

# WIPO



MM/A/37/1

ORIGINAL: English

DATE: August 14, 2006

## WORLD INTELLECTUAL PROPERTY ORGANIZATION

GENEVA

### SPECIAL UNION FOR THE INTERNATIONAL REGISTRATION OF MARKS (MADRID UNION)

#### ASSEMBLY

### Thirty-Seventh (21<sup>st</sup> Extraordinary) Session Geneva, September 25 to October 3, 2006

#### LEGAL DEVELOPMENT OF THE MADRID SYSTEM

*Document prepared by the International Bureau*

#### I. INTRODUCTION

1. It is recalled that an *ad hoc* Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”) was convened by the Director General, in Geneva, from July 4 to 8, 2005, with a view to facilitating the review of the refusal procedure provided for in Article 5(2)(e) of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Protocol”) and the review of the safeguard clause envisaged by Article 9*sexies*(2) of the Protocol<sup>1</sup>.

---

<sup>1</sup> By virtue of the safeguard clause (Article 9*sexies*(1) of the Protocol), where, with regard to a given international application or international registration, the country of origin is party to both the Protocol and the Agreement, the provisions of the Protocol shall have no effect in the territory of any other State that is also party to both the Protocol and the Agreement. Under Article 9*sexies*(2), the Assembly of the Madrid Union may, by a three-fourths majority, either repeal or restrict the scope of the safeguard clause, after the expiry of a period of 10 years from the entry into force of the Protocol (December 1, 1995), but not before the expiry of a period of five years from the date on which the majority of States party to the Madrid (Stockholm) Agreement have become party to the Protocol. To the extent that this latter condition has also been fulfilled, repeal or restriction of the scope of the safeguard clause became possible on the tenth anniversary of the coming into force of the Protocol, namely on December 1, 2005.

2. On that occasion, the Working Group also considered proposals for amending a number of other features contained in the Common Regulations, and identified other matters worthy of consideration (see the report adopted by the Working Group, document MM/LD/WG/1/3).

3. At its 36<sup>th</sup> session (September-October 2005), the Assembly of the Madrid Union (hereinafter referred to as “the Assembly”) took note of the conclusions of the Working Group and decided that the Director General should convene a further meeting of the Working Group to<sup>2</sup>:

(a) consider, in further preparation for the review of the refusal procedure to be undertaken by the Assembly in 2006, a draft amendment of Article 5(2) of the Protocol and a draft interpretative statement concerning that Article;

(b) continue the preparatory work for a review of Article 9*sexies*(1) of the Protocol, aimed in particular at enabling the Assembly to decide whether the safeguard clause should be repealed or restricted;

(c) consider draft amendments of the Common Regulations under the Madrid Agreement and the Protocol (hereinafter referred to as “the Common Regulations”)

(i) insofar as certain specifically identified items were concerned, and

(ii) to provide, in relation to the review of the safeguard clause, for the trilingual regime in the mutual relations between States bound by both the Agreement and the Protocol;

(d) consider the following other matters:

(i) the establishment of standardized forms or templates for various notifications, notably in the context of provisional refusals, statements of grant of protection and information relating to late oppositions;

(ii) the preparation of model provisions concerning transformation;

(iii) the preparation of model provisions concerning replacement;

(iv) proposals regarding the future of the Madrid System; and

(e) make recommendations to the Assembly on each of the above points.

---

<sup>2</sup> See document MM/A/36/1, paragraph 18, and document MM/A/36/3, paragraph 15.

4. The Working Group held its second session in Geneva, from June 12 to 16, 2006. The report of that session (document MM/LD/WG/2/11) is reproduced in the Annex hereto.

5. The present document summarizes the recommendations of the Working Group on points (b), (c)(ii) and (d) of paragraph 3, above. The recommendations of the Working Group on points (a) and (c)(i), consisting in the submission of proposed amendments to the Protocol and to the Common Regulations, are contained in documents MM/A/37/2 and MM/A/37/3, respectively.

## II. REVIEW OF ARTICLE 9*SEXIES* OF THE MADRID PROTOCOL

6. After considering five options in the context of the review of the safeguard clause<sup>3</sup>, the Working Group concluded that it should continue its preparatory work for a review of the safeguard clause with the aim of achieving the following objectives:

(a) simplify, as much as possible, the operation of the Madrid system, keeping in mind the ultimate goal that the system be governed by only one treaty;

(b) ensure equal treatment among all Contracting Parties to the Madrid Protocol;

(c) allow users of States which are today bound by both the Agreement and the Protocol to be able to benefit from the advantages offered by the Protocol while limiting undesired effects that might affect them as a result of the application of the Protocol.

7. Consequently, the Working Group recommended that the Assembly extend its mandate so that it may continue its work, giving priority 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<sup>4</sup>.

---

<sup>3</sup> Those options were the following:

Option 1: Maintaining the safeguard clause as it is today.

Option 2: Repeal of the safeguard clause.

Option 3: Repeal of the safeguard clause accompanied by certain measures aimed at limiting undesired effects that might result from such repeal.

Option 4: Restriction of the scope of the safeguard clause to cover only certain features of the international procedure (in particular, refusal period and fee system).

Option 5: Restriction of the safeguard clause to cover only existing international registrations or designations (“freezing”).

<sup>4</sup> See Annex, paragraphs 112 and 114.

### III. THE LANGUAGE REGIME UNDER THE MADRID SYSTEM

8. The Working Group considered the proposal set forth in document MM/LD/WG/2/4 prepared by the International Bureau, to amend the Common Regulations so as to establish a full trilingual regime, i.e., a regime whereby French, English and Spanish would be working languages, even in situations where the Agreement alone applies. It was noted that, in view of its financial implications, this amendment was being proposed for consideration in the context of a revision (repeal or restriction) of the safeguard clause only and in no case would take effect before the Program and Budget 2008/09.

9. The Working Group recommended that this proposal should be submitted to the Assembly for adoption in the framework of the revision of the safeguard clause<sup>5</sup>.

### IV. STANDARD FORMS FOR USE BY OFFICES OF CONTRACTING PARTIES

10. The Working Group examined five draft standard forms prepared by the International Bureau, annexed to document MM/LD/WG/2/6. It was noted that those forms were intended to reflect basic common requirements and that, as such, they might require some adaptation to suit the particular needs of each Contracting Party.

11. The Working Group recommended that the Assembly encourage the International Bureau to make available to the Offices of Contracting Parties those standard forms and to continue to work with interested Offices with a view to adjusting such forms to their individual requirements<sup>6</sup>.

