

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

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HOW COULD A MECHANISM OF CENTRAL ATTACK BE ENVISAGED IN THE ABSENCE OF A BASIC MARK?

Document prepared by the International Bureau

INTRODUCTION

1. At its sixth session (November 2008), the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”) undertook the discussion of a proposal by the Delegation of Norway¹ (hereinafter referred to as “the proposal by Norway”), the main feature of which is the elimination from the Madrid system of the requirement of a basic application or registration. As one of the outcomes of its discussion of this issue, and with a view to further consideration of the proposal by Norway, the Working Group requested the Secretariat “to prepare a document [...] exploring how, in the absence of the requirement of a basic mark, a mechanism of central attack of the international registration could be envisaged, so as to ensure a fair balance between the interests of holders of international registrations, on the one hand, and third parties, on the other. The document would also contain, where possible, relevant statistical data on the system of central attack².”

¹ Originally formulated in document MM/LD/WG/2/9 and later revised in document MM/LD/WG/6/2.

² See document MM/LD/WG//6/7, paragraph 86.

2. The requirement, under the Madrid system, of a prior national or regional registration or of a prior national or regional application for registration as a basis for the international application, the dependence of the international registration on the fate of the basic registration, the basic application or the registration resulting from the basic application for a period of five years following the international registration, and the consequential “central attack” mechanism are explained in detail in document MM/LD/WG/6/5 (Considerations Relating to the Proposal by Norway)³ and need not be repeated here. On the other hand, it may be useful to recall a few basic notions regarding the scope, rationale and evolution over time of the so-called “central attack” mechanism. This will be done in Part I of this paper, which will also analyze available relevant statistical information.
3. As indicated in document MM/LD/WG/6/5⁴, during the process of revision of the Madrid Agreement⁵ which led to the conclusion of the Trademark Registration Treaty (TRT) in 1973, various central attack mechanisms, as well as alternatives to central attack, were put forward and, although none was eventually retained, their review allows for the drawing up of a rather exhaustive catalogue of potential options, assessment of their viability and perhaps the suggestion of possible avenues for further consideration. This will be the subject of Parts II and III of this paper.

I. CENTRAL ATTACK: BASIC FACTS AND FIGURES

Preliminary Observations Regarding the Scope, Rationale and Evolution of Central Attack Over Time

4. The existing central attack mechanism is the process by which cancellation of an international registration, with respect to all designated Contracting Parties and for all or only some of the goods and services covered by the international registration, may be obtained through a single opposition or invalidation action brought against the basic application, the basic registration or the registration resulting from the basic application within a period of five years from the international registration date.
5. Inasmuch as it is a consequence of the dependence of the international registration on the fate of the basic mark, central attack is not an autonomous feature of the Madrid system: should dependence on the basic mark or the requirement of a basic mark itself disappear, central attack as we know it today would likewise disappear. It can therefore be said that, at least originally, central attack did not have a rationale of its own; it merely followed from the original concept of the Madrid Agreement, according to which the right vested in the international applicant by virtue of the deposit or registration of the mark in the country of origin was, through the international registration, extended to the whole territory of the Union, with the corollary that, if protection ceased in the country of origin, it ceased at the same time in all other countries of the Union⁶.

³ See, in particular, paragraphs 5 to 12 of that document.

⁴ See paragraphs 57 to 60, thereof.

⁵ Throughout this document, the Madrid Agreement Concerning the International Registration of Marks is referred to as “the Madrid Agreement” or “the Agreement”, the Protocol Relating to the Madrid Agreement is referred to as “the Madrid Protocol” or “the Protocol” and the Common Regulations under the Agreement and the Protocol are referred to as “the Common Regulations”.

⁶ See *Service de l'enregistrement international des marques de fabrique et de commerce, Exposé général 1893-1897, Berne 1897*.

