

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

**Sixteenth Session
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TRANSFORMATION

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INTRODUCTION

1. At its fourteenth session, held in Geneva from June 13 to 17, 2016, the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as, correspondingly, “the Working Group” and “the Madrid System”) agreed on a list of topics for future discussion (“the Road Map”)¹, in the short, medium and long term. The Working Group revised the Road Map at its fifteenth session², held in Geneva from June 19 to 22, 2017. Transformation is one of the topics listed in this Road Map.

2. Transformation was introduced in Article 9*quinquies* of the Madrid Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Protocol”). Its purpose is to mitigate the consequences of cancellation of international registrations requested by the Office of origin due to the ceasing of effect of the basic application or the registration resulting therefrom (“basic mark”).

¹ See document MM/LD/WG/14/6, Annex IV.

² See document MM/LD/WG/15/5, Annex II.

3. Where an international registration is cancelled at the request of the Office of origin under Article 6(4) of the Protocol, the holder has the possibility to secure continued protection in the territories previously covered by the international registration, by applying for national or regional protection directly before the Offices of those previously designated Contracting Parties. The filing date of the new (transformation) application is the date of the international registration or the date of the subsequent designation, where applicable.

4. Findings of a user survey on issues concerning the dependency principle in the Madrid System³, which were presented at the thirteenth session of the Working Group, included feedback on transformation. Users overwhelmingly mentioned cost as the main reason for not choosing transformation, even though it was available to them. More specifically, users referred to filing costs and other costs associated with a direct filing, such as the need for representation, translation and other formal requirements, possible further proceedings and maintenance costs.

5. Users stated that some Offices provided assistance with transformation, while indicating that other Offices had not yet implemented provisions allowing for this procedure. Furthermore, users indicated that they found the procedure expensive, complex and cumbersome. Users explained that these factors, together with an uncertain outcome, made it often preferable or easier to file a new application⁴.

6. Moreover, feedback from users indicated that transformation is clearly underutilized. The Madrid Registry does not have updated statistics on the number of transformations requested annually before the national or regional Offices. In previous sessions of the Working Group, while discussing ceasing of effect, Offices reported 96 transformation applications in 2010 and 127 transformation applications in 2012⁵.

THE TRANSFORMATION PROCEDURE

7. Article 9*quinquies* of the Protocol establishes certain minimum requirements for a transformation application:

(i) the application must be filed within three months from the date of the recording of the cancellation of the international registration in the International Register;

(ii) the goods and services listed in the application must be covered by the list of goods and services of the international registration in respect of the Contracting Party concerned; and

(iii) the application must comply with the applicable national or regional requirements set out in the law of the Contracting Party, including requirements for address for service or local representation and payment of fees.

8. There are no provisions on transformation in the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to as “the Common Regulations”). Apart from the requirements of subparagraphs (i) and (ii) above, transformation is a matter to be dealt with by the law of the concerned designated Contracting Party only.

³ See document MM/LD/WG/13/6.

⁴ See document MM/LD/WG/13/6, paragraphs 33 to 36.

⁵ See documents MM/LD/WG/9/3 and MM/LD/WG/11/4.

RECOMMENDATIONS FOR THE TRANSFORMATION PROCEDURE BY DESIGNATED CONTRACTING PARTIES

9. While transformation was introduced to increase legal certainty for holders of international registration under the Protocol, feedback from users suggests that transformation is a rather rigid mechanism, which negatively affects its use. The Working Group may wish to discuss and recommend possible improvements of the transformation procedure, with a view to meeting the expectations of users. The following could constitute possible improvements:

- (i) Article 9*quinquies* is a mandatory provision in the Protocol. Contracting Parties that have not yet introduced a specific provision covering transformation in their domestic laws must do so as soon as possible. The Madrid Registry has made available model provisions to ensure that domestic legislation is compatible with the Madrid Protocol, including a provision on transformation⁶.

