agreement<sup>4</sup> stated that “[w]hen a mark already deposited in one or more of the contracting States is subsequently registered by the International Bureau in the name of the same proprietor or his successor in title, the international registration shall be considered as replacing the earlier national registrations, without prejudice to any rights acquired by reason of such earlier registrations.”

6. At the London Diplomatic Conference, on June 2, 1934, Article 4*bis* of the Agreement was amended. The original text became paragraph (1), with the introduction of a new paragraph (2) stating that “the national Administration shall, upon request, be obliged to take note in its Registers of the international registration.”

7. With minor editorial amendments made at the Stockholm Diplomatic Conference, on July 14, 1967, the wording of Article 4*bis* of the Agreement became the following:

“(1) When a mark already filed in one or more of the contracting countries is later registered by the International Bureau in the name of the same proprietor or his successor in title, the international registration shall be deemed to have replaced the earlier national registrations, without prejudice to any rights acquired by reason of such earlier registrations.

“(2) The national Office shall, upon request, be required to take note in its Registers of the international registration.”

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<sup>2</sup> The fifty-third (23<sup>rd</sup> ordinary) session of the Madrid Union Assembly, held in Geneva from September 30 to October 9, 2019.

<sup>3</sup> See documents MM/A/53/1 “Proposed Amendments to the Regulations under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks”, Annex II ([https://www.wipo.int/edocs/mdocs/govbody/en/mm\\_a\\_53/mm\\_a\\_53\\_1.pdf](https://www.wipo.int/edocs/mdocs/govbody/en/mm_a_53/mm_a_53_1.pdf)) and MM/A/53/3 “Report”, paragraph 16 ([https://www.wipo.int/edocs/mdocs/govbody/en/mm\\_a\\_53/mm\\_a\\_53\\_3.pdf](https://www.wipo.int/edocs/mdocs/govbody/en/mm_a_53/mm_a_53_3.pdf)).

<sup>4</sup> Provisional English translation prepared by the International Bureau and set out in WIPO Publication No. 880 (E) of 1991. *1891 to 1991 Madrid Agreement Centenary (International Registration of Marks)*.

8. Article 4*bis* of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Protocol”) was included in the text adopted at the Madrid Diplomatic Conference, on June 27, 1989. Article 4*bis* of the Protocol states the following:

“(1) Where a mark that is the subject of a national or regional registration in the Office of a Contracting Party is also the subject of an international registration and both registrations stand in the name of the same person, the international registration is deemed to replace the national or regional registration, without prejudice to any rights acquired by virtue of the latter, provided that

“(i) the protection resulting from the international registration extends to the said Contracting Party under Article 3*ter*(1) or (2),

“(ii) all the goods and services listed in the national or regional registration are also listed in the international registration in respect of the said Contracting Party,

“(iii) such extension takes effect after the date of the national or regional registration.

“(2) The Office referred to in paragraph (1) shall, upon request, be required to take note in its Register of the international registration.”

9. Article 4*bis*(1) of the Protocol is not identical to Article 4*bis*(1) of the Agreement. The text in the Protocol provides more detail than in the Agreement on the conditions that are required for replacement to take place.

10. In the Basic Proposal for the Madrid Protocol, submitted at the Madrid Diplomatic Conference of 1989, the notes concerning Article 4*bis*(1) of the Protocol stated that “this provision – as well as paragraph (2) – is in essence the same as it is in the Stockholm Act but has been redrafted for greater clarity.” Aside from the addition of the words “without prejudice to any rights acquired by virtue of the latter” – similar to the wording found in the Agreement – and some editorial changes, Article 4*bis*(1) of the Protocol was adopted as proposed. The position of the International Bureau of the Union for the Protection of Industrial Property (hereinafter referred to as “the International Bureau of the Union”) was that the conditions under which replacement takes place were the same under the Agreement and the Protocol.

11. Based on the above history of Articles 4*bis* of the Agreement and of the Protocol, it is clear that the intention of the different wording in Article 4*bis*(1) of the Protocol was to add greater clarity, not to change the substance of replacement. Any documented explanation on the scope of replacement for Article 4*bis* of the Agreement would therefore help to provide a better understanding of the meaning of Article 4*bis* of the Protocol.

