

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

Tenth Session
Geneva, July 2 to 6, 2012

PROPOSAL BY SWITZERLAND

Document prepared by the International Bureau

1. In a communication dated June 14, 2012, the International Bureau received a proposal from Switzerland relating to the introduction of the division of an international registration in the Madrid system for consideration by the Working Group on the Legal Development of the Madrid System for the International Registration of Marks, at its tenth session to be held in Geneva from July 2 to 6, 2012. Switzerland has requested that the proposal be translated and published as part of the documents for that session.

2. The said proposal is annexed to this document.

3. *The Working Group is invited to note the contents of the attached proposal by Switzerland.*

[Annex follows]

**LEGAL DEVELOPMENT OF THE MADRID SYSTEM:
INTRODUCTION OF THE DIVISION OF AN INTERNATIONAL REGISTRATION
IN THE MADRID SYSTEM**

Document submitted by Switzerland

INTRODUCTION

1. Following the contribution presented by Switzerland at the seventh session of the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (July 7 to 10, 2009)¹, while taking into account the interventions made during the last session of the Working Group (July 4 to 8, 2011) and the comments on the division of an international registration posted on the Madrid Legal Forum since then, the present document contains in its annex a proposal by Switzerland to introduce the division of an international registration in the Madrid System.
2. Switzerland is of the view that the introduction of the division of an international registration in the Madrid System should be developed in a way that will ensure a centralised information mechanism at the level of WIPO (*i.e.* by recording it in the International Register), while reducing the effect of the new procedure to a strict minimum. Such a balance should be achieved by developing a mechanism in which the Office of the designated Contracting Party² undertakes the substantive examination of the division according to its national legislation, while the International Bureau records, notifies and publishes the division as its main task.
3. In line with these principles, the proposed amendments presented in the annex of the present document concern in particular Rules 25 to 27 of the *Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement* (see Part I of the Annex) and Sections 16 and 17 of the *Administrative Instructions for the Application of the Madrid Agreement Concerning the International Registration of Marks and the Protocol relating Thereto* (see Part II of the Annex). Finally, Part III of the Annex contains a list of consequential amendments to the Common Regulations and the Administrative Instructions.
4. The introduction of the division of an international registration in the Madrid System would put this system in line with obligations and possibilities already foreseen in the Trademark Law Treaty and in the Singapore Treaty, increasing thereby the synergies among the different treaties administered by WIPO. It would also put an end to a current discrepancy between the national route for trademark registration that allows the division of registrations and the international route that currently does not provide for it, thus increasing interest in the Madrid System and its user-friendly nature.

BACKGROUND

5. According to the views expressed by the right holders, the situations in which a division of an international registration is of interest are the following: After a provisional refusal of protection based on absolute or relative grounds, the Office of the designated Contracting Party (hereafter: "the designated Office") agrees to accept the registration of the trademark for some goods and/or services, but maintains its refusal against others. In cases where the

¹ See document MM/LD/WG/7/3 dated June 30, 2009.

² *i.e.* the Office where the division is requested and where the "identification" between the problematic and non-problematic goods and/or services is in any case carried out for the notification of the provisional refusal.

right holder is not in a position to wait for an official approval for the unproblematic goods and/or services, he/she may be interested in having two separate procedures. Currently, the Madrid System does not provide for such a possibility.

6. Having examined different options for the introduction of the division in the Madrid System, Switzerland considers that the substantive examination of the request for the division of an international registration should be done at the level of the designated Office, and not at the level of WIPO. This would keep the implications of the division to a strict minimum. With such an option, the right holder would present the request for the division of an international registration to the designated Office if the national legislation of that Party provides for such a procedure. The Office would examine the request according to its law and regulations. If the request meets the national requirements for the division, the designated Office would forward it to the International Bureau. The divided part for the non-problematic goods and/or services would be recorded in the International Register (as a new registration) so that the designated Office would be in a position to send a *Statement of Grant of Protection* for the divided part, while the procedure of refusal would continue against the remaining part of the “mother” international registration in the designated Contracting Party.
7. With the mechanism described here, the additional workload created by the introduction of the division of the international registration in the Madrid System would mainly fall upon the designated Offices, while implying some adjustments at the level of WIPO for the introduction and maintenance of the new procedure (e.g. in the IT system). Due to the clearly identified need expressed by the right holders’ associations, and taking into account the other mechanisms already in place in the Madrid System, it seems that the additional workload would remain within acceptable limits. Since the division between the problematic and non-problematic goods and/or services is already made by the designated Office, that Office would merely have to formalise a request of division to the International Bureau and issue two *Statements* according to Rule 18^{ter} of the Common Regulations instead of one. As a division can imply that additional fees should apply at the national and/or international level and a more complex registration management, it is expected that the right holders will divide international registrations only if necessary. The designated Offices should therefore not be confronted by a dramatic increase in such requests, but rather by an increase proportional to corresponding division requests at national level. Extra costs related to the additional workload would be covered by the fees that may be introduced.
8. In order to keep the workload of the International Bureau to a minimum, the proposed mechanism described in the present proposal provides that its task would mainly be limited to recording, notifying and publishing the division in the International Register along with related tasks enabling such activities³, since the designated Office would have already done the substantive examination. In order to further limit the workload and costs on the International Bureau created by the introduction of the division in the Madrid System, some pragmatic measures could be envisaged, bearing in mind the fact that the division concerns only one designated Contracting Party (*i.e.* the Party that requested the division), for instance: (a) the International Bureau could notify the division only to the Contracting Party that requested the division and to the right holder⁴; (b) the translations into the other languages of the Madrid System could only be done on request.
9. Switzerland is therefore of the view that with such a repartition of the workload between the designated Office and the International Bureau, complemented by related measures that could further be developed, the additional workload and costs for the International Bureau would be kept to a reasonable level after a transitional period following the introduction of the new procedure. The active role of the International Bureau in this process is considered

