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

**Fourteenth Session**

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analysis of limitations under the madrid system for the international registration of marks

*Document prepared by the International Bureau*

# Introduction

1. During its thirteenth session, the Working Group for the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as the “Working Group”) requested that the International Bureau analyze, in a document to be discussed at its next session, limitations requested in international applications, subsequent designations and as a request for the recording of a change; in particular, the roles and responsibilities of the Office of origin, the International Bureau and the Office of the designated Contracting Parties in the examination of the scope of those limitations.

# PURPOSE OF LIMITATION

1. A limitation to the list of goods and services is a change to the scope of protection of an international registration; more specifically, a restriction of such scope with effect in one or more designated Contracting Parties. The determination of whether a limitation falls within the scope of the main list of an international registration is a decision on the scope of the protection to the mark.

# limitations in the madrid system

1. Limitations may be effected in three manners: in an international application, in a subsequent designation or as a request for the recording of the limitation as a change for a given international registration.
2. The applicant or the holder may use limitations to reflect export strategies for specific Contracting Parties, to reduce the cost of renewal of an international registration or to avoid or overcome expressed or potential provisional refusals. Thus, limitations are formulated with very specific Contracting Parties in mind.
3. The recording of a limitation does not entail the removal of the goods and services concerned from the international registration, as recorded in the International Register. The sole effect is that the international registration is no longer extended to the goods and services covered by the limitation in the relevant Contracting Parties.
4. Even where a limitation is recorded in the International Register and the mark is no longer protected in respect of the goods and services covered by the limitation in one or more Contracting Parties, those goods and services may later be the subject of a subsequent designation.
5. To formulate a limitation, the holder may omit or exclude one or more classes or specific indications of goods and services. The holder may also replace one or more indications with other indications, using so‑called “free expressions”, meaning indications that are contained neither in the international registration nor in the alphabetical list of the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification). By using such free expressions, the holder may tailor the lists of goods and services for the various designated Contracting Parties, which is especially useful for those known to require a higher degree of specificity. Thus, free expressions embody a convenient flexibility for users of the Madrid System, allowing them more easily to meet the requirements of the very diverse legal frameworks of its Contracting Parties.
6. While there are various ways to express a limitation, the principle remains that the terms expressed in the limitation must be narrower in scope than the main list of the goods and services in the international registration.
7. It is not possible to extend the list of goods and services of international registrations. If the holder wishes to protect his mark for additional goods and services, the holder must file a new international application. This is true, even if those goods and services were included in the basic application or the basic registration, and the applicant *could* have included them in the international application, but chose not to.
8. Nevertheless, limitations might result in a broadening or expansion of the list of goods and services. This could be the case, for example, where the limitation contains free expressions or where indications have been replaced by other indications. Hence, the competent examining authority may raise an objection to the limitation. It follows that limitations need to be examined to determine whether they fall within the scope of the main list of goods and services in the international registration.

## Limitations in international applications

1. The applicant may include a limitation in the international application. Rule 9(4)(a)(xiii) of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to as, correspondingly, “the Common Regulations”, “the Agreement” and “the Protocol”) establishes that the international application shall contain or indicate “the names of the goods and services for which the international registration of the mark is sought, grouped in the appropriate classes of the International Classification of Goods and Services, each group preceded by the number of the class and presented in the order of the classes of that Classification; the goods and services shall be indicated in precise terms, preferably using the words appearing in the Alphabetical List of the said Classification; the international application may contain limitations of the list of goods and services in respect of one or more designated Contracting Parties; the limitation in respect of each Contracting Party may be different […].” The international application, which may contain a limitation, must be presented to the International Bureau through the Office of origin.

## Limitations in subsequent designations

1. Rule 24(3)(a)(iv) of the Common Regulations deals with subsequent designations, more precisely, stating that “[s]ubject to paragraph (7)(b), the subsequent designation shall contain or indicate […] where the subsequent designation is for all the goods and services listed in the international registration concerned, that fact, or, where the subsequent designation is for only part of the goods and services listed in the international registration concerned, those goods and services […].” The possibility that the subsequent designation contains only a part of the goods and services, as set out in the international registration, amounts to a limitation.
2. The holder may include a limitation in a subsequent designation, using the official form, presenting it directly to the International Bureau or through the Office of the Contracting Party of the holder. The holder also has the option to include a limitation in a subsequent designation by using an electronic form (E-Subsequent Designation), in which case the form is presented directly to the International Bureau.

