

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

**Thirteenth Session
Geneva, November 2 to 6, 2015**

PROPOSAL FOR THE INTRODUCTION OF THE RECORDAL OF DIVISION OR MERGER CONCERNING AN INTERNATIONAL REGISTRATION

Document prepared by the International Bureau

INTRODUCTION

1. In the twelfth session of the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”), several delegations and observers emphasized that division would be a useful feature for users of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Madrid System”). Moreover, that its introduction should follow a simple, sensible and workable approach where the substantive decisions rested with the Offices of the designated Contracting Parties.
2. Several delegations supported a proposal formulated by the Delegation of Switzerland (hereinafter referred to as “the Swiss proposal”), during one of its interventions, and wished to see it further elaborated in writing. Accordingly, the Working Group requested that the International Bureau prepare a document, for the next session of the Working Group, analyzing that proposal.
3. Following the request made by the Working Group, the International Bureau has prepared the present document in consultation with the Swiss Federal Institute of Intellectual Property and with valuable contributions made by the *Association Romande de Propriété Intellectuelle* (AROP) and the International Trademark Association (INTA).

MAIN FEATURES OF THE SWISS PROPOSAL

4. The Delegation of Switzerland presented the following as essential features of its proposal for the introduction of division of international registrations:

- Limited scope: the request for division should refer to one Contracting Party only and be for some only of the goods and services.
- Indirect filing: the request should be presented to the International Bureau, at the request of the holder, by the Office concerned.
- Limited control: the control exercised by the International Bureau would be limited to ensuring that requests meet the applicable formal requirements.
- *A priori* acceptance: since the request would be presented by the Office concerned, it would be understood that the Office agreed with the request and that no further statements from that Office should be required.
- Divisional registration: division should result in a new international registration.

PROPOSED NEW RULES 27BIS AND 27TER

5. This document proposes the adoption of new Rules 27*bis* and 27*ter* of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to, respectively, as “the Common Regulations”, “the Agreement” and “the Protocol”). In addition to the proposed new Rules, consequential amendments to the Common Regulations, the Schedule of Fees and the Administrative Instructions for the Application of the Madrid Agreement and Protocol (hereinafter referred to as “the Administrative Instructions”) are also being proposed. The proposed changes are reproduced in the Annex to this document.

LIMITED SCOPE AND INDIRECT FILING

6. Paragraph (1) of proposed new Rule 27*bis* addresses the first two features outlined in the Swiss proposal, namely limited scope and indirect filing. The request for the division of an international registration shall concern only one designated Contracting Party and be for only some of the applicable goods and services.

7. As explained by the Delegation of Switzerland, the limited scope results from the fact that division is mainly requested after an objection (partial provisional refusal) has been raised by an Office. Accordingly, a request for division could only concern one Contracting Party. In other words, while an international registration might be divided in respect to several designated Contracting Parties, a separate request should be presented for each one of them.

8. Paragraph (1) also states that the Office of the Contracting Party for which division is being requested shall present the request to the International Bureau. The Delegation of Switzerland indicated that, for the sake of simplicity, a request for division should be presented directly to the Office concerned because this Office would be in the best position to examine and validate the request. The Office should transmit to the International Bureau any request seemingly complying with the formal requirements of the Common Regulations and those substantive requirements in the applicable law.

LIMITED CONTROL

9. The proposed new Rule 27*bis* does not have any reference to the processes a Contracting Party would presumably have to put in place for handling and transmitting a request for division. Nevertheless, as indicated during the twelfth session of the Working Group, it is understood that the Office would have to liaise with the holder, or with the locally appointed representative, and agree on the scope of the division before transmitting the request to the International Bureau. Accordingly, each Contracting Party would be at liberty to determine the requirements and processes that it deem suitable, including establishing the payment of a fee to its Office for the examination and transmission of the request to the International Bureau. This fee would be independent from the fee payable to the International Bureau for the division of an international registration.

10. Once the Office concerned has transmitted a request, the International Bureau would have an examination role limited to ensuring that the request meets the requirements listed in paragraph (1) of the new Rule, as well as other formal requirements in the Common Regulations or in the Administrative Instructions, such as the filing language requirements (Rule 6 of the Common Regulations) or the requirements for written communications (Section 6 of the Administrative Instructions).