### V. PROPOSALS FOR THE ESTABLISHMENT OF MODEL PROVISIONS CONCERNING THE ISSUE OF TRANSFORMATION

12. The Working Group recommended that the Assembly encourage the International Bureau to make available to the Offices of the Contracting Parties the model provisions contained in the Annex to document MM/LD/WG/2/7 and to pursue its work aimed at improving the Madrid system with a view to simplification and harmonization<sup>7</sup>.

### VI. PROPOSALS CONCERNING THE ISSUE OF REPLACEMENT

13. The Working Group recommended that the Assembly encourage the International Bureau to make available to the Offices of the Contracting Parties the model provisions contained in the Annex to document MM/LD/WG/2/8.

---

<sup>5</sup> See Annex, paragraph 123.

<sup>6</sup> See Annex, paragraph 141.

<sup>7</sup> See Annex, paragraphs 153 and 154.

14. It further recommended that the Assembly extend the mandate of the Working Group to continue the preparatory work aimed at simplifying and harmonizing the practices of the Offices of the Contracting Parties on replacement<sup>8</sup>.

## VII. FUTURE DEVELOPMENT OF THE MADRID SYSTEM

15. The Working Group recommended that the Assembly extend the mandate of the Working Group so that the future development of the Madrid System may continue to be discussed by the Working Group under the item “Other Matters”<sup>9</sup>.

*16. The Assembly of the Madrid Union is invited to:*

*(a) take note of the conclusions and recommendations of the Working Group as contained in document MM/LD/WG/2/11, reproduced in the Annex;*

*(b) endorse, in particular, the conclusions of the Working Group, as referred to in paragraph 6, above;*

*(c) decide on the extension of the mandate of the Working Group in order to:*

*(i) continue the preparatory work for a review of the safeguard clause to be undertaken by the Assembly, as recommended in paragraph 6 and 7, above; and*

*(ii) continue the work referred to in paragraphs 14 and 15, above;*

*(d) decide on the recommendations of the Working Group referred to in paragraphs 11, 12 and 13, above.*

[Annex follows]

---

<sup>8</sup> See Annex, paragraph 170.

<sup>9</sup> See Annex, paragraphs 177 to 179.

**WIPO**



**MM/LD/WG/2/11**

**ORIGINAL:** English

**DATE:** June 16, 2006

**WORLD INTELLECTUAL PROPERTY ORGANIZATION**

GENEVA

**AD HOC WORKING GROUP ON THE LEGAL DEVELOPMENT  
OF THE MADRID SYSTEM FOR THE INTERNATIONAL  
REGISTRATION OF MARKS**

**Second Session  
Geneva, June 12 to 16, 2006**

REPORT

*adopted by the Working Group*

**I. INTRODUCTION**

1. The *ad hoc* Working Group on the Legal Development of the Madrid System (hereinafter referred to as “the Working Group”) met in Geneva from June 12 to 16, 2006.

2. The following Contracting Parties of the Madrid Union were represented at the session: Antigua and Barbuda, Australia, Austria, Belgium, Bulgaria, China, Croatia, Cuba, Denmark, Estonia, European Community, Finland, France, Germany, Hungary, Iran (Islamic Republic of), Ireland, Italy, Japan, Kazakhstan, Kenya, Latvia, Lithuania, Mozambique, Norway, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Serbia, Singapore, Slovenia, Spain, Sudan, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom, United States of America, Viet Nam and Zambia (44).

**E**

3. The following States were represented by observers: Canada, Côte d'Ivoire, Ecuador, Iraq, Israel, Lebanon, Libyan Arab Jamahiriya, Mexico and Saudia Arabia (9).
4. Representatives of the following international intergovernmental organization took part in the session in an observer capacity: Benelux Trademark Office (BBM) (1).
5. Representatives of the following international non-governmental organizations took part in the session in an observer capacity: Centre for International Industrial Property Studies (CEIPI), European Brands Association (AIM), European Communities Trade Mark Association (ECTA), International Federation of Industrial Property Attorneys (FICPI), International Trademark Association (INTA) and MARQUES (Association of European Trademark Owners) (6).
6. The list of participants\* is given in the Annex to this report.
7. Mr. Ernesto Rubio, Assistant Director General, opened the session and welcomed the participants on behalf of the Director General of WIPO.
8. The Working Group unanimously elected Mr. António Campinos (Portugal) as Chair of the Working Group and Mr. Chan Ken Yu Louis (Singapore) and Mr. Vladimir Oplachko (Russian Federation) as Vice-Chairs.
9. Mr. Grégoire Bisson (WIPO) acted as Secretary to the Working Group.
10. The Working Group adopted the draft agenda, as contained in document MM/LD/WG/2/1 Prov.2.
11. The Secretariat noted the interventions made. This report summarizes the discussions.

## II. PROPOSED AMENDMENT OF ARTICLE 5 OF THE MADRID PROTOCOL

12. Discussions were based on document MM/LD/WG/2/2 prepared by the International Bureau and entitled "Proposed Amendment of Article 5 of the Madrid Protocol".

### Article 5(2)(c)(ii) of the Protocol

13. The Delegation of Australia agreed that the proposed draft amendment provided in the Annex to document MM/LD/WG/2/2 clarified the text of that Article but suggested that the latter could be made even clearer if its sub-item (ii) were to be divided into three parts.
14. The Representative of CEIPI queried why the proposed text agreed to at the first session, and which in its view was clearer, had not been retained.

---

\* The list of participants is not attached.

15. The Representative of INTA suggested that the first comma in the draft amendment be placed after the word “and”.
16. The proposal made by the Delegation of Australia was circulated in writing and the Chair invited the Secretariat to comment on it. The Secretariat replied that perhaps its own proposal could be improved by substituting the word “later” for the word “more”. As a result, and taking account of the suggestion made by the Representative of INTA, Article 5(2)(c)(ii) would read as follows:
- “the notification of the refusal based on an opposition is made within a time limit of one month from the expiry of the opposition period and, in any case, not later than seven months from the date on which the opposition period begins.”
17. The Delegation of Australia said that this revised proposal of the Secretariat was acceptable and withdrew its own earlier proposal.
18. The Representative of INTA said that it supported the revised proposal.
19. The Representative of CEIPI said that in light of the revised proposal it withdrew its earlier comment.
20. The Delegation of Ireland moved that the revised proposal of the Secretariat be submitted to the Assembly.
21. The Chair noted that there were no further comments and concluded that the recommendation of the Working Group was that the revised proposal to amend Article 5(2)(c)(ii) of the Protocol as featured in paragraph 16, above, be submitted to the Assembly of the Madrid Union for adoption at its next session.

