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(MADRID UNION)

ASSEMBLY

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PROPOSAL FOR A NEW RULE 1BIS

Document prepared by the International Bureau

I. INTRODUCTION

1. On the occasion of its third session, held in Geneva from January 29 to February 2, 2007, the *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”) approved a proposal¹ for a new Rule 1bis to provide, under certain circumstances, for a change in the treaty applicable to the recorded designation of a Contracting Party bound by both the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement². The Working Group thus requested the International Bureau to prepare, in view of a fourth session of the Working Group, draft amendments to the Common Regulations in order to provide for the addition of a new Rule 1bis.

¹ This proposal was contained in document MM/LD/WG/3/4, entitled “Proposal for a New Rule 1bis”.

² Hereinafter referred to as “the Agreement” and “the Protocol”, respectively. Similarly, the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement will be hereinafter referred to as “the Common Regulations”.

2. As part of the material prepared in view of that fourth session, held from May 30 to June 1, 2007, the International Bureau issued document MM/LD/WG/4/3 containing, *inter alia*, a revised draft new Rule *1bis*, as well as draft consequential amendments to Rules 1(xvii) to (xviii), 25(1)(c) and 30(4).
3. During that session, the Working Group agreed to recommend that the Madrid Union Assembly amend the Common Regulations “by the addition of a new Rule *1bis* and with respect to Rules 1(xvii) to (xviii), 25(1)(c) and 30(4), as provided in the draft contained in Annex I of document MM/LD/WG/4/3, with January 1, 2008, as the proposed date of entry into force”³.
4. The purpose of the present document is to submit the amendments referred to in paragraph 3, above, for adoption by the Assembly. For easier reference, the proposed amendments are first reproduced in Annex I in “track changes” mode, i.e., with the text proposed to be deleted, struck through and the text proposed to be added, appearing underlined. For clarity, the final text of the Common Regulations, as it would result following the adoption of the proposed amendments, is reproduced in Annex II to the present document. Chapters II and III below provide notes in support of proposed new Rule *1bis* and of the proposed consequential amendments, respectively.

II. NOTES ON NEW RULE *1BIS*

5. As explained in document MM/LD/WG/3/4, proposed new Rule *1bis* would apply in the event that a Contracting Party bound by both the Agreement and the Protocol denounces one of these two treaties, in certain cases of change in ownership and, as far as paragraph (1)(i) of the draft provision is concerned, in case of a repeal of the safeguard clause⁴. As further recalled in that document, the change of the treaty which applies following certain types of change in ownership is already an established practice under the Common Regulations.

³ See paragraph 19(b) of document MM/LD/WG/4/6, entitled “Summary by the Chair”. It is also recalled that, as the primary rationale for the proposed new Rule *1bis*, document MM/LD/WG/3/4, submitted at the third session of the Working Group, stressed the implications for holders of international registrations in the event that a Contracting Party bound by both treaties were to denounce one of them. In concluding, during that session, that the adoption of proposed Rule *1bis* would bring certainty to the system, the Working Group noted that as Uzbekistan’s denunciation of the Agreement will take effect on January 1, 2008, it would be desirable that the proposed rule be in force on that date.

⁴ Paragraph (1)(i) would then apply to all designations that, up to the date of entry into force of the repeal, were governed by the Agreement by virtue of Article 9*sexies*(1) of the Protocol. It would also apply, subsequently, and following the accession to the Protocol of a State that was until then bound only by the Agreement, to all designations in respect of which the other Contracting Party concerned in a relation with that State (either as the designated Contracting Party or as the Contracting Party of the Holder) is bound by both treaties.

6. At present, this practice entails no consequences as to the fees payable with respect to the international application or subsequent designation, the required basis for filing an international application or the determination of the entitlement to file, as these matters are, by definition, already settled with respect to a recorded designation. Neither does it have an impact on the refusal period, even where that period is still running when the change of applicable treaty occurs. The only possible implications of this practice thus relate to the fees payable on renewal, the presentation of a request for the recording of a cancellation or a renunciation and the possibility of transformation, that is provided only by the Protocol.

7. Proposed Rule 1*bis*, paragraph (1), sets out the conditions under which a designation which, as a matter of principle, is governed by the treaty (Agreement or Protocol) under which it was made (in the international application or subsequent to the international registration) may become governed by the other of the two treaties. Item (i) thereof provides for a change of the treaty governing a designation from the Agreement to the Protocol, and item (ii) provides for a change of the treaty governing a designation from the Protocol to the Agreement.

