

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

The Trade Marks Office (TMO) is seeking comment from trade mark owners and their representatives on the operation of the Madrid Protocol in the context of international consideration of the future development of the Madrid system.

Background

The meeting of the Madrid Assembly in September 2006 extended the mandate of the WIPO Working Group on the Legal Development of the Madrid System. This will allow the Working Group to continue consideration of the future development of the Madrid system to ensure it continues to meet users' needs. The TMO has commenced a project which aims to provide necessary background for Australia's delegates in these discussions.

Development of an Australian approach on this matter must be informed by the perspectives of trade mark owners and their representatives. Feedback on the operation of the Madrid Protocol has been gathered since it was implemented in Australia, however, the TMO now wishes to gain further views and comments in the context of preparing for the future discussions.

Request for comments

The attached paper may be useful in providing background and stimulating consideration and comment on the operation of the Protocol. The paper was prepared in October 2006, to obtain views and opinions of members of the Combined Interest Group at discussions being held at that time. It summarises aspects of recent WIPO discussions on the future of the Madrid system and identifies some issues on which information from users of the system would be particularly valuable.

It would be helpful if comments could reach the TMO before Christmas as the next meeting of the WIPO Working Group will take place at the end of January 2007. However, as it is envisaged that the international discussions will be ongoing, input at a later time would also be very useful.

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

Contacts:

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If, however, you would like to discuss the paper or provide information by phone, please contact:

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**DEVELOPMENT OF THE MADRID SYSTEM – PREPARING FOR
AUSTRALIA’S CONTRIBUTION TO WIPO ACTIVITIES**

**DISCUSSION WITH CIG
24 October 2006**

BACKGROUND

The so-called ‘safeguard clause’ was included in the Madrid Protocol to ensure clarity as to which treaty prevails when the country of origin of an international application is bound by both the Madrid Agreement and the Madrid Protocol. All procedures associated with the international application or registration in relation to a designated country which is party to the Agreement (even if it is also party to the Protocol) will be governed by the Agreement. However, the Protocol also provides that, once particular conditions have been met, the Assembly may repeal, or restrict the operation of, the safeguard clause. (This requires a ¾ majority of the Assembly and the vote is restricted to countries which are party to both treaties). The conditions, which are that the Protocol must have been in operation for 10 years, and also that five years have passed from the date on which the majority of the states party to the Agreement also became party to the Protocol, were met in December 2005.

In 2005, the Director General of WIPO convened the *Ad Hoc* Working Group on the Legal Development of the Madrid System to review the safeguard clause. The Working Group met in July 2005 and June 2006 but did not conclude its consideration of the issues relevant to the repeal or restriction of the safeguard clause.

The meeting of the Madrid Assembly held at the end of September endorsed the Working Group’s recommendation that its mandate should be extended to continue this work.

FOCUS OF 2007 MEETINGS ON THE DEVELOPMENT OF THE MADRID SYSTEM

The Assembly also endorsed the Working Group’s conclusions as to the direction of future work reviewing the safeguard clause.

Their agreed objectives are along the following lines:

- 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,
- to ensure equal treatment among all Contracting Parties to the Madrid Protocol,
- to allow users of States currently bound by both the Agreement and the Protocol to be able to benefit from advantages of the Protocol while limiting any undesirable effects which may result from its application.
 - Of the 78 states and IGOs currently members of the Madrid system, 46 are party to both treaties.
 - The level of individual fees and the potential for a longer refusal period were identified particularly as having the potential to affect users adversely if international applications currently governed by the Agreement through operation of the safeguard clause were instead to be governed by the Protocol.

Priority is to be given to:

“exploring a proposal for a possible repeal of the safeguard clause accompanied by measures aimed at:

- a) ensuring that the level of services provided by the Offices of Contracting Parties to the Protocol is commensurate with the individual fees charged and the length of the applicable refusal period, and
- b) establishing more precise criteria and maximum levels to be applied by Contracting Parties to the Protocol when fixing the amounts of the individual fees they may require.”

The identification of these issues brings the focus of the next discussions very sharply on to the operations of countries and IGOs which have acceded to the Protocol only.

A wider investigation of the future of the Madrid System was proposed in the meetings of the Working Group. Particular issues were identified in documents which were tabled or made available to delegates. The concept of a broader review of the system received considerable support.

The Assembly’s extension of the mandate of the Working Group covers additional work on the future development of the Madrid system and a report on progress on this issue is to be given to the next session of the Assembly.

CONSULTATION IN PREPARATION FOR MEETINGS ON THE FUTURE OF THE MADRID SYSTEM

Preparation of papers providing the necessary background for participating in further discussions on the future of the Madrid System will require some analysis of the views of Australian owners seeking international protection for their trade marks. Information will be needed on the experiences of users under the current operation of the Protocol and also a better understanding of why others choose not to utilise that route for gaining protection in other countries. Later it will be necessary to gain users’ opinions on changes which might allow the Madrid system to better meet their needs.

We propose to start this consultation by seeking comments from the CIG. The following pages list issues proposed for discussion with the aim of gaining a better understanding of the operation of the Madrid Protocol from the perspectives of owners and representatives of owners:

- considering whether to seek protection in other countries under the Madrid system or by filing directly into the national systems of the countries of interest,
- filing international applications through the TMO as the Office of Origin,
- managing the later actions on the international registration through the IB and any representatives of the holder in other countries,

and also in relation to acting as representatives of holders in other countries in their actions before the TMO in relation to their IRDAs or protected international trade marks.