Article 5(2)(e) of the Protocol

22. Upon a query from the Delegation of Cuba, the Chair replied that the intent of an interpretative statement such as set out in document MM/LD/WG/2/2 was precisely to ensure that the refusal procedure could be revised in the future.
23. The Representative of INTA suggested that the proposed interpretative statement as set out in MM/LD/WG/2/2 be drafted as follows:
- “Article 5(2)(e) of the Protocol is understood as allowing the Assembly to keep under review the operation of the system established by subparagraphs (a) to (d), it being also understood that any modification of those provisions shall require a unanimous decision of the Assembly.”
24. The Chair noted that the suggested revised drafting would alleviate the concerns expressed by the Delegation of Cuba.

25. The Delegations of Germany and Portugal supported the suggested revised drafting.

26. The Chair noted that there were no further comments and concluded that the recommendation of the Working Group was that the revised interpretative statement, as featured in paragraph 23, above, be submitted to the Assembly of the Madrid Union for adoption at its next session.

### III. REVIEW OF ARTICLE 9*SEXIES* OF THE MADRID PROTOCOL

27. Discussions were based on document MM/LD/WG/2/3 prepared by the International Bureau and entitled “Review of Article 9*sexies* of the Madrid Protocol”.

28. The Secretariat opened the discussions on Article 9*sexies* by summarizing five possible options in the context of the review of the safeguard clause. Those options were as follows:

- Option 1: Maintaining the safeguard clause as it is today
- Option 2: Repeal of the safeguard clause
- Option 3: Repeal of the safeguard clause accompanied by certain measures aimed at limiting undesired effects that might result from such repeal
- Option 4: Restriction of the scope of the safeguard clause to cover only certain features of the international procedure (in particular, refusal period and fee system)
- Option 5: Restriction of the safeguard clause to cover only existing international registrations or designations (“freezing”).

29. This was followed by a presentation by the Chair of the advantages and disadvantages of the respective options, as outlined in a document which it had distributed.

30. The Delegation of Spain stated that it supported Option 2 for three reasons, namely, simplification of the system, equal treatment among Member States, and the resulting clear benefit for users. In addition, the Delegation stated that the safeguard clause had always been intended to be a transitional measure, and should not be retained permanently. With regard to higher fees, the Delegation considered that there would be a need to discuss this in greater detail, but that it should not be an obstacle, as such, to repeal the safeguard clause.

31. The Delegation of Portugal indicated that it favored Option 2. It also underlined the provisional nature of the safeguard clause and noted the need for simplification, user-friendliness and equality among Member States. However, suggesting that Member States should be encouraged to render better and faster services, it said that it would be receptive to a compromise solution, such as Option 5.

32. The Delegation of China noted that, in the interest of users, it favored maintaining the safeguard clause with regard to fees. As far as the refusal period was concerned, it would prefer that the safeguard clause not be maintained. However, if those two issues were considered to be linked, it would be prepared to consider Option 2 or Option 5.

33. The Delegation of France confirmed that it favored Option 4. With respect to the refusal period, it considered that no longer maintaining the safeguard clause would not be in the interest of users, who would be required to wait for a longer period in order to know the status of the protection of their marks. Moreover, such a step could be seen as encouraging Member States to extend the refusal period.
34. Regarding fees, the Delegation of France believed that a repeal of the safeguard clause would lead to a substantial increase in the cost of international registration, and that this was borne out by the statistics in document MM/LD/WG/2/3. Stating that the Madrid system should remain an accessible system at reasonable cost, it expressed concern that a repeal of the safeguard clause might result in the making of individual fees declarations by Contracting Parties that had not, up to then, done so.
35. The Delegation of France would however not be opposed to discussing other options and in particular Option 5 which had not yet been discussed; this delegation further added that although in its view this option appeared to contain some drawbacks, it was worth debating.
36. The Delegation of Switzerland stated that it was important that four essential elements be borne in mind, namely the provisional nature of the safeguard clause, the requirement of equality of treatment among Member States, the need for simplification, and the importance of not underestimating the risk of possible denunciation of the Madrid Agreement by Contracting Parties that presently supported a repeal of the safeguard clause.
37. The Delegation of the Russian Federation, while stating that it favored Option 4, requested clarification as to how that option might be combined with Option 5.
38. In response, the Secretariat referred to paragraph 151 of document MM/LD/WG/2/3, giving an example as to how Options 4 and 5 might be combined.
39. The Delegation of Kenya expressed support for Option 2. It reiterated the temporary nature of the safeguard clause, and stated that the Madrid Protocol had now come of age. Moreover, it considered that the advantages and flexibility of the Madrid Protocol were removed by the application of the safeguard clause.
40. The Delegation of the European Community, admitting that it was not directly concerned by the issue, expressed the view that a combination of options might be a good solution, and that, as regards the issue of fees and the refusal period, the Madrid system should remain simple and user-friendly.
41. The Delegation of Germany said that the private sector in Germany was not favorable to a repeal of the safeguard clause as regards fees and the refusal period. Therefore, it would appear natural that it shared the views of the Delegations of France and the Russian Federation. However, it considered that the disadvantage of a “hybrid designation” was not an encouraging prospect. Consequently, it was prepared to engage in discussion of further options, such as Option 5, in combination with other possibilities, in particular concerning the issues of fees and the refusal period.

42. The Representative of MARQUES expressed its support for Option 3, and affirmed that users were willing to accept the risk of higher fees in exchange for better service and more information.

43. The Chair noted that, at this point in the discussions, it appeared that all the delegations were ready to go further with a view to arriving at a compromise solution.

44. The Delegation of Slovenia said that, while it was not in favor of a repeal of the safeguard clause as far as fees and the refusal period were concerned, it would be willing to accept a compromise solution. In its view, Option 3 should be considered in greater depth.

45. The Delegation of Austria indicated that it favored Option 4, but was ready to engage in discussions concerning a combination of options, for example, Options 4 and 5.

46. The Delegation of Serbia stated that it shared the views of the Delegations of Austria, France, Germany, the Russian Federation and Slovenia.

47. The Delegation of Cuba said that it shared the views of the Delegations of Portugal and Spain and supported Option 2. It considered that the safeguard clause had already accomplished its function and that its repeal would be of benefit to users since the advantages of the Protocol would become applicable to almost all international registrations. In its view, the majority of Contracting Parties had already established time periods under their legislation, and it was not likely that those time periods would be extended merely as a result of a repeal of the safeguard clause.

