



The Trusted Voice of Brand Owners

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

Twenty-First Session, Geneva, 13-17 November 2023

MARQUES is an official non-governmental organisation that was granted observer status at the World Intellectual Property Organization - WIPO in 1989 by the Governing Bodies at their Twentieth Series of Meetings (cf. paragraph 213 of General Report, document AB/XX/20). **MARQUES** is the European association representing brand owners' interests. **MARQUES'** mission is to be the trusted voice for brand owners. More information about **MARQUES** and its initiatives is available at www.marques.org.

In preparation for the Madrid Working Group meeting, **MARQUES** would like to submit the following statements on the Working Documents as per the agenda.

Agenda item 6: Dependency: Invitation to Submit Proposals on Other Possible Options Regarding Dependency, document MM/LD/WG/21/4 and MM/LD/WG/21/8

MARQUES welcomes the Proposal supported by the Delegations of Australia, Chile, the Republic of Korea and the United States of America, aimed at modernising the Madrid Protocol, so as to allow more flexibility for Contracting Parties as well as for the users of the Madrid Protocol system. This Proposal acknowledges the difficulties trademark holders face and looks at modernising the Protocol to reflect the realities of conducting business in the 21st century global economy, by considering the following options:

- retain the basic mark requirement but reduce the dependency period from five to three years; or
- retain the basic mark requirement but eliminate the dependency principle; or
- eliminate both the basic mark requirement and dependency principle.

As a business representative association, which represents the interests of trade mark owners, **MARQUES** supports the objectives underpinning the Proposal, namely, bringing the Protocol System to an improved level, to better fit in the real business needs. In fact, **MARQUES** has consistently voiced the concerns of its members that the 5-year dependency period was too long in duration, often resulted in complexity rather than benefits, unnecessary expenses, and led to an inequitable loss of rights, already at the early stages, for those holders subject to stricter examination requirements by the IP Offices of their countries of origin. The reduction or outright elimination of the dependency period will also likely serve to increase the use of the Protocol in those Member States where users have shown reluctance so far, including due to the risk of encountering a full cancellation of an international registration and all its designations, if the basic trademark was subject to refusal, besides third party's oppositions.

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Whilst **MARQUES** has always been much in favour of fully removing from the system the requirement of the basic mark as well as of dependency as a principle, we recognise that any such substantial changes may require a period of time to be implemented, and therefore we welcome the pragmatic approach suggested by the current Proposal paper.

Of course, the interests of brand owners in certainty and simplicity of the system may be challenged by a situation where the legal landscape might come to differ so significantly by country. Proper assessment of all implications, as well as a reasonable action plan will need to be worked through to ensure that any transitional changes – as the Proposal would suggest, namely, allowing via a Declaration each Contracting Party to retain the current practice, or elect one of the three proposed options – can operate in a transparent and streamlined way.

Clearly, **MARQUES** favours option 3 – namely, removing the basic mark and eliminate dependency - rather than option 2, namely, retain the basic mark but eliminate dependency, albeit we appreciate that by removing dependency, there might already be more legal certainty and less disadvantages for brand owners.

Furthermore, the requirement for the applicant to have a real and effective commercial establishment in the territory of the office of origin lacks certainty and is not aligned with the equivalent principles in the Paris Convention, where the qualifying requirement is to have an establishment in any of the Contracting Parties territories, and the priority claim is not dependent on the fate of the first filing.

MARQUES welcomes the opportunity to examine if there can be any good value, namely, if it would favour brand owners' interests, to implement a mechanism for central attack in a different form, in a scenario where dependency was removed. In particular, it would be necessary to understand the circumstances in which such a central attack mechanism would be possible, in terms of eligibility requirements, and the relevant prior rights that could prove enforceable. We would thus support the suggestion of revisiting this subject, including as to whether a central, independent dispute settlement body could actually be established at the WIPO Arbitration and Mediation Centre, and the effectiveness of any envisaged dispute resolution proceedings in this framework.

MARQUES looks much forward to a productive discussion on the Proposal and its details, during the upcoming WG meeting.

Agenda item 8: Updated Information on the Time Limit to Respond to Notifications of Provisional Refusal and on the Way to Calculate Them, MM/LD/WG/21/5.

MARQUES was delighted to inform its members that effective from 1st November this year, users are no longer obliged to calculate the deadline of a provisional refusal as it will from now on under the responsibility of the Contracting Party issuing the refusal, to clearly communicate the start and end date of the time limit concerned. The change has been truly significant, and fully welcomed by users, and **MARQUES** wishes to praise the Working Group for all its efforts in achieving this noteworthy improvement.

Agenda item 9: Updated Version of the Road Map for the Evolution of the Madrid System, MM/LD/WG/21/6.

MARQUES is very much appreciative of and fully supports the main objective of the Road Map, which is to bring the Madrid System to become more flexible and effective the way forward.

The geographical coverage of the Madrid System already is very significant, and many of the most recent accessions have actually helped in increasing globally its use by trade mark owners. Besides fostering new accessions, it remains key to ensure that the implementation of the Madrid System rules and procedures in all the existing Contracting Parties' legal systems has taken place properly, as it should be noted for instance, that still to date, in a number of countries, the rights accrued by international registrations are not equated to national rights for local enforcement purposes.