12. Taking into account how replacement functioned when only the Agreement was in existence, it is clear that the historical record supports the position that replacement can be partial and not only total. For instance, at the London Diplomatic Conference of 1934, the International Bureau of the Union stated that, when taking note in its Register in accordance with Article 4*bis*(2), an Office should mention any difference between the list of goods and services in the national registration and that in the international registration<sup>5</sup>.

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<sup>5</sup> Union internationale pour la protection de la propriété industrielle. *Actes de la Conférence réunie à Londres du 1<sup>er</sup> mai au 2 juin 1934*. Berne : Bureau international de l'Union, 1934, p. 204.

13. Furthermore, the International Bureau, when introducing Rule 21 of the Draft Regulations Under the Madrid Agreement and the Madrid Protocol, explained in detail the principle that a national or regional registration could be partially covered by the international registration that had replaced it. This is set out in paragraph 99 of the “Comments on Some of the Rules of the Draft Regulations Under the Madrid Agreement and the Madrid Protocol”, discussed at the sixth session of the Working Group on the Application of the Madrid Protocol of 1989<sup>6</sup>. These comments are relevant as Rule 21 of the Draft Regulations corresponds to Rule 21 of the current Regulations.

14. Paragraph 99 of the above-mentioned document stated the following:

“It should be understood that nothing in the Agreement or the Protocol prevents a Contracting Party from checking that all the goods and services listed in the national or regional registration are also listed in the international registration (see Article 4*bis*(1)(ii) of the Protocol). In that respect, it should be emphasized that the word ‘listed’ should be understood as including the word ‘covered.’ For example, if a mark which is the subject of an international registration covers ‘alcoholic beverages’ and designates a Contracting Party where the same mark is registered for ‘wines,’ the replacement should be limited to wines and the prior rights resulting from the national or regional registration will benefit the holder of the international registration irrespective of the fact that the national or regional registration is not renewed. On the other hand, if a mark which is the subject of an international registration covers ‘wines’ and designates a Contracting Party where the same mark is registered for ‘alcoholic beverages’ or for ‘wines and spirits’, the replacement would apply to wines and the holder, if he intends to maintain the national or regional registration in force in respect of the goods (or services) not covered by the international registration, would have to request renewal, at the time of the expiry of the national or regional registration, for those goods (or services).”

15. Following the above, it is clear that the replacement can be both total and partial.

## THE SURVEY

16. One of the questions in a survey conducted in 2014<sup>7</sup> by the International Bureau, upon request from the Working Group, was the following:

“If it occurs that the goods and services listed in the national registration are *not* all listed in the international registration, i.e., the list of goods and services in the international registration is narrower than the list recorded nationally, does, or would, your Office nevertheless consider that a partial replacement takes place in respect of the specification that is common to both the national and international registrations?”

17. The answers to the question revealed that more than 40 per cent of the 71 Offices that responded to the questionnaire would consider that “partial” replacement had occurred. This result, which confirmed the findings of the Working Group in a previous similar exercise, held in 2005, means that many Contracting Parties are correctly acknowledging that partial replacement is possible. However, it also underscores the need to bring more uniformity among the practices of the Contracting Parties, especially taking into account the clear historical record, as set out above.

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<sup>6</sup> See document GT/PM/VI/3, *Comments on Some of the Rules of the Draft Regulations Under the Madrid Agreement and the Madrid Protocol*, paragraph 99.

<sup>7</sup> See document MM/LD/WG/12/5 “Replacement”, Annex I, page 2 ([https://www.wipo.int/edocs/mdocs/madrid/en/mm\\_ld\\_wg\\_12/mm\\_ld\\_wg\\_12\\_5.pdf](https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_12/mm_ld_wg_12_5.pdf)).