48. The Delegation of Italy said that, while it understood the importance of simplification of the Madrid system, it also wished to underline the implications of a total repeal of the safeguard clause. Consequently, it expressed its support for Option 5 with regard to existing designations.

49. The Chair noted that no delegation had closed the door on delving further into Option 5, and that it might be useful to look at the possibility of combining that Option with some features of other options.

50. At the request of the Chair, the Secretariat expanded on the two possible sub-options under Option 5, both of which had in common a type of “freezing” of the safeguard clause.

51. A first sub-option 5.A would entail maintaining the safeguard clause only for international registrations existing at the date of the entry into force of the freezing. All designations of countries bound by both treaties and made in those international registrations would be governed by the Madrid Agreement, whether they were made before or after the date of freezing. As a practical consequence, at the time of renewal, standard fees only would be payable in respect of those designations.

52. Under sub-option 5.B, the safeguard clause would only apply to designations made before the date of entry into force of the freezing, but not to designations made after that date.

53. Those two sub-options could be combined with other options. For example, sub-option 5.B and Option 3 could be combined so that those designations made after the freezing, and consequently governed by the Protocol, would benefit from the measures envisaged under Option 3 aimed at ensuring, for example, the provision of additional services to users.

54. Sub-option 5.B could also be combined with Option 4 by providing that the safeguard clause would be maintained only for existing designations (sub-option 5.B) and, in addition, would be limited to the fee system. As a consequence, those designations would be subject to the payment of standard fees at the time of renewal, but would otherwise be governed by the Protocol, thus benefiting from other advantages offered by the Protocol, such as the possibility of transformation. The implementation of such a combination might, however, present some administrative complexities.

55. In reply to a question by the Representative of INTA, the Secretariat confirmed that, in the event of a change in ownership, the fact that the safeguard clause had been frozen under Option 5 would not prevent, in the appropriate circumstances, a change of the treaty governing a designation.

56. The Chair proposed the adding of a sixth option in order to try to reflect a combination between Option 5 and the solutions advocated in Option 3.

57. The Representative of INTA said that, since it supported simplification of the Madrid system and the provision of additional services for users, it was in favor of exploring further Option 3, even though their initial preference had been for Option 4. In its view, a combination of options involving Option 5 was not heading towards simplification.

58. The Chair said that, while it did not wish to limit the discussion, it would like to explore further Option 3, in particular to ascertain what measures might be provided for the benefit of users.

59. The Representative of ECTA, while supporting the views of the Representatives of INTA and MARQUES, stated that it would be in favor of Option 4. However, it would be willing to move to Option 3, provided that it could be ascertained what measures would be put in place for the benefit of users.

60. The Representative of MARQUES said that it would favor a total repeal and that users would be willing to pay additional fees in exchange for additional services. However, it would support Option 5 if it were the only compromise that could be arrived at.

61. The Chair, noting that it was clear that there was a general willingness on the part of the Delegations to arrive at a compromise, suggested that Option 3 be focused on, in particular as regards the link to be made between declarations concerning the refusal period and/or individual fees and the rendering of additional services. Three issues should be addressed, namely the type of measures to be offered to users, the legal mechanism which would be required to give effect to such measures, and the situation of those Contracting Parties that had already made a declaration.

62. The Delegation of Spain noted that the representatives of users had expressed an interest in simplification, and did not seem to be unduly concerned about the issue of fees. It said that it preferred Option 2, but could consider some elements of Option 3. In that context, with regard to the measures that it might be prepared to consider, it mentioned the possibility of issuing statements of grant of protection and a provisional commitment to maintain the standard fees.

63. The Representative of MARQUES pointed out that primarily what it wished was that users obtain the same degree of service under the Madrid system as under national procedures.

64. In the context of statements of grant of protection, the Delegation of Germany indicated that the German Office would not be in a position to issue such statements, even if individual fees were to become payable. However, it noted that information concerning the status of the protection of a mark was made available by the German Office to users upon request.

65. The Delegation of Slovenia stated that it shared the concerns expressed by the Delegation of Germany.

66. The Delegation of Croatia pointed out that the provision of further services might result in additional administrative work for the International Bureau, with a consequent risk that the basic fee might need to be raised.

67. The Chair underlined that the additional services under Option 3 would be mandatory only for the Offices of the Contracting Parties that made the declarations regarding the individual fees and refusal period.

68. The Delegation of France stated that, considering the figures contained in document MM/LD/WG/2/3 and the fee increases to be expected in case of a repeal of the safeguard clause, it doubted that French users would be satisfied with just the additional services or measures discussed so far in relation to Option 3 as a means to counterbalance the financial burden they would have to bear.

69. The Delegation of Japan suggested that the issuing of statements of grant of protection could be made compulsory.

70. The Delegation of China, declared that as none of the further services discussed under Option 3 was mandatory under the Common Regulations, the Office of China did not, at the moment, offer such services.

71. The Representative of MARQUES said that it would not be displeased if the standard fees were retained by a Contracting Party. However, if a Contracting Party opted for individual fees, then it should offer the same level of services as for national applications.

72. The Chair suggested that a response to the concerns expressed by many delegations would be to reconcile a repeal of the safeguard clause with, on the one hand, an adequate level of services to users and, on the other hand, a limited risk of increased costs. In this regard, and on the basis of Option 3, he developed a new proposal, which would consist of linking the repeal of the safeguard clause to two specific cumulative conditions: firstly, the provision of meaningful additional services when a Contracting Party made a declaration establishing individual fees or extending the refusal period; and secondly, the establishment of maximum amounts for individual fees.

73. Concerning additional services, the Chair suggested that this might consist of the notification of statements of grant of protection or providing free online access to databases or providing information on the status of international registrations upon request.

74. Concerning a limitation of the amount of individual fees, this could be obtained through the establishment of maximum levels depending on whether the Office of the Contracting Party concerned examined on absolute grounds only, or also on relative grounds following opposition, or on all grounds *ex officio*.

75. The Chair highlighted the fact that a solution of this type would need the consensus on the part of all Contracting Parties to the Protocol. He further proceeded to address how this possible solution might be implemented and suggested that this might be done through a formal statement issued by the Assembly of the Madrid Union or an amendment of the Common Regulations.

76. The Chair also noted that the potential solution now under discussion did not preclude the possibility of other proposals, but noted that the present proposal had the merit of moving in a direction which appeared to be shared by many delegations.

