

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

**Seventeenth Session
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REPLACEMENT

Document prepared by the International Bureau

INTRODUCTION

1. The Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”) has discussed replacement at its twelfth¹, thirteenth², fourteenth³, fifteenth⁴ and sixteenth⁵ sessions. In the latter session, the Working Group requested that the International Bureau present a proposal to amend Rule 21 of the Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks⁶ (hereinafter referred to as, respectively, “the Regulations”, “the Protocol” and “the Agreement”) reflecting the principles governing replacement, as presented in paragraph 13 of document MM/LD/WG/16/2.

2. Following up on the request made by the Working Group, this document proposes an amendment to paragraph (1) of Rule 21 of the Regulations as well as a new paragraph (3) of the same Rule to reflect the above-mentioned principles.

¹ See document MM/LD/WG/12/5.

² See document MM/LD/WG/13/2.

³ See document MM/LD/WG/14/2 Rev.

⁴ See document MM/LD/WG/15/2.

⁵ See document MM/LD/WG/16/2.

⁶ See document MM/A/52/2. The Regulations will enter into force on February 1, 2020.

3. Replacement and, in particular, the possibility to centrally manage previously acquired national or regional rights with the International Bureau, is potentially one of the most attractive features of the Madrid System, but the use of this mechanism remains low. For example, a notification that an Office has taken note under Article 4bis(2) of the Protocol has only been recorded in 672 of the more than 700,000 international registrations in force.

4. While this document focuses on clarifying, in Rule 21, the key principles governing replacement, without changing the procedure for requesting that an Office take note under Article 4bis(2) of the Protocol, the International Bureau would like to propose that the Working Group hold further discussions on replacement in the future. For example, such discussions, possibly to take place at a future Roundtable, could focus on the way in which replacement operates in the Offices of the Contracting Parties with the objective of making it more accessible and aligned with the needs of the users of the Madrid System.

TIME AT WHICH A REQUEST UNDER ARTICLE 4BIS(2) OF THE PROTOCOL MAY BE FILED

5. The proposed amendments to paragraph (1) of Rule 21 of the Regulations reflect the principle that the holder of an international registration may present a request under Article 4bis(2) of the Protocol directly with the Offices concerned as from the date of the notification of the international registration or of the subsequent designation, as the case may be.

6. There are practical advantages to allowing holders to file such requests as soon as the notifications are sent to the Offices of the designated Contracting Parties concerned. On the one hand, the Office receiving such requests would benefit from having all the information necessary to examine the mark that is the subject of the international registration and may consolidate the examination of the international registration and of the request to take note of it in its Register. On the other hand, the holder would benefit from a prompt decision by the Office and, where the Office has taken note, from this fact being inscribed in the International Register as early as possible.

PRINCIPLES CONCERNING THE PREVIOUS NATIONAL OR REGIONAL REGISTRATION

7. Proposed new paragraphs (3)(a) and (b) of Rule 21 of the Regulations specify the two main principles governing replacement regarding any previous national or regional registration.

8. Proposed new paragraph (3)(a) states that a previous national or regional registration that meets the conditions specified in Article 4bis(1) of the Protocol may not be invoked to refuse protection to the mark that is the subject of an international registration.

9. Replacement was introduced at the Diplomatic Conference, held in Brussels in 1897 and 1900. In the document discussing proposed new Article 4bis of the Agreement, the International Bureau of the Union for the Protection of Industrial Property (hereinafter referred to as, respectively, “the International Bureau of the Union” and “the Union”) warned that the administration or the courts of certain countries of the Union could be tempted to refuse an international registration where there existed a previous national one and that such refusal would neutralize all the benefits resulting from the international registration system. The document continued by stating that it was convenient to declare that a previous national registration was not an obstacle to the validity of the international registration, which replaced any such previous national registrations⁷. Article 4bis of the Agreement, later paragraph (1) of the same Article, corresponds to Article 4bis(1) of the Protocol.