These issues are also acknowledged in the Road Map paper (under point 9, Legal Framework), when it is noted that there still is a quite significant number of trade mark owners who are filing their trade marks abroad still using the direct route by preference, rather than the Madrid System, also in light of the uncertainty and unpredictability that certain of the Madrid System legal requirements trigger, notably, the dependency and the risk of a central attack brought against the basic mark.

MARQUES will continue its commitment to raise awareness of and promoting the good value in using the Madrid System for the international registration of trade marks. **MARQUES** can gladly contribute to the envisaged promotional and educational activities, to help brand owners in new or existing Contracting Member States understand and use the Madrid System in the most effective and efficient manner, for instance by finding speakers for events organised by the International Bureau and/or by local authorities in those jurisdictions.

In addition to the above-mentioned statements, **MARQUES** also wishes to submit specific comments regarding the facts and propositions included in the document MM/LD/WG/21/6, and in particular:

In relation to paragraph 18 of the Road Map, *Better Customer Service*: In terms of improving customer service, **MARQUES** would clearly favour the issuance of formal reports by the responsible IP Offices that clearly reflect the status of the trade mark in the designated countries.

In relation to paragraph 21 of the Road Map, *Examination practices*: **MARQUES** agrees on the fact that there is need of further fostering consistency in relation to classification, and that harmonising classification practices should be given high priority, so as to enable trade mark owners to protect a mark consistently, whichever of the available national, regional or international routes they choose.

In relation to paragraphs 23-25 of the Road Map, *Member Offices, Implementing legislation*: legal certainty is vital to trade mark holders. **MARQUES** strongly supports that non-compatible or insufficient legislation in any Contracting Member States should ideally be amended to the effect of ensuring a correct and consistent processing of international applications and designations in international registrations, in all of the Madrid Contracting Member States.

In relation to paragraph 26 of the Road Map, *Declarations, Exclusion of Subsequent Designations*: **MARQUES** strongly supports the withdrawal of declarations that exclude the possibility of a subsequent designation for a number of Contracting Member States, if the international registration is dated earlier than the date of the entry into force of the Protocol in that Member State. As already stated, there has been huge value added to the Madrid system by the expansion of its geographical scope.

In relation to paragraphs 27-28 of the Road Map, *Individual Fees Payable in Two Part*: **MARQUES'** members have a strong preference for paying all fees at once, at filing. We agree on the fact that in this way, the fee payment procedure would become safer for users, avoiding the risk of missing the time limits to pay the second part, as well as make the work of the IP Offices concerned and the International Bureau more efficient.

In relation to paragraphs 29-31 of the Road Map, *Process Improvements*: The diverging practices adopted by IP Offices in respect of when third party's oppositions would be notified to international trade mark owners might cause confusion, besides potentially impacting on the trade mark holder's ability to take decision on whether surrendering – before a refusal would be issued - or timely exploring any possible solutions to resolve a dispute with a third party. This latter scenario would clearly be the most undesirable and troublesome for brand owners.

Accordingly, **MARQUES** supports that a discussion on these issues should be prompted, to the effect of considering potential benefits as against possible negative impacts to trade mark holders. The envisaged solution to give early notification of oppositions to trade mark holders via the International Bureau deserves proper consideration.

In relation to the requirement of proving actual use of a trade mark in commerce in order to maintain its registration in a number of the Contracting Member States, **MARQUES** agrees on the fact that it may be very helpful for trade mark holders, if the concerned IP Offices would send reminders directly to them and/or to their professional representatives as recorded in the International Register. Ideally, it would be desirable for trade mark holders, if the fulfilment of use requirements could be dealt with through more simplified and aligned procedures, notably by using a form to be filed together with the evidence and documentation via the International Bureau. At the same time, it clearly is appreciated that use requirements follow national legislation in each of the Member States concerned, and that a level of simplification as envisaged might realistically not be possible to achieve, due to legal constraints.

In relation to the fact that not all Contracting Member States are making decisions on the scope of protection of trade marks, after the expiry of the applicable time limit to issue a provisional refusal, **MARQUES** notes that this situation clearly is undesirable, as it generates uncertainty to trade mark holders, besides potential prejudice to the trade mark holder's ability to validly enforce the rights before the competent authorities. Accordingly, **MARQUES** strongly supports that discussions should be held, with a view to look at all possible ways that can resolve this issue and eventually enable all Contracting Member States to issue decisions on the scope of protection.

Agenda item 10: Report on Technical Consultations Held on the Possible Introduction of New Languages and Proposal for a Possible Way Forward, MM/LD/WG/21/7.

MARQUES is appreciative of the fact that the IP protection systems administered by the International Bureau, therefore also the Madrid System, should clearly be accessible to the broadest possible number of potential IP rights owners, and that those systems must be as easy, streamlined and cost-effective as possible, so as to ensure equal accessibility to IP protection to all potential brand owners, including SMEs, and individual entrepreneurs.