## Limitations requested as changes to the international registration (under Rule 25)

1. The third and final option is to request the recording of a limitation as a change to the international registration under Rule 25 of the Common Regulations. The holder can request this recording directly to the International Bureau or through the Office of the Contracting Party of the holder. An electronic form to present this request will be introduced in the future.
2. Following the recording of the limitation in the International Register, the International Bureau will notify the designated Contracting Parties affected by the limitation. Under Rule 27(5) of the Common Regulations, the Office of a designated Contracting Party that has been notified of such recording may declare that the limitation has no effect in its territory. This declaration must be sent to the International Bureau before the expiry of 18 months from the date on which the notification of the limitation was sent to the Office concerned.
3. In its declaration, the Office must indicate the reasons for which the limitation has no effect, stating the corresponding essential provisions of the law, and whether the declaration is subject to review or appeal. Where the declaration does not affect all the goods and services, the Office must indicate either those that are affected or those which are not affected by the declaration. Upon receipt of this declaration, the International Bureau will notify the holder and, if the request was submitted through an Office, it will inform that Office.
4. The procedure set out in Rule 27(5) was introduced because Offices of designated Contracting Parties had informed the International Bureau that the lists of goods and services which resulted from limitations could, in their opinion, be broader than the original list but there was no mechanism whereby Offices could give effect to their objections.
5. There is no similar procedure in the Common Regulations for limitations effected in international applications or in subsequent designations.

# Examination of limitations in the legal framework of the Madrid System

1. Limitations need to be examined to determine whether they fall within the main list of goods and services of the international registration. Examination of limitations may be a clear and simple exercise where the limitation consists in the mere exclusion of classes or of specific indications, although it may significantly affect the workload of the authority examining the limitation. Where the limitation is expressed by replacing specific indications with others, for example, by using free expressions, the examination can be more complicated.

## Examination of limitations presented in international applications

1. The current legal framework of the Madrid System does not include any explicit provision on the examination of limitations in international applications. Rule 9(4)(a)(xiii)) refers to the inclusion of limitations in international applications. Rule 9(5)(d)(vi), when defining the certification by the Office of origin, states that this Office should certify “that the goods and services indicated in the international application are covered by the list of goods and services appearing in the basic application or basic registration, as the case may be.” This general formulation corresponds to Article 3(1) of the Protocol, which states that “[…] [t]he Office of origin shall certify that the particulars appearing in the international application correspond to the particulars appearing, at the time of the certification, in the basic application or basic registration, as the case may be.”
2. It is to be noted that Rule 8 of the Regulations under the Agreement did not envisage the inclusion of limitations in international applications; consequently, the international application form did not reflect this possibility. That option was only provided for in Rule 9(4)(a)(xiii) of the Common Regulations, which resulted in the modification of the international application forms in 2001. Prior to this, any limitation would be effected separately, although it could be published with the certificate of international registration.
3. Thus, the certification function cannot be considered to have originally included the examination of limitations. However, there are different practices among Offices acting as Offices of origin; while a number of them do not examine limitations, there are Offices that do examine limitations in international applications.
4. The Common Regulations entrust the International Bureau with the control of the international application. The contents of this function are developed in Rules 11, 12 and 13. Of these three provisions, Rules 12 and 13 deal, respectively, with irregularities concerning the classification of goods and services and the indication of goods and services. Rule 12(1)(a) states that the International Bureau shall verify compliance with the requirements under Rule 9(4)(a)(xiii), yet the provision refers only to issues of classification.
5. In fact, Rule 12(1)(a) stems from Articles 3(2) of both the Agreement and the Protocol. These identical provisions state that “[t]he applicant must indicate the goods and services in respect of which protection of the mark is claimed and also, if possible, the corresponding class or classes according to the classification established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. If the applicant does not give such indication, the International Bureau shall classify the goods and services in the appropriate classes of the said classification. The indication of classes given by the applicant shall be subject to control by the International Bureau, which shall exercise the said control in association with the Office of origin. In the event of disagreement between the said Office and the International Bureau, the opinion of the latter shall prevail.” Once again, the control functions of both the International Bureau and the Office of origin are clearly demarcated in the treaties, limiting them to the verification of a correct indication and classification of goods and services.
6. The above leads to the conclusion that the Madrid System legal framework does not explicitly state who should examine limitations in international applications. The certification function of the Office of origin does not clearly include examination of limitations; neither does the control mandate of the International Bureau.

