

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

Tenth Session
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PROPOSAL FOR THE INTRODUCTION OF THE RECORDAL OF DIVISION OR MERGER CONCERNING AN INTERNATIONAL REGISTRATION BEFORE THE OFFICE OF A DESIGNATED CONTRACTING PARTY

Document prepared by the International Bureau

I. BACKGROUND

1. At the fifth 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”) which took place in Geneva from May 5 to 9, 2008, the Representative of the *Association romande de propriété intellectuelle* (AROPI), referring to an informal paper prepared by AROPI and made available to delegations, suggested that consideration be given by the Working Group to introducing into 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”) provisions for the division of international registrations¹. In his conclusions, the Chair of the Working Group indicated that the Working Group had taken note of the existence of the paper mentioned by the Representative of AROPI and encouraged member States to study that document².

2. At the seventh session of the Working Group, which took place in Geneva from July 7 to 10, 2009, the Delegation of Switzerland, in a paper entitled “Working Group on the Legal Development of the Madrid System for the International Registration of Marks:

¹ See document MM/LD/WG/5/8, paragraph 166.

² *Ibid.*, paragraph 174.

Contribution by Switzerland”³ (hereinafter referred to as “the contribution by Switzerland”), proposed that the suggestion by AROPI be included in the agenda of that session, and elaborated upon the said suggestion. In his conclusions on the discussion of the contribution by Switzerland⁴, the Chair noted that the Working Group had concluded that further discussions were needed and had been requested by a number of delegations. He further said that the Working Group had expressed its interest in the preparation by the International Bureau of a study which would examine the need for, and the impact and consequences of, the possible introduction of division into the procedures of the Madrid system, and which would also assess national practices on the matter⁵. The Working Group agreed that such a study should be conducted by the International Bureau in order to ascertain the impact and consequences of the possible introduction of a procedure which would permit the division of international registrations. The Working Group further indicated that such a study, the results of which would be presented to the Working Group in due course, should also examine the practices of Contracting Parties of the Madrid system in this regard⁶.

3. With a view to collecting relevant information for the examination of practices of Contracting Parties called for by the decision of the Working Group referred to in the preceding paragraph, the International Bureau addressed, on September 22, 2010, a questionnaire to the Offices of all members of the Madrid Union (hereinafter referred to as “the questionnaire”).

4. At its ninth session, which took place in Geneva from July 4 to 8, 2011, the Working Group discussed document MM/LD/WG/9/2, entitled “Division of the International Registration”. The document included the findings derived from the responses to the questionnaire (analyzed in Part II of the aforementioned document), following preliminary observations regarding the contribution by Switzerland (Part I). The consequences of a possible introduction of division of international registrations in the Madrid system were addressed in Part III, and Part IV presented possible alternatives to division of international registrations, for consideration by the Working Group. In particular, Part IV considered the possible issuing by Offices or the International Bureau, of confirmations, upon request, of the acceptance of goods and services, the introduction of a form of statement of partial grant of protection where an international registration has met with a partial refusal, or division of a designation before the Office of the concerned Contracting Party.

5. In his conclusions on the discussion of document MM/LD/WG/9/2, the Chair of the Working Group noted that there appeared to be no consensus at that time on the need to introduce division in the Madrid system, and proposed that the International Bureau, together with some interested Offices and organizations, study the matter in more depth, in order to present a proposal for the following session of the Working Group. The Working Group agreed to pursue the approach proposed by the Chair.

II. DIVISION OF DESIGNATIONS MADE IN INTERNATIONAL REGISTRATIONS BEFORE THE OFFICES OF THE DESIGNATED CONTRACTING PARTIES CONCERNED

6. The matter of division of the international registration has thus been further studied by the International Bureau, which has benefited from the contributions of Offices and organizations. Such contributions were called for through Note C. M. 1375. Contributions were to be submitted through the Madrid System Legal Forum, where they can be consulted at the following address: <https://www3.wipo.int/confluence/display/mldof/>. The following Contracting Parties submitted

³ See document MM/LD/WG/7/3.

⁴ See document MM/LD/WG/7/5, paragraphs 125 to 143.

⁵ *Ibid.*, paragraph 144.