11. The International Bureau would invite the Office that presented the request to remedy any formal defect, informing the holder accordingly. An Office so invited would have the customary time limit of three months to remedy such request. In alignment with indirect filing, the request cannot be remedied directly by the holder, but only by the Office that presented the request. If the request is not remedied within the time limit, the request would be deemed abandoned and the International Bureau would reimburse any amount paid, after the deduction of an amount to cover for administrative expenses (one half of the fee), to the party that made the payment.

CONSIDERATIONS ON WHETHER TO DIVIDE THE GOODS AND SERVICES AFFECTED BY A PROVISIONAL REFUSAL OR THOSE THAT ARE NOT AFFECTED

12. Under the Swiss proposal, the goods and services listed in the request for division, those to be set apart and recorded in the divisional registration, would be the goods and services not affected by a provisional refusal. Setting apart these goods and services into a divisional registration would allow the Office that is presenting the request to issue a statement of grant of protection for this divisional registration, providing the holder with an enforceable title.

13. Accordingly, to avoid requiring further statements regarding the divisional registration, paragraph (1)(d) of proposed new Rule 27*bis* indicates that any request for division would include, in the corresponding form, a statement of grant of protection for the goods and services listed in the request. For the sake of legal certainty, this statement would be individually recorded, notified and published by the International Bureau as such.

14. Following the recording of division, the goods and services that remain in the registration that has been divided (the parent registration) would continue to be affected by the provisional refusal. After completing the proceedings before the Office for the parent registration, the Office would be obliged to send a statement under Rule 18*ter* of the Common Regulations, either confirming the provisional refusal or indicating the goods and services remaining in the parent registrations for which the mark is now protected. Finally, to take advantage of centralized management, the holder would have to request that the parent and divisional registrations be merged; otherwise, to preserve his rights, he would be forced to maintain both international registrations.

15. However, holders of international registrations and Offices alike might find it more convenient to request the division of an international registration for the goods and services that are affected by a provisional refusal. After setting apart the refused goods and services, only the accepted goods and services would remain in the parent registration.

16. In this second case, the Office would be in a position to send a statement under Rule 18~~ter~~(2) of the Common Regulations for the parent registration, indicating that the mark is now protected for the goods and services that remain in this registration, which would also provide holders with an enforceable title in the parent registration.

17. The divided goods and services, those in the divisional registration, would remain refused pending the outcome of further proceedings within the Office. After completing those proceedings, the Office would be obliged to send a statement under Rule 18~~ter~~ of the Common Regulations for the divisional registration, either confirming the refusal or granting protection.

18. The holder would not be required to request the merger of the parent and divisional registration where an Office simply confirmed the fact that protection to the mark is refused for the divisional registration. In this particular case, the holder could simply let the divisional registration lapse.

19. The Working Group may wish take into account the previous considerations and opt for a more neutral approach by not recommending to the Madrid Union Assembly the adoption of paragraph (1)(d) of proposed new Rule 27~~bis~~. In this case, the holder and Office that is presenting the request could agree on which goods and services should be set apart in the divisional registration.

20. Under a neutral approach, the consequences of division on the status of protection of the mark would be similar to those for the recording of a partial change in ownership. Division, *per se*, would not change the status of protection of the mark for the divided goods and services until the Office sends the appropriate communication.

THE CONTENTS OF THE REQUEST

21. Paragraph (1) lists the contents of the requests for division, which concern information to identify the Office presenting the request and the international registration to be divided. It requires that, for their proper recording, the goods and services subject of the request for division be grouped under the classes of the *International Classification of Goods and Services for the Purposes of the Registration of Marks* ("the Nice Classification") that are included in the international registration. Finally, it further requires that the party making the payment to the International Bureau be identified, as well as that other payment particulars be indicated.

22. Given that the request would be presented by an Office, it should be signed by this Office. The Office might also require, according to its internal processes, that the holder of the international registration also sign the request.

FEE FOR DIVISION

23. Paragraph (2) of proposed new Rule 27~~bis~~ requires the payment of a fee to the International Bureau for the division of an international registration. For more information on the cost implications for the International Bureau resulting from the introduction of division in the Madrid System, a reference is made to document MM/LD/WG/12/3, in particular, to the analysis set out in paragraphs 53 to 58.

