

DEVELOPMENT OF THE MADRID SYSTEM – REQUEST FOR COMMENT ON THE FUTURE OF THE MADRID PROTOCOL

IP Australia is seeking comments from trade mark owners and their representatives on the operation of the Madrid Protocol. This will be used in relation to further consideration of the future of the Madrid system and continues the consultation related to the earlier discussion paper of October 2006.

Background

The fourth session of the *Ad Hoc* Working Group on the Legal Development of the Madrid System for the International Registration of Marks held in Geneva from May 30 to June 1, 2007 recommended that the Madrid Union Assembly give it an ongoing mandate to consider issues relating to the legal development of the Madrid Protocol. The Working Group agreed to ask the Secretariat to prepare a paper addressing issues relating to the accessibility of information regarding the status of international registrations in designated Contracting Parties. Contracting Parties and international non-government organizations have also been asked to contribute to the paper.

The next meeting of the Working Group to be held in the first half of 2008 will address the issues of information regarding the status of international registrations, while other issues already before the Working Group will be discussed at a meeting to be held later in 2008.

Request for comments and suggestions

The attached paper may be useful in stimulating discussion of, and comment on, these proposals and other issues concerning the future of international registration. However, the suggestions for comment are not exhaustive and you may wish to raise other concerns, comments or suggestions. Information from users of the system will be valuable in assessing the future development of the Madrid system from an Australian perspective and assist Australia in making a significant contribution to the Working Group meetings for 2008.

It would be helpful if comments could reach IP Australia by **9 November 2007** as the deadline for contributions to the Secretariat paper mentioned above is the end of 2007.

There will be opportunities for further comment as the international process continues.

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DEVELOPMENT OF THE MADRID SYSTEM

PREPARING FOR AUSTRALIA'S CONTRIBUTION TO WIPO ACTIVITIES

REQUEST FOR COMMENT

September 2007

Introduction

The Thirty-Seventh Session of the Special Union for the International Registration of Marks (Madrid Union) Assembly is to be held in Geneva on September 24 to October 3, 2007. The Assembly is likely to agree with the recommendation of the *Ad Hoc* Working Group on the Legal Development of the Madrid System for the International Registration of Marks that it should be given an ongoing mandate to consider the development of the Madrid Protocol. This will allow the Working Group to continue its work with the aim of ensuring the Madrid system continues to meet users' needs. Australia will be contributing to the WIPO work and participating in the Working Group meetings which will look at the current and future operation of the Madrid system.

Previous feedback from Australian owners and their representatives identified key issues in utilising the Protocol and has been invaluable when preparing for earlier WIPO discussions. The purpose of this paper is to seek further views and comments addressing issues which are anticipated, or already identified, for the next stage of this work.

Background

The Madrid Assembly meeting held in Geneva from September 25 to October 3, 2006 extended the mandate of the Working Group to continue the work it had begun on the future development of the Madrid system. In extending the mandate, the Assembly indicated its intention to simplify, as much as possible, the operation of the Madrid system, with the ultimate goal of having the system governed by only one treaty.

The main issue for consideration by the Working Group at that time was the review of the safeguard clause (Article 9*sexies* of the Madrid Protocol).

The Madrid Assembly meeting in 2007 will consider recommendations made following the review of the safeguard clause. It is anticipated that this will conclude that aspect of the Working Group's activities.

If, as expected, the Assembly gives a mandate to the Working Group to continue its consideration of the future of the Madrid system, that will allow additional issues which have been raised in the course of the earlier discussions to be addressed. Although some issues have already been identified, IP Australia hopes it might be possible to have a program of work put in place to better define the scope of the work and allow for a more cohesive approach to the consideration of the future of an international registration system. A program could also provide opportunities for additional proposals to be put to the Working Group.

Preparation for the 2008 meetings on the development of the Madrid system

The Fourth Session of the Working Group will recommend to the Madrid Union Assembly that two sessions should be held in 2008 on matters relating to the legal development of the Madrid Protocol.

The Working Group also proposed that members could contribute some information in advance of the sessions.

In preparation for these meetings, we wish to consult with those using the trade marks system to arrive at an Australian view on the future of an international registration system and to develop a position on those proposals already before the Working Group.

We are asking for comments on three categories of issues:

1. Information on International Registrations

Concerns over accessibility of information were raised in the context of the Working Group's discussion of the safeguard clause when the focus was on the levels of services provided by offices of contracting parties.

Australia put forward a proposal that a standard should be established in relation to the provision of information which would apply throughout the membership of the Protocol. Previous feedback from Australian users has been largely concerned with the accessibility of information regarding the status of international registrations in designated Contracting Parties. The proposal recognises that all users should be able to access information on status of an international registration in all designated countries and holders should not have to search for that information.