⁶ *Ibid.*, paragraph 145.

contributions: Czech Republic, European Union, Greece, Israel, Japan, Lithuania, Norway, Russian Federation and Switzerland. The following organizations submitted contributions: International Trademark Association (INTA), Japan Patent Attorneys Association (JPAA) and Japan Trademark Association (JTA). For the most part, contributions favored an analysis of the division of international registrations at the level of the designated Contracting Parties (division of designations).

7. The present document is the result of the abovementioned study and concerns itself with a proposal on division of designations made in international registrations before the Offices of the designated Contracting Parties concerned. Division with respect to international applications is not envisaged, as international applications do not have any effect, *per se*, in the designated Contracting Parties⁷.

8. The proposal in this document aims at attaining the following goals:

- (a) increasing the transparency and reliability of the International Register;
- (b) increasing visibility on the scope of protection of international marks;
- (c) preserving the integrity of recording concerning the international registration *per se*;
- (d) serving the needs of users and third parties by providing more information on the status of international registrations at the level of designated Contracting Parties;
- (e) avoiding adding unnecessary complexity for the Madrid system; and,
- (f) minimizing costs for users.

9. The proposal on division and merger concerning international registrations before Offices of designated Contracting Parties is particular in the following respects:

- (a) the proposal is applicable only to those Contracting Parties whose national or regional laws foresee the possibility of division of designations made in international registrations;
- (b) it would introduce an opportunity for Contracting Parties, where applicable, to notify information relating to such divisions to the International Bureau, for recording in the International Register and publication in the *WIPO Gazette of International Marks* (Gazette);
- (c) since division, where applicable, would occur in accordance with the national or regional laws of the concerned designated Contracting Parties, the proposed provisions would bear no need for substantial – if any – changes to the legal frameworks of Contracting Parties;
- (d) the proposed amendments to the Common Regulations do not prejudge whether or not the regime applicable to division of designations in each jurisdiction will be the same as that applicable to the division of a national or regional application for registration or of a national or regional registration; and,
- (e) the possibility to allow for the notification of a division of a designation made in an international registration is proposed to be optional for the Contracting Parties.

⁷ See document MM/LD/WG/7/3, especially the part entitled “Division of International Registration Applications or Division of International Registrations?”

10. There currently exists one case of division and merger at the national or regional level under the Common Regulations: Rule 23 foresees that where, during the five-year dependency period, the basic mark is divided, the Office of origin shall notify the International Bureau accordingly. The purpose of the notification by the Office of origin and its recording, notification and publication by the International Bureau is simply to provide the Offices of designated Contracting Parties and third parties with information concerning the status of the basic mark during the period when the international registration is dependent on it.

11. Likewise, the division procedure proposed in this document is not intended to produce any substantive change in the international registration as recorded in the International Register. It merely attempts to provide information concerning a division that has occurred in the Office of a designated Contracting Party. Proposed Rule 23*bis* regarding division of designations parallels, to some extent, current Rule 23.

12. The proposed amendments contribute to raising the conceptual simplicity of the Madrid system, as they do not aim at introducing a new formal structure for the division or merger of international registrations, as such, while enhancing the information function of the International Register and improving the manner in which the latter reflects reality, i.e., that divisions normally take place before the Offices of designated Contracting Parties that have raised an objection to granting full protection, without the involvement of the International Bureau.

13. The proposal strikes a balance in the division of work between designated Contracting Parties and the International Bureau, since it draws profit from functions and decisions designated Offices must undertake, in any event, when so foreseen by their national or regional laws, and maximizes the visibility of those decisions by means of their recordal in the International Register and publication in the Gazette.

14. It is to be noted that the proposal, while not being entirely efficiency-neutral, could be implemented by the International Bureau with relatively low impact on the operations of the International Register. More elaborate proposals would require the International Bureau to invest in modifying its infrastructure and operations in order to establish a more elaborate service.

15. The proposed amendments guarantee to the holder the continuance of central management of the international registration in respect of all of the designations requested in the international registration, notwithstanding the fact of division at the level of any Contracting Party.

16. Proposed new Rule 23*bis* covers the two possible occurrences of divisions of designations made in international registrations before designated Contracting Parties:

(a) division concerning an international registration before it has acquired the effect of a national registration in the concerned designated Contracting Party (i.e., with the same effect as the division of an application for a trademark registration); and

(b) division concerning an international registration after it has acquired the effect of a national registration in the concerned designated Contracting Party (i.e., with the same effect as the division of a trademark registration).

