

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

**Fifteenth Session
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ANALYSIS OF LIMITATIONS IN THE MADRID SYSTEM FOR THE INTERNATIONAL REGISTRATION OF MARKS

Document prepared by the International Bureau

1. At its fourteenth 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 prepare a document for its next session analyzing the roles of the Offices on the examination of limitations. More specifically, their role as the Office of origin and as the Offices of designated Contracting Parties in limitations and the possible implications therefrom, including proposals in respect of both roles.¹
2. This document analyzes limitations under the Madrid System, clarifies, in light of the provisions in its legal framework, the roles and implied duties of the Offices and the International Bureau regarding limitations and proposes amendments to the said legal framework.

THE ROLE OF THE OFFICE OF ORIGIN CONCERNING LIMITATIONS IN INTERNATIONAL APPLICATIONS

3. At its previous session, the Working Group discussed the possibility to further elaborate on the certification function to include limitations in international applications; more precisely, to amend 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”) to expressly indicate that Offices of origin should certify that a limitation in an international application falls within the scope of the main list of that application.

¹ See document MM/LD/WG/14/6, paragraph 19.

4. Under Article 3(1) of the Protocol, the Office of origin must “[...] 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.” Article 3(2) of the Protocol entrusts the International Bureau and the Office of origin only with the verification of a correct indication and classification of goods and services.
5. Rule 9(5)(d) of the Common Regulations states the elements of the certification function, such as, date of receipt and that the particulars of the international application correspond with the particulars of the basic mark. The certification function includes the verification 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” (Rule 9(5)(d)(vi) of the Common Regulations).
6. A limitation in an international application will affect the scope of protection of the resulting international registration in the designated Contracting Parties. Neither the Madrid Protocol nor the Common Regulations foresee the Office of origin to undertake an examination of such limitation.
7. Rule 8 of the Regulations under the Agreement, as in force in April 1, 1994, did not explicitly envisage limitations in international applications. This option was only provided for in 1996, in Rule 9(4)(a)(xiii) of the Common Regulations. However, though Rule 9(5)(d) of the Common Regulations lists the elements of the certification function, it makes no reference to limitations in international applications.
8. At the fourteenth session of the Working Group, some delegations said that their Offices assess limitations to certify that they fall within the main list of international applications. It was suggested that the Common Regulations be amended to expressly include limitations as part of the certification function; and, in particular, to require that Offices assess whether those limitations fall within the scope of the basic mark and of the international application. Furthermore, it was suggested that the International Bureau control this new aspect of the certification function.
9. However, other delegations did not support that view because they considered that such assessment by the Office of origin amounted to an examination of the limitation, which should be undertaken only by the Offices of the designated Contracting Parties.
10. The Working Group did not reach a consensus, which means that whether the certification function should include the certification of limitations remains an open question. It would be premature to propose an amendment to the Common Regulations until the Working Group reaches a common understanding.
11. Nevertheless, Offices can assist applicants in drafting limitations. At its eighth session, the Working Group discussed document MM/LD/WG/8/2, which summarized the replies to a questionnaire on the range and level of services provided and tasks carried out by Offices of origin. Of the 58 responding Offices, 69 per cent stated that they assist applicants in drafting limitations. Such assistance may help applicants avoid irregularities concerning the classification of indications listed in limitations.

THE ROLE OF THE INTERNATIONAL BUREAU CONCERNING INTERNATIONAL APPLICATIONS AND SUBSEQUENT DESIGNATIONS CONTAINING LIMITATIONS

12. As set out in Article 11(1) of the Protocol, the International Bureau shall perform international registration and related duties. The main tasks of the International Bureau may be summarized as follows:
 - (a) control that requirements applicable to international applications and requests for recording are met (e.g. Rules 14 and 24 of the Common Regulations);

(b) control of classification in international applications only, jointly exercised with the Office of origin (Rules 12 and 13 of the Common Regulations);

(c) register marks or record matters in the International Register, notify applicants or holders and the Contracting Parties concerned and publish the relevant information (e.g. Rules 24 to 27 of the Common Regulations); and,

(d) perform administrative tasks under the Protocol, in particular, those pertinent to the maintenance of the International Register (e.g. Rules 28, 30 and 32 of the Common Regulations).

