



SUBJECT: Working Group on the Legal Development of the Madrid System for the International Registration of Marks : Fifth Session
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PURPOSE: For information

DATE: August 22, 2008
REFERENCE: **EXCO/IT08/CET/1102 (revised)**
MEETING: ExCo Florence, Italy
MEETING DATE: October 5-8, 2008

Working Group on the Legal Development of the Madrid System for the International Registration of Marks held its Fifth Session in Geneva from May 5 to 9, 2008. By way of background, this Working Group was initially formed on an ad hoc basis to review the safeguard clause pursuant to Article 9 *sexies* of the Protocol Relating to the Madrid Agreement (Protocol). This work concluded last year and resulted in the Protocol governing relations between parties to both the Protocol and Agreement with the exception of the refusal period and fees – with fees being increased slightly to 100 sf.

As a second phase of work, the Ad Hoc Group commenced consideration of issues related to the level of services provided by the Trademark Offices of the contracting party states. The discussions were loosely based on an Australian proposal presented during the third session of the Working Group.

The primary topic of consideration during the Fifth session was the improvement of accessibility of information on the fate of international registrations in designated contracting parties. It was considered that revisions were necessary in order to make the system more user-friendly. The International Bureau prepared document MM/LD/WG/5/2 titled INFORMATION RELATING TO THE FATE OF DESIGNATIONS. This paper set out the background, current framework and a consideration of the topic of tacit acceptance, a fundamental principle of the current Madrid system resulting from the combination of Articles 4 and 5 along with Rule 17. These provisions, taken together, mean that a contracting party has the right to refuse protection but is under no obligation to notify of acceptance (or more accurately the fact that it will not be refusing protection). The paper also covered some suggested approaches to modification of the legal framework and alternative considerations. Some immediate measures being taken to improve the ROMARIN database were also explained.

When discussions opened, Japan, Korea and Spain offered early endorsement of the proposals. China indicated it was not in favour and Germany indicated that if grants of protection became mandatory it would have to change its laws. Australia, Singapore, the US and Croatia all supported the proposals. The Chair then concluded that no delegation had objected to the principle of improving access to information even if some have expressed reservations notably in respect of timing and logistics. It was concluded that a substantive discussion of the specific proposals could therefore commence.

The ensuing discussions highlighted some potential difficulties including countries with extendable opposition periods. These countries could therefore not provide a “final” date. The IB indicated a willingness to look into this issue further.

Under the current Madrid System framework the International Bureau of WIPO (IB) notifies the contracting party in whose territory protection has been sought. Each party can refuse protection but must do so within the contemplated time limits. The principle that if no refusal is generated within the timeframes, the mark is automatically protected is described in the Guide to the International Registration of Marks as “fundamental”. Changes to Rule 17 implemented a few years ago led to the possibility of Offices issuing a statement of grant of protection and clarification that the notification of a provisional (as opposed to final) refusal was an exercise of the right to declare that protection cannot be granted. These amendments came into force on April 1, 2002.

Information regarding designations is provided in three ways, namely through the WIPO Gazette, the Madrid Express database and ROMARIN. The Madrid Express database provides the current status of international registrations in force and international applications and subsequent designations not yet published in the Gazette. ROMARIN provides a more detailed history of international registrations. All three formats are available and searchable online.

Contracting Parties have one year, or eighteen months (if the country in question has acceded to the Protocol and made the appropriate declaration), to issue a refusal. It is also possible to specify that refusal of protection resulting from an Opposition may be notified after the expiry of 18 months but only if it has informed the IB of the possibility of Opposition and if notification of refusal is made within one month from the expiry of the opposition period and not later than seven months from the date upon which the opposition period begins. The information is then published and noted in ROMARIN under the title “Opposition Possible After the 18-Month Time Limit” with an indication

of the applicable Gazette issue and identification of the Contracting Party. A provisional refusal is recorded in the International Register along with the date the notification was sent. This information is transmitted to the holder and the Office of Origin if that Office accepts such copies. The provisional refusal is published with an indication as to whether the refusal is partial or total, the goods/services affected, and the time limit to request a review or respond.

After provisional refusal, and upon completion of all official procedures, the Office sends a statement indicating protection is refused or protected in respect of what goods and services. This is to be done before an Office knows whether an appeal external to the Office has been sought. When the Office becomes aware of a further decision affecting the protection of the mark, it will send the IB a further statement indicating protection and this will be recorded, transmitted to the holder, and published. It will also be noted in ROMARIN.

It is now possible for Offices to issue statements of grant of protection and 14 Offices currently engage in this practice. These grants are recorded in the International Register, published in the Gazette and transmitted to the holder. The information is noted in ROMARIN. The IB receives information about a single registration or, in some cases, lists in xml format.