## DIFFERENT INTERPRETATIONS OF ARTICLE 4BIS(1)(II)

18. There are two interpretations of Article 4*bis*(1)(ii) and of the scope of replacement;
- a literal, although erroneous, reading, which requires that the names of the goods and services in the national or regional registration or registrations concerned by replacement be the same or equivalent to those covered by the international registration; and
  - a flexible reading, consistent with the discussions held with a view to adopting Article 4*bis* of the Agreement and of the Protocol and Rule 21 of the Regulations, which acknowledges “partial” replacement, where the international registration is deemed to have replaced the national or regional registration or registrations only in respect of the goods and services covered by both the international registration and the national or regional registration or registrations.
19. In previous sessions, delegations participating in the Working Group indicated that they follow one of the above-mentioned interpretations. Some delegations indicated that they do not accept partial replacement, while other delegations confirmed that they do.
20. Following a practice aligned with the first reading of Article 4*bis*(1)(ii) may, from the holder’s point of view, be seen as rigid and inconvenient because it limits the usefulness of replacement. Such practice may be considered hard to reconcile with the purpose of replacement, which is to simplify the management of trademark portfolios for trademark holders.
21. A practice aligned with the second reading of the provision enables users to benefit from replacement more extensively, while appropriately limiting replacement to those goods and services listed in the national or regional registration that are listed in the international registration.
22. The following example illustrates how partial replacement should work: the prior national or regional registration covers the heading of class 25 (clothing, headgear and footwear), while the international registration covers only “clothing” in the same class. The national or regional Register could reflect that replacement of the prior national or regional right is limited to “clothing” in class 25. Should the holder later decide to let the prior national or regional right lapse, there would no longer be any protection for goods in class 25 beyond “clothing”. However, the national or regional Register would show that, under the international registration, the holder has protection for the mark concerned for “clothing” in class 25, as from the date of protection of the prior national or regional registration.

## PROPOSED AMENDMENTS TO RULES 21 AND 40

23. In light of the above considerations, it is submitted for consideration by the Working Group that the first reading of Article 4*bis*(1)(ii) of the Protocol is unnecessarily restrictive for users, inconsistent with the historical record and hard to reconcile with the purpose of replacement.
24. The International Bureau therefore proposes an amendment to Rule 21 of the Regulations, to make it clear in paragraph (3)(d) that replacement can be partial. The proposed new paragraph would read as follows: “Replacement may concern some only of the goods and services listed in the national or regional registration.”

25. In previous sessions of the Working Group, some delegations have explained that they would need some time to amend their legislation as well as their Information and Communication Technology (ICT) systems to cater for partial replacement. To allow Offices time to make those changes, the International Bureau proposes to introduce a transitional provision in Rule 40 of the Regulations. This provision would be similar to the one that facilitated a transitional period for the introduction of the mandatory statement of grant of protection. Rule 18~~ter~~(1) of the Common Regulations Under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to as “the Common Regulations”) entered into force on September 1, 2009<sup>8</sup> and became mandatory on January 1, 2011, as set out in paragraph (5) of Rule 40<sup>9</sup> of the Common Regulations. A similar transitional provision delaying the mandatory implementation of amended paragraph (3)(d) of Rule 21 of the Regulations would allow Offices of Contracting Parties sufficient time to amend, where necessary, their national or regional legislation and ICT systems.

26. In line with the above, proposed new paragraph (7) of Rule 40 of the Regulations would read as follows: “No Office shall be obliged to apply Rule 21(3)(d), second sentence, before [February 1, 2025].”

#### **PROPOSED DATE OF ENTRY INTO FORCE**

27. It is suggested that the International Bureau recommend to the Madrid Union Assembly that the amendments to Rules 21 and 40 of the Regulations enter into force two months following their adoption.

28. *The Working Group is invited to:*
- (i) consider the proposals made in this document; and,*
  - (ii) recommend to the Madrid Union Assembly the adoption of the proposed amendments to the Regulations, as presented in the Annex to this document or in amended form, for entry into force two months following their adoption.*

[Annex follows]

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<sup>8</sup> Adopted by the Madrid Union Assembly in September 2008, see document MM/A/40/1 “Amendment of the Common Regulations” ([https://www.wipo.int/edocs/mdocs/govbody/en/mm\\_a\\_40/mm\\_a\\_40\\_1.pdf](https://www.wipo.int/edocs/mdocs/govbody/en/mm_a_40/mm_a_40_1.pdf)).