## Examination of limitations presented in subsequent designations

1. The analysis concerning examination of limitations in subsequent designations mirrors the one for international applications, as described above. Rule 24(5) of the Common Regulations generally mandates the International Bureau to verify compliance with “the applicable requirements” and raise irregularities, where appropriate.
2. The question of who should examine limitations in subsequent designations is not explicitly answered; though, in this case, the possible candidates to undertake the examination would be the International Bureau, the Offices of the designated Contracting Parties or the Office of the Contracting Party of the holder, if the subsequent designation is presented by that Office.

## Examination of limitations presented under Rule 25

1. Rule 25 introduces a procedure enabling Offices of designated Contracting Parties to examine and, as the case may be, declare that limitations concerning them have no effect.
2. Rule 27 also sheds light on the legal context of the examination by the Offices of the designated Contracting Parties. Paragraph (5)(b) states that the declaration “shall indicate (i) the reasons for which the limitation has no effect, (ii) where the declaration does not affect all the goods and services to which the limitation relates, those which are affected by the declaration or those which are not affected by the declaration, (iii) the corresponding essential provisions of the law, and (iv) whether such declaration may be subject to review or appeal.” Therefore, these Offices are to examine limitations for compliance with their legal frameworks. This is a similar approach to the one envisaged for provisional refusals, which also assume an examination role for the Office of the designated Contracting Party; Rule 17(2)(iv) states that a notification of provisional refusal shall contain or indicate “all the grounds on which the provisional refusal is based, together with a reference to the corresponding essential provisions of the law, […].”
3. Contrary to examination of limitations in international applications and subsequent designations, an analysis of the legal framework of the Madrid System makes it clear that limitations requested as the recording of a change, under Rule 25, should be examined by the Offices of the designated Contracting Parties concerned.
4. In this particular case, the Office should verify that the limitation conforms not only to the main list, but also to the list of goods and services for which the Contracting Party remains designated and for which protection has been granted or modified.
5. The question of the attribution of competence regarding the examination of limitations that are requested as the recording of a change, under Rule 25, finds a clear answer in the legal framework of the Madrid System. However, the same question concerning limitations in international applications and subsequent designations requires further analysis.

# examining authority of limitations

1. The examination of limitations is notionally quite clear: it “simply” consists in determining whether a limitation is within the scope of the main list of goods and services of the international registration. However, such determination involves a thorough knowledge of classification of goods and services, as well as a capacity to interpret the meaning of the increasing use of free expressions.
2. The central issue of examination of a limitation is one that concerns the scope of protection, which is a matter that the Madrid System refers to the Offices of the designated Contracting Parties. In other words, the examining authority must determine whether the limitation falls within the main list of the international registration, as interpreted in the designated Contracting Party concerned. Moreover, when a limitation is made after protection has been granted, such limitation should fall within the scope of the protection granted in the Contracting Party concerned.
3. Only the authorities of designated Contracting Parties can make decisions on the scope of protection with effect for their territories, for example, as provisional refusals, statements of grant of protection, further decisions or declarations on limitations under Rule 27(5). Therefore, the designated Contracting Parties concerned are the sole competent authorities to examine all limitations and, in so doing, determine the scope of protection in their territories.
4. Limitations in international applications and in subsequent designations are similar to limitations under Rule 25 because they too embody restrictions to the scope of protection in the designated Contracting Parties. Therefore, given their similar nature, it follows that all limitations should receive a similar treatment, i.e., examination by the Offices of designated Contracting Parties.
5. The language in Rules 9(4)(a)(xiii) and 24(3)(a)(iii) and (iv), enabling users to effect different limitations, differently affecting the scope of protection in respect of different designated Contracting Parties, militates in favor of this rationale.
6. Requiring that an authority other than the Office of the designated Contracting Party concerned should examine limitations could result in decisions that are inconsistent with the interpretation of the scope made by this Office.
7. To illustrate this point, we could consider an international registration listing a class heading of the Nice Classification. While the Office of origin and the Offices of the designated Contracting Parties might accept class headings of the Nice Classification, those Offices might have very different interpretations regarding their scope. The Office of origin might, for instance, consider that the class heading protects all the goods or services in the alphabetical list of that class, which would result in this Office accepting a limitation listing any of those goods or services. Such limitation might not be acceptable in a designated Office that considers that class headings only protect the goods or services that are actually covered by the literal meaning of those terms.