In **MARQUES** view, these two pillars – accessibility and efficiency/cost effectiveness – need to be appropriately safeguarded. While it may be true that more users might be encouraged to use the Madrid System, if they could use their home language, at the same time, attention must be had at the possible implications, if allowing more languages could result in generating higher costs, including as to official fees, or lesser timeliness in handling the procedures, by increasing delay/pendency, or, even worse, in increasing the risk of errors. All these issues would diminish rather than enhancing the value of the Madrid System and the possible use of the same by many more users.

MARQUES believes that it is necessary to understand more about the impact of these possible issues, before making a decision on introducing new languages to the Madrid System.

Implementing new languages

MARQUES initial view on the proposal of implementing new languages was cautious, and we still believe that the introduction of new languages should be made on the grounds of a thorough impact assessment, and in any case gradually, in order not to cause main adverse consequences, primarily for the following reasons:

- The costs and burdens of implementation may prove very significant;
- The risk of errors, particularly when using a "relay" language is significant. Errors in translation can affect the scope of protection of a right. We already have anecdotal reports on how Spanish translations may be understood differently by Spanish speakers from Spain and Spanish speakers from Mexico. Arabic translations and transliterations can also trigger similar issues. In addition, there would also be need of a significant program of work to standardise and harmonise specification practices. Direct - thus not via a "relay" language - translation should, therefore, be the preferred approach to minimise the risk of errors; and
- As the issues examined in the document MM/LD/WG/21/6 *Road Map for the Evolution of the Madrid System* can also demonstrate, the Madrid System may have to address first of all a number of very important issues pertaining to its legal framework and the examination practices, before it could truly become ready to take on another significant project such the introduction of new languages can prove, in light of all implications that should be expected.

Having participated in additional discussions held at Working Group meetings since our original position was adopted, **MARQUES** understands that there is a strong interest by some of the Contracting Member States to progress with the introduction of new languages more swiftly. On the other hand, in reality, it must be noted that in many of the Contracting Member States whose language is not an official working language, the use of the Madrid System has been very high anyhow, which suggests that the lack of a working language is not, as **MARQUES** has always viewed, posing a hard barrier to using the system.

In order to better understand the brand owners' needs, **MARQUES** conducted a survey among its members.

Survey of brand owners

MARQUES is an organisation dedicated to advocating on behalf of brand owners. We therefore consulted our membership and other brand owning organisations to collect views on

whether the lack of additional working languages might reduce accessibility to the system. Our survey had over 300 respondents, including brand owners, from 56 countries, including Arabic speaking countries, China and Russia (as well as covering many other regions of the world). In summary, it was found that:

- 80% of respondents did not find that adding one or more of the currently proposed three new languages would be useful for their business, with only minor variations between filing and working language options.
- A greater proportion of respondents from Arabic speaking countries, Russia or China acknowledged that adding their home languages would be found useful. However, this view was less strongly reflected in the response to the question about whether respondents would file more international applications if their home languages were working languages of the system.
- A majority of respondents considered that if new languages were added, the Madrid Monitor should be available in all languages.
- A majority of respondents stated that they would prefer to use English, Spanish or French for international registrations going forward, with Chinese in fourth place, and with less than half of the respondents considering the Spanish language as an option.
- When asking which languages respondents felt should be added to the Madrid System, the responses were supporting particularly the addition of German and Portuguese languages. Other responses pointed out at the high number of Hindi and Bahasa speakers in the world. There also was some support for Italian. Other respondents remarked that adding some languages but not others might prove discriminatory.

Advantages and disadvantages

The Survey also asked respondents to list advantages and disadvantages of introducing more languages.

Advantages that were noted in the responses included:

- Less time and money spent on translations
- Better interaction with local IP Offices and better understanding of office actions
- Allowing brand owners to use their mother tongue would be a benefit, besides promoting diversity and fostering expansion of the Madrid System
- Misunderstandings on specification of goods and services may be avoided
- There could be better understanding of IP, resulting in less counterfeiting
- Communication with companies owning brands could prove easier

Interestingly, many respondents plainly stated that they did not see any advantages at all.

Disadvantages that were identified in the responses included:

- Increased complexity, with longer processing times, and longer time needed for the International Bureau to issue notifications.
- Extra time and money to have notifications translated into other languages
- Problems with translations/transliterations, leading to ambiguity, misunderstanding and discrepancies
- Concerns that Madrid Monitor would become less accessible

- Need to systematically appoint local representatives for office actions, leading to more costs
- Concerns that applicants might switch to national application systems to avoid problems
- Concerns that machine translation might not be accurate enough
- Facilitation of bad faith filings

In the responses, there were suggestions to consider other widely spoken languages, e.g., Portuguese, Hindi, and Swahili.

The full results of **MARQUES** Survey can be viewed on our website [here](#).

MARQUES wishes to thank for the opportunity of providing these comments. We would reserve any other specific commentaries on the document MM/LD/WG/21/7 *Report on Technical Consultations Held on the Possible Introduction of New Languages and Proposal for a Possible Way Forward*, upon the outcome of the discussions that will be held at the upcoming Madrid Working Group Meeting. In the meantime, we remain available to provide any other clarifications in relation to the propositions made in this paper.

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