77. The Delegation of Slovenia requested clarification with regard to the interpretation of the reference in Article 8(7) of the Madrid Protocol to “savings resulting from the international procedure”. It questioned whether those savings would be viewed as being the same for each Contracting Party making an individual fees declaration.

78. In response to the Delegation of Slovenia, the Secretariat stated that there was no definite interpretation of the term in question.

79. The Delegation of Switzerland said that it favored, in principle, a total repeal of the safeguard clause as a necessary means to simplify the system and lead to the sole application of the Protocol in the medium term, although it was also attentive to the consequences of such repeal on the users, in particular with regard to an increase of the cost of international registration. Aside from the additional services discussed by the Working Group, ways to control such increase should particularly be studied, and more precisely, the possibility of introducing a ceiling to the amount of individual fees as a maximum percentage of the national fees. The Delegation also stated that while consultation with the interested circles would be required, it supported the new approach because in its view it addressed the concerns expressed previously. It further noted that such new approach aimed at introducing a ceiling reflected to a large extent the proposal made by Switzerland in the first session of the Working Group and took into account the objectives of equality of treatment among Contracting Parties, control of the cost increase and simplification of the system.

80. The Delegation of Spain indicated that while the details would require further discussion, it considered that the new approach was very positive and definitely going in the right direction.
81. The Delegation of Portugal said that it also believed that the new proposal was useful and addressed many of the concerns which had been expressed earlier.
82. The Delegation of Bulgaria stated that it also favored the new proposal.
83. The Delegation of Italy wondered whether the measures contemplated in the new proposal concerning the level of individual fees could be put in place without amendment of Article 8(7) of the Madrid Protocol by a diplomatic conference.
84. The Chair expressed the opinion that the Contracting Parties could agree on establishing more precise criteria or maximum amounts for the establishment of individual fees without necessarily going against Article 8(7). Obviously, they could not establish a maximum that would be higher than that provided for in that article, but a lower maximum could find a basis in the words “the said amount being diminished by the savings resulting from the international procedure”.
85. The Delegation of Antigua and Barbuda, while agreeing with the principle behind the proposal, considered that certain Offices were not in a position to provide those additional services, and requested clarification as to whether those services would be mandatory only in the case of an individual fee declaration having been made. The Delegation further pointed out that small offices are prepared to give national treatment to international applications, which would be in keeping with the proposal submitted by MARQUES.
86. In response, the Chair confirmed that Offices which made an individual fees declaration should provide at least one of those services.
87. The Representatives of AIM and MARQUES stated that, while the proposal reflected much of what they had been seeking, some of the services mentioned would place the initiative to act upon users.
88. The Representative of INTA, supported by the Representative of ECTA, stated that, while his Delegation would in principle be satisfied with the proposal, there would be need to obtain feedback from users and to conduct further discussions.
89. The Representative of CEIPI requested clarification as to whether Contracting Parties that had already made an individual fees declaration might have to reduce the amount of the fee and as to whether the International Bureau would verify whether the declared amounts would correspond with the prescribed maxima.
90. In reply, the Chair said that consideration would have to be given to the question of transitional provisions and, as regards the second question, it would be difficult for the International Bureau to conduct such type of verifications.

91. The Delegation of the United States of America said that it considered that the proposal was interesting and creative. It pointed out that the United States Patent and Trademark Office (USPTO) treated all applications in the same way, although the handling of Madrid filings required more resources. It considered that if the Office were required to reduce the fees with respect to Madrid filings, this could be perceived as Madrid filings being subsidized by domestic filings. Therefore, there was need to consult further with users and the US Congress.

92. In reply to a question by the Delegation of the European Community, the Chair said that the proposal was intended to apply to all Contracting Parties and to all individual fees declarations, both existing and future.

93. The Delegations of Austria, China, Finland, France, Norway, Turkey and Zambia said that they believed the proposal to be positive and interesting. However, they would need to reflect on it and engage in further discussions with users and relevant authorities.

94. The Delegation of the European Community indicated that it reserved its position on the proposal as it also needed to engage in further consultations.

95. Addressing concerns expressed by some of the delegations as to the legal means to give effect to the measures which might be introduced as a result of the proposal, the Secretariat suggested, by way of example, that modifications could be introduced to Rules 17 and 37 of the Common Regulations.

96. The Delegations of Singapore and the United Kingdom said that they had no problem with the question of services. However, they expressed concern with the question of fees and said that further consultation would be required.

97. The Delegation of Sweden, while recognizing the interest of the proposal, pointed out that where a Contracting Party had already introduced a lower national fee, then the application of a capped individual fee would unfairly result in a further lowering of the fees.

98. At this point, the Chair said that what was essential at this stage was to establish a clear direction and not necessarily to identify particular services or specific percentages of reductions in individual fees.

99. The Delegation of Germany stated that it was ready to consider more closely the latest proposal, while not precluding the possibility of reverting to other options. The Delegation said that it was open to the proposal as it considered that it might lead to consensus.

100. The Delegation of Denmark expressed interest in the proposal, though it shared the concern of the Delegation of Sweden with regard to the issue of fee reduction. It said that there was need for further discussion.

101. The Delegation of Japan, expressing similar reservations as the Delegations of the United Kingdom and the United States of America, noted that it had always understood that Contracting Parties to the Madrid Protocol had the entitlement to determine the criteria to be taken into account when establishing the amount of their own individual fees.

102. The Delegation of the Russian Federation said that, while the new proposal presented an opportunity to find a solution acceptable to all Contracting Parties of the Madrid system, it required further consultation. It also mentioned the possibility of combining the new proposal and Option 5.

103. The Delegation of Australia stated that Australia is a full service and full examination country and expressed reservations about a reduction of fees to the extent suggested; it further pointed out that, in any event, a change of fees would require government approval. It was not therefore in a position to give a definitive answer at this stage.

104. The Delegation of Cuba said that in principle the proposal put forward was a very interesting and novel one. However, it considered that this would lead to a controversial analysis since the proposed solutions went beyond the simple legal sphere of the Madrid system. In particular, the possibility of reducing fees required a feasibility analysis and consultations, something which took time. Similarly, any decision concerning notifications for users also required economic analysis.

105. The Delegation of Cuba said that those members of the Madrid Union who were in favor of a complete repeal of the safeguard clause, and who had examination terms and fee levels that were within the world average, were concerned that a discussion might lead to a substantial challenging of the foundations of the system recently accepted. Although it understood the demands of users regarding more efficient, economical and speedy management, the Delegation said that the Cuban Office needed time to assess how viable the proposal was.

106. The Delegation of Kenya, accepting that it had not made the declaration under Article 8(7), said that it considered that the individual fee should not be limited or lowered.