## possible examination of limitations by the office of origin OR BY THE OFFICE OF THE CONTRACTING PARTY OF THE HOLDER

### Examination of limitations in international applications by the Office of origin

1. A paradox resulting from requiring that Offices of origin examine limitations in international applications would be that limitations would be examined and decided upon by different jurisdictions based solely on the way the limitation was presented. Limitations presented in the international application would be examined and decided upon by the Office of origin; whereas, those requested as the recording of a change, by the Office of the designated Contracting Party.
2. Should Offices of origin undertake examination of limitations in international applications, a notification on the outcome of this examination to the Offices of designated Contracting Parties, probably under Rule 14(1) of the Common Regulations, should be considered. In this case, decisions made by Offices of origin would directly impinge on the scope of protection in the designated Contracting Parties.
3. The examination of limitations in international applications is a substantial issue that does not seem to fall within the scope of the certification function. Article 3(1) of the Protocol states that the Office of origin shall certify that the particulars appearing in the international application correspond to the particulars appearing, at the time of the certification, in the basic application or basic registration, as the case may be. The notion of correspondence suggests that the Office of origin verifies a correlation between the certified particulars in both the international application and the basic mark, but not that the Office should undertake an in‑depth examination of the international application, such as deciding on whether a limitation is in fact a limitation or rather an expansion compared to the main list.
4. It is clear, from previous sessions of the Working Group, that there is no consensus among Offices of Contracting Parties on whether certification includes the examination of limitations. Moreover, it seems that there is no definitive support in the Madrid System legal framework to conclude that this should be the case.
5. Other implications would need to be carefully considered before requiring that the examination of limitations in international applications be undertaken by Offices of origin. For instance, the two‑month delay for the processing of international applications by those Offices would represent a considerable constraint, given the fact that a complex dialogue between the Office and the applicant should be opened. This would add strain to the workload of the Offices that currently do not undertake this examination. There would be an increased risk for Offices not being able to meet the two‑month time limit to submit international applications, which in turn would affect the dates of international registrations that could be detrimental for the applicants.
6. Further to the discussion on whether examination of limitations could be considered as part of the certification function, the examination of limitations by the Office of origin would also present the following issues:
   1. The Office of origin would be examining a limitation for conformity with the main list of an international application without control by the International Bureau.
   2. The law and the classification practices of the Office of origin would need to be accepted by all designated Contracting Parties. The views of the Office of origin would not be submitted to the control of the International Bureau and to the prevalence of its opinion.
   3. The workload of Offices of origin currently not examining limitations would be significantly increased.
   4. Applicants might not be able to draft limitations with the examination practice of a given designated Contracting Party in mind when this practice does not correspond to the one applied by the Office of origin. Conversely, they would need to be familiar with the practices of Offices of origin.
   5. Forum shopping might occur and Offices of origin with less strict examination procedures might run the risk of significantly increasing their workload.
   6. Different regimes would need to be established in the Madrid System legal framework for limitations in international applications and limitations requested as the recording of a change, whereas both types of limitations are intended to produce effects before designated Offices.

### Limitations in subsequent designations by the Office of origin or the Office of the Contracting Party of the holder

1. The discussion concerning limitations in international applications would also apply to limitations in subsequent designations. Should the Office of origin undertake this examination, this would be an altogether new function not foreseen in the Madrid System legal framework, which would require amendments to the Common Regulations.
2. Under the current legal framework, the holder decides whether to present a subsequent designation directly with the International Bureau or through the Office of origin or through the Office of the Contracting Party of the holder. Most subsequent designations are presented directly to the International Bureau, a significant number of them electronically.
3. There would be a further complexity under this approach in cases where the Office of the Contracting Party of the holder and the Office of origin are no longer the same Office, following the recording of a change in ownership. In such cases, the Office of the Contracting Party of the holder would be required to examine the limitation against a main list that was certified by another Office, namely, the Office of origin, possibly following a divergent practice.
4. Providing for the examination of limitations in subsequent designations by the Office of the Contracting Party of the holder, might require that the holder present the subsequent designation through that Office or, alternatively, that the International Bureau notify the Office and await its decision on the limitation therein.

## possible Examination of limitations BY THE INTERNATIONAL BUREAU

1. If the International Bureau were to examine limitations to determine whether this would fall within the main list of the international registration, significant investments would be necessary, to cover recruitment of staff and appropriate training. Furthermore, change management and changes to the legal framework to introduce the required clarity as to the competencies and duties of the International Bureau would also be needed.
2. An additional reason against the examination of limitations by the International Bureau is that there is no appeal mechanism in place for its decisions. If the International Bureau were to examine limitations in applications and subsequent designations, either its decisions would not be subject to appeal, which would create a different legal regime *vis‑à‑vis* decisions on limitations made under Rule 25, or some kind of appeal mechanism within WIPO would need to be created. Furthermore, Offices of designated Contracting Parties may claim a right to review final decisions made by the International Bureau. Overall, this entire construction would lead to delays in processing where an appeal would be requested, but more importantly, this would probably also require amendments to the laws of Contracting Parties.

# THE WAY FORWARD

1. Discussions held in previous sessions of the Working Group have revealed that there is a certain level of agreement on the notion that examination of limitations should be undertaken by the Offices of the designated Contracting Parties where the limitation is to have effect, when such limitations are made in subsequent designations and/or as the recording of a change under Rule 25.
2. However, it would seem appropriate that all limitations, including those presented in international applications, be examined by the Offices of the designated Contracting Parties, given that those Offices are the sole authority to determine the scope of protection in the designated Contracting Parties. Moreover, the examination of limitations by the Office of the designated Contracting Party concerned, regardless of the way in which they are presented, would increase legal certainty because the same treatment would be applied to limitations in all cases.

## Examination of all limitations by the Office of the designated Contracting Party

1. Should the Working Group agree on the principle that all limitations should be examined by the Office of the designated Contracting Party concerned, this would require additional considerations on the legal basis needed to examine limitations in applications and subsequent designations. It would need to consider the nature and effects of a decision on such limitations; and, the way in which those decisions should be communicated.
2. In practical terms, three possible options could be envisaged for a possible implementation of the principle of examination of all limitations by the Office of the designated Contracting Party:

### (a) Provisional refusal according to the current legal framework

Certain Contracting Parties have interpreted that the current legal framework of the Madrid System allows them to totally or partially refuse protection to the mark that is the subject of an international registration on the grounds that a limitation presented in an international application or in a subsequent designation is deemed to go beyond the main list of the international registration. For instance, some Contracting Parties consider that, since, according to Article 4 of the Protocol, an international registration has the effect of an application filed with the Office, a limitation of the list of goods and services in such international registration could not result in an expansion of its main list. For these Contracting Parties, under the applicable law, the same would apply to an application filed with the Office; the restriction of the application could not result in the expansion of the original list of goods and services.

### (b) Provisional refusal under a modified legal framework

Some Contracting Parties consider that, under Article 5 of the Protocol, an Office would not be in a position to refuse protection on the grounds that a limitation is deemed to go beyond the main list of the international registration, where such grounds would not equally apply to an application filed direct with that Office. For these Contracting Parties, the legal framework would need to be modified by either amending their applicable legislation or by amending the Common Regulations. An amendment to the Common Regulations, probably to Rule 17, could explicitly indicate that the Office of a designated Contracting Party may refuse protection to the mark that is the subject of an international registration on the grounds that a limitation is deemed to go beyond its main list. In some cases, this might also require modifications to the legal framework of Contracting Parties.

### (c) Declaration that a limitation in an application or subsequent designation has no effect

Finally, as seen earlier, an international application or subsequent designation that contains a limitation could be seen as a request for territorial extension and as a separate request for the recording of a limitation. Therefore, it could be argued that a limitation filed in an application or subsequent designation should not be treated any different than a limitation requested as a change. Consequently, it might be concluded that all limitations should be the subject of a separate decision by the Office concerned. In this particular case, amendments to the Common Regulations would be required to provide for the sending of declarations that a limitation in an international application or subsequent designation has no effect, similar to those declarations that the Office of a designated Contracting Party sends under Rule 27(5).

1. Any of the possible options described in the preceding paragraph would require a thorough analysis, particularly, of the issues indicated in paragraph 54, above. In the event consensus is achieved on the understanding that all limitations should be examined by the Office of the designated Contracting Party concerned, the International Bureau could analyze one or more of those options in a new document to be discussed at the next session of the Working Group.
2. *The Working Group is requested to consider the above issues and provide guidance to the International Bureau, in particular, on whether it would:*

*(i) agree on the principle that all limitations should be examined by the Office of the designated Contracting Party concerned; and,*

*(ii) request that the International Bureau further elaborate one or more of the options described in paragraph 55, above, in a document to be discussed at its next session.*

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