24. The implementation of the current proposal would be simplified by deploying processes and practices similar to those already in place for the recording of a partial change in ownership. The limited role assigned to the International Bureau would presumably lighten the burden related to examination and recording. The amount of the fee for a request for division should be aligned with those for the recording of changes to an international registration.

25. Accordingly, a proposed new item 7.7 of the Schedule of Fees sets an amount of 177 Swiss francs for the fee for the recording of division.

RECORDING OF DIVISION IN THE INTERNATIONAL REGISTER

26. Paragraph (4)(a) of proposed new Rule 27*bis* instructs the International Bureau to record the division of the international registration in the International Register, following the receipt of a regular request. The recording would bear the date on which the request was received or remedied. As a supplement to this, Section 16(a) of the Administrative Instructions would be amended to include a reference to division, mirroring the current practices following the recording of a partial change in ownership. In that sense, division would be recorded under the registration that has been divided.

DIVISIONAL REGISTRATION

27. Paragraph (4) also requires that the International Bureau create a divisional registration. This new, fully independent, international registration would only have, as its main list, the goods and services that have been set apart and, as its sole designation, the Contracting Party of the Office that sent the request. The remaining features of the divisional international registration would be the same as those of the international registration from which it has been divided.

28. An amendment to Section 16(b) of the Administrative Instructions would require that divisional registrations be identified with the same number of the registration from which they have been divided, followed by a capital letter (e.g., IRN 605000A, 605000B, etc.).

29. This nomenclature is already used for registrations resulting from a partial change in ownership. Following the same approach for registrations resulting from division would allow the International Bureau to take advantage of all the mechanisms that are already in place to manage the life-cycle of the newly created international registration (e.g., partial changes in ownership, subsequent designation, further division or merger).

30. Moreover, the proposed approach would have fewer technological implications for Offices of the Contracting Parties of the Madrid System, as they would not be required to assess and possibly deploy changes to their information technology systems to accommodate a different numbering system for international registrations resulting from division.

31. There would not be a risk of confusion between registrations resulting from division and registrations resulting from a partial change in ownership. The International Register will show the recording that gave birth to this new registration (either division or change in ownership) and this fact will be clearly indicated in the ensuing notification to holders and to the designated Offices and it will also be published in the *WIPO Gazette of International Marks* ("the Gazette").

32. According to what is being proposed above, a consequential amendment to Rule 32, requiring that the recording of division be published in the Gazette, is also proposed.

A REQUEST NOT CONSIDERED AS SUCH

33. Paragraph (5) of proposed new Rule *27bis* further defines the limited examination role carried out by the International Bureau by establishing the only situation under which a request for division would not be considered to be such. According to the Swiss proposal, the list of goods and services provided in the request would have been agreed upon by the holder and the Office. As a result, the International Bureau would neither examine nor question that list, but it would control that the numbers of the classes mentioned in the request are amongst those for which the Contracting Party has been designated.

34. The International Bureau would not record the division in the International Register where a request concerns classes for which the Contracting Party of the Office presenting the request has not been designated. In addition, it would not record the division for classes that are not mentioned in the international registration or in respect of Contracting Parties that had not been designated.

DECLARATION

35. As emphasized on numerous occasions, one of the guiding principles of the introduction of division should be that holders using the Madrid System be treated no less favorably than those using the national or regional route. In other words, division of international registrations should be available in respect of Contracting Parties where the national or regional law provides for a similar mechanism regarding applications filed direct with their Office.

36. Accordingly, under a proposed paragraph (6) of new Rule *27bis*, an Office could notify the Director General that it will not present requests under paragraph (1), insofar as its law does not provide for the division of an application for the registration of a mark filed direct with the Office and for the division of a registration effected by said Office.

37. As stated above, in the absence of a declaration under paragraph (6), an Office should transmit to the International Bureau any request presented under paragraph (1) meeting the formal requirements of the Common Regulations and those substantive requirements in the applicable national or regional law.

MERGER

38. For the sake of clarity, it is proposed that paragraph (3) of Rule 27 be deleted and its text reproduced in a proposed new Rule *27ter*, introducing some minor changes to provide for the merger of registrations resulting from division.