³ Such as the development of the related IT system, the attribution of a “new” IR number (e.g. same registration number with a capital letter) for the divided part, etc.

⁴ If it is considered necessary that the Office of the right holder should also be informed.

to be crucial for ensuring and preserving the full integrity and transparency of the Madrid System at a centralised level.

PROPOSED AMENDMENTS

10. It is proposed to base the new mechanism for the division of an international registration in the Madrid legal framework on the procedure followed for a partial assignment - without change of owner - according to Rules 25 to 27 of the Common Regulations (see amendments proposed in Part I of the Annex) and Sections 16 and 17 of the Administrative Instructions (see amendments proposed in Part II of the Annex).
11. Consequential amendments to the Common Regulations and the Administrative Instructions are also proposed for further consideration in Part III of the Annex.
12. *The Working Group is invited to consider the proposed amendments to the Common Regulations and the Administrative Instructions contained in the Annex to this document.*

[Annex follows]

I. DRAFT AMENDMENTS TO RULES 25 TO 27 OF THE COMMON REGULATIONS UNDER THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS AND THE PROTOCOL RELATING TO THAT AGREEMENT

Rule 25

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

(1) *[Presentation of the Request]*

- (a) A request for recording shall be presented to the International Bureau on the relevant official form, in one copy, where the request relates to any of the following:
- (i) a change in the ownership of the international registration in respect of all or some of the goods and services and all or some of the designated Contracting Parties;
(ibis) a division of the international registration in respect of a designated Contracting Party and some of the goods and services;
 - (ii) a limitation of the list of goods and services in respect of all or some of the designated Contracting Parties;
 - (iii) a renunciation in respect of some of the designated Contracting Parties for all the goods and services;
 - (iv) a change in the name or address of the holder;
 - (v) cancellation of the international registration in respect of all the designated Contracting Parties for all or some of the goods and services.
- (b) Subject to subparagraphs (c) **and (cbis)**, the request shall be presented by the holder or by the Office of the Contracting Party of the holder; however, the request for the recording of a change in ownership may be presented through the Office of the Contracting Party, or of one of the Contracting Parties, indicated in the said request in accordance with paragraph (2)(a)(iv).
- (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.
- (cbis) The request for the recording of a division shall be presented, upon petition by the holder, by the Office of the designated Contracting Party in respect of which the division is requested, after that Office has satisfied itself that the division for which the recording is requested meets the requirements of its legislation.**
- (d) Where the request is presented by the holder, it shall be signed by the holder. Where it is presented by an Office, it shall be signed by that Office and, where the Office so requires, also by the holder. Where it is presented by an Office and that Office, without requiring that the holder also sign it, allows that the holder also sign it, the holder may do so.

(2)[*Contents of the Request*]

