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WIPO

MM/LD/WG/6/2
ORIGINAL: English
DATE: August 18, 2008

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

WORKING GROUP ON THE LEGAL DEVELOPMENT OF THE MADRID SYSTEM FOR THE INTERNATIONAL REGISTRATION OF MARKS

Sixth Session
Geneva, November 24 to 28, 2008

REVISED PROPOSAL BY NORWAY

prepared by the Secretariat

1. In a communication dated June 26, 2008, the International Bureau received a revised proposal from Norway relating to a number of aspects of the Madrid system for consideration by the Working Group on the Legal Development of the Madrid System for the International Registration of Marks, at its sixth session to be held in Geneva from November 24 to 28, 2008. Norway has requested that the proposal be translated and published as part of the documents for that session.

2. The said proposal is annexed to this document.

3. The Working Group is invited to note the contents of the attached proposal by Norway.

[Annex follows]

ANNEX

A REVISED PROPOSAL BY NORWAY

TO THE WORKING GROUP ON THE LEGAL DEVELOPMENT OF THE MADRID SYSTEM FOR THE INTERNATIONAL REGISTRATION OF MARKS

BACKGROUND FOR THIS DOCUMENT

1. This document is a revised version of a proposal the Norwegian Industrial Property Office submitted to WIPO in May 2006 and which was presented as document MM/LD/WG/2/9 for the Working Group's second session. No new topics are added in this revised proposal. However, we are withdrawing a proposal to shorten the time limit for provisional refusals. With the developments of the discussions in the Working Group regarding recent drafted amendments to rule 17 and new rules 18bis and 18ter, we find that these amendments will be beneficial to the holders and providing them information about the status of their registration as soon as possible for the various designated Contracting Parties. Thus, we find that there is no longer need for us to keep our previous proposal on the table.

2. The following proposals are the result of a scenario-process in our Office of how we would like the Madrid System to be in the future. How would we like the Madrid System to be – in five, ten or twenty years? What will the world be like, and will the users find the provisions of the Madrid System to be user-friendly and efficient? Do we still want to have two treaties, or do we only want to have one (the Madrid Protocol)? Since the safeguard-clause now is repealed, the Madrid Protocol is the treaty in the driver's seat.

3. When discussing future possible changes to the Madrid System we are talking about a long-term time perspective, perhaps seven to ten or even more years from now. However, we feel that this is a very important discussion, and one we believe should start as soon as possible. The following proposals would, if adopted, imply a Diplomatic Conference since it would mean changes to the Articles of the Madrid Protocol.

THE PROPOSALS

4. We would like to draw your attention to areas where we believe the Madrid System would benefit from some changes and hopefully attract more applications. Below are our two main proposals:

1) Deletion of the requirement of a basic application or registration, and
2) Designation of the holder's Office of Origin within the frames of today's system.

We have identified the consequences of these proposals to the best of our knowledge. And finally, we would like to draw your attention to the fact that there is still a wide divergence of interpretation regarding replacement.

Deleting the Requirement of a Basic Application or Registration

5. The Madrid System is founded on the requirement of a basic national or regional registration or application for registration. Under the Agreement, an applicant for the international registration of a mark must already have obtained registration of the mark in the Office of Origin (basic registration). Under the Protocol, an international application may be based on either a registration with the Office of Origin (basic registration) or on an application for registration filed with that Office (basic application). The international application may only relate to goods and services covered by the basic application or registration.

6. For a period of five years from the date of the international registration, the protection resulting from the international registration remains dependent on the mark registered or whose registration has been applied for with the Office of Origin. When the basic application, the registration resulting there from or the basic registration has ceased to have effect within that said period, the protection of the international registration is restricted accordingly. See Article 6(2)-(3) of the Protocol.

7. We would like the Working Group to engage in a discussion of the need for upholding the system of requiring a prior national application / registration when filing an international trademark application. See the Madrid Protocol Article 2 and Common Regulations Rules 8 and 9(5)(a). We propose that the Madrid System no longer requires such basic application / registration. The requirement of a basic application or registration is not a very modern feature or mechanism and is also not found in the Geneva Act, which is a newer treaty dealing with international registrations (of designs).

Consequences of deleting the requirement of a basic application or registration (the Basic Requirement)

8. As we see it, there are several consequences regarding this proposal. One consequence is that usage of the Madrid System will be an easier option for holders who have their markets for trade outside the territory of the Office of Origin. For those holders, the basic requirement implies a risk of having their basic registration cancelled due to non-use in the market of the territory of the Office of Origin. This has been mentioned by representatives from the users' side (Marques). A deletion of the basic requirement would also mean a user-friendlier system for a holder in a Contracting Party using another language than the language of his chosen market for trade. This has been mentioned by the delegation of Japan, see also Japan's analysis regarding flexibility in the requirement to address the linguistic diversity in MM/LD/WG/4/5. Sometimes a holder may be entitled to file in another Contracting Party and thus overcome the mentioned obstacles, but that is not always the case.

9. Another consequence is that the holder may be able to designate the Office of Origin. An alternative can be to adopt the system of the Geneva Act under the Hague System (designs), which would allow the holder to designate his Office of Origin. This could certainly be helpful for the trademark holder, who in the end can focus on only one registration – his international registration, and need not worrying about his basic application or registration.