6. The original concept of dependence, however, became somewhat blurred with the abandonment of the automatic extension of the international registration to all countries of the Union and the introduction in the Nice (1957) Act of the Madrid Agreement of what was referred to as the “territorial limitation” of international registrations⁷. Besides, by that time, a provision had been introduced in the Paris Convention (Article 6D of the London (1934) Act of the Convention⁸) under which “when a trademark has been duly registered in the country of origin and then in one or more of the other countries of the Union, each of these national marks shall be considered, from the date of its registration, as independent of the mark in the country of origin [...]” This led to the questioning of the special regime of dependence of the international registration on the basic registration under the Madrid Agreement and, in fact, the basic proposal submitted to the Nice Diplomatic Conference by the French Government and the International Bureau did provide for the suppression of dependence⁹.
7. As noted in document MM/LD/WG/6/5¹⁰, a compromise between total dependence and no dependence at all was found at Nice by limiting dependence to a period of five years from the date of the international registration. The reason for that compromise was the desire to maintain the possibility of central attack, at least for a limited period of time. As stated by the General Rapporteur of the Conference, “when one can acquire rights in several countries through a single act, namely, an international registration at the International Bureau, it is logical that one could also, through a single act, protect oneself against any damage to one’s rights in those different countries, which implies a link between the international registration and the national registration, with the possibility of having the former cancelled following cancellation of the latter by means of a single action brought in the country of origin¹¹.” In other words, central attack was seen as a necessary mechanism to strike a balance between the benefits made available by the Madrid Agreement to international applicants and the interests of third parties. From a mere consequence of dependence, central attack thus became the rationale for such dependence.
8. Interestingly, however, consideration does not seem to have been given at the Nice Conference to the possibility of limiting dependence to situations where the ceasing of effect of the basic mark occurs as a result of *inter partes* proceedings, that is, to central attack properly speaking, as opposed to situations where the ceasing of effect occurs for any other reason (such as the limitation, non-renewal, or renunciation of the basic registration). To that extent, the original paradigm of the Madrid Agreement remained untouched. As will be seen below, the question of central attack was posed in very different terms in the context of the elaboration of the Trademark Registration Treaty (TRT) where, as in the proposal by Norway, the starting point was the suppression of the requirement of a basic mark and, with it, of any dependence on such mark.

⁷ Articles 3*bis* and 3*ter* of the Madrid Agreement.

⁸ Before the Lisbon (1958) Act of the Paris Convention, Article 6 of the Convention contained the provisions relating to the special regime of the so-called *telle quelle* mark which was then transferred to a new Article 6*quinquies*. The principle of independence of marks after registration is now to be found in Article 6(3) of the Paris Convention.

⁹ See Records of the Nice Conference, page 82.

¹⁰ Paragraph 55.

¹¹ Records of the Nice Conference, page 200 (translation from French).

9. Regarding central attack as we know it today, it should be pointed out that the new features introduced in the Madrid system by the Madrid Protocol – which, with the repeal of the safeguard clause¹², is now going to govern the overwhelming majority of designations – impacted dependence and, as a result, central attack, in two respects:
- (a) First, since under the Protocol, an international registration may be based not solely on a registration by the Office of origin but also on an application for registration filed with the Office of origin, dependence extends to the refusal of the basic application and the ceasing of effect of the registration resulting from the basic application. As will be seen from the statistical data presented below, cancellations (mainly partial) of international registrations as a result of dependence have increased substantially in recent years with the increasing number of international registrations based on national or regional applications.
 - (b) Second, the possibility of transformation of the cancelled international registration or the cancelled part of the international registration under Article 9*quinquies* of the Protocol, introduced to mitigate the effects of dependence, may also, as noted in document MM/LD/WG/6/5¹³, have substantially diluted the compromise reached at the Nice Conference.

Review of Available Statistical Data

10. Since 2004, the International Bureau has been publishing statistics on total and partial cancellations of international registrations as a result of the (total or partial) ceasing of effect of the basic mark (recordings under Rule 22 of the Common Regulations). These statistics go back to 1995. They do not, however, allow for differentiation between cancellations owing to ceasings of effect as a result of central attack and cancellations owing to ceasings of effect for any other reason. It must be emphasized, therefore, that the figures in Table 1 below include all recordings under Rule 22 of the Common Regulations, whatever the cause of the ceasing of effect of the basic mark.

**Table 1 - Cancellations Due to the
Ceasing of Effect of the Basic Mark**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total	37	60	25	59	40	51	66	96	186	176	286	391	673	622	1,472
Partial	77	154	42	43	81	89	115	240	500	514	565	788	1,188	1,440	2,462
Combined	114	214	67	102	121	140	181	336	686	690	851	1,179	1,861	2,062	3,934

¹² Article 9*sexies* of the Protocol.
¹³ Paragraph 56.