⁷ Union internationale pour la protection de la propriété industrielle. *Actes de la Conférence réunie à Bruxelles, première et deuxième sessions, du 1^{er} au 14 décembre 1897 et du 1^{er} au 14 décembre 1900*. Berne : Bureau international de l'Union, 1901, p. 59.

10. Proposed new paragraph (3)(b) reflects the principle that any previous national or regional registration and the international registration that has replaced it should be allowed to coexist. As a consequence of the above, (i) a national or regional registration which is replaced by an international registration may not be *ex officio* invalidated or cancelled by virtue of replacement; (ii) the holder may not be required to either renounce the former registration or request its cancellation; and, (iii) the holder may neither be required to nor prevented from renewing such registration.

11. Replacement was introduced to relieve the holder from the burden of having to renew previous national registrations in one or several countries of the Union⁸. Accordingly, the international registration benefits from the precedence of the previous national or regional registration, preserving all rights acquired by virtue of the latter⁹. However, the above should not be interpreted as a requirement to invalidate or cancel a national or regional registration which has been replaced by an international registration. Moreover, the holder should continue to have the right to renew or to allow the replaced national or regional registration to lapse.

12. There is value in allowing the holder to decide whether to maintain a national or regional registration that has been replaced by an international registration. For example, cancellation of the international registration due to ceasing of effect of the basic mark may still be possible and, in such case, the holder may wish to preserve a previous national or regional registration until such is no longer the case.

EXAMINATION OF A REQUEST UNDER ARTICLE 4BIS(2) OF THE PROTOCOL

13. Proposed new paragraph (3)(c) of Rule 21 of the Regulations deals with the principles governing the examination of the request that an Office take note under Article 4bis(2) of the Protocol.

14. The notion that an Office could take note of replacement in its Register was implied when Article 4bis of the Agreement was introduced at the above-mentioned Brussels Diplomatic Conference. In the proposal, the International Bureau of the Union indicated that a mention on the Registers of the interested countries would suffice to verify that an international registration had replaced a previous national registration, preserving all rights acquired by virtue of the latter¹⁰.

15. A new paragraph (2) of Article 4bis of the Agreement, formally prescribing the obligation that an Office take note of replacement at the request of the holder, was adopted at the Diplomatic Conference held in London in 1934, because certain national administrations had refused to issue an attestation to the fact that replacement had taken place. In the proposal, the International Bureau of the Union indicated that to prove that the international registration benefits from the precedence of an earlier national or regional registration, the holder should have the right to request an attestation of the national registration, which must make clear that it has been replaced by an international registration¹¹. Paragraph (2) of Article 4bis of the Agreement corresponds to Article 4bis(2) of the Protocol.

⁸ Ibid.

⁹ Union internationale pour la protection de la propriété industrielle. *Actes de la Conférence réunie à Londres du 1^{er} mai au 2 juin 1934*. Berne : Bureau international de l'Union, 1934, p. 203.

¹⁰ Union internationale pour la protection de la propriété industrielle. *Actes de la Conférence réunie à Bruxelles, première et deuxième sessions, du 1^{er} au 14 décembre 1897 et du 1^{er} au 14 décembre 1900*. Berne : Bureau international de l'Union, 1901, p. 60.

¹¹ Union internationale pour la protection de la propriété industrielle. *Actes de la Conférence réunie à Londres du 1^{er} mai au 2 juin 1934*. Berne : Bureau international de l'Union, 1934, p. 204.

16. From the above, it would be apparent that the Office has not only the right but, rather the obligation, to examine a request presented under Article 4*bis*(2) of the Protocol, to verify that the conditions specified in paragraph (1) of the same Article have been fulfilled and, indeed, the international registration has replaced the national or regional registration. The mere taking note of the international registration in the national or regional Register without examining the request, would undermine Article 4*bis*(2) of the Protocol. As noted by Mr. Henri Morel, Director of the International Bureau of the Union, the inscription of the international registration in the national Register appears absolutely necessary because, in its absence, any control and, in particular, the recognition of the replacement of a previous national registration by an international registration becomes impossible¹².