The IB considered the principle of tacit acceptance and reached the conclusion that most of the criticism relating to the legal framework of the Madrid System resulted from the effects of the application of this principle. The IB studies showed that refusal is often communicated well within the time limits, with most refusals issuing in less than nine months and approximately 17% of *ex officio* refusals issuing in less than three months. In the year studied, namely 2005, approximately 56% of recorded designations were not the subject of any communication as to status, 21 % involved a provisional refusal and 23% involved a statement of grant of protection. Contracting parties are also lax in communicating the dates of the opposition with apparently up to 80% of these being left open ended.

The proposed solutions were to amend the Common Regulations so as to require Offices to issue either statements of grant of protection, information on request, or free on-line access to information on the status of a given designation. This would solve the problem of tacit acceptance but would not offer a single source of information pertaining to status. It was suggested that the desired information should accrue to the International Register and ROMARIN. Making statements of grant of protection mandatory would achieve the goal; however, looking towards improved and expanded

information, it was proposed that Rule 17 could be broken into three independent rules and a new Rule 18*bis* be included.

Rule 17 could be restricted to the notification of provisional refusal only while at the same time kept broad enough to cover the circumstances contemplated by current subparagraphs (5) (d) and (e). It was proposed that the rest of the rule be reconstituted under a new provision¹⁸. In the first stage of introduction such a rule could be limited, by Offices that wished to do so, to a statement that the Office completed its *ex officio* examination and found no grounds to issue notification of a provisional refusal but that the protection was still subject to third party opposition or observation. As the provision would be non-mandatory it is difficult to see how one could apply a deadline for notification following *ex officio* examination or sanctions for failure to comply. The tacit principle would continue to apply if a statement of grant had not issued, a refusal had not been sent or its possibility warned of.

It was considered that a provision on communication of information regarding interim status was best placed in a new Rule 18*bis* since the chapeau of Rule 17(6) would otherwise be misleading and because having such a rule outside the rather convoluted framework of Rule 17 might facilitate evolution and development of the Rule over time.

Final disposition would also be covered by Rule 18*ter*. As proposed, this rule would help minimize the inconvenience of tacit acceptance by requiring Offices to send statements that no provisional refusal was issued. This proposed regulatory structure differed from the current framework, permitting, but not requiring, Offices to provide this statement. The effect of the proposed change would be that Offices could no longer stay silent, relying on the tacit acceptance principle. These statements would be required as soon as practically feasible and were not to be tied to a precise time limit as such a limit would not be enforceable. The envisioned mode of communication from Offices to the IB was in the form of lists in electronic or paper format.

The IB also included, in its paper, suggested alternatives should the Working Group prove unwilling to pursue the suggested course of action. It also announced that it will improve the information available in ROMARIN in two ways. First, when a refusal period has ended and no notification of refusal has been received in respect of a designation, this will be indicated in ROMARIN. This will apply in all situations where an end date can be computed and will appear one month after the expiry of the applicable time limit with a caveat preserving the application of Rule 5. Second, the IB will make accessible notifications of provisional refusal.

The Working Group accepted the proposals with some revision although none that altered the primary goal of having Offices provide statements of grant of protection. China remained opposed to providing notice of a grant of protection. Both France and Germany favoured late entry into force. The Chair proposed a transitional provision that would have the amendments entered into force on September 1, 2009 but not obligate Offices to send statements of grant of protection under Rule 18^{ter}(1) until January 1, 2011.

Therefore, in view of the outcome of the Ad Hoc meeting, the IB will submit the draft amendments to the Assembly of the Madrid Union at its session held in September 2008.

During the meeting the Delegation of Switzerland also introduced a document it had tabled prior to the meeting. The aim of the Swiss proposal was to improve access to information by means of the implementation of standards. The contribution also contained measures which Offices could implement to allow the applicant to be more familiar with the practice of an Office including grounds of refusal. These measures were reported to decrease criticisms as to unpredictability and lack of transparency.

The suggestion was made that communications between the Offices and the IB be standardized and improved. A memoranda of understanding was planned.

A paper was also tabled by Japan wherein this country conveyed its concern for improvement of information as to the fate of international registrations and improved access more generally. The concern was highlighted that mandatory communication might deter potential members from acceding to the Madrid system.

Australia submitted two rather lengthy papers for consideration. These papers were characterized as being submitted primarily with a view to facilitating further reflection.

During the closing discussions, Japan voiced concerns regarding linguistic diversity with the comment being made that the proposal of Norway, to be debated at the next session, might prove the best solution to the problem of linguistic diversity.

The accepted draft provisions are attached at Appendix 1.