The proposed provision also envisages the notification to the International Bureau of a merger subsequent to division concerning an international registration. This would ensure the integrity and consistency of the International Register, as well as the provision of exhaustive information to third parties.

17. It is to be noted that a request for division before the Office of a designated Contracting Party and the sending of the ensuing notification under the proposed new rule, are independent of the obligation such Office would still have with sending a notification of provisional refusal in accordance with Article 5, paragraphs (1) and (2) of the Madrid Agreement and the Madrid Protocol.

18. Therefore, where the request for division occurs before an international registration has taken the effect of a national or regional registration, the designated Office concerned would still be required to send a notification of provisional refusal under Rule 17 of the Common Regulations with respect to the international registration, since the principle of tacit acceptance will prevail in the absence of a refusal within the applicable time limit.

19. Moreover, following the sending of a notification of provisional refusal, where all procedures before the Office have concluded, the Office where division has taken place shall send a statement to the International Bureau, under Rule 18*ter*(2), and in certain cases Rule 18*ter*(3), indicating the resulting scope of protection with respect to the international registration in question. In addition, where, following the sending of the aforesaid statements, a further decision affects the protection of the mark, Offices would still be obliged to send a statement under Rule 18*ter*(4). Finally, where the effects of an international registration are invalidated and such decision is no longer subject to appeal, Offices shall send a notification under Rule 19.

III. NOTES ON THE PROPOSED AMENDMENTS TO THE COMMON REGULATIONS

20. The introduction in the Common Regulations of division of designations made in international registrations before Offices of designated Contracting Parties requires two new provisions (Rules 23*bis* and 40(6)) and consequential amendments to two existing provisions (Rules 32(1)(a)(xi) and 36(xi)). The proposed draft amendments are set out in the Annex to this document.

RULE 23*BIS*

21. Rule 23*bis* concerns itself with notification to and recording by the International Bureau of a division of a designation made in an international registration. The International Bureau will record the fact that a notification has been received from the Office of a designated Contracting Party, to the effect that division, at the level of the designated Contracting Party, has occurred with respect to an international registration.

22. Paragraph (1) provides for the possibility for Offices of designated Contracting Parties to notify the International Bureau of division of such designations before those Offices.

23. Paragraph (1) establishes the content of the notification by the Office. Subparagraphs (i), (ii) and (iii) relate to the identification, respectively, of the Office making the notification, the number of the international registration and the name of the holder. The information provided under this paragraph will be recorded in the International Register and published in the Gazette, whilst also being made available from an electronic database accessible over the Internet (i.e. ROMARIN, the electronic database currently maintained by the International Bureau, accessible online).

24. Where an Office, in making the notification under proposed paragraph (1), furnishes additional information, in the form of a paper document or an electronic image of a paper document, an electronic image of the document containing this additional information will be made accessible from ROMARIN, in a manner similar to the practices followed with respect to statements sent in accordance with Rule 18*ter*.

25. Such additional information may be, for instance, the number of the application or registration resulting from the division, the goods and services covered by each application or registration resulting from the division or, where applicable, other elements of the mark concerned by the division. This additional information would neither be recorded in the International Register nor published in the Gazette, but there would be benefit from it being made publicly available online.

26. Moreover, an additional paragraph is proposed in new Rule 23*bis* which would allow for the notification of a merger concerning an international registration which has been the subject of the sending of a notification under paragraph (1). It is suggested that by doing so, simplification and transparency would be maintained, in the sense that all provisions concerning the division of a designation made in an international registration before the Office of the designated Contracting Party concerned, and its subsequent merger, if any, will be in one new self-contained rule.

27. Thus, paragraph (2) provides for the possibility for Offices of designated Contracting Parties to notify to the International Bureau a merger, following a division and the sending of a notification under paragraph (1). The notification concerning the merger shall contain or indicate the same information as is listed in paragraph (1)(i) to (iii), namely the Office making the notification, the number of the international registration concerned and the name of the holder.

28. Where an Office, in making the aforesaid notification, furnishes additional information, in the form of a paper document or an electronic image of a paper document, an image of the document containing this additional information, where available, will also be made accessible from ROMARIN, in a manner similar to the practice proposed for notifications sent under paragraph (1).