The paper on Australia's proposal was issued as one of the discussion papers for the WIPO Working Group Meeting held in Geneva on 29 May – 1 June 2007. This recent meeting agreed to:

- ask the Secretariat to prepare a paper addressing different aspects of improving the accessibility of information regarding the fate of international registrations in designated Contracting Parties (including possible amendments to the Common Regulations)
- encourage Contracting Parties and international non-governmental organisations to submit contributions on this issue by the end of 2007
- hold a meeting on this matter in the first half of 2008

Comment on issues related to information is a priority as IP Australia wishes to contribute to the Secretariat paper. It is important that we have this feedback by early November 2007.

More detail on the Australian proposal and some specific issues we would like your comments on are included at pages 4 and 5.

2. The Future of International Registration and the Madrid system

The future of the Madrid system and consideration of the long term perspective, seven to ten or even more years from now is likely to be part of the further work of the Working Group. In addition to suggesting some specific changes to the current system (as mentioned below) the Proposal by Norway has set the stage for discussions on a future system. This will require the development of an

Australian perspective on the international registration system of the future. That would also provide a framework for addressing the proposals already tabled for discussion and on additional matters which may be considered by the Working Group.

An appreciation of the current and anticipated needs of trade mark owners will be essential in developing an Australian vision for an international registration system. In asking those currently using the system to contribute ideas on the international registration system of the future, we acknowledge that ideally this should be considered in the context of broader developments and needs relating to trade mark protection in the rapidly changing commercial environment. This will require thinking beyond the restrictions of the present systems!

Some specific issues we suggest for your consideration and comments are included at page 6.

3. Other Proposals already before the Working Group

The recent meeting of the Working Group recommended that issues raised in papers prepared by the delegations of Norway, Japan and Korea should be considered by the Working Group in a second meeting to be held in 2008. We are hoping that these discussions will form part of an ongoing work program.

The Proposal by Norway, which has been mentioned in the context of the future of international registration, aims to invite discussion of the future of the Madrid system and in particular, the way the system might operate in the longer term. The paper has put forward some proposals for particular changes with the aim of improving the Madrid system and thus attracting additional users. These include proposals relating to the basic mark and the duration of the refusal period. The contribution by Japan relates to particular issues associated with implementation of the requirement for a basic mark.

The Korean paper, which has not been formally submitted to the Working Group and is not available online, proposes improvements to the correction system under Rule 28 of the Common Regulations.

The Working Group, in considering the papers presented by Norway, Japan and Korea will consider the points of view of offices, users and the International Bureau. Comments on the advantages, disadvantages and implications of the proposals are sought to assist with considerations of how they would affect the operation of the Madrid system from the users' perspective.

More detail on the proposals and specific issues that we would like your comments on are at pages 7 to 9.

WIPO Working Group Documents are available at:

http://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_4/mm_ld_wg_4_4.doc Australia

http://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_4/mm_ld_wg_4_5.pdf Japan

http://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_4/mm_ld_wg_4_5_corr.pdf Japan

http://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_2/mm_ld_wg_2_9.pdf Norway

1. Information on International Registration

The key to the Australian proposal is that a standard regarding the provision of information on the status of international registrations should be established which would apply to all contracting parties. It may be appropriate for the details of that standard to be decided as the Working Group considers further changes to the Madrid Protocol as part of its later work. Australia also suggested setting up some requirements for provision of information which would apply in the interim, so that some significant change might be brought about relatively quickly. It appears likely that this two-stage plan will be adopted.

Interim standard

The interim requirement which is proposed would ensure the IB is notified when a mark becomes protected in a designated country and that information is published. If no other mechanism is used for this notification, it may be in the form of a list of protected marks. The contracting parties affected would be obliged to submit this list on a regular basis to the International Bureau. The IB would then be required to publish this information on a database such as ROMARIN. A number of offices currently provide notices under Rule 17(6), though this remains optional. The proposed mechanism of a list of marks to which protection is extended would be additional to, rather than replacing, notifications under Rule 17(6) and 17(5).

Discussion of the interim measures has progressed within the Working Group and it must be noted that it may be difficult at this stage to achieve anything additional to a basic list of protected marks.

However, additional input on the issue is to be invited from member countries and your comments on an interim measure for information, including advice on the following issues, would be helpful.

Details to be included in the interim requirements

- Apart from the international registration number is there any single important item which should be included on the list?
 - It may be necessary to include some information in addition to the number of the international registration (e.g. holder's name) as a means of avoiding errors but the mechanism should remain as simple as possible.

Timing of notification of protection

- It is suggested that the notification of protected marks should occur as soon as practicable after protection is extended and within one month from the mark becoming protected. Publication would follow. What key issues for users are relevant when considering these timeframes?