INTERNATIONAL APPLICATIONS CONTAINING LIMITATIONS

13. Article 3(2) of the Protocol requires the International Bureau to control the classification of indications of goods and services in international applications, in collaboration with the Office of origin, with further details provided for in Rules 12 and 13 of the Common Regulations. Moreover, Article 3(4) of the Protocol requires that the International Bureau register marks filed in accordance with Article 2 of the Protocol. The International Bureau's mandate is restricted to control formalities and classification.

SUBSEQUENT DESIGNATIONS CONTAINING LIMITATIONS

14. While Article 3~~ter~~(2) of the Protocol, allows for designations subsequently to the international registration, it does not mandate the International Bureau to exercise control over the classification of indications of goods and services. It simply requires that the International Bureau, where the subsequent designation complies with the applicable requirements, record this territorial extension, notify the Offices concerned and publish it.

15. In October 2016, the Madrid Union Assembly (hereinafter referred to as "the Assembly") suspended the entry into force of a previously adopted amendment to Rule 24(5)(a) and (d), which would require the International Bureau to control, on its own initiative, the classification of indications listed in a limited subsequent designation.² In view of Article 3~~ter~~(2) of the Protocol and Rules 9, 12, 13, 24 and 25 of the Common Regulations, carrying out the control envisaged by revised Rule 24(5) would go beyond what is currently provided in the legal framework.

16. Furthermore, as the Working Group discussed at its thirteenth session³, implementing that control would have encountered practical complications, such as, dealing with older editions of the Nice Classification, increasing volume and complexity of the examination workload and needing new processes and IT solutions. As a result, the International Bureau would in all likelihood require additional qualified resources, as the new control would result in irregularities, extending the processing time of subsequent designations and delaying their recording and notification.

17. In light of the above, the Working Group is invited to reconsider the previously adopted amendment to Rule 24(5)(a) and (d).

18. It is recalled that, in the above-mentioned session, the Assembly also adopted an amendment to Rule 25(2)(d) set to enter into force on July 1, 2017. This amendment will require that holders, when requesting the recording of a limitation as a change, group the limited goods and services only under the corresponding numbers of the classes appearing in the international registration.² The International Bureau will verify that the requests meet this requirement and if not, raise an irregularity.

² See document MM/A/50/5, paragraph 22.

³ See document MM/LD/WG/13/8.

19. A similar provision could be envisaged for the recording of a limitation presented in a subsequent designation. Rule 24 of the Common Regulations, as adopted by the Assembly in October 2016, could be amended to introduce a formal requirement similar to that in Rule 25(2)(d). The International Bureau would control that the limitation concerns classes already covered by the main list of the international registration and the Offices of the designated Contracting Parties concerned would determine the scope of protection, taking into account the limitation.

20. Furthermore, it could be considered that the subsequent designation does not contain the goods and services affected by an irregularity concerning this requirement where the holder does not remedy that irregularity. This would allow the recording of the subsequent designation for the goods and services which are not affected by such irregularity.

THE ROLE OF THE OFFICES OF DESIGNATED CONTRACTING PARTIES CONCERNING LIMITATIONS

21. Article 5 of the Protocol recognizes that the competent authorities of designated Contracting Parties decide on the scope of protection of international registrations in their territories, including the scope of protection in respect of goods and services. That scope may concern the full main list of the international registration or a limited list.

22. Rules 16 to 18*ter* of the Common Regulations apply to both designations in international registrations and, *mutatis mutandis*, to subsequent designations. In particular, Rule 17 deals with provisional refusals and Rule 18*ter* with so-called final decisions. Those rules specify the required conditions for communicating these decisions and their contents.

23. It follows from Article 5 of the Protocol that designated Contracting Parties can examine limited lists of goods and services, regardless of whether the limitation was recorded in the international registration, in a subsequent designation or as a change, to determine whether protection to the mark can be granted.

