

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

Twentieth Session
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DEPENDENCY

Document prepared by the International Bureau

INTRODUCTION

1. At its nineteenth session, held in Geneva from November 15 to 17, 2021, the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”) discussed document MM/LD/WG/19/5.¹ The document explored the possible reduction of the dependency period from five to three years and of the grounds for the ceasing of effect of the basic mark resulting in the cancellation of the international registration, as well as the possible elimination of the automatic effect of dependency.

2. Following the discussions based on document MM/LD/WG/19/5, the Working Group indicated that it favored a reduction of the dependency period from five to three years and requested the Secretariat to prepare a document on the possibility to convene a Diplomatic Conference to amend the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Protocol”) for that purpose, and on other possible options to implement the proposed reduction.² Furthermore, the Working Group requested the Secretariat to prepare another document exploring further options concerning dependency, for discussion at its next session. This document responds to the latter request.

¹ See document MM/LD/WG/19/5 “Dependency”.

² See document MM/LG/WG/20/5 “The Possible Convening of a Diplomatic Conference to Amend Article 6 of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks”.

3. The principle of dependency is anchored in Article 6(2) and (3) of the Protocol. The Working Group has discussed at length various options concerning the possible amendment of the dependency principle in previous sessions without reaching consensus.³ Following the request from the Working Group at the nineteenth session, the present document summarizes five options regarding dependency that the Working Group has discussed in the past.

FURTHER OPTIONS CONCERNING DEPENDENCY

ABOLISHING DEPENDENCY

4. In previous discussions of the Working Group, some delegations expressed support for abolishing dependency because this would increase legal certainty for trademark holders, and remove a perceived disadvantage of the Madrid System. Dependency is often a reason for not using the System and viewed as an obstacle by trademark holders. Furthermore, abolishing dependency would simplify the Madrid System and reduce the workload for Offices and the International Bureau.

5. To abolish dependency, it would be necessary to delete paragraphs (3) and (4) of Article 6 of the Protocol and amend paragraph (2), to establish that the international registration is independent from the basic mark. These changes would require the convening of a Diplomatic Conference as foreseen in Article 11(2)(a) of the Protocol.

REDUCTION OF THE DEPENDENCY PERIOD

6. Following the outcome of the discussions at the nineteenth session of the Working Group, the option to reduce the dependency period from five to three years appeared to have broad support among delegations. Reference is made to document MM/WG/20/5², which covers this option in detail, as requested by the Working Group.

REDUCTION OF THE GROUNDS

7. Excluding specific grounds, for example, those raised *ex officio* and only applicable in the Contracting Party of the Office of origin, would help strengthen the legal certainty for trademark holders using the Madrid System. Such reduction would preserve a fair balance between the interests of holders and third parties alike, as Offices of origin would still be able to notify the International Bureau of a ceasing of effect of the basic mark, resulting from a third-party action, based on opposition or invoking bad faith.

8. However, a reduction of the grounds would also entail an amendment to Article 6(3) of the Protocol, which would also require a Diplomatic Conference.

³ See documents MM/LD/17/6 "Possible Reduction of the Dependency Period", MM/LD/WG/18/7 "Dependency", and MM/LD/19/5 "Dependency".

ELIMINATION OF THE AUTOMATIC EFFECT OF DEPENDENCY

9. An international registration is cancelled at the request of the Office of origin, following the ceasing of effect of the basic mark. The international registration may be cancelled, resulting in a loss of rights in many territories, not because of an intentional central attack, but as a result of, for example, a third-party action taken against the basic mark, without that third-party having any interest, or more importantly, any right to challenge the protection of the mark in any, or some, of the designated Contracting Parties.

10. To avoid the situation described above, Article 6(3) of the Protocol could be amended to no longer prescribe that the ceasing of effect of the basic mark automatically affects the international registration. In addition, paragraph (4) of the same Article could be amended to require that the Office of origin notify the International Bureau and request the cancellation of the international registration only at the request of the third-party concerned.

11. However, the elimination of the automatic effect would also entail an amendment to Article 6(3) of the Protocol, which would also require a Diplomatic Conference.

SUSPENDING (FREEZING) THE OPERATION OF DEPENDENCY

12. In previous Working Group sessions, some delegations expressed support for a temporary suspension (freeze) of the operations of paragraphs (2), (3) and (4) of Article 6 of the Protocol. The suspension of the operation of dependency could be seen as a temporary solution, for a reasonable period, to allow time to analyze the impact it would have on trademark holders and on the use of the Madrid System.

13. The possibility of freezing the operations of a functioning provision in a treaty has been confirmed by earlier practice, i.e., in October 2016, when the Assembly of the Madrid Union (hereinafter referred to as “the Assembly”) decided to freeze the application of paragraphs (1) and (2) of Article 14 of the Madrid Agreement Concerning the International Registration of Marks.⁴

14. Similarly, the Assembly could decide to freeze the operations of paragraphs (2), (3) and (4) of Article 6 of the Protocol. Such decision could be subject to periodical reviews to measure its impact. The Assembly could reverse its decision at any time, carefully preserving the rights of those holders whose international registrations benefited from the temporary measure.

15. Of all the possible options described above, the only option that falls within the function of the Assembly, and the only one which would not require convening a Diplomatic Conference, is the suspension of the operations of paragraphs (2), (3) and (4) of Article 6 of the Protocol.

16. Such freeze would provide trademark holders increased legal certainty. International registrations would be strengthened, as their fate would no longer depend on the basic mark, and legal certainty would be enhanced. In a context of expanding global trade, reinforcing the legal protection of the international registration is of paramount importance for companies with international reach.

17. The possible option to freeze Article 6(2), (3) and (4) of the Protocol was discussed in the Working Group at its twelfth session⁵ without reaching consensus.

⁴ See documents MM/A/50/3 “Proposal Regarding Accessions to the Madrid Agreement Only” and MM/A/50/5 “Report”.

⁵ See document MM/LD/WG/12/4 “Proposal to Freeze the Operation of Articles 6(2), (3) and (4) of the Madrid Agreement Concerning the International Registration of Marks and of the Protocol Relating Thereto”.

18. *The Working Group is invited to:*

(i) consider the present document and provide comments thereon; and

(ii) provide guidance to the International Bureau on whether further work on these topics is warranted.

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