- (a) The request for the recording of a change, the request for the recording of a division or the request for the recording of a cancellation shall, in addition to the requested change, division or cancellation, contain or indicate
- (i) the number of the international registration concerned,
 - (ii) the name of the holder, unless the change relates to the name or address of the representative,
 - (iii) in the case of a change in the ownership of the international registration, the name and address, given in accordance with the Administrative Instructions, of the natural person or legal entity mentioned in the request as the new holder of the international registration (hereinafter referred to as “the transferee”),
 - (iv) in the case of a change in the ownership of the international registration, the Contracting Party or Parties in respect of which the transferee fulfills the conditions, under Articles 1(2) and 2 of the Agreement or under Article 2 of the Protocol, to be the holder of an international registration,
 - (v) in the case of a change in the ownership of the international registration, where the address of the transferee given in accordance with item (iii) is not in the territory of the Contracting Party, or of one of the Contracting Parties, given in accordance with item (iv), and unless the transferee has indicated that he is a national of a Contracting State or of a State member of a Contracting Organization, the address of the establishment, or the domicile, of the transferee in the Contracting Party, or in one of the Contracting Parties, in respect of which the transferee fulfills the conditions to be the holder of an international registration,
 - (vi) in the case of a change in the ownership of the international registration that does not relate to all the goods and services and to all the designated Contracting Parties, the goods and services and the designated Contracting Parties to which the change in ownership relates, ~~and~~
- (vibis) in the case of a division of the international registration, the goods and services which are to be divided from the extant international registration and the designated Contracting Party in respect of which the division is requested, and
- (vii) the amount of the fees being paid and the method of payment, or instructions to debit the required amount of fees to an account opened with the International Bureau, and the identification of the party effecting the payment or giving the instructions.
- (b) The request for the recording of a change in the ownership of the international registration may also contain,
- (i) where the transferee is a natural person, an indication of the State of which the transferee is a national;
 - (ii) where the transferee is a legal entity, indications concerning the legal nature of that legal entity and the State, and, where applicable, the territorial unit within that State, under the law of which the said legal entity has been organized.
- (bbis) The request for the recording of a division of the international registration may also contain the list of goods and services which are to remain in the extant international registration.
- (c) The request for recording of a change or a cancellation may also contain a request that it be recorded before, or after, the recording of another change or cancellation or a subsequent designation in respect of the international registration concerned or after the renewal of the international registration.

(3)*[Request Not Admissible]*

(a)A change in the ownership of an international registration may not be recorded in respect of a given designated Contracting Party if that Contracting Party

(i) is bound by the Agreement but not by the Protocol, and the Contracting Party indicated under paragraph (2)(a)(iv) is not bound by the Agreement, or none of the Contracting Parties indicated under that paragraph is bound by the Agreement;

(ii) is bound by the Protocol but not by the Agreement, and the Contracting Party indicated under paragraph (2)(a)(iv) is not bound by the Protocol, or none of the Contracting Parties indicated under that paragraph is bound by the Protocol.

(b)A request for the recording of a division of the international registration may not be presented in respect of a designated Contracting Party that has made a declaration under paragraph (5).

(4)*[Several Transferees]* Where the request for the recording of a change in the ownership of the international registration mentions several transferees, that change may not be recorded in respect of a given designated Contracting Party if any of the transferees does not fulfill the conditions to be holder of the international registration in respect of that Contracting Party.

(5)*[Declarations by Contracting Parties Regarding Division]* The Office of a Contracting Party, the law of which, on [date of entry into force of the amendment] or, if later, on the date on which the Contracting Party deposited its instrument of accession to the Agreement or to the Protocol, does not provide for the division of applications for trademark registration or provides for such division only in connection with a partial change in ownership of the application may, in a declaration, notify the Director General of either fact. The declaration may be withdrawn at any time.

Rule 26

*Irregularities in Requests for Recording of a Change, **for Recording of a Division**
and for Recording of a Cancellation*

(1)*[Irregular Request]* If the request for the recording of a change, **the request for the recording of a division** or the request for the recording of a cancellation, referred to in Rule 25(1)(a) does not comply with the applicable requirements, and subject to paragraph (3), the International Bureau shall notify that fact to the holder and, if the request was **made-presented** by an Office, to that Office.

(2)*[Time Allowed to Remedy Irregularity]* The irregularity may be remedied within three months from the date of the notification of the irregularity by the International Bureau. If the irregularity is not remedied within three months from the date of the notification of the irregularity by the International Bureau, the request shall be considered abandoned, and the International Bureau shall notify accordingly and at the same time the holder and, if the request for the recording of a change, **the request for the recording of a division** or the request for the recording of a cancellation was presented by an Office, that Office, and refund any fees paid, after deduction of an amount corresponding to one-half of the relevant fees referred to in item 7 of the Schedule of Fees, to the party having paid those fees.

(3)*[Requests Not Considered as Such]* If the requirements of Rule 25(1)(b), ~~_)~~ or (c) **or (cbis)** are not complied with, the request shall not be considered as such and the International Bureau shall inform the sender accordingly.