107. At this point, noting that a large number of delegations considered positively the new proposal and that there was a desire to reach a compromise, the Chair suggested for consideration of the Working Group a draft recommendation to be submitted to the Madrid Union Assembly.

108. Commenting on the draft, the Delegation of Germany, supported by the Delegation of France, suggested that the text appeared to exclude all options apart from the latest proposal. While the Delegation concurred with the strategic goals of that proposal, it did not wish to have other possibilities ruled out at this stage.

109. The Delegations of Portugal and Spain supported the draft recommendation as it stood.

110. The Delegations of Antigua and Barbuda, Cuba and the European Community expressed reservations about the text of the draft recommendation.

111. The Representative of INTA said that it should be recalled that the Working Group had already received a mandate to undertake preparatory work for a review of the safeguard clause and suggested that the recommendation should simply request an extension of that mandate, giving particular consideration to the measures that were set out in the second part of the draft.

112. The Chair submitted a revised text of conclusions and recommendations for consideration by the Working Group, which read as follows:

“Having considered various possible options for a repeal or restriction of the scope of the safeguard clause, the Working Group concluded that it should continue its preparatory work for a review of the safeguard clause with the aim of achieving the following objectives:

“(a) simplify, as much as possible, the operation of the Madrid system keeping in mind the ultimate goal that the system be governed by only one treaty;

“(b) ensure equal treatment among all Contracting Parties to the Madrid Protocol;

“(c) allow users of States which are today bound by both the Agreement and the Protocol to be able to benefit from the advantages offered by the Protocol while limiting undesired effects that might affect them as a result of the application of the Protocol.

“Consequently, the Working Group recommends to the Assembly of the Madrid Union to extend the mandate of the Working Group so that it may continue with that work giving priority 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.”

113. The Delegations of Australia, the European Community, France, Germany, Portugal, the Russian Federation, Singapore, Slovenia, Spain and the United States of America, along with the Representatives of INTA and MARQUES, all indicated support for the revised text.

114. There not being any further comments, the Chair concluded that the revised text set out in paragraph 112, above, should be submitted to the Assembly of the Madrid Union with the recommendations that the Assembly endorse the conclusions of the Working Group and extend its mandate accordingly.

#### IV. AMENDMENT OF THE COMMON REGULATIONS

##### The Language Regime Under the Madrid System

115. The discussions were based on document MM/LD/WG/2/4 prepared by the International Bureau and entitled “The Language Regime Under the Madrid System”.

116. The Delegation of France, indicating that it was in favor of extending the application of the trilingual regime, requested clarification as to why the impact on the use of languages in the case of a mere restriction of the scope of the safeguard clause would be the same as in the case of a repeal of such clause.

117. The Secretariat responded by elaborating on the relevant parts of the document.

118. The Delegation of Germany said that it supported the proposal to move towards a single, trilingual, regime for the Madrid system as proposed in the Annex to document MM/LD/WG/2/4 in the context of a revision of the safeguard clause.

119. The Delegation of the United States of America enquired whether supporting data on the financial implications of an extension of the trilingual regime could be made available.

120. The Secretariat indicated that document MM/LD/WG/2/4 identified the resources that would be required in order to handle the additional translation work resulting from a repeal or restriction of the safeguard clause. However, it could be expected that, if the decision taken were to go in the direction of a repeal of the safeguard clause, this would introduce further simplification of the procedures and would lead to cost savings for the International Bureau. These savings might compensate additional translation costs resulting from such a repeal. In any case, any measure having financial implications for the International Bureau would be submitted for consideration by the competent WIPO bodies and in no case would take effect before the Program and Budget 2008/09.

121. The Delegations of Slovenia and Spain, as well as the Representative of INTA, expressed support for the proposal contained in the Annex to document MM/LD/WG/2/4.

122. The Delegation of Japan, underlining the importance of the quality of translations and hoping that an increased translation workload would not affect such quality, indicated that it supported the proposal.

123. The Chair noted that there were no further comments and concluded that the recommendation of the Working Group was that the proposal to amend the Common Regulations so as to establish a full trilingual regime under the Madrid system, as set forth in the Annex to document MM/LD/WG/2/4, should be submitted to the Assembly of the Madrid Union for adoption in the framework of the revision of the safeguard clause.

Miscellaneous Other Features of the Common Regulations

124. Discussions were based on document MM/LD/WG/2/5 prepared by the International Bureau and entitled “Amendment of the Common Regulations”.

*Rule 3(1): Representation before the International Bureau*

125. It was noted by the Delegation of Singapore that while it had indicated support for the amendment of this provision during the course of the first session of the Working Group, it had since then given further thought to the issue and did not now believe that there was a necessity to expand the scope of Rule 3(1). However, given the positive recommendation of the Working Group, it still wanted its present position to be on record.

126. The Chair noted that there were no further comments and concluded that the recommendation of the Working Group was that a proposal to amend Rule 3(1) of the Common Regulations, as set out in the Annex to document MM/LD/WG/2/5, be submitted to the Assembly of the Madrid Union for adoption at its next session.

*Rule 32(3): The Paper Form of the Yearly Index*

127. The Chair noted that there were no comments and concluded that the recommendation of the Working Group was that a proposal to amend Rule 32(3) of the Common Regulations, as set out in the Annex to document MM/LD/WG/2/5, be submitted to the Assembly of the Madrid Union for adoption at its next session.

*Rules 19 to 21: The Date of Recording of Certain Communications, and  
Rule 20(3): Communication to the Office of the Contracting Party of the Holder of the Fact of the Recording of a Restriction*

128. The Delegation of China indicated that it supported the proposal to amend the Rules in question, though it noted that the recording of licenses in respect of international registrations was without effect in China.

129. The Delegation of Germany sought clarification in relation to the proposed deletion of part of the text in subparagraph (a) of paragraph 3 of Rule 20, as that deletion had not formed part of the initial proposal to amend this Rule.

130. In response, the Secretariat explained that the new proposed text encompassed all possible eventualities that would need to be addressed under that Rule and that the deleted text would no longer serve any purpose. The Secretariat also drew attention to a minor revision of the French text of the proposed amendment of Rule 20(3).

131. The Chair noted that there were no further comments and concluded that the recommendation of the Working Group was that a proposal to amend Rules 19 to 21 of the Common Regulations, as set out in the Annex to document MM/LD/WG/2/5, be submitted to the Assembly of the Madrid Union for adoption at its next session.