11. The first remark that the above figures suggest is that, whereas the number of ceasings of effect remained minimal up to the year 2001 (an average of 134 per year in the period from 1995 to 2001 inclusive), that number increased progressively from 2002 onwards (i.e., from the fifth full year after the coming into operation of the Madrid Protocol), to reach a figure of almost 4,000 in 2009.
12. The second remark is that the ratio of total to partial cancellations remained, throughout the period from 1995 to 2009, roughly around one to two, i.e., one third of cancellations as a result of the ceasing of effect of the basic mark were total cancellations, while two thirds were only partial cancellations.
13. The growing number of cancellations as a result of the ceasing of effect of the basic mark is, of course, due to the expansion of the membership and use of the Madrid Protocol, but also to the growing proportion of international registrations which are governed exclusively by the Protocol (just over 10% in the year 2000 as against 85% in 2009) and, as a result, to the growing number of international registrations which are based on a national or regional application, rather than on a national or regional registration. The International Bureau undertook a statistical analysis of all international registrations recorded in respect of each of the years 2000 to 2003 and of the first 10 months of 2004 for which a Rule 22 notification (ceasing of effect of the basic mark) had been recorded in the International Register by the end of October 2009. The full data appear in the Annex to this document. A summary is given in Table 2, below.

**Table 2 - Summary Analysis of Ceasings of Effect of International Registrations
Recorded in Respect of the Years 2000 to 2004**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Year	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
2000	22,968	1,425	21,543	553	2.41%	201	0.88%	350	1.52%	204	14.32%	349	1.62%	7,353
2001	23,985	1,755	22,230	617	2.57%	191	0.80%	422	1.76%	238	13.56%	379	1.70%	8,368
2002	22,239	1,753	20,486	603	2.71%	209	0.94%	394	1.77%	209	11.92%	394	1.92%	7,680
2003	21,851	1,904	19,947	609	2.79%	187	0.86%	421	1.93%	217	11.40%	392	1.97%	8,150
2004	19,219	2,441	16,778	938	4.88%	348	1.81%	590	3.07%	529	21.67%	409	2.44%	11,132

*(10 mths)

14. The said statistical analysis shows in particular that:
- (a) The percentage of international registrations which were the subject of a Rule 22 notification remained relatively steady for the registrations recorded in respect of the years 2000 to 2003, rising from 2.4% to 2.8%, but it surged to 4.9% for those recorded in respect of the first 10 months of 2004, largely as a result of the increase in the number of ceasings of effect where the basis for the international application is a national or regional application (see column L of Table 2). On the other hand, there is little change in the proportion of ceasings of effect where the basis for the international application is a national or regional registration (see column N of Table 2).
 - (b) Whereas the proportion of total cancellations as a result of the ceasing of effect of the basic mark remained below one percent for the international registrations recorded in the period 2000-2003, it rose to 1.8% for the international registrations recorded in respect of the first 10 months of 2004.
 - (c) As could be expected, the rate of total or partial cancellations is very significantly higher for international registrations based on a national or regional application than for international registrations based on a national or regional registration: for the international registrations recorded in respect of the first 10 months of 2004, the percentages were respectively 21.7% for the former and 2.4% for the latter. This is of course no surprise since, while a basic registration has already gone through the process of examination, including, as applicable, upon opposition by third parties, a basic application has not, and a mere amendment of the specification leading to a restriction of the list of goods or services will result in a partial cancellation of the international registration. The detailed figures in the Annex show, in that regard, the very different patterns of ceasing of effect as a result of dependence of international registrations originating from Contracting Parties bound by the Protocol only, on the one hand, and those originating from Contracting Parties bound by the Agreement and, in most cases, also the Protocol, on the other. For easier reference, Table 3 below contains an extract of the data in the Annex for the five Contracting Parties of both the Agreement and the Protocol, on the one hand, and the five Contracting Parties of the Protocol only, on the other, from which the highest numbers of international registrations originated in 2009. Differences will certainly tend to diminish as, with the repeal of the safeguard clause, a greater proportion of international registrations originating from countries bound by both treaties may be expected to be based on a national or regional application in future, but differences owing to office practices will remain.