8. Under the proposed new rule, the first condition for a change of the applicable treaty to occur in respect of a given recorded designation is that the treaty originally applicable ceases to apply in relations between the Contracting Party of the holder and the designated Contracting Party.

9. The second condition is that, on the date on which the treaty theretofore applicable ceases to apply, both Contracting Parties are bound by the other treaty. It is, however, not necessary that these two Contracting Parties had been already bound by that other treaty on the date of effect of the designation concerned.

10. The change of the applicable treaty takes place at the moment when the above conditions are met. Paragraph (2) of the proposed new rule ensures that the identity of the treaty governing the designation, as a result of the application of Rule 1*bis*, will be reflected in the data accessible to offices and third parties.

11. For the understanding of the proposed new rule, it is necessary to recall that, in the Common Regulations, the term “designation” has two meanings, that is to say, *either* the request for extension of protection (“territorial extension”), under the Agreement or the Protocol, *or* such extension as recorded in the International Register⁵.

12. In the proposed new rule, the term “designation” is intended to be used only in the second of its two possible meanings. This follows from the words “with regard to a given *international registration*” in items (i) and (ii) of paragraph (1) of that rule. Thus, under items (i) and (ii) of paragraph (1) of that rule, the expressions “Contracting Party whose designation is governed by the Agreement” and “Contracting Party whose designation is governed by the Protocol” refer to the treaty which, at any given moment governs the *recorded* designation of a Contracting Party, irrespective of the treaty under which that Contracting Party may have originally been designated.

⁵ See Rule 1(xv). Similarly, under Rule 1(xvi), the expression “designated Contracting Party” means either a Contracting Party for which the extension of protection has been requested, under the Agreement or the Protocol, or a Contracting Party in respect of which such extension has been recorded in the International Register.

13. In order to clearly distinguish the treaty governing a given designation at a given time from the treaty under which the designation was originally made in the international application or subsequent to the international registration, it is proposed additionally to amend the definitions of the expressions “Contracting Party designated under the Agreement” and “Contracting Party designated under the Protocol”, which appear in items (xvii) and (xviii) of current Rule 1.

14. Following such amendment, those expressions would refer exclusively to the treaty under which the designation was originally made⁶. That proposed amendment is commented upon further below.

III. NOTES ON THE CONSEQUENTIAL AMENDMENTS

Rule 1, items (xvii) to (xviii) (*Abbreviated Expressions*)

15. Pursuant to item (xvi) of Rule 1, the expression “designated Contracting Party” means, for the purpose of the Common Regulations, either a Contracting Party for which territorial extension has been requested or a Contracting Party in respect of which such extension has been recorded in the International Register. The purpose of the proposed amendments to items (xvii) and (xviii) is to confine the definitions of “Contracting Party designated under the Agreement” and “Contracting Party designated under the Protocol” to the former concept only⁷.

16. As a consequence of the proposed amendments, the period of refusal applicable to a recorded designation could not be affected by a change of the applicable treaty under Rule 1*bis*. This would result from the fact that the application of paragraph (1) or of paragraph (2) of Rule 18 (dealing with irregular notifications of provisional refusal) is dependent on the expressions “Contracting Party designated under the Agreement” and “Contracting Party designated under the Protocol”. As described under paragraph 6, above, this is already the case under the general practice relating to a change in the applicable treaty following the recording of a change in ownership. The proposed amendments to items (xvii) and (xviii) of Rule 1 would now clearly enshrine that practice.

17. Aside from Rule 18, the only other provisions of the Common Regulations where these expressions are currently used in the sense of a recorded territorial extension are item (xviii*bis*) of Rule 1 and Rule 30(4). A consequential amendment to Rule 30(4) is proposed in Annex I and commented upon further below.

⁶ The proposed amendment of items (xvii) and (xviii) of Rule 1 would have the added advantage of reducing to a minimum the need for transitional provisions or other amendments of the Common Regulations to give effect to the “conversion principles” and “transitional principles” agreed upon by the Working Group in the context of its review of the safeguard clause (see document MM/A/38/3).

⁷ These abbreviated expressions are used in the following provisions of the Common Regulations:

- item 1(xvii): Rules 1(xviii*bis*), 10(3), 14(2)(v), 18(1), 24(2)(a)(ii) and 30(4);
- item 1(xviii): Rules 7(2), 10(3), 14(2)(v), 18(2) and 30(4).