17. Therefore, it is proposed that new paragraph (3)(c) of Rule 21 state that Offices shall examine requests under Article 4*bis*(2) of the Protocol.

18. The possible inscription of the international registration by an Office in its Register, in accordance with Article 4*bis*(2) of the Protocol, should not be interpreted as a declaration granting replacement. Such inscription is merely a recognition of the fact that the conditions specified in Article 4*bis*(1) of the Protocol have been fulfilled, and it is intended as means to evidence the holders' rights. The international registration replaces a national or regional registration, regardless of whether the holder chooses to present to the Office a request to take note or not.

THE LIST OF GOODS AND SERVICES OF THE PREVIOUS NATIONAL OR REGIONAL REGISTRATION

19. Proposed new paragraph (3)(d) of Rule 21 of the Regulations deals with the principles regarding the goods and services listed in the national or regional registration that has been replaced.

20. Replacement does not require the absolute identity or equivalence of the list of goods and services but, instead, that the goods and services listed in the national or regional registration that has been replaced be covered by the goods and services listed in the international registration. This principle would be reflected in the first sentence of proposed new paragraph (3)(d).

21. From the above, it should be evident that the names of the goods and services do not necessarily have to be identical. For example, a description listed in the international registration (class 25: "clothing") could be broader than a description listed in the national or regional registration (class 25: "shirts"). In this case, the names may not be the same but replacement operates because the latter is covered by the former description.

22. It could also be understood that replacement may take place even where only some of the goods and services listed in the national or regional registration are covered by the international registration; in other words, a national or regional registration may be partially replaced by an international registration. This would be the case, for example, where the national or regional registration is for "clothing; headgear; footwear" (class 25) and the international registration covers only "jeans" (class 25).

¹² Idem, p. 430.

23. In previous sessions of the Working Group, certain delegations favored a literal interpretation of Article 4*bis*(1)(ii) of the Protocol, which would prevent the partial replacement of the national or regional registration. Nevertheless, partial replacement would benefit holders who may choose to maintain the national or regional registration only in respect of the goods and services not concerned with replacement. It should also be recalled that items (i), (ii) and (iii) of Article 4*bis*(1) of the Protocol were introduced for the sake of clarity and were not intended to change the essence of replacement¹³.
24. Accordingly, the second sentence of proposed new paragraph (3)(d) of Rule 21 of the Regulations acknowledges the possibility of partial replacement.
25. The principles that a national or regional registration should be covered by the international registration that has replaced it and that the former could be partially replaced were thoroughly explained by the International Bureau of WIPO when introducing Rule 21 of the Draft Regulations under the Madrid Agreement and the Madrid Protocol¹⁴. That Rule corresponds to Rule 21 of the Regulations.
26. Finally, in case of partial replacement, Offices should include a remark to that effect in their Registers when taking note in accordance with Article 4*bis*(2) of the Protocol. In fact, in the above-mentioned London Diplomatic Conference, the International Bureau of the Union stated that, when taking note in its Register, an Office should mention any difference between the list of goods and services in the national registration and that in the international registration¹⁵.

THE EFFECTIVE DATE OF REPLACEMENT

27. Proposed new paragraph (3)(e) of Rule 21 of the Regulations deals with the effective date of replacement.
28. Under replacement, an international registration automatically benefits from the precedence of an earlier national or regional registration, preserving all rights acquired by virtue of the latter. In principle, replacement occurs on the date on which the international registration has effect in the designated Contracting Party concerned. As from this date, the holder should have the option to allow the national or regional registration lapse without loss of rights.
29. According to Article 4(1)(a) of the Protocol, an international registration has effect in the designated Contracting Parties as from the date of the international registration or of the subsequent designation, as the case may be. In principle, replacement should occur on that date. In other words, as from this date, the international registration should benefit from the precedence of an earlier national or regional registration, provided protection to the international registration is not refused.
30. Proposed new paragraph (3)(e) of Rule 21 of the Regulations does not go beyond the language already found in Article 4*bis*(1) and it would simply make explicit that replacement occurs as from the date on which the international registration takes effect in the designated Contracting Parties concerned.
31. A harmonized interpretation of the effective date of replacement would be highly desirable as it would provide the holder with a higher degree of legal certainty.