**Table 3 - Analysis of Ceasings of Effect of International Registrations
Originating from Selected Contracting Parties**

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasings of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	Col.K/Col.C	CE Where Basis is a Registration	Col.M/Col.D
BX	1,708	26	1,682	58	3.39	20	1.17	38	2.22	7	26.92	51	3.03
CH	1,515		1,515	49	3.23	18	1.18	31	2.04			49	3.23
DE	3,987	45	3,942	187	4.69	55	1.37	132	3.31	9	20.00	178	4.51
FR	2,422	6	2,416	22	0.90	5	0.20	17	0.70			22	0.91
IT	1,592	87	1,505	1	0.06	1	0.06					1	0.06
Total	11,224	164	11,060	317	2.82%	99	0.88%	218	1.94%	16	9.76%	301	2.72%
AU	383	236	147	23	6.00	9	2.34	14	3.65	20	8.47	3	2.04
GB	582	319	263	44	7.56	8	1.37	36	6.18	39	12.22	5	1.90
JP	397	224	173	58	14.60	19	4.78	39	9.82	51	22.76	7	4.04
TR	358	192	166	48	13.40	26	7.26	22	6.14	45	23.43	3	1.80
US	810	466	344	288	35.55	101	12.46	187	23.08	261	56.00	27	7.84
Total	2,530	1,437	1,093	461	18.22%	163	6.44%	298	11.78%	416	28.95%	45	4.12%

15. As stated earlier, the above statistics reflect all cases of total or partial cancellation as a result of the corresponding ceasing of effect of the basic mark. However, and crucially, what the statistical data does not determine is the extent to which the cancellations in question are the result of mere ceasing of effect as a result, for example, of *ex officio* refusal, limitation, abandonment or withdrawal of the basic mark, or, in fact, the result of a real “attack”, in the sense of opposition or other third party action. It may also be of some interest to establish how the rate of oppositions against basic marks compares with the average rate of oppositions before the Offices concerned. As matters stand at present, it is submitted that there is not any reason to believe that dependence on the basic application defeats more international registrations than does the examination process (*ex officio* and upon opposition, as the case may be) to which the basic mark goes through.
16. As can be seen from the last column of the tables contained in the Annex and in the last column of Table 2, above, the International Bureau did also assemble data on the number of designations eligible for transformation into national or regional applications under Article 9*quinquies* of the Madrid Protocol. For the first 10 months of 2009, 28,987 designations governed by the Protocol, contained in international registrations cancelled either totally or partially, became eligible for transformation. The International Bureau is not notified of applications for registration filed in Contracting Parties on transformation of failed international registrations. It would be interesting to also get that information, as far as available, from the Offices of the Contracting Parties concerned. This would allow for assessment of the real use which is made of Article 9*quinquies* of the Protocol. Yet, interpretation of the data would not be straightforward. For example, a low rate of transformation, as seems to be the case, could be interpreted as meaning that dependence is effective in filtering out trademarks which may not deserve protection, either intrinsically or because the holder of the international registration did not really intend to use the mark in the Contracting Parties where it did not seek transformation. But it could equally be interpreted as meaning that, for many international registration holders, a mark which is no longer protected in the home country loses its interest and that, with or without dependence, there is a *de facto* central attack effect in defeating the mark on the owner’s main market.

II. CENTRAL ATTACK MECHANISMS AND ALTERNATIVES TO CENTRAL ATTACK CONTEMPLATED DURING THE REVISION PROCESS WHICH LED TO THE CONCLUSION OF THE TRT

17. The process of revision of the system of international registration of marks which led to the adoption of the TRT in 1973 was initiated by a request addressed by the Committee of Directors of National Industrial Property Offices of the Madrid Union – a consultative body established by the Nice (1957) Act of the Madrid Agreement – to the Director of the United International Bureaus for the Protection of Intellectual Property (BIRPI) – the predecessor of the International Bureau of WIPO – to study the advisability of revising the Madrid Agreement. This request stemmed from the disturbing observation that, after over 70 years of operation, and in spite of the substantive revision that had taken place at the Nice Conference, the Madrid Agreement had only attracted just over 20 Contracting States. This lack of attractiveness of the international registration system was attributed to certain features of the Agreement, at

the heart of which were, as indicated in document MM/LD/WG/6/5¹⁴, the requirement of a basic registration, the dependence of the international registration on the basic registration and, as a corollary, central attack.