29. It is to be noted that the possibility for an Office of a designated Contracting Party to notify a merger, following the sending of a notification regarding division, is independent of the obligation such Office would still have with communicating to the International Bureau the resulting scope of protection of the international registration in question.

30. Thus, for instance, following a notification of provisional refusal, where applicable, the Office concerned would still be obliged to send statements under Rule 18*ter*(2) and, in some cases, under Rule 18*ter*(3). Furthermore, where, following the sending of the aforesaid statements, a further decision affects the protection of the mark, Offices would still be obliged to send a statement under Rule 18*ter*(4). Finally, where the effects of an international registration are invalidated and such decision is no longer subject to appeal, Offices shall send a notification under Rule 19.

31. Paragraph (3) deals with the processing of notifications by the International Bureau, which will record the information provided in accordance with paragraphs (1) and (2) of proposed new Rule 23*bis*. This provision is related to the proposed amendment to Rule 32(1)(a)(xi), which provides for publication in the Gazette of relevant data on information recorded under Rule 23*bis*.

32. The International Bureau will only check the formalities under proposed new Rule 23*bis*. When the occurrence of division has been recorded in the International Register, the International Bureau will inform the holder accordingly. The International Bureau will similarly inform the holder when a merger has been recorded in the International Register.

33. It will be up to the Office concerned as to how to notify the information required under proposed new Rule 23*bis* paragraphs (1) and (2). This can be done in a letter or the International Bureau may propose model forms to be used for this communication. As with other such communications, they may be either in paper or electronic document image form, the modalities for latter as agreed upon between the International Bureau and the Office concerned.

RULE 32

34. The proposed amendment to Rule 32(1)(a)(xi) includes the information to be recorded by the International Bureau under Rule 23*bis* and the data to be published in the Gazette.

RULE 36

35. Rule 36(xi), as proposed to be amended, confirms that the information notified under Rule 23*bis* is exempted of any international fees, as is the case with other notifications and communications envisaged by said provision. It will be a matter for each designated Office to determine whether or not it will be charging fees for the operations undertaken in a division procedure at the national or regional level.

RULE 40(6)

36. A new paragraph 6 may be added to Rule 40, establishing a transitional provision specifying a date as from which the concerned Offices will be in a position to effect notifications under proposed new Rule 23*bis*. Such a provision would be expected to provide these Offices and the International Bureau with a sufficiently extended period so as to adapt their administrative infrastructures to the new provisions. Please also note that due to the implementation of the IT Modernization Project, any amendment to the data system, like the proposed possibility of recording of division, cannot be undertaken until 2014, with the earliest possible implementation foreseen as of April 1, 2015.

37. *The Working Group is invited to:*

(i) take note of the contents of the present document; and

(ii) consider the proposals on divisions of designations and mergers concerning international registrations before Offices of designated Contracting Parties made in this document.

[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

Chapter 4
Facts in Contracting Parties
Affecting International Registrations

[...]

Rule 23bis

Division or Merger Concerning an International Registration Before the Office
of a Designated Contracting Party

(1) [Notification of a Division of an International Registration Before the Office of a Designated Contracting Party] Where division of an international registration has taken place before the Office of a designated Contracting Party, that Office may notify the International Bureau of that fact. The notification shall contain or indicate

- (i) the Office making the notification,
- (ii) the number of the international registration concerned, and
- (iii) the name of the holder.

(2) [Notification of a Merger, Following the Sending of a Notification of Division] An Office which has communicated a notification under paragraph (1) may, where the merger of any resulting divisional applications or registrations has taken place, notify the International Bureau of that fact. Paragraph (1) shall apply *mutatis mutandis* to the contents of such notification.

(3) [Recording and Notification by the International Bureau] The International Bureau shall record in the International Register the notifications referred to in paragraphs (1) and (2) and inform the holder accordingly.

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

[...]

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

[...]

[...]

[...]

Rule 36
Exemption From Fees

Recording of the following shall be exempt from fees:

[...]

(xi) any notification under Rule 21, ~~or~~ Rule 23 or Rule 23bis,

[...]

Chapter 9
Miscellaneous

Rule 40
Entry into Force; Transitional Provisions

[...]

(6) [Transitional Provisions Relating to Division or Merger Concerning an International Registration Before the Office of a Designated Contracting Party] Rule 23bis shall enter into force on [April 1, 2015].

[End of Annex and of document]