

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

**Sixteenth Session  
Geneva, July 2 to 6, 2018**

### **REPLACEMENT**

*Document prepared by the International Bureau*

### **INTRODUCTION**

1. At its fifteenth session, held in Geneva from June 19 to 22, 2017, the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as, respectively, “the Working Group” and “the Madrid System”) tentatively agreed on proposed amendments to Rule 21 of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to as, respectively, “the Common Regulations” and “the Protocol”) and on new item 7.8 of the Schedule of Fees, as set out in Annex I to the Report of that session<sup>1</sup>.

2. In addition, the Working Group requested that the International Bureau prepare a document suggesting a date for the entry into force of amended Rule 21 of the Common Regulations and proposing the amount of the fee to be specified in new item 7.8 of the Schedule of Fees, to be discussed at its next session.

### **IMPLEMENTATION OF THE PROPOSED AMENDMENTS BY THE CONTRACTING PARTIES**

3. When discussing a possible date of entry into force of the proposed amendments to Rule 21 of the Common Regulations, several delegations to the Working Group noted that implementing those amendments would require introducing significant normative and

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<sup>1</sup> See document MM/LD/WG/15/6.

procedural changes. Some delegations expressed that such changes could be particularly burdensome for Contracting Parties that had a legal framework and processes already in place to take note in its Register that a national or regional registration has been replaced by an international registration, in accordance with Article 4*bis*(2) of the Madrid Protocol. Other delegations indicated that the introduction of the said changes would also have consequences on the information and communication technology systems of the Contracting Parties. Delegations requested that the International Bureau take into account the above when proposing a date for the entry into force of the proposed amendments.

4. Additionally, there appeared to be no consensus on the time Contracting Parties would require to implement the above-mentioned changes. The Chair of the Working Group suggested that delegations consult with the relevant national or regional authorities to determine such time and further discuss this matter at the next session of the Working Group.

5. The Working Group is invited to discuss the matter indicated in the preceding paragraph, indicating the time Contracting Parties would require to implement amended Rule 21 and, in particular, the optional centralized filing mechanism provided for by the amended Rule.

#### **IMPLEMENTATION OF THE PROPOSED AMENDMENTS BY THE INTERNATIONAL BUREAU**

6. At the fifteenth session of the Working Group, the Secretariat noted that, at that stage, it was not known how much time and resources would be necessary to implement the eventual new procedures for an optional centralized filing mechanism under the proposed amendments to Rule 21 of the Common Regulations. The Secretariat indicated that the development and automation of relevant procedures was more complex and resource-intensive than they might appear at first glance.

7. In this context, it is to be noted that, in accordance with a decision by the WIPO Member States, the Madrid System is currently embarking on an Information Technology (IT) Platform project with the following objective: “[...] design, plan and implement the core components of a comprehensive, state-of-the-art and agile business solution for all Madrid System services”<sup>2</sup>.

8. As part of the project, the International Bureau will undertake an extensive assessment of all its Madrid System services with a view to developing a comprehensive customer centered platform to deliver those services with the quality, flexibility and promptness expected by users.

9. Accordingly, it would appear sensible to postpone the introduction of new automated processes until the above-mentioned assessment has been completed and work on the required enhancements and development of new systems referred to in the preceding paragraph has commenced.

10. As a result of the above, the International Bureau is not, at this time, in a position to recommend a possible date of entry into force of the proposed amendments to Rule 21 of the Common Regulations, particularly those concerning the implementation of an optional centralized filing mechanism for requests to take note of replacement. Such recommendation can only be made once the required enhancements and development of new systems referred to in paragraph 8 of this document have been deployed.

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<sup>2</sup> See document WO/PBC/27/9, Annex IV “Madrid IT Platform”, second paragraph.

## FEE FOR A REQUEST PRESENTED UNDER AMENDED RULE 21

11. At its previous session, the Working Group agreed on the possibility that the International Bureau collect a fee for the presentation of a request under amended Rule 21 of the Common Regulations<sup>3</sup>; accordingly, a new item 7.8 of the Schedule of Fees was agreed upon in principle. Several delegations requested that the amount of such fee be reasonable, covering the expenses directly related to the presentation of the request and not the investment needed to put in place the new optional centralized filing mechanism envisaged under the proposed amended Rule.

12. In view of the assessment of Madrid System IT services as well as the likely enhancements and development of new systems referred to in paragraph 8 of this document, it is premature for the International Bureau to propose an amount for new item 7.8 of the Schedule of Fees. Nonetheless, when revisiting this matter, the International Bureau will take into account the views expressed by delegations on the subject.

## A POSSIBLE WAY FORWARD

13. The Working Group has discussed replacement in its twelfth<sup>4</sup>, thirteenth<sup>5</sup>, fourteenth<sup>6</sup> and fifteenth<sup>7</sup> sessions. The proposed amendments to Rule 21 of the Common Regulations, agreed upon in principle by the Working Group, had two objectives. The amendments sought to provide users with an optional centralized filing mechanism, and they sought to specify a number of principles governing replacement. These four principles, which were discussed in the above-mentioned sessions are the following:

(i) The effective date of replacement: the effective date of replacement would be the date of the international registration or the date of subsequent designation.

(ii) The time at which a request under Article 4*bis*(2) may be filed with the Office: the Offices should accept requests to take note of replacement as from the date of notification of the international registration or the subsequent designation by the International Bureau.

(iii) The goods and services listed in the national or regional registration: there are two different readings of Article 4*bis*(2) and the scope of replacement;

– a literal reading, which requires that the names of the goods and services in the national or regional registration or registrations concerned by replacement shall be the same or equivalent to those covered by the international registration; and

– a flexible reading, which would allow for “partial” replacement, where the international registration is deemed to have replaced the national or regional registration or registrations only in respect of the goods and services covered by both the international registration and the national or regional registration or registrations.

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<sup>3</sup> See documents MM/LD/WG/15/2 and MM/LD/WG/15/5, paragraphs 12 and 13.

<sup>4</sup> See document MM/LD/WG/12/5.

<sup>5</sup> See document MM/LD/WG/13/2.

<sup>6</sup> See document MM/LD/WG/14/2 Rev.

<sup>7</sup> See document MM/LD/WG/15/2.

(iv) The effects of replacement on the national or regional registration: the national or regional registration and the international registration that is replacing it should be able to co-exist. Replacement itself does not necessarily imply or require a cancellation of the national or regional registration. It should be a decision by the holder whether to renew the national or regional registration.

14. While an optional centralized filing mechanism might take time to implement, this should not delay the adoption by the Madrid Union Assembly, and the entry into force, of provisions specifying the principles currently governing replacement. Accordingly, the International Bureau recommends that the Working Group consider discussing, at its next session, a new proposal to amend Rule 21 of the Common Regulations reflecting only the above-mentioned principles.

15. *The Working Group is invited to:*

*(i) consider this document;  
and*

*(ii) indicate whether the International Bureau should present a proposal to amend Rule 21 of the Common Regulations reflecting the principles governing replacement, as presented in paragraph 13 of this document.*

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