39. As it is the case today, a request for merger under the new Rule could be presented to the International Bureau by the holder, provided the same natural person or legal entity is the recorded holder in the international registrations concerned. The proposed new Rule would not require further formalities for presenting the request or the payment of a fee to the International Bureau. In that sense, a letter from the holder would suffice, but an optional form could be made available.

40. As with division, for the sake of publicity, a proposed amendment to Rule 32 would require that mergers be published in the Gazette.

DATE OF ENTRY INTO FORCE

41. The International Bureau will soon start the validation phase of its new administrative system, the Madrid International Registries Information System (MIRIS). As a result, the International Bureau has stopped further developments in its current administrative system during the transition to avoid work and cost duplication. It is anticipated that MIRIS will be deployed soon after testing and validation are completed.

42. New Madrid System features can only be introduced in MIRIS following its successful deployment and once it is deemed to be stable. It would be sensible to anticipate that the development, validation and deployment of any new feature in MIRIS should take into account a reasonable stabilization period.

43. On the other hand, Offices of the Contracting Parties would be required to analyze the implications of the changes being proposed in this document and determine what legal, regulatory, administrative or technical changes, if any, would be necessary in anticipation of their entry into force.

44. To ensure that the required new services and procedures for the introduction of division are adequately implemented, both by the International Bureau and by the Offices of the Contracting Parties, it is suggested that the proposed new Rules and consequential amendments to the Common Regulations, the Schedule of Fees and the Administrative Instructions enter into force on November 1, 2017, at the earliest.

45. *The Working Group is invited to:*

(i) consider the proposals contained in this document; and

(ii) indicate whether it would recommend to the Madrid Union Assembly the adoption of the corresponding changes to the Common Regulations and the Schedule of Fees, as presented in the Annex to this document or in amended form, and suggest a date for their entry into force.

[Annex follows]

**PROPOSED AMENDMENTS TO THE COMMON REGULATIONS UNDER THE MADRID
AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS AND THE
PROTOCOL RELATING TO THAT AGREEMENT**

**Common Regulations under
the Madrid Agreement Concerning
the International Registration of Marks
and the Protocol Relating to that Agreement**

(as in force on ~~January 1, 2015~~)

[...]

**Chapter 5
Subsequent Designations; Changes**

[...]

Rule 27

*Recording and Notification of a Change or of a Cancellation;
~~Merger of International Registrations; Declaration That a Change in
Ownership or a Limitation Has No Effect~~*

[...]

(3) ~~[Deleted] [Recording of Merger of International Registrations] Where the same natural person or legal entity has been recorded as the holder of two or more international registrations resulting from a partial change in ownership, the registrations shall be merged at the request of the said person or entity, made either direct or through the Office of the Contracting Party of the holder. The International Bureau shall notify accordingly the Offices of the designated Contracting Parties affected by the change and shall inform at the same time the holder and, if the request was presented by an Office, that Office.~~

[...]

Rule 27bis

Division of an International Registration

(1) [Request for the Division of an International Registration] (a) A request by the holder for the division of an international registration for some only of the goods and services in respect of a Contracting Party shall be presented to the International Bureau on the relevant official form, in one copy, by the Office of that Contracting Party.

(b) The request shall indicate

(i) the Contracting Party of the Office presenting the request,

(ii) the name of the Office presenting the request

(iii) the number of the international registration,

(iv) the name of the holder,

(v) the names of the goods and services to be set apart, grouped in the appropriate classes of the International Classification of Goods and Services, and

(vi) the amount of the fee being paid and the method of payment, or instructions to debit the required amount to an account opened with the International Bureau, and the identification of the party effecting the payment or giving the instructions.

(c) The request shall be signed by the Office presenting the request and, where the Office so requires, also by the holder.

[(d) Any request presented under this paragraph shall include a statement in accordance with Rule 18ter(1) for the goods and services listed in the request.]

(2) [Fee] The division of an international registration shall be subject to the payment of the fee specified in item 7.7 of the Schedule of Fees.

(3) [Irregular Request] (a) If the request does not comply with the applicable requirements, the International Bureau shall invite the Office that presented the request to remedy the irregularity and at the same time inform the holder.