18. The Director of BIRPI referred the request of the Committee of Directors to the organ then responsible for the program of BIRPI (the Interunion Coordination Committee) and, at its September 1968 session, the latter approved a proposal that studies be started in 1969 with a view to a possible revision of the Madrid Agreement, the purposes of which would be: "(i) to eliminate the disadvantages of the Nice Act which have become apparent in the practical application of that Act, and (ii) to examine the possibility of making changes in the Agreement allowing countries to accede which for reasons of a juridical nature –incompatibility of certain provisions of the Agreement with their domestic legislation – have not so far been able to accede to the said Agreement¹⁵."
19. The ensuing process, up to the Diplomatic Conference held in Vienna in May - June 1973 which adopted the TRT, involved a session of a Committee of Experts for the Revision of the Madrid Agreement (Marks) (in April 1970); three informal meetings of Groups of Consultants (in February 1971); three sessions of a Committee of Experts on the International Registration of Marks (in October 1971, May 1972 and December 1972); and two meetings of a Working Group on the Question of Central Attack (in April 1972 and September 1972)¹⁶.
20. Formal proposals of alternative central attack mechanisms or of alternatives to central attack were presented at the session of the Committee of Experts for the Revision of the Madrid Agreement (Marks), at the first session of the Committee of Experts on the International Registration of Marks and at the two meetings of the Working Group on the Question of Central Attack referred to in the preceding paragraph. They are reviewed below, grouped according to their nature and scope.

A. Limited Substantive Examination by the International Bureau or by the Office of Origin

The Issues Paper

21. In an issues paper presented to the Committee of Experts for the Revision of the Madrid Agreement (Marks) which met in April 1970¹⁷, the Director of BIRPI suggested that, if the requirement of a prior registration in the country of origin and any dependence of the international registration on a national registration were abandoned, the mark could be filed direct with the International Bureau. The latter would examine the application as to form, substantive examination being left, in principle, to the designated countries. As to substance, however, it was suggested that¹⁸:

¹⁴ See paragraphs 16 and 17, thereof.

¹⁵ Document CCIU/VI/6, paragraph 20.

¹⁶ A brief History of the Trademark Registration Treaty is available in document TRT/PCD/1.

¹⁷ Document MM/I/2, Questions for Possible Consideration by the Committee of Experts, dated October 22, 1969.

¹⁸ Document MM/I/2, paragraphs 16 to 19.

- (a) the International Bureau would check that any one of the countries indicated by the applicant as a country where it had an industrial or commercial establishment, a country where it had its domicile, or the country of which it was a national, was party to the Agreement; the International Bureau would not however exercise any control over the veracity of the statements of the applicant regarding its entitlement to file;
 - (b) the International Bureau should be authorized to carry out a “brief examination” of the mark so that it might refuse filings which were “obviously unacceptable in the contracting countries as a whole”. Examples of such cases could be those in which:
 - (i) the subject of the filing could obviously not, by reason of its very nature, constitute a mark; and
 - (ii) the mark was obviously contrary to morality or public order;
 - (c) the International Bureau should perhaps also refuse marks contrary to the provisions of Article 6*ter* of the Paris Convention regarding State flags, armorial bearings and other emblems, official signs and hallmarks, as well as flags, armorial bearings, abbreviations and names of intergovernmental organizations.
22. On the other hand, the paper presented to the Committee of Experts did not consider it practicable that the International Bureau be given authority to examine and, as appropriate, refuse applications on the grounds of conflict with a prior application or registration, or conflict with a well-known mark (Article 6*bis* of the Paris Convention), or on the ground that the application was effected with “obviously fraudulent intent”¹⁹.

The German Proposal

23. At the meeting of the Committee of Experts for the Revision of the Madrid Agreement (Marks) a variant of the system of limited substantive examination by the International Bureau, described above, was suggested by the Delegation of the Federal Republic of Germany²⁰. Under that proposal, there would have been no requirement of a prior national registration, but the international application would have had to be filed with the Office of the country of origin, which would have made a limited examination based on grounds to be set forth in the Agreement. The examples given in the proposal of grounds on which the international application could be refused by the Office of the country of origin were similar to those given in the paper by the International Bureau, namely: lack of entitlement to file an international application; subject matter of the international application obviously not a mark; mark contrary to Article 6*ter* of the Paris Convention; mark contrary to public order or morality. The proposal specified that the decisions of the Office of the country of origin would have been subject to the same legal remedies as those applicable to national applications under the national law of that country.

¹⁹ *Ibid.*, paragraph 20.

²⁰ See document MM/I/5.