24. A number of Contracting Parties already consider limitations in their examination and consequently make decisions on the limited scope of protection, determining whether such limited scope falls within the scope of the international registration. However, while expressing their willingness, some delegations feel their Offices lack the legal basis in their domestic legislations to do so.⁴

25. The role of the Offices of the designated Contracting Parties is clear regarding limitations recorded as a change under Rule 25 of the Common Regulations. Rule 27(5) provides Offices with a mechanism to give effect to their possible objections, which was introduced because Offices had informed the International Bureau that the lists of goods and services which resulted from limitations could, in their opinion, be broader than either the main list in the international registration or the scope for which the mark had protection in their corresponding territories.

26. While it is clear that Offices of designated Contracting Parties have the right to examine limitations and determine whether they fall within the scope of the international registration, a refusal, in accordance with Article 5 of the Protocol, should be based only on the grounds which would apply to applications filed directly with the Office. Some delegations have stated that the laws of their Contracting Parties do not envisage grounds to refuse the effects of a limitation; some have even expressed that they find it difficult to send statements under Rule 27(5), due to such void.

⁴ See document MM/LD/WG/14/7, paragraphs 375, 377, 380 and 382.

27. Accordingly, the Working Group requested that the International Bureau propose changes to the Common Regulations that would provide designated Contracting Parties with the legal basis to refuse the effects of a limitation not considered to be within the scope of the international registration. Such legal basis could be included in Rules 17 and 27(5).

CONCLUSIONS

28. Based on the above, the following conclusions can be drawn:

(a) Whether the certification function should include limitations remains an open question until the Working Group reaches a common understanding.

(b) Offices of origin that assist applicants in drafting limitations can continue to do so under the advisory role undertaken by certain Offices.

(c) The International Bureau does not have the mandate to control the classification of indications of goods and services listed in limited subsequent designations.

(d) The International Bureau could be mandated to control that goods and services in a limited subsequent designation are grouped only under the corresponding numbers of the classes appearing in the international registration.

(e) Designated Contracting Parties have the right to examine all limitations to determine whether they fall within the scope of international registrations and to decide on the protection of the mark. This would ensure that any such decision be made by the competent authorities of the territories concerned, which would, in turn, increase legal certainty.

PROPOSED AMENDMENTS TO THE COMMON REGULATIONS

29. To provide designated Contracting Parties with a legal basis to refuse the effects of limitations in international registrations, subsequent designations and those recorded as a change, it is proposed that Rules 17 and 27 be amended. Further, to mandate that the International Bureau control that goods and services in a limited subsequent designation are grouped only under the corresponding numbers of the classes appearing in the international registration, it is proposed that Rule 24 be amended.

30. Rule 17(2) could be modified, by adding a new item (*ivbis*), to provide for the possibility that the notification of a provisional refusal include a declaration concerning the effects of a limitation in an international application. In accordance with Rule 24(9), this provision would apply also to subsequent designations.

31. The amendment would allow Contracting Parties to refuse the effects of a limitation in an international registration or in a subsequent designation when the goods and services listed in that limitation are not covered by the main list in the international registration. The Contracting Party would need to specify whether the statement concerns all the goods and services listed in the limitation or only some of them.

32. Where the statement concerns only some of the goods and services listed in the limitation, the Contracting Party could decide to grant protection for the remaining goods and services, provided there are no grounds for refusal. A statement refusing the effects of the limitation in its entirety could result in a total refusal, as it would not be clear for which goods and services protection is sought.

33. Furthermore, it is proposed that Rule 24:

(a) paragraph (3)(a) be amended, by introducing a new item (*ivbis*), to require that the limited list in a subsequent designation be grouped only under the corresponding numbers of the classes appearing in the international registration;

(b) paragraph (5)(a) be amended, by deleting all references to the control of the classification of limited subsequent designations by the International Bureau; and,

(c) paragraph (5)(d) be amended to limit the effects of an unremedied irregularity concerning the requirement under new paragraph (3)(a)(ivbis) to the goods and services affected by that irregularity.