(b) If the irregularity is not remedied by the Office within three months from the date of the invitation under subparagraph (a), the request shall be considered abandoned and the International Bureau shall notify accordingly the Office that presented the request, it shall inform at the same time the holder and refund any fee paid, after deduction of an amount corresponding to one-half of the fee under paragraph (2).

(4) [Recording and Notification] (a) Where the request complies with the applicable requirements, the International Bureau shall record the division, create a divisional international registration in the International Register, notify accordingly the Office that presented the request and shall inform at the same time the holder.

(b) The division of an international registration shall be recorded with the date of receipt by the International Bureau of the request or, where applicable, the date where the irregularity referred to in paragraph (3) was remedied.

(5) [Request Not Considered as Such] A request for the division of an international registration in respect of a designated Contracting Party that is not or is no longer designated for the classes of the International Classification of Goods and Services mentioned in the request will not be considered as such.

(6) [Declaration That a Contracting Party Will Not Present Requests for Division] The Office of a Contracting Party, the law of which does not provide for division of applications for the registration of a mark and registrations of a mark, may notify the Director General that it will not present to the International Bureau the request referred to in paragraph (1). This declaration may be withdrawn at any time.

Rule 27ter
Merger of International Registrations

Where the same natural person or legal entity has been recorded as the holder of two or more international registrations resulting from a partial change in ownership or from the division of an international registration, the registrations shall be merged at the request of the said person or entity, made either direct or through the Office of the Contracting Party of the holder. The International Bureau shall notify accordingly the Offices of the designated Contracting Party or Parties affected by the change and shall inform at the same time the holder and, if the request was presented by an Office, that Office.

[...]

Chapter 7
Gazette and Data Base

Rule 32
Gazette

(1) *[Information Concerning International Registrations]* (a) The International Bureau shall publish in the Gazette relevant data concerning

[...]

(viii**bis**) division recorded under Rule 27**bis**(4) and merger recorded under Rule 27**ter**,

[...]

(xi) information recorded under Rules 20, 20**bis**, 21, 21**bis**, 22(2)(a), 23, 27(~~3~~)~~and~~(4) and 40(3);

[...]

[...]

(2) *[Information Concerning Particular Requirements and Certain Declarations of Contracting Parties]* The International Bureau shall publish in the Gazette

(i) any notification made under Rule 7~~1-01~~ Rule 20**bis**(6) or Rule 27**bis**(6) and any declaration made under Rule 17(5)(d) or (e);

[...]

[...]

PROPOSED AMENDMENTS TO THE SCHEDULE OF FEES

SCHEDULE OF FEES

(in force on **January 1, 2015**)

Swiss francs

[...]

7. *Miscellaneous recordings*

[...]

[7.7 Division of an international registration](#)

[177](#)

[...]

**PROPOSED AMENDMENTS TO THE ADMINISTRATIVE INSTRUCTIONS FOR THE
APPLICATION OF THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL
REGISTRATION OF MARKS AND THE PROTOCOL RELATING THERETO**

**Administrative Instructions for the Application of the
Madrid Agreement Concerning the International
Registration of Marks and the Protocol
Relating Thereto**

(as in force on ~~January 1, 2008~~)

[...]

**Part Six
Numbering of International Registrations**

*Section 16: Numbering Following Division or Partial Change
in Ownership*

(a) Division, Assignment or other transfer of the international registration in respect of only some of the goods and services or only some of the designated Contracting Parties shall be recorded in the International Register under the number of the international registration of which a part has been divided, assigned or otherwise transferred.

(b) Any divided, assigned or otherwise transferred part shall be ~~cancelled~~ underdeleted from the ~~number~~recording of the ~~said~~concerned international registration and recorded as a separate international registration. The separate international registration resulting from the recording of division or a partial change in ownership shall bear the number of the international registration of which a part has been assigned or otherwise transferred, ~~together with~~followed by a capital letter.

*Section 17: Numbering Following Merger
of International Registrations*

The international registration resulting from the merger of international registrations in accordance with Rule 27 ~~ter(3)~~ shall bear the number of the international registration of which a part had been assigned or otherwise transferred ~~together~~, followed, where applicable, ~~with~~by a capital letter.

[...]

[End of Annex and of document]