B. Extraterritorial Effect of Certain Decisions of Refusal or Cancellation by Designated Contracting Parties

The First Draft of the TRT

24. The first draft of what would become the TRT was submitted by the International Bureau of WIPO to the first session of the Committee of Experts on the International Registration of Marks²¹ following the series of meetings with groups of consultants referred to in paragraph 19, above. In those meetings, held in February 1971, one of the most debated issues was that of central attack and, while the draft submitted to the Committee of Experts did not provide for a prior national registration as a basis for the international application, it offered, as an option, provisions for a central attack mechanism laid out in Chapter II of the draft new instrument, entitled "Extraterritorial Effect of Certain Decisions of Refusal or Cancellation". The other option was to omit that chapter²².
25. Under Chapter II of the first draft of the TRT, final total or partial refusal of protection or cancellation of the international registration in a designated contracting State, pronounced in *inter partes* proceedings, based on a conflict with an earlier international registration having effect in that State (the "impeding" international registration), would have resulted, upon request by the holder of the impeding international registration, in the total or partial cancellation of the attacked international registration with respect to any other designated contracting State where, at the time when the decision of refusal or cancellation was pronounced, the impeding international registration had also effect for the goods or services concerned, provided that
- (i) the mark being the subject of the attacked international registration was identical with (alternatively: identical with or "substantially similar" to) the mark being the subject of the impeding international registration,
 - (ii) the final decision of refusal or cancellation had been pronounced within five years from the date of the attacked international registration, and
 - (iii) where the State of which the holder was a resident was among the States designated in both the attacked and the impeding international registrations, central attack had taken place in that State.
26. The draft foresaw that central attack could also be based on an impeding international registration whose date was later than that of the attacked international registration if the impeding international registration enjoyed the seniority of an identical national registration whose protection started at a date earlier than that of the attacked international registration.
27. The draft also foresaw the case where, in a designated contracting State other than the State where central attack took place, the date of the attacked international registration was earlier than that of the impeding international registration. In such case, the central attack effect would not extend to that State.

²¹ In document TRT/1/3, dated April 13, 1971.

²² See document TRT/1/3, pages 95 to 111.

28. Finally, in order to avoid that the central attack could be circumvented by abandoning the designation of the State in which central attack proceedings were brought, the draft foresaw that withdrawal of the designation of that State before the end of such proceedings would have the same effect as a decision of refusal or cancellation of the attacked international registration.
29. Chapter II of the draft new instrument received little support. It was equally objected to, on the one side, by delegations which were firmly opposed to any system of central attack and, on the other, by delegations which were in favor of central attack but found the proposed system too weak. The Committee therefore decided that the next draft would not contain Chapter II, but it invited member States of the Paris Union to present written proposals for substitute solutions and requested the Director General to convene a working group to discuss and advise him on the proposals received and to communicate the conclusions of the working group to governments and organizations invited to the Committee of Experts before the following session of the latter.

The Belgian Proposal

30. In response to the invitation by the Committee of Experts on the International Registration of Marks referred to in the preceding paragraph, the Government of Belgium submitted a proposal²³ for a new Chapter II of the draft new instrument, along the lines of the original Chapter II. That proposal was discussed at the first meeting of the Working Group on the Question of Central Attack, which met in April 1972, and subsequently refined for further discussion at the second meeting of that working group, in September 1972. The proposal was summarized as follows by the Government of Belgium in document TRTR/WG/6:

“The Belgian proposal would give extraterritorial effect to certain decisions of refusal or cancellation in the sense that such decisions, pronounced by the national authorities of any of the designated States, would, on special request of the prevailing party, be effective also in other designated States subject to various conditions, e.g. where national proceedings could be invoked, these would always prevent any such extraterritorial effect.

“The decision having extraterritorial effect would have to be pronounced in an *inter partes* proceeding. The proceeding would have to be initiated within three years from the international registration or the later designation and invoke an earlier conflicting international or Madrid arrangement registration.

“The only other reason on which the opposing party could rely would be that the owner of the attacked mark does not qualify for benefiting of international registrations.

“The International Bureau would not undertake any examination involving matters of substantive right but the final decision would have to identify the cancelled goods and/or services and state that this was the direct result of a conflict with an identified earlier mark. Only such goods and/or services could be cancelled in another State.

²³ Document TRT/WG/3/4.

“The extraterritorial effect of the final decision would not be confirmed by the International Bureau in such designated States where the prevalent mark is effectively younger than that of the attacked party, where the conflicting marks already coexisted for more than three years, where the applicant has entered a full disclaimer, or where another owner of the prevalent mark is not a co-applicant. Foremost, there would be no confirmation by the International Bureau should the attacked party, within three months of being notified of the applicant's request, indicate that national proceedings had been started, even after this notification.”