¹³ World Intellectual Property Organization. *Records of the Diplomatic Conference for the Conclusion of a Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks*. Geneva: World Intellectual Property Organization, 1991, pp. 83, 180 and 182.

¹⁴ See document GT/PM/VI/3, *Comments on Some of the Rules of the Draft Regulations Under the Madrid Agreement and the Madrid Protocol*, paragraph 99.

¹⁵ Union internationale pour la protection de la propriété industrielle. *Actes de la Conférence réunie à Londres du 1^{er} mai au 2 juin 1934*. Berne : Bureau international de l'Union, 1934, p. 204.

PROPOSED DATE OF ENTRY INTO FORCE

32. It is suggested that the proposed amendments to Rule 21 of the Regulations enter into force on the date these Regulations enter into force, that is, on February 1, 2020.

33. *The Working Group is invited to*

(i) consider the proposals made in this document; and,

(ii) recommend to the Madrid Union Assembly the adoption of the proposed amendments to the Regulations, as presented in the Annex to this document or in amended form, for entry into force on February 1, 2020.

[Annex follows]

**PROPOSED AMENDMENT TO RULE 21 OF THE REGULATIONS UNDER THE PROTOCOL
RELATING TO THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL
REGISTRATION OF MARKS**

**Regulations Under the Protocol Relating to the Madrid Agreement
Concerning the International Registration of Marks**

(as in force on February 1, 2020)

[...]

*Rule 21
Replacement of a National or Regional Registration
by an International Registration*

(1) [Request and Notification] From the date of the notification of the international registration or of the subsequent designation, as the case may be, the holder may present directly to the Office of a designated Contracting Party a request for that Office to take note of the international registration in its Register, in accordance with Article 4bis(2) of the Protocol. Where, ~~in accordance with Article 4bis(2) of the Protocol~~ following the said request, the Office of ~~a designated Contracting Party~~ has taken note in its Register, ~~following a request made direct by the holder with that Office~~, that a national or a regional registration or registrations, as the case may be, has have been replaced by ~~an~~ the international registration, that Office shall notify the International Bureau accordingly. Such notification shall indicate

- (i) the number of the international registration concerned,
- (ii) where the replacement concerns only one or some of the goods and services listed in the international registration, those goods and services, and
- (iii) the filing date and number, the registration date and number, and, if any, the priority date of the national or regional registration or registrations which ~~has~~ have been replaced by the international registration.

The notification may also include information relating to any other rights acquired by virtue of that national or regional registration or registrations, ~~in a form agreed between the International Bureau and the Office concerned.~~

(2) [Recording] (a) The International Bureau shall record the indications notified under paragraph (1) in the International Register and shall inform the holder accordingly.

(b) The indications notified under paragraph (1) shall be recorded as of the date of receipt by the International Bureau of a notification complying with the applicable requirements.

(3) [Further Details Concerning Replacement] (a) Protection to the mark that is the subject of an international registration may not be refused, even partially, based on a national or regional registration which is deemed replaced by that international registration.

(b) A national or regional registration and the international registration that has replaced it shall be able to coexist. The holder may not be required to renounce or request the cancellation of a national or regional registration which is deemed replaced by an international registration and should be allowed to renew that registration, if the holder so wishes, in accordance with the applicable national or regional law.

(c) Before taking note in its Register, the Office of a designated Contracting Party shall examine the request referred to in paragraph (1) to determine whether the conditions specified in Article 4*bis*(1) of the Protocol have been met.

(d) The goods and services concerned with replacement, listed in the national or regional registration, shall be covered by those listed in the international registration. Replacement may concern some only of the goods and services listed in the national or regional registration.

(e) A national or regional registration is deemed replaced by an international registration as from the date on which that international registration takes effect in the designated Contracting Party concerned, in accordance with Article 4(1)(a) of the Protocol.

[End of Annex and of document]