Rule 27

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

(1)[*Recording and Notification of a Change, of a Division or of a Cancellation*]

- (a) The International Bureau shall, provided that the request referred to in Rule 25(1)(a) is in order, promptly record the change, the division or the cancellation in the International Register, shall notify accordingly the Offices of the designated Contracting Party or Parties in which the change or the division has effect or, in the case of a cancellation, the Offices of all the designated Contracting Parties, and shall inform at the same time the holder and, if the request was presented by an Office, that Office. Where the recording relates to a change in ownership, the International Bureau shall also inform the former holder in the case of a total change in ownership and the holder of the part of the international registration which has been assigned or otherwise transferred in the case of a partial change in ownership. Where the request for the recording of a cancellation was presented by the holder or by an Office other than the Office of origin during the five-year period referred to in Article 6(3) of the Agreement and Article 6(3) of the Protocol, the International Bureau shall also inform the Office of origin.
- (b) The change or the cancellation shall be recorded as of the date of receipt by the International Bureau of a request complying with the applicable requirements, except that, where a request has been made in accordance with Rule 25(2)(c), it may be recorded as of a later date.

(2)[Deleted]

(3)[*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 or from a division, 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.

(4)[*Declaration That a Change in Ownership Has No Effect*]

- (a) The Office of a designated Contracting Party which is notified, by the International Bureau, of a change in ownership affecting that Contracting Party may declare that the change in ownership has no effect in the said Contracting Party. The effect of such a declaration shall be that, with respect to the said Contracting Party, the international registration concerned shall remain in the name of the transferor.
- (b) The declaration referred to in subparagraph (a) shall indicate
- (i) the reasons for which the change in ownership has no effect,
 - (ii) the corresponding essential provisions of the law, and
 - (iii) whether such declaration may be subject to review or appeal.
- (c) The declaration referred to in subparagraph (a) shall be sent to the International Bureau before the expiry of 18 months from the date on which the notification referred to in subparagraph (a) was sent to the Office concerned.
- (d) The International Bureau shall record in the International Register any declaration made in accordance with subparagraph (c) and, as the case may be, record as a separate international registration that part of the international registration which has been the subject of the said declaration, and shall notify accordingly the party (holder or Office) that presented the request for the recording of a change in ownership and the new holder.

- (e) Any final decision relating to a declaration made in accordance with subparagraph (c) shall be notified to the International Bureau which shall record it in the International Register and, as the case may be, modify the International Register accordingly, and shall notify accordingly the party (holder or Office) that presented the request for the recording of a change in ownership and the new holder.

(5) *[Declaration That a Limitation Has No Effect]*

- (a) The Office of a designated Contracting Party which is notified by the International Bureau of a limitation of the list of goods and services affecting that Contracting Party may declare that the limitation has no effect in the said Contracting Party. The effect of such a declaration shall be that, with respect to the said Contracting Party, the limitation shall not apply to the goods and services affected by the declaration.
- (b) The declaration referred to in subparagraph (a) 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.
- (c) The declaration referred to in subparagraph (a) shall be sent to the International Bureau before the expiry of 18 months from the date on which the notification referred to in subparagraph (a) was sent to the Office concerned.
- (d) The International Bureau shall record in the International Register any declaration made in accordance with subparagraph (c) and shall notify accordingly the party (holder or Office) that presented the request to record the limitation.
- (e) Any final decision relating to a declaration made in accordance with subparagraph (c) shall be notified to the International Bureau which shall record it in the International Register and notify accordingly the party (holder or Office) that presented the request to record the limitation.

II. DRAFT AMENDMENTS TO SECTIONS 16 AND 17 OF THE ADMINISTRATIVE INSTRUCTIONS FOR THE APPLICATION OF THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS AND THE PROTOCOL RELATING THERETO

Section 16: Numbering Following Partial Change in Ownership or Division

- (a) 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, as well as a division of the international registration, shall be recorded in the International Register under the number of the international registration of which a part has been assigned or otherwise transferred or divided up.
- (b) Any assigned or otherwise transferred or divided up part shall be cancelled under the number of the said international registration and recorded as a separate international registration. The separate international registration shall bear the number of the registration of which a part has been assigned or otherwise transferred or divided up, together with 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(3) shall bear the number of the international registration of which a part had been assigned or otherwise transferred or divided up together, where applicable, with a capital letter.

III. CONSEQUENTIAL AMENDMENTS TO THE COMMON REGULATIONS AND THE ADMINISTRATIVE INSTRUCTIONS

The proposed amendments to Rules 25 to 27 of the Common Regulations and to Sections 16 and 17 of the Administrative Instructions would entail consequential amendments as follows:

- (i) Modifications to the list of Rules of the Common Regulations and to the list of Sections of the Administrative Instructions.
- (ii) Modifications to Rule 32 (Gazette) regarding the publication of recordings under amended Rule 27 and to provide for the publication of declarations made under Rule 25(5).
- (iii) Addition to the schedule of fees of a fee for the division of the international registration.

[End of Annex and of document]