C. Ex Officio Examination by WIPO for Conflict With Prior International Registrations

The ICC Proposal

31. During the first session of the Committee of Experts on the International Registration of Marks, the representatives of the International Chamber of Commerce (ICC) submitted, as an alternative to central attack, a proposal aiming at providing for an initial screening of international applications. That proposal²⁴ is summarized as follows in the report of the session: “The International Bureau should examine each international application to see whether the mark has been anticipated by an identical or similar international mark for the same or similar goods in any designated State where the latter mark exists; if it so finds, it should refuse international registration; however, the applicant may then turn to the authorities of any designated State and if those authorities find that no conflict exists in that State, the mark will be internationally registered as far as such State is concerned²⁵.”

The Dutch Proposal

32. At the first meeting of the Working Group on the Question of Central Attack (April 1972), the Government of the Netherlands presented a proposal²⁶, based on and elaborating upon the proposal by the representatives of the ICC referred to in the preceding paragraph.
33. The proposal by the Netherlands purported to “introduce a rough sieve for removing the most flagrant cases [of conflict with prior rights] right away,” thus saving national administrations and interested parties unnecessary and costly proceedings.
34. Under that proposal, international applications would have been subjected to an *ex officio* examination by the International Bureau with a view to determining whether the mark was:
- (a) excluded from registration under Article 6*ter* of the Paris Convention;
 - (b) identical with or visually similar to a term “generally accepted as a generic term in international trade” in respect of the goods or services concerned; or
 - (c) identical with or visually similar to an international registration (under the new instrument or under the Madrid Agreement) of a third party for the same or similar goods or services.

²⁴ Document TRT/1/8.

²⁵ See document TRT/I/11, paragraph 116.

²⁶ Document TRT/WG/I/2.

35. Where any of the grounds referred to in subparagraph (a) or (b) of the preceding paragraph existed, the International Bureau would have had to decline the international application (in whole or in part) with respect to all designated States. Where the ground referred to in subparagraph (c) existed, the International Bureau would have had to decline the international application with respect to those States in which the conflicting international registration had effect and for the goods and services concerned. In the latter case, however, the International Bureau would have revoked its decision of refusal if and to the extent that, within a set period of time, the applicant had submitted a declaration by the holder of the conflicting mark that it did not object to the international registration applied for.
36. Under the proposal by the Netherlands, the applicant whose international application had been refused under any of the grounds mentioned above could have transformed its international application into national applications under Article 9 of the draft new instrument, which provided for a system similar to that of Article 9*quinquies* of the Madrid Protocol. In addition, the proposal provided that any national registration resulting from a national application filed upon transformation could be, on the occasion of the renewal of the international registration, converted back into a designation under the said international registration.

D. Examination by WIPO for Conflict With Prior International Registrations Upon Opposition

The AIPPI Proposal

37. During the first session of the Committee of Experts on the International Registration of Marks, the International Association for the Protection of Industrial Property (AIPPI) tabled a proposal entitled "Tentative Suggestions for a System of Opposition Proceedings at WIPO as an Alternative to the Proposals Concerning Central Attack²⁷". The proposal was inspired not only by the perceived need to give third parties affected by an international registration a possibility to defend their prior rights in a simple uniform procedure, but also by the perceived need for "a sort of 'sieve' from the point of view of reducing as much as possible the overloading of the trademark registers²⁸."
38. Under the proposal by AIPPI, holders of prior international registrations could have opposed new international registrations, within a short time limit from the publication of the new international registration. The sole ground for opposition would have been likelihood of confusion.
39. The opposition would have come "before an authority connected with WIPO but working independently and not subject to any instructions except on matters of business administration." It was suggested that each case should be decided by a board of three to five members, that opposition should be subject to a fee and that the costs should be borne by the losing party.

²⁷ Document TRT/I/9.
²⁸ *Ibid.*

40. The effect of a successful opposition would have been the total or partial cancellation of the opposed international registration with respect to all designated countries where the prior international registration of the opponent was protected. There would have been no possibility of appeal of the decision of the abovementioned authority because, the proposal said, the procedure would be “regarded as an incident of procedure which merely prevents the applicant from going the international way.” However, the cancelled international registration would have been eligible for transformation into national applications under Article 9 of the draft new instrument (see paragraph 36, above).
41. A point acknowledged as problematic by the proposal was that of the criteria for the decision as to likelihood of confusion. The paper by the AIPPI stated in that respect that “the treaty should establish the essential guidelines” and considered that “an opposition board composed of competent members from various countries [might] gradually establish some sort of international criteria.”
42. Finally, the AIPPI proposal envisaged that opposition before the contemplated opposition board could also be filed by any interested party on the ground that the holder of the international registration lacked entitlement to apply for the international registration. This, the proposal noted, raised the question of who (the holder of the opposed registration or the opponent) should bear the burden of proof of the existence or non-existence of the necessary qualification.