34. Finally, it is proposed to introduce in Rule 27(5)(b)(i) a similar possibility as the one proposed above for Rule 17, to provide Contracting Parties with a legal basis to refuse the effects of a limitation recorded as a change.

35. The proposed amendments clarify the roles concerning the scope of protection in designated Contracting Parties of an international registration containing a limitation, without imposing any new obligations on applicants, holders or Offices. However, since the International Bureau would need to undertake a review of its internal processes, it is suggested that the proposed amendments enter into force on February 1, 2019.

36. *The Working Group is invited to*

(i) consider the proposals made in paragraphs 27 to 33 of this document; and,

(ii) recommend to the Madrid Union Assembly the proposed amendments to Rules 17, 24 and 27 of the Common Regulations, as presented in the Annex to this document or in amended form, with February 1, 2019, as the date for their entry into force.

[Annex follows]

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

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

(as in force on [February 1, 2019](#))

[...]

*Rule 17
Provisional Refusal*

[...]

(2) *[Content of the Notification]* A notification of provisional refusal shall contain or indicate

[...]

(ivbis) where the designation of a Contracting Party in an international registration contains a limitation of the goods and services, the notification of provisional refusal may state that the limitation has no effect in the said Contracting Party indicating the reasons. The effect of such a statement shall be that, with respect to the said Contracting Party, the limitation shall not apply to the goods and services affected by the statement. The statement in the provisional refusal shall indicate the reasons for which the limitation has no effect, including, but not limited to, the fact that the goods and services listed in the limitation are not covered by the list of goods and services appearing in the international registration. Where the statement does not affect all the goods and services to which the limitation relates, it shall indicate those which are affected by the statement or those which are not affected by it.

[...]

*Rule 24
Designation Subsequent to the International Registration*

[...]

(3) *[Contents]* (a) Subject to paragraph (7)(b), the subsequent designation shall contain or indicate

(iv) 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,~~

(ivbis) where the subsequent designation is for only part of the goods and services listed in the international registration concerned, the limited goods and services, which shall be grouped only under the corresponding numbers of the classes of the International Classification of Goods and Services appearing in the international registration,

[...]

[...]

^{*}(5) [*Irregularities*] (a) If the subsequent designation does not comply with the applicable requirements, and subject to paragraph (10), the International Bureau shall notify that fact to the holder and, if the subsequent designation was presented by an Office, that Office. ~~Where the subsequent designation is for only part of the goods and services listed in the international registration concerned, Rules 12 and 13 shall apply, *mutatis mutandis*, with the exception that all communications regarding any irregularity to be remedied under these Rules shall be between the holder and the International Bureau. Where the International Bureau cannot satisfy itself that all the goods and services listed in the subsequent designation can be grouped in the classes of the International Classification of Goods and Services listed in the international registration concerned, the International Bureau shall raise an irregularity.~~

[...]

(c) Notwithstanding subparagraphs (a) and (b), where the requirements of paragraphs (1)(b) or (c) ~~or (3)(b)(i)~~ are not complied with in respect of one or more of the designated Contracting Parties, the subsequent designation shall be deemed not to contain the designation of those Contracting Parties, and any complementary or individual fees already paid in respect of those Contracting Parties shall be reimbursed. Where the requirements of paragraphs (1)(b) or (c) ~~or (3)(b)(i)~~ are complied with in respect of none of the designated Contracting Parties, subparagraph (b) shall apply.

(d) Notwithstanding subparagraph (b), where an irregularity concerning the requirement under ~~the last sentence of sub~~paragraph (3)(a)(*ivbis*) is not remedied, the subsequent designation shall be deemed not to contain the goods and services affected by the irregularity concerned.

[...]

Rule 27

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

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

(b) The declaration referred to in subparagraph (a) shall indicate

(i) the reasons for which the limitation has no effect, including the fact that the goods and services listed in the limitation are not covered by the list of goods and services in the international registration or covered by a previously recorded limitation or by those for which the mark is protected in the designated Contracting Party.

[...]

[End of Annex and of document]

^{*} Rule 24(5) as adopted by the Madrid Union Assembly. See documents MM/A/49/3, Annex II and MM/A/49/5, paragraph 17.