10. A deletion of the requirement of a basic national application / registration may also call for a change of wording in the provisions regarding entitlement to file. This is regulated in Article 1 of the Agreement and Article 2 of the Protocol and Rule 9(5)(b) of the Common Regulations. A deletion of the requirement of having a basic application / registration will imply further harmonization with the Geneva Act. The Geneva Act has a provision regarding entitlement to file that is of a later date than the equivalent provision in the Madrid System. Article 3 of the Geneva Act seems to be somewhat more liberal, since it, in addition to the requirement of the applicant either being a national, domiciled, or has a real and effective industrial or commercial establishment in the territory of a Contracting Party, also states that the applicant can have a *habitual residence* in the territory of a Contracting Party.

11. We propose that Article 1 of the Agreement and Article 2(1) of the Protocol be amended to mirror the text of Article 3 of the Geneva Act, because then we will harmonize the provisions in the Geneva Act and the Madrid System that regulate the same matter.

12. The consequence that would seem most comprehensive by holders and third parties would be a deletion of the five years dependency provision as set forth in Article 6(2) and (3) of the Agreement and the Protocol. A deletion of the requirement of a basic application / registration benefits the holder in such a way to remove the long lingering doubt whether the international registration can stand on its own and not depend on circumstances in the territory of the Office of Origin. This deletion might also be favorable to attract more users and possibly also new Member States to the Madrid System. Third parties will with this deletion no longer have the possibility to attack the international registration by attacking the basic application or basic registration within the dependency period. However, third parties may still threaten with and go forth with requests for cancellation or law suits, but now in each specific territory.

13. A deletion of the requirement of a basic national application / registration will also imply that the provision in Article 9*quinquies* regarding transformation of an international registration to a national application / registration ceases to have effect.

14. We believe that these proposed changes would imply a more efficient system for all parties concerned. As we see it, there would be advantages for the Office of Origin, for WIPO and last, but not least for the holder / applicant.

15. The Office of Origin would have less case handling if it does not need to handle the basic application / registration and the international application. It would be cost-effective for the Office of Origin to hand over the case handling procedure to the International Bureau (IB) as the mandatory compliancy check no longer would apply. Surely, the Office of Origin would lose any fee it charges for the checking of the international application and application fees for filing a national application. Instead of receiving national applications, the Office of Origin will hopefully be designated in international registrations and receive designation fees. The international registrations will already be checked for formalities and classification of any devices and goods / services by WIPO. The Office of Origin would also no longer need to have a system to follow up the various basic applications and registrations. To give an example from Norway; we receive about 16 000 applications a year. More than 50% of these

will be international registrations designating Norway through the Madrid Protocol. Of the national filings, about 3 300 of the applications will be by applicants domiciled in Norway. About 250 of these applications will file an international application based on a Norwegian application / registration. We believe that most of these 250 applications, even though given the option to file an international application without a basic national application / registration, will still designate the Office of Origin, since Norway will be a market of interest for most of these applicants.

16. WIPO would receive the international application and can, in case of any irregularities go directly to the applicant or his representative. This procedure would be of advantage for WIPO and for the concerned applicant. Even though the workload might be heavier for WIPO, WIPO already has all the routines and procedures in place, and will benefit from their cost-efficient systems. We understand that more work for and more service provided by WIPO may indicate higher fees in the future.

17. The applicant may file his international application directly with the International Bureau (IB) and does not need to file a national application with his Office of Origin as well. Applying directly to the IB also has the benefit of ridding of the double case handling, as well as giving the applicant the possibility of designating his Office of Origin.

18. The applicant may also benefit from this economically as there would be no fee to pay to the Office of Origin for a mandatory compliancy check. We would however propose that if an applicant would like his Office of Origin to forward his international application to the IB, the Office of Origin may charge a transmittal fee, as also set forth in Article 4(2) of the Geneva Act.

Designation of the holder's Office of Origin within the frames of today's system

19. Even if we keep the system as it is today concerning the requirement for a basic application / registration, it may be beneficial for the holder to have only one international registration which also includes the basic registration / application. A solution will be to allow the holder to designate his Office of Origin after the expiry of the five years dependency period.

20. We would like the Working Group to engage in a discussion of the possibility of establishing a right for a holder to designate his Office of Origin in an international registration. We propose that a holder may be able to designate his Office of Origin after the expiry of the five years dependency period. This proposal requires an amendment to Article 3bis of the Protocol.

Replacement of a National or Regional Registration by International Registration under Article 4bis

21. If the consideration of this revised Norwegian proposal leads to the holding of a Diplomatic Conference, then it would give the Working Group an opportunity to revisit also other issues, such as replacement.

22. WIPO has prepared documents for this issue during the Working Group's sessions. The latest document, MM/LD/WG/5/7, has disclosed a wide divergence of interpretation by Offices with regard to Article 4bis of the Agreement and Protocol. The divergence of interpretation relates to the following topics:

- Date on which the replacement takes place
- Time at which a request under Article 4bis(2) may be filed with the Office
- Goods and services listed in the national or regional registrations, and
- Effects of replacement on the national or regional registration.

23. We do not want to go into further details of these topics or try to propose an amendment of Article 4bis at this stage. We merely would like to draw the attention of the Working Group to other issues to discuss in the context of a possible future Diplomatic Conference.

[End of Annex and of document]