Setting a final standard for all Contracting Parties

Although the final standard may not be decided until further changes to the Madrid system are considered in later Working Group meetings, IP Australia is hopeful that the final standard will be considered at the same time as the interim requirements. This may lead to a more comprehensive approach to dealing with information in the future.

In contributing to discussion of the standards on provision of information, it is essential to understand users' needs for information on international registrations. In addition to any other issues you may wish to raise, your advice is sought on the following points.

- 1) What information do holders, third parties and their representatives need on all international registrations?
 - Should the final standard cover additional information relating to extension of protection in a designated contracting party?
 - The brief detail given in the Australian paper would mean that the final standard would ensure that:
 - offices of contracting parties notify the IB and provide for the holder to be notified in all instances when protection is extended for all or some of the goods/services of the international registration,
 - offices comply with requirements of Rules 17(1) and 17(5) (which provide for notification of provisional refusal and notification of confirmation, modification or withdrawal of provisional refusal), and
 - the IB must publish the information.
 - What details additional to notification of protection should be included in a final standard of information?
 - Is there an order of priority ie any items which are of greater importance to users and so should come first in any staggered implementation of a final standard?
- 2) What mechanisms should be used in making the required information accessible?
 - Should the information be centralised?
 - Should users be confident that protection in any given designated country is reflected on WIPO databases?
 - What information should go to holders compared with (or in addition to) being available on databases?
 - Should the notification of extension of protection go directly to the holder or through the IB?
 - Currently many notifications of status in designated countries go to the holder via the International Bureau. Are there advantages for users in having a consistent manner of receiving such advice?
 - If so, should that be direct or through the International Bureau?
- 3) What time frames should be set for making these items of information available?
 - At what point do holders/third parties need information?
 - Do you foresee any difficulties for offices or the International Bureau in meeting these timeframes?

2. The future of international registration and the Madrid system

The design of a future international registration system must meet the needs of trademark owners in an internationalised economy. You may wish to consider the following points as a basis for discussion on a future international registration system and/or improvements to the Madrid system.

- Future developments in the trade marks system
 - Should a future system for international registration involve a single level of protection that all countries recognise or separate protection equivalent to that gained by filing into the national system?
 - Would there be advantages in aiming to use the Madrid system to create more consistency across various jurisdictions?
- The international application
 - Should the requirements for the applicant to base the international application on an existing application or registration in the country of origin be maintained? (This issue is also raised in part 3 below.)
 - Can greater uniformity of approach to formality matters be achieved?
 - Should formalities, especially classification, be a set standard with no deviation allowable?
 - Will that rely on checking in offices and/or management of electronic filing?
 - Where will applications be received and how will early stages in processing be handled – in national offices, a single central office or in nominated major or regional offices?
- Granting protection (if the system remains equivalent to a set of national registrations)
 - Should such a system continue to be based on the concept that (once formalities of the application are checked), the mark is protected unless a designated country notifies otherwise within a given period?
 - Should examination be more consistent across different jurisdictions?
 - Would examination be undertaken in each designated office or in nominated examining offices (this could require a centralised data base of pending/registered/protected marks)?
 - What period is appropriate to allow for holders to learn of the outcome of an application in designated countries?
 - Should there be greater uniformity in approach to opposition and rectification?
- Maintenance of international protection
 - Are there any issues driving a change in the duration of the period of protection?
 - If the requirement for a basic mark is to remain, should the international registration be dependent on it?
 - What should be the period of dependency ie the period in which ‘central attack’ might occur?
 - Are there advantages in maintenance tasks in relation to all designated countries being performed following a single request?
 - Should that be carried out in a central office, nominated major office or the office of the holder’s country?

3. Other proposals already before the Working Group

The proposals are outlined below:

1. Removing the requirement for a basic application or registration

Currently an application for international registration must be based on one or more trade mark applications or registrations in the country of origin. The international application must be for an identical mark and include some or all of the goods and/or services covered by the basic trade mark(s).

The international registration is dependent on the basic trade mark for 5 years from the date the international application is filed. National offices must report changes to the scope of the basic trade mark to the International Bureau because this will have the same effect on the international registration.

We have outlined some of the outcomes of the proposal and would welcome your comments.