*Rule 28: Corrections*

132. The Representative of INTA proposed that, for the sake of clarity, the word “it” in the third line of paragraph (2) of the draft amendment be replaced by the words “the Office that has requested the correction”. It also suggested an additional revision of a later part of the draft text in the same paragraph.

133. The Secretariat noted the suggestion by the Representative of INTA and proposed adding also a further revision of the text of paragraph (2). Taking account of the proposal of the Representative of INTA and the Secretariat’s own additional proposed revision, paragraph (2) would read as follows:

“(2) [*Notification*] The International Bureau shall notify accordingly the holder and, at the same time, the Office of the designated Contracting Parties in which the correction has effect. In addition, where the Office that has requested the correction is not the Office of a designated Contracting Party in which the correction has effect, the International Bureau shall also inform that Office.”

134. The Chair noted that there were no further comments and concluded that the recommendation of the Working Group was that a proposal to amend Rule 28 of the Common Regulations, as set out in paragraph 133, above, be submitted to the Assembly of the Madrid Union for adoption at its next session.

V. STANDARDIZED FORMS FOR THE USE OF OFFICES OF CONTRACTING PARTIES

135. Discussions were based on document MM/LD/WG/2/6 prepared by the International Bureau and entitled “Standardized Forms for the Use of Offices of Contracting Parties”.

136. Referring to item III of Form A, the Delegation of Switzerland said that the Office of a designated Contracting Party was not always in a position to refer to the name of the holder of the international registration. It therefore proposed that item III of that form instead refer to “Other indications enabling the identity of the international registration to be confirmed, such as the verbal elements of the mark”, as mentioned in Rule 17(2)(ii).

137. The Delegations of China, Norway, the Russian Federation, Slovenia, Sudan and Turkey, as well as the representatives of MARQUES and INTA mentioned a number of indications, respectively, which could be included in several of the forms, with a view to either conforming to certain requirements under national law, complying with declarations under the Madrid Protocol and the Common Regulations or providing additional information for the benefit of users.

138. The Secretariat clarified the nature of the proposed standard forms. It stated that those forms were intended to reflect a common denominator. As such, they might require some adaptation to suit the particular needs of each Contracting Party. The International Bureau was ready to help the Office of any Contracting Party in tailoring a form to suit its needs.

139. The Secretariat noted that the proposal by the Delegation of Switzerland regarding Form A was, however, consistent with the requirement set forth by Rule 17(2)(ii) of the Common Regulations, and that item III of such form could therefore be amended to read:

“Name of the holder (or other indication enabling the identity of the international registration to be confirmed).”

140. The Delegation of Portugal said that it agreed with the spirit of the standard forms as explained by the Secretariat, and indicated that it would undertake an analysis as to how such forms would need to be adapted to suit the needs of the Office of Portugal.

141. The Chair noted that there were no further comments, and concluded that the recommendation of the Working Group was that the Assembly of the Madrid Union should encourage the International Bureau to make available to the Offices of the Contracting Parties the standard forms, as contained in the Annex to document MM/LD/WG/2/6, and to continue to work with each interested Office in the tailoring of such forms.

## VI. PROPOSALS FOR THE ESTABLISHMENT OF MODEL PROVISIONS CONCERNING THE ISSUE OF TRANSFORMATION

142. Discussions were based on document MM/LD/WG/2/7 prepared by the Secretariat and entitled “Proposals for the establishment of model provisions concerning the issue of transformation”.

143. In introducing the document, the Secretariat stressed that the proposed model provisions were merely illustrative and that a legislation needed not go as far as contemplated in Model Provision 3 to comply with Article 9*quinquies* of the Protocol.

144. The Delegation of MARQUES expressed its support for the work carried out by the Working Group on the issue of transformation. It stated that this work was a very good initiative which could possibly help clarifying how Offices were to deal with requests for transformation and, to a larger extent, make the Madrid system more effective and attractive. It added that its comments also extended to the issue of replacement addressed in document MM/LD/WG/2/8.

145. The Delegation of Australia, noting that the proposed model provisions were similar to the provisions applicable in Australia, indicated that neither a specific form nor a fee was required by the Australian Office in case of a request for transformation.

146. The Delegation of the European Community shared the views of the representative of MARQUES regarding the importance of the work on the issue of transformation. It indicated that the application form for a Community trademark contained a specific item on transformation and that the normal application fee applied. As regards draft Model Provision 3, it said that, if the international registration had already been granted protection in the European Union, the application would be registered without re-examination of absolute or relative grounds for refusal. Conversely, if the mark had not yet been protected, the application resulting from the transformation would, as a new Community trademark application, be subject to the normal examination procedure. The European Community considered this approach balanced and justified and did not currently want to commit itself to changing it.

147. The Delegation of Germany stated that the German Office charged the normal application fee and that, as regards paragraph (1) of draft Model Provision 3, the procedure was as described by the Delegation of the European Community. It also pointed out that the German Office required that a translation into German of the list of the goods and services be provided.

148. The Delegation of China said that in China an application resulting from transformation had to comply with the requirements of a national application, including the requirement of one application per class. Consequently, the application was subject to a new examination, which justified the payment of the national application fee.

149. The Delegation of Norway, noting that only one request for transformation had been received so far by the Norwegian Office and that neither a special form nor a transformation fee was charged by that Office, requested clarification as to where the model provisions were intended to be inserted.

150. In reply, the Secretariat said that the model provisions aimed at assisting those Contracting Parties in implementing Article 9*quinquies*, and were not intended for insertion in either the Common Regulations or the Administrative Instructions.

151. The Delegation of Singapore said that in its country the national application fee was applicable to applications resulting from transformation and that the practice set out in draft Model Provision 3 was followed in Singapore.

152. The Delegation of INTA expressed support for the approach described by the Delegation of Singapore, stressing that this was in line with the goal of simplification of the procedures relating to the Madrid system. It also expressed the wish that harmonization and simplification would eventually be attained.

153. The Chair submitted the following recommendation to the Working Group:

“The Working Group recommends that the Assembly of the Madrid Union encourages the International Bureau to make available to the Offices of the Contracting Parties the model provisions contained in the Annex of document MM/LD/WG/2/7 and to pursue its work aimed at improving the Madrid system towards simplification and harmonization.”

154. The Working Group adopted the recommendation.

## VII. PROPOSALS CONCERNING THE ISSUE OF REPLACEMENT

155. Discussions were based on document MM/LD/WG/2/8 prepared by the International Bureau and entitled “Proposals Concerning the Issue of Replacement”.

156. As indicated in paragraph 144, the Delegation of MARQUES expressed its support for the work carried out by the Working Group on the issue of replacement.