⁶ See "Accession kit", Annex II, page 10, paragraph 22 "Transformation", available at www.wipo.int/export/sites/www/madrid/en/contracting_parties/pdf/accession_kit.pdf. The model provision on transformation reads as follows:

"(1) (a) Where an international registration designating [name of the country or intergovernmental organization] is cancelled at the request of the Office of origin, in accordance with Article 6(4) of the Madrid Protocol, for all or some of the goods and services listed in the international registration, an application may be made to the [Registrar], within three months from the date on which the international registration was cancelled, by the person who was the holder of the international registration at the date of its cancellation, for registration of the same trademark ("an application resulting from transformation"), for goods and services covered by the list of goods and services contained in the international registration.

"(b) Subject to paragraphs (2) and (3), the provisions applicable to a trademark application filed directly with the [Registrar] shall apply *mutatis mutandis* to an application resulting from transformation.

"(2) (a) An application resulting from transformation shall be made on Form [...] and shall, in addition, include the following:

- "(i) a statement that the application is made by way of transformation,
 "(ii) the international registration number of the international registration which has been cancelled,
 "(iii) the date of the said international registration or the date of the subsequent designation, as appropriate,
 "(iv) the date on which the cancellation of the international registration was recorded,
 "(v) where applicable, the date of any priority claimed in the international application and recorded in the International Register.

"(b) An application resulting from transformation [shall be subject to the payment of the prescribed [transformation] fee[s]] [shall not be subject to the payment of [a] [the standard application] fee].

"(3) (a) Where a mark that is the subject of an international registration has become protected in [name of the country or intergovernmental organization] on or before the date on which the international registration was cancelled and, provided that all the requirements relating to an application resulting from transformation have been met, that trademark shall be registered by the [Registrar]. The date of registration shall be the date of the cancelled international registration or the date of the subsequent designation, as appropriate, and that registration shall enjoy any priority enjoyed by the cancelled international registration.

"(b) Where a mark that is the subject of an international registration has not yet become protected in [name of the country or intergovernmental organization] on or before the date on which the international registration was cancelled, any procedures or measures already undertaken on or before the date on which an application resulting from transformation is filed for the purpose of the international registration shall be considered as having been undertaken for the purposes of the application resulting from transformation. The filing date of the application resulting from transformation shall be the date of the international registration or the date of the subsequent designation, as appropriate."

(ii) Upon cancellation of international registrations, users need reliable and comprehensive information on the transformation procedure. Contracting Parties should ensure that they have provided relevant information concerning their domestic requirements for publication on the Madrid Member Profiles database⁷. This database was launched in May 2017, and currently provides information received from 96 Offices, 89 of which have, at least, indicated that a transformation procedure is available. However, Offices could provide more detailed information on how they handle requests for transformation to increase predictability for the benefit of users.

(iii) Users have mentioned added costs as a reason for not using transformation. Transformation fee policy is not uniform in Contracting Parties; in some Contracting Parties, the request for transformation is not subject to fees, whereas other Contracting Parties charge transformation fees. Contracting Parties could consider an exemption from, or reduction of fees, in the case of a request for transformation, in particular where the Office concerned has already received an individual fee in respect of the international registration concerned.

(iv) Where certain steps have already been taken with regard to the substantive examination of an international mark, the benefit of those steps could be transferred to the application resulting from transformation, and the remaining procedure could continue thereafter. This approach would avoid unnecessary duplication of work and expenses, both for users and the Office.

(v) Finally, where a mark that is the subject of an international registration has become protected in the concerned Contracting Party, on or before the date on which the international registration was cancelled, and provided that all the requirements relating to an application resulting from transformation have been met, that trademark should be registered. This effect is clearly beneficial to users and legally sound since the cancelled international registration had been given protection in the concerned designated Contracting Parties.

10. The Working Group is invited to consider the recommendations for the transformation procedure by designated Contracting Parties set out in paragraph 9 of this document and/or suggest any other additional improvement.

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⁷ The Madrid Member Profiles database is available at: www.wipo.int/madrid/memberprofiles/#/.