<sup>9</sup> Rule 40(5) of the Common Regulations was deleted with effect from January 1, 2013.

**PROPOSED AMENDMENTS TO RULES 21\* AND 40 OF THE REGULATIONS UNDER  
THE PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING  
THE INTERNATIONAL REGISTRATION OF MARKS**

**Regulations Under the Protocol Relating to the Madrid Agreement Concerning the  
International Registration of Marks**

as in force on ~~February 1, 2021~~ [February 1, 2022](#)

[...]

**Chapter 4**  
***Facts in Contracting Parties Affecting International Registrations***

[...]

**Rule 21**  
**Replacement of a National or Regional Registration by an International Registration**

- (1) *[Request and Notification]* From the date of the notification of the international registration or of the subsequent designation, as the case may be, the holder may present directly to the Office of a designated Contracting Party a request for that Office to take note of the international registration in its Register, in accordance with Article 4*bis*(2) of the Protocol. Where, following the said request, the Office has taken note in its Register that a national or a regional registration or registrations, as the case may be, have been replaced by the international registration, that Office shall notify the International Bureau accordingly. Such notification shall indicate
- (i) the number of the international registration concerned,
  - (ii) where the replacement concerns only one or some of the goods and services listed in the international registration, those goods and services, and
  - (iii) the filing date and number, the registration date and number, and, if any, the priority date of the national or regional registration or registrations which have been replaced by the international registration.

The notification may also include information relating to any other rights acquired by virtue of that national or regional registration or registrations.

- (2) *[Recording]*
- (a) The International Bureau shall record the indications notified under paragraph (1) in the International Register and shall inform the holder accordingly.
  - (b) The indications notified under paragraph (1) shall be recorded as of the date of receipt by the International Bureau of a notification complying with the applicable requirements.

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\* Amended Rule 21 of the Regulations, as approved by the Assembly of the Madrid Union in October 2019. The amendments to Rule 21 will enter into force on February 1, 2021. See documents MM/A/53/1 "Proposed Amendments to the Regulations under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks", Annex II ([https://www.wipo.int/edocs/mdocs/govbody/en/mm\\_a\\_53/mm\\_a\\_53\\_1.pdf](https://www.wipo.int/edocs/mdocs/govbody/en/mm_a_53/mm_a_53_1.pdf)) and MM/A/53/3 "Report", paragraph 16 ([https://www.wipo.int/edocs/mdocs/govbody/en/mm\\_a\\_53/mm\\_a\\_53\\_3.pdf](https://www.wipo.int/edocs/mdocs/govbody/en/mm_a_53/mm_a_53_3.pdf)).

(3) *[Further Details Concerning Replacement]*

- (a) Protection to the mark that is the subject of an international registration may not be refused, even partially, based on a national or regional registration which is deemed replaced by that international registration.
- (b) A national or regional registration and the international registration that has replaced it shall be able to coexist. The holder may not be required to renounce or request the cancellation of a national or regional registration which is deemed replaced by an international registration and should be allowed to renew that registration, if the holder so wishes, in accordance with the applicable national or regional law.
- (c) Before taking note in its Register, the Office of a designated Contracting Party shall examine the request referred to in paragraph (1) to determine whether the conditions specified in Article 4*bis*(1) of the Protocol have been met.
- (d) The goods and services concerned with replacement, listed in the national or regional registration, shall be covered by those listed in the international registration. [Replacement may concern some only of the goods and services listed in the national or regional registration.](#)
- (e) A national or regional registration is deemed replaced by an international registration as from the date on which that international registration takes effect in the designated Contracting Party concerned, in accordance with Article 4(1)(a) of the Protocol.

[...]

**Rule 40**  
**Entry into Force; Transitional Provisions**

[...]

[\(7\) \*\[Transitional Provision Relating to Partial Replacement\]\* No Office shall be obliged to apply Rule 21\(3\)\(d\), second sentence before \[February 1, 2025\].](#)

[End of Annex and of document]