157. The Representative of INTA stated that the issue of replacement was of particular importance for users. He said that the existence of very different practices revealed that there was a variety of interpretations of Article 4*bis* and, as a consequence, a need for further discussion on the matter, aiming at achieving harmonization and certainty.

158. With respect to draft Model Provision 1, he pointed out that subparagraph (a) should be complemented by a sentence along the following lines: “..., and the Registrar shall be required to do so.”.

159. Regarding draft Model Provision 2, the Representative of INTA said that there was uncertainty as to what were the “rights” referred to in Article 4*bis*, and expressed the view that there should be a discussion on that matter before Contracting Parties committed themselves to implementing the proposed amendments to Rule 21.

160. The Delegation of Australia stated that an international registration and the corresponding national registration could coexist in Australia, and that their Office advised holders to maintain such coexistence during the dependency period.

161. The Delegation of the Russian Federation expressed the view that the discussions on this matter were very important for users and that model provisions for the implementation of the Madrid Agreement and Protocol in general were desirable.

162. In reply to a request for clarification from the Delegation of the United States of America as to the reference to the Administrative Instructions in the proposed new item (iv) of Rule 21(1), the Secretariat said that it was foreseen that the International Bureau would engage in talks with those Contracting Parties which might wish to provide information on such other rights, as to be specified in the Administrative Instructions.

163. The Delegation of the United States of America said that, while it was not opposed to the proposal, it considered that it would be awkward that the Rule contained a provision that would not yet be operative.

164. The Secretariat said that it might be preferable at this stage to withdraw the proposal and to further discuss the matter.

165. The Delegation of Germany said that, in case a request was submitted to the German Office to take note of a replacement, that Office would cancel the national registration, but failing such a request the two registrations would coexist. It also said that it feared that the proposed amendment to the *chapeau* of Rule 21(1) might have the undesired effect of encouraging certain Offices to cancel national or regional registrations *ex officio*.

166. The Delegation of the European Community queried whether the absence of proposed new item (iv) in Rule 21(1) would prevent the Office for Harmonization in the Internal Market (OHIM) from sending information concerning seniority.

167. The Secretariat replied in the negative, but said that it would not provide the International Bureau with a proper basis for the recording in the International Register and the publishing of the information concerning seniority.

168. The Delegation of the European Community and the Representative of MARQUES expressed discomfort with the impossibility of having seniorities recorded and published.

169. In response to the concerns expressed by various delegations, the Chair proposed, as the sole amendment to Rule 21, the addition of a new sentence that could read as follows:

“It may also include information relating to any other rights acquired by virtue of that national or regional registration, in a form agreed between the International Bureau and the Office concerned.”

170. Noting that there were no further comments, the Chair concluded that the recommendation of the Working Group was: (a) that the proposal set forth in paragraph 169, above, should be submitted to the Assembly of the Madrid Union for adoption, and (b) that the Assembly should encourage the International Bureau to make available to the Offices of the Contracting Parties the model provisions contained in the Annex of document MM/LD/WG/2/8 and extend the mandate of the Working Group to continue the preparatory work aimed at simplifying and harmonizing the practices of the Offices of the Contracting Parties on replacement.

## VIII. OTHER MATTERS

### Proposal by Norway

171. The Delegation of Norway presented its proposal, as contained in the Annex to document MM/LD/WG/2/9.

172. The Delegation of Denmark, noting that it was not yet in a position to comment on the individual proposals, supported the general proposal to recommend to the Assembly that the mandate of the Working Group should be prolonged with at least two more meetings in order to discuss the issues raised by Norway.

173. The Delegation of Germany said that it was flexible as to whether there should be one or two more meetings of the Working Group, and pointed out that there appeared to be consensus anyway that an extension of the mandate of the Working Group should be recommended to the Assembly.

174. The Delegations of Australia, the European Community, Japan, the United States of America, Singapore and Zambia supported the general proposal that the mandate of the Working Group should be prolonged with a view to engaging in a discussion on the issues raised by Norway.

175. The Delegations of the Russian Federation and Spain expressed the view that, while the proposals which had been put forward by Norway were interesting, it would be preferable to resolve first the issue of the repeal or restriction of the safeguard clause.

176. The Delegation of Sudan said that the proposal to reduce the refusal period would pose a problem for it, and that there was need for further discussion.

177. The Chair noted that there were two possible options: either to request a continuation of the mandate and an expansion of its subject-matter, or to request only a continuation until the subject-matter of the present mandate was concluded. In the latter case, the issues raised by Norway could continue to be discussed in the following sessions of the Working Group under the item "Other Matters". He stressed that, in any event, the issue was dependent on the budgetary allocation for the 2006-2007 biennium.

178. The Delegation of Norway said that it could accept the option to request only a continuation of the mandate, insofar as such option would leave a window open to continue to discuss the issues it had raised.

179. The Working Group so agreed.

#### Amendment of the Common Regulations

180. The Secretariat informed the Working Group of its intention to submit to the Assembly of the Madrid Union a proposal for amendment of Rule 39, concerning the continuation of effects of international registrations in certain successor States, in order to make explicit reference to the Protocol in that Rule.

181. The Working Group took note of this information.

#### Emergency Preparedness Measures

182. In introducing document MM/LD/WG/2/10, the Secretariat said that its purpose was to inform Contracting Parties of the state of affairs in the preparation by WIPO of an organization-wide plan which will take into account specific needs in the different sectors of the Organization in case of emergency scenarios such as pandemics. The immediate reason for preparing such a plan lay in the threat of an avian flu pandemic, which according to the World Health Organization (WHO) remained great and for which the United Nations system had created a coordination mechanism. While a more comprehensive document covering all the areas for which WIPO had responsibilities was in preparation for submission to the Assemblies in September–October 2006, document MM/LD/WG/2/10 focused on operations under the Madrid system. The document addressed, in particular, scenarios in which activities would not cease completely, but could still continue in a limited way. It set out the views of the International Bureau as to the measures to be taken in such scenarios, when

neither a normal operation and functioning of the international registration system under the Madrid Agreement and Protocol, nor Madrid-related services, could be guaranteed, and identified a number of such measures aimed at preserving the rights of applicants and holders of international registrations as much as possible in these circumstances. Information concerning relevant legal provisions and emergency preparedness plans from Offices of Contracting Parties could be made available centrally via the Madrid website.

183. The Working Group took note of this information.

*184. This report was unanimously adopted by the Working Group on June 16, 2006.*

[End of Annex and of document]