Appendix 1

Rule 16

Possibility of Notification of a Provisional Refusal Based on an Opposition Under Article 5(2)(c) of the Protocol

(1) *[Information Relating to Possible Oppositions and Time Limit for Notifying Provisional Refusal Based on an Opposition]* (a) Where a declaration has been made by a Contracting Party pursuant to Article 5(2)(b) and (c), first sentence, of the Protocol, the Office of that Contracting Party shall, where it has become apparent with regard to a given international registration designating that Contracting Party that the opposition period will expire too late for any provisional refusal based on an opposition to be notified to the International Bureau within the 18-month time limit referred to in Article 5(2)(b), inform the International Bureau of the number, and the name of the holder, of that international registration.

(b) Where, at the time of the communication of the information referred to in subparagraph (a), the dates on which the opposition period begins and ends are known, those dates shall be indicated in the communication. If such dates are not yet known at that time, they shall be communicated to the International Bureau as soon as they are known¹.

(c) Where subparagraph (a) applies and the Office referred to in the said subparagraph has, before the expiry of the 18-month time limit referred to in the same subparagraph, informed the International Bureau of the fact that the time limit for filing oppositions will expire within the 30 days preceding the expiry of the 18-month time limit and of the possibility that oppositions may be filed during those 30 days, a provisional refusal based on an opposition filed during the said 30 days may be notified to the International Bureau within one month from the date of filing of the opposition.

(2) *[Recording and Transmittal of the Information]* The International Bureau shall record in the International Register the information received under paragraph (1) and shall transmit that information to the holder.

Rule 17

Provisional Refusal

(1) *[Notification of Provisional Refusal]* (a) A notification of provisional refusal may comprise a declaration stating the grounds on which the Office making the notification considers that protection cannot be granted in the Contracting Party concerned (“*ex officio* provisional refusal”) or a declaration that protection cannot be granted in the Contracting Party concerned because an opposition has been filed (“provisional refusal based on an opposition”) or both.

¹ In adopting this provision, the Assembly of the Madrid Union understood that if the opposition period is extendable, the Office may communicate only the date the opposition period begins.

(b) A notification of provisional refusal shall relate to one international registration, shall be dated and shall be signed by the Office making it.

(2) *[Content of the Notification]* A notification of provisional refusal shall contain or indicate

(i) the Office making the notification,
(ii) the number of the international registration, preferably accompanied by other indications enabling the identity of the international registration to be confirmed, such as the verbal elements of the mark or the basic application or basic registration number,

(iii) [Deleted]

(iv) all the grounds on which the provisional refusal is based, together with a reference to the corresponding essential provisions of the law,

(v) where the grounds on which the provisional refusal is based relate to a mark which has been the subject of an application or registration and with which the mark that is the subject of the international registration appears to be in conflict, the filing date and number, the priority date (if any), the registration date and number (if available), the name and address of the owner, and a reproduction, of the former mark, together with the list of all or the relevant goods and services in the application or registration of the former mark, it being understood that the said list may be in the language of the said application or registration,

(vi) either that the grounds on which the provisional refusal is based affect all the goods and services or an indication of the goods and services which are affected, or are not affected, by the provisional refusal,

(vii) the time limit, reasonable under the circumstances, for filing a request for review of, or appeal against, the *ex officio* provisional refusal or the provisional refusal based on an opposition and, as the case may be, for filing a response to the opposition, preferably with an indication of the date on which the said time limit expires, and the authority with which such request for review, appeal or response should be filed, with the indication, where applicable, that the request for review, the appeal or the response has to be filed through the intermediary of a representative whose address is within the territory of the Contracting Party whose Office has pronounced the refusal.

(3) *[Additional Requirements Concerning a Notification of Provisional Refusal Based on an Opposition]* Where the provisional refusal of protection is based on an opposition, or on an opposition and other grounds, the notification shall, in addition to complying with the requirements referred to in paragraph (2), contain an indication of that fact and the name and address of the opponent; however, notwithstanding paragraph (2)(v), the Office making the notification must, where the opposition is based on a mark which has been the subject of an application or registration, communicate the list of the goods and services on which the opposition is based and may, in addition, communicate the complete list of goods and services of that earlier application or registration, it being understood that the said lists may be in the language of the earlier application or registration.

(4) *[Recording; Transmittal of Copies of Notifications]* The International Bureau shall record the provisional refusal in the International Register together with the data contained in the notification, with an indication of the date on which the notification was sent or is regarded under Rule 18(1)(d) as having been sent to the International Bureau and shall transmit a copy thereof to the Office of origin, if that Office has informed the International Bureau that it wishes to receive such copies, and, at the same time, to the holder.

(5) *[Declarations Relating to the Possibility of Review]* (a) [Deleted]

(b) [Deleted]

(c) [Deleted]

(d) The Office of a Contracting Party may, in a declaration, notify the Director General that, in accordance with the law of the said Contracting Party,

(i) any provisional refusal that has been notified to the International Bureau is subject to review by the said Office, whether or not such review has been requested by the holder, and

(ii) the decision taken on the said review may be the subject of a further review or appeal before the Office.