OPERATION OF THE MADRID SYSTEM – SOME MATTERS FOR DISCUSSION

1. DECIDING WHETHER TO UTILISE THE PROTOCOL OR NATIONAL SYSTEMS.

Assuming you or your client can meet the requirements for filing an international application under the Madrid Protocol, what issues do you consider in deciding, or advising, whether to utilise the Protocol or file directly into national systems of the countries concerned?

Indications on the relative importance of the following matters in making this decision would be helpful:

- number of countries of interest
- costs
- requirements of individual countries
- restrictions associated with having a basic mark ie Protocol requirements for identical trade mark, goods and services within scope of basic mark etc
- opinion on whether gaining registration/protection for the subject mark in countries of interest will be straightforward
- claiming convention priority
- period before likely outcome is known
- dependency period under the Protocol
- relative ease in filing the application(s) and in maintaining the application(s) or registered/protected trade mark(s)
- other Protocol requirements or benefits.

2. COMMENT ON THE CURRENT OPERATION OF THE MADRID PROTOCOL

In order to assess the need for changes to the ways the Madrid system currently operates and whether changes which have been proposed will assist in overcoming perceived problems, it is necessary to appreciate what works well now and where difficulties are experienced. Views of those administering the system are being gained in discussions within IP Australia. Your comments on the current operation of the Madrid system are sought to provide necessary information on the users' experiences.

2A. Where TMO is the Office of origin

Please comment on your experiences in:

- Filing an international application:
 - certification process
 - payment of fees
 - forwarding fees to the International Bureau through IP Australia
 - irregularity notices
 - basis for notices
 - resolution of issues
 - classification of goods/services
 - subsequent designations.

- Maintenance of international registration as, or on behalf of, the holder:
 - change of owner, change of name of holder
 - cancellation, renunciation (equivalent of withdrawal in specified designated countries)
 - limitation (restricting the scope of goods/services in one or more designated countries)

- Cancellation of the international registration for some or all of the goods/services due to failure of basic application/registration in Australia within the dependency period.

- Arranging representation for the holder before the offices of designated countries:
 - any difficulties which arise from the notification of provisional refusal in designated countries coming via the International Bureau,
 - general issues for those making arrangements for representation elsewhere on behalf of clients,
 - Are these arrangements ever made before a notification of provisional refusal is received?
 - problems which apply only in particular contracting parties.

- Arranging on behalf of the holder for actions to be taken in other member countries:
 - filing applications for transformation,
 - requesting replacement of existing registrations in other jurisdictions where holder gains protection under the Protocol for the same goods/services.

2B. Where Australia is a designated country - IRDAs and protected international trade marks

An improved understanding of the practicalities of the interactions between representatives of the holders of IRDAs or protected international trade marks in actions before the TMO, the holder's representative before the International Bureau, the International Bureau and Offices of origin, would help consideration of particular proposals for changing the way the Protocol operates.

We would like to address these issues from two perspectives:

- a) Acting as the holder's representative/address for service in Australia:
 - Does a request to become the holder's representative ever precede holder's receipt of notice of provisional refusal or notification of extension of protection in Australia?
 - Do you have any general impressions on the holder's level of understanding of communications which have been sent from TMO to the holder through the International Bureau?
 - What are the most significant differences in performing this function for holders of IRDAs when compared with acting for overseas owners filing into Australia's domestic system?
 - in examination of IRDAs,
 - in opposition actions,

- any actions after extension of protection is granted.
- b) Representing other parties in actions involving IRDAs or protected international trade marks:
 - Do any particular difficulties arise when acting for an opponent where the subject mark is an IRDA?
 - Would you envisage any difficulties in other *inter partes* actions?

2C. Information about international applications and registrations

Could you provide some assessment on the level of information available through the International Bureau, IP Australia and other trade marks offices regarding:

- international applications,
- international registrations, and
- their status in designated contracting parties?

Is there particular information not currently available (or not readily accessible) which you feel is needed by anyone dealing with international applications/registrations?

3. VIEWS ON SOME KEY ASPECTS OF THE PROTOCOL

As noted earlier, the next meeting of the Working Group will discuss the levels of service provided by offices of contracting parties to the Protocol in light of individual fees charged and the length of the refusal period.

Variation in the services provided by offices operating under the Protocol have been noted within the Working Group, one example being a concern that many offices do not notify holders when protection is granted.

Allowing an individual fee to be set by a contracting party was considered an important feature of the Protocol, particularly for countries and IGOs seeking to cover their costs in conducting full examination before extending protection to international registrations. This fee can not be greater than the amount an office would receive for a domestic application and resulting registration. Discussions in the Working Group have canvassed ideas such as putting a lower cap on individual fees or requiring an office to provide the same service as for domestic applications if the same fee is charged.

Similarly, an important aspect of the development of the Protocol was providing for countries to opt to extend the period for notifying provisional refusal from 12 months to 18 months. Whether offices still require this time to notify provisional refusal has been questioned.

Your views on the relative importance of these aspects of the Protocol to Australian users of the international registration system would be appreciated.