- The international application would not be constrained by requirements for having a basic mark in the country of origin. Examples of the impact would include:
 - the international application would not be limited to the specification of the basic mark
 - there are problems in some jurisdictions where specificity of goods and services is required, but the holder may intend to use a trade mark on more or different goods and services than in own country
 - applicant would not need to file an application in country of origin for a mark in a script which is not going to be used in that country in order to have a basic mark
- The country of the holder could be nominated in an international application.
- There would be no dependency on basic mark
 - users would not have to monitor the basic mark and be concerned with the possibility that the basic mark may cease to have effect
 - protection in a designated country would be independent of action taken in the country of origin
 - transformation would not be required
- There would be no capacity for ‘central attack’
 - under the current system, many possible users perceive dependency and the potential for ‘central attack’ as a disadvantage of using the Protocol but,
 - ‘central attack’ has potential advantages for third party action
 - your views on the conflicting aspects of ‘central attack’ would be welcome
 - note that WIPO statistics for 2004 indicate that ‘central attack’ only concerns 3% of all registrations, of which only 0.7% were totally refused.

Please comment on any other possible effects of the proposal and their implications for users. These might include the following:

- It would become feasible to have all applications filed directly with the IB.

- potential reduced costs to users paying handling fees for mandatory checks in the office of origin
- is that preferable to filing through a national office or should this be optional?
- Would users want to allow the international application to be the basis of a convention claim in relation to other applications?
- The proposal also includes a change to allow applicants to rely on 'habitual residence' in a contracting party as an entitlement to file
 - would this be considered an advantage by users?
- Would the effects of the proposal encourage greater filings and new member countries?

2. Modified requirements (flexibility) for basic marks to cater for linguistic diversity

The proposal by Norway has raised issues associated with the requirement that a mark in an application for international registration should be identical to the basic application or registration. The Japanese contribution outlines a problem which relates to any trade mark owner in a country where letters or script in general usage differs from that used in an export market. As the international application has to be based on an application or registration in the country of origin, the owner might not want or need a local registration in the different script and it might then be subject to action for non-use. The paper notes that although the number of Japanese applications to such economies is growing fast, it is not so for applications under the Madrid system. The applications from Japan to China under the Madrid system accounted for only 5% of the total number of Japanese applications to China. This compares to 42% of applications from Japan to the United Kingdom being made under the Madrid Protocol in 2004.

The paper suggests that flexibility in the requirement to address the linguistic diversity would improve the utility of the Madrid system for current member states and also attract new members to the Protocol.

Your comments are sought on the following:

- does this issue limit use of the Protocol by Australian businesses?
- what type of modification of the requirements of the Protocol would provide appropriate flexibility
- could this proposal be considered as an interim measure pending the possible removal of the requirement for a basic mark as proposed by Norway?

3. Change of the time limits for notifying provisional refusals

At the present time, 12 months is the standard refusal period but many Protocol countries (32 including Australia) have opted for the 18 month period. In addition some of these countries have opted to notify where opposition may occur outside the 18 months.

- Norway has proposed shorter time limits
 - a single time limit of 12 months or
 - member country may choose to have either 9 or 12 months as the period for notification.

It is stated that the proposal is not intended to have any impact on provisions allowing offices to notify holders within the refusal period that provisional refusal may result from an opposition action occurring after the period ends.

Would you please consider and comment on the impact on users.

- would having a single period (eg 12 months) significantly reduce the complexity for users of the system?
- is 12 or 18 months (or even 9 months) too long?
- to what extent would this benefit be eroded by retaining the provision to opt for later notification based on opposition?
- would it be detrimental to the operation of the system if a general shortening of the refusal period resulted in
 - more contracting parties opting for later notification based on opposition
 - an increase in notices issued under Rule 16 (notification that refusal based on opposition may be filed after the expiry of the 18 month time limit)
- if offices indicated potential difficulties in reducing the period, would it be preferable for users to have the period reduced even if it were necessary to allow time for the transition?

4. Designation of the holder's country of origin within the framework of the present system

The proposal would make it possible to include the country of origin within the single international registration. This could be done after the dependency period has concluded.

This would mean applicants may choose to have only one registration to administer ie the international which includes the designation of their own country.

- how significant would owners/representatives find this simplification of administration of portfolios (after the dependency period)?

Are there other effects of the proposal which should be considered?

5. Proposal for improving the correction system

The aim of the proposal is to form a simple and efficient system of correction. Under Rule 28(4) of the Common Regulations, an error which is attributable to an Office and the correction of which would affect the rights deriving from the international registration may be corrected only if a request for correction is received by the International Bureau within nine months from the date of publication of the erroneous entry in the International Register. The Korean Office has recommended that the suggestions and opinions of member countries be collected with a view to preparing a reasonable and efficient method of operating the correction system.

Under the current provisions:

- any errors made by the IB can be corrected at any time without being the subject of the nine months time limit
- a notification of correction can be given without a time limit
- the lack of any time limit for notifying designated countries of corrections impacts significantly on the rights of the International Registration. This also affects examination in the designated countries and the rights of third parties

IP Australia feels that the need for improvement to the correction system is very important and your comments would be appreciated.