Where this declaration applies and the Office is not in a position to communicate the said decision directly to the holder of the international registration concerned, the Office shall, notwithstanding the fact that all procedures before the said Office relating to the protection of the mark may not have been completed, send the statement referred to in Rule 18ter(2) or (3) to the International Bureau immediately following the said decision. Any further decision affecting the protection of the mark shall be sent to the International Bureau in accordance with Rule 18ter(4).

(e) The Office of a Contracting Party may, in a declaration, notify the Director General that, in accordance with the law of the said Contracting Party, any *ex officio* provisional refusal that has been notified to the International Bureau is not open to review before the said Office. Where this declaration applies, any *ex officio* notification of a provisional refusal by the said Office shall be deemed to constitute a statement in accordance with Rule 18ter(2)(ii) or (3).

[...]

Rule 18bis

Interim Status of a Mark in a Designated Contracting Party

(1) *[Ex Officio Examination Completed but Opposition or Observations by Third Parties Still Possible]* (a) An Office which has not communicated a notification of provisional refusal may, within the period applicable under Article 5(2) of the Agreement or Article 5(2)(a) or (b) of the Protocol, send to the International Bureau a statement to the effect that the *ex officio* examination has been completed and that the Office has found no grounds for refusal but that the protection of the mark is still subject to opposition or observations by third parties, with an indication of the date by which such oppositions or observations may be filed.

(b) An Office which has communicated a notification of provisional refusal may send to the International Bureau a statement to the effect that the *ex officio* examination has been completed but that the protection of the mark is still subject to opposition or observations by third parties, with an indication of the date by which such oppositions or observations may be filed.

(2) *[Recording, Information to the Holder and Transmittal of Copies]* The International Bureau shall record any statement received under this Rule in the International Register, inform the holder accordingly and, where the statement was communicated, or can be reproduced, in the form of a specific document, transmit a copy of that document to the holder.

Rule 18ter

Final Disposition on Status of a Mark in a Designated Contracting Party

(1) *[Statement of Grant of Protection Where No Notification of Provisional Refusal Has Been Communicated]*² When, before the expiry of the period applicable under Article 5(2) of the Agreement or Article 5(2)(a), (b) or (c) of the Protocol, all procedures before an Office have been completed and there is no ground for that Office to refuse protection, that Office shall, as soon as possible and before the expiry of that period, send to the International Bureau a statement to the effect that protection is granted to the mark that is the subject of the international registration in the Contracting Party concerned³.

(2) *[Statement of Grant of Protection Following a Provisional Refusal]* Except where it sends a statement under paragraph (3), an Office which has communicated a notification of provisional refusal shall, once all procedures before the said Office relating to the protection of the mark have been completed, send to the International Bureau either

(i) a statement to the effect that the provisional refusal is withdrawn and that protection of the mark is granted, in the Contracting Party concerned, for all goods and services for which protection has been requested, or

(ii) a statement indicating the goods and services for which protection of the mark is granted in the Contracting Party concerned.

(3) *[Confirmation of Total Provisional Refusal]* An Office which has sent to the International Bureau a notification of a total provisional refusal shall, once all procedures before the said Office relating to the protection of the mark have been completed and the Office has decided to confirm refusal of the protection of the mark in the Contracting Party concerned for all goods and services, send to the International Bureau a statement to that effect.

(4) *[Further Decision]* Where, following the sending of a statement in accordance with either paragraph (2) or (3), a further decision affects the protection of the mark, the Office shall, to the extent that it is aware of that decision, send to the International Bureau a further statement indicating the goods and services for which the mark is protected in the Contracting Party concerned⁴.

² In adopting this provision, the Assembly of the Madrid Union understood that a statement of grant of protection could concern several international registrations and take the form of a list, communicated electronically or on paper, that permits identification of these international registrations.

³ Where Rule 34(3) applies, the grant of protection will be subject to the payment of the second part of the fee. The same remark applies to paragraph (2).

⁴ It would be necessary to resubmit to the Assembly the Interpretative Statement that currently appears as footnote 2 (not reproduced here) to the equivalent of this provision, i.e. Rule 17(5)(b).

(5) *[Recording, Information to the Holder and Transmittal of Copies]* The International Bureau shall record any statement received under this Rule in the International Register, inform the holder accordingly and, where the statement was communicated, or can be reproduced, in the form of a specific document, transmit a copy of that document to the holder.

[...]

Rule 40
Entry into Force; Transitional Provisions

[...]

(5) *[Transitional Provision Relating to Statements of Grant of Protection]* No Office shall be obliged to send statements of grant of protection under Rule 18^{ter}(1) before January 1, 2011.