The Swiss Proposal

43. At the first meeting of the Working Group on the Question of Central Attack, the Government of Switzerland presented draft provisions for inclusion in the draft treaty of a procedure of opposition largely inspired by the AIPPI proposal, referred to in the preceding paragraphs²⁹. Under the Swiss proposal, opposition boards would have been established at the International Bureau. Each board would have consisted of three members. Board members would have been appointed by the Director General of WIPO, but they would have taken their decisions exclusively on the basis of the provisions of the treaty and the Regulations thereunder and would not have been bound, in their decisions, by any instructions.
44. Subject to what is said in paragraph 47, below, oppositions against new international registrations could have, within a period of two months from the publication of the international registration, been brought before the opposition boards by holders of earlier international registrations under the new instrument, earlier international registrations under the Madrid Agreement or earlier national registrations having served as a basis for an international registration under the Madrid Agreement. The opposition could only have been filed in respect of designated States in which the conflicting registration had effect and those States would have had to be indicated in the notice of opposition.
45. As provided for in the Swiss proposal, opposition could not be filed unless the attacked mark could “obviously not be sufficiently distinguished” from the opponent’s mark “so that the risk of confusion [could] not be precluded”. It was further stipulated that risk of confusion was meant to exist “only to the extent that the attacked mark is registered in respect of goods and/or services that are not obviously different from those in respect of which the opposing party’s mark is registered.”

²⁹ See document TRT/WG/I/3.

46. Where successful, the opposition would have resulted in the cancellation of the international registration in respect of the designated States and for the goods and services specified in the notice of opposition for which the opposition was upheld. Here again, the cancelled registration would have been eligible for transformation into national applications under Article 9 of the draft new instrument.
47. Finally, like the AIPPI proposal, the Swiss proposal also provided for a possibility of opposition (by any interested party) on the ground that the holder of the international registration lacked entitlement to file under the treaty. Under the Swiss proposal, the opponent had to provide evidence that gave good reason to believe that the holder did lack entitlement to file and it was then up to the holder to prove that it met the requirements of the treaty to file an international application.

E. Anticipation Search by the International Bureau

The British Proposal

48. While opposing the inclusion in the new instrument of any provision for giving extraterritorial effect to refusals and cancellations of international registrations in designated Contracting Parties, as well as any alternative central attack mechanism, the United Kingdom, in response to the invitation by the Committee of Experts on the International Registration of Marks, referred to in paragraph 29, proposed, in a paper presented to the first session of the Working Group on the Question of Central Attack³⁰, that if it were evident that the new instrument would not receive sufficient support without some provision for the central screening of international marks, consideration could be given to including in the new instrument a provision empowering the Assembly of the Union created by the new instrument "to direct the International Bureau to make, in respect of every international application and every later designation, a search among marks registered under the Treaty and such other marks as are prescribed [by the Assembly] to discover marks which might, in the national administrations or Courts of the designated States, be considered as anticipating the mark applied for."
49. The proposal by the United Kingdom further provided that it would be for the Assembly to determine the extent of the search for anticipation to be carried out by the International Bureau, in particular as to the degree of similarity between marks and between goods and services to be taken into account, and the persons and national offices to which notification of the result of the search should be sent, if any possibly conflicting marks were found.
50. Regarding the search to be carried out by the International Bureau, the proposal indicated that it could extend not only to the marks registered under the new instrument, but also to those registered under the Madrid Agreement and possibly to other marks "which might be added to the search material in the course of time." Also, it was envisaged that the search be restricted to identical marks for identical goods in the beginning and later expanded in the light of experience gained.
51. Finally, the proposal emphasized that neither the citation of, nor the failure to cite, any possibly conflicting mark, would imply a decision by the International Bureau that any given mark was, or was not, an anticipation.

³⁰ Document TRT/WG/I/1.

III. ELEMENTS OF A POSSIBLE ALTERNATIVE CENTRAL ATTACK MECHANISM IN THE ABSENCE OF A BASIC MARK

52. As indicated earlier, a review of the central attack mechanisms envisaged during the elaboration of the TRT suggests a wide range of potential options. In considering those options, however, one should be clear