18. Concerning item (xvii**bis**) of Rule 1, the definition of the expression “Contracting Party whose designation is governed by the Agreement” currently makes reference to the situation where a change in ownership has been recorded in the International Register. It is thus too narrow to take into account all the possible circumstances leading to a change of the applicable treaty under proposed new Rule 1**bis**. However, to the extent that the latter proposed provision clearly establishes what should be understood by this expression, it is proposed to delete item (xvii**bis**)⁸.

Rule 25(1)(c) (Presentation of a Request for the Recording of a Cancellation or Renunciation)

19. It is recalled that, amongst the several types of change that may be recorded in respect of an international registration, renunciation and cancellation are the only two in respect of which the Agreement and the Protocol provide differently.

20. More precisely, pursuant to Rule 25(1)(c), where a renunciation or a cancellation affects a Contracting Party whose designation is governed by the Agreement, the request must be presented to the International Bureau through the Office of the Contracting Party of the holder. Pursuant to Rule 26(3), when this aforementioned condition is not complied with, the request is not considered as such by the International Bureau. In contrast, where all the designations affected are governed by the Protocol, the request may, at the holder’s option, be presented direct to the International Bureau.

21. The purpose of the proposed amendment to Rule 25(1)(c) is one of certainty: it would ensure that requests that should not be considered as such for the reason indicated in the previous paragraph would not become suddenly admissible following a change of applicable treaty, and that, conversely, those presented direct to the International Bureau would not be disregarded simply because, during their processing, the designation (or one of the designations) affected converted into a designation under the Agreement⁹.

Rule 30(4) (Details Concerning Renewals – Period for Which Renewal Fees are Paid)

22. This amendment is proposed as a consequential amendment to the proposed amendments to items (xvii) and (xviii) of Rule 1. It substitutes the expressions “Contracting Party whose designation is governed by the [Agreement/Protocol]” for the expressions “Contracting Party designated under the [Agreement/Protocol]”. The amendment appears self-explanatory.

⁸ The sole provision of the Common Regulations where this abbreviated expression is currently used is Rule 25(1)(c), dealing with requests for the recording of a cancellation and renunciation.

⁹ Admittedly, such situations would become relatively rare should the safeguard clause be repealed.

23. The Assembly of the Madrid Union is invited to adopt new Rule 1bis and the consequential amendments to Rules 1(xvii) to (xviii), 25(1)(c) and 30(4) of the Common Regulations, as set out in Annex I hereto, with a date of entry into force of January 1, 2008.

[Annexes follows]

ANNEX I

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

(as in force on ~~April~~ January 1, ~~2007~~2008.)

LIST OF RULES

Chapter 1: General Provisions

[...]

[Rule 1bis: Designations Governed by the Agreement and Designations Governed by the Protocol](#)

[...]

Chapter 1
General Provisions

Rule 1
Abbreviated Expressions

For the purposes of these Regulations,

[...]

(xvii) “Contracting Party designated under the Agreement” means a ~~designated~~ Contracting Party for which the extension of protection (“territorial extension”) has been requested under Article 3~~ter~~(1) or (2) of the Agreement ~~has been recorded in the International Register~~;

~~(xvii bis) — “Contracting Party whose designation is governed by the Agreement” means a Contracting Party designated under the Agreement or, where a change of ownership has been recorded and the Contracting Party of the holder is bound by the Agreement, a designated Contracting Party which is bound by the Agreement;~~

(xviii) “Contracting Party designated under the Protocol” means a ~~designated~~ Contracting Party for which the extension of protection (“territorial extension”) has been requested under Article 3~~ter~~(1) or (2) of the Protocol ~~has been recorded in the International Register~~;

[...]

Rule 1bis

Designations Governed by the Agreement and Designations Governed by the Protocol

(1) [General Principle and Exceptions] The designation of a Contracting Party shall be governed by the Agreement or by the Protocol depending on whether the Contracting Party has been designated under the Agreement or under the Protocol. However,

(i) where, with regard to a given international registration, the Agreement ceases to be applicable in the relations between the Contracting Party of the holder and a Contracting Party whose designation is governed by the Agreement, the designation of the latter shall become governed by the Protocol as of the date on which the Agreement so ceases to be applicable, insofar as, on that date, both the Contracting Party of the holder and the designated Contracting Party are parties to the Protocol, and

(ii) where, with regard to a given international registration, the Protocol ceases to be applicable in the relations between the Contracting Party of the holder and a Contracting Party whose designation is governed by the Protocol, the designation of the latter shall become governed by the Agreement as of the date on which the Protocol so ceases to be applicable, insofar as, on that date, both the Contracting Party of the holder and the designated Contracting Party are parties to the Agreement.

(2) [Recording] The international Bureau shall record in the International Register an indication of the treaty governing each designation.

[...]

Chapter 5
Subsequent Designations; Changes

[...]

Rule 25

*Request for Recording of a Change;
Request for Recording of a Cancellation*

(1) *[Presentation of the Request]* [...]

(c) The request for the recording of a renunciation or a cancellation may not be presented directly by the holder where the renunciation or cancellation affects any Contracting Party whose designation is, on the date of receipt of the request by the International Bureau, governed by the Agreement.

[...]

Chapter 6 Renewals

[...]

Rule 30 Details Concerning Renewal

[...]

(4) *[Period for Which Renewal Fees Are Paid]* The fees required for each renewal shall be paid for ten years, irrespective of the fact that the international registration contains, in the list of designated Contracting Parties, only Contracting Parties whose designation is governed by ~~designated under~~ the Agreement, only Contracting Parties whose designation is governed by ~~designated under~~ the Protocol, or both Contracting Parties whose designation is governed by ~~designated under~~ the Agreement and Contracting Parties whose designation is governed by ~~designated under~~ the Protocol. As regards payments under the Agreement, the payment for ten years shall be considered to be a payment for an instalment of ten years.

[Annex II follows]

ANNEX II

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, 2008.)

LIST OF RULES

Chapter 1: General Provisions

[...]

Rule *1bis*: Designations Governed by the Agreement and Designations Governed by the Protocol

[...]

Chapter 1
General Provisions

Rule 1
Abbreviated Expressions

For the purposes of these Regulations,

[...]

(xvii) “Contracting Party designated under the Agreement” means a Contracting Party for which the extension of protection (“territorial extension”) has been requested under Article *3ter*(1) or (2) of the Agreement;

(xviii) “Contracting Party designated under the Protocol” means a Contracting Party for which the extension of protection (“territorial extension”) has been requested under Article *3ter*(1) or (2) of the Protocol;

[...]

Rule Ibis

Designations Governed by the Agreement and Designations Governed by the Protocol

(1) *[General Principle and Exceptions]* The designation of a Contracting Party shall be governed by the Agreement or by the Protocol depending on whether the Contracting Party has been designated under the Agreement or under the Protocol. However,

(i) where, with regard to a given international registration, the Agreement ceases to be applicable in the relations between the Contracting Party of the holder and a Contracting Party whose designation is governed by the Agreement, the designation of the latter shall become governed by the Protocol as of the date on which the Agreement so ceases to be applicable, insofar as, on that date, both the Contracting Party of the holder and the designated Contracting Party are parties to the Protocol, and

(ii) where, with regard to a given international registration, the Protocol ceases to be applicable in the relations between the Contracting Party of the holder and a Contracting Party whose designation is governed by the Protocol, the designation of the latter shall become governed by the Agreement as of the date on which the Protocol so ceases to be applicable, insofar as, on that date, both the Contracting Party of the holder and the designated Contracting Party are parties to the Agreement.

(2) *[Recording]* The international Bureau shall record in the International Register an indication of the treaty governing each designation.

[...]

Chapter 5
Subsequent Designations; Changes

[...]

Rule 25

Request for Recording of a Change;
Request for Recording of a Cancellation

(1) *[Presentation of the Request]* [...]

(c) The request for the recording of a renunciation or a cancellation may not be presented directly by the holder where the renunciation or cancellation affects any Contracting Party whose designation is, on the date of receipt of the request by the International Bureau, governed by the Agreement.

[...]

Chapter 6

Renewals

[...]

Rule 30
Details Concerning Renewal

[...]

(4) *[Period for Which Renewal Fees Are Paid]* The fees required for each renewal shall be paid for ten years, irrespective of the fact that the international registration contains, in the list of designated Contracting Parties, only Contracting Parties whose designation is governed by the Agreement, only Contracting Parties whose designation is governed by the Protocol, or both Contracting Parties whose designation is governed by the Agreement and Contracting Parties whose designation is governed by the Protocol. As regards payments under the Agreement, the payment for ten years shall be considered to be a payment for an instalment of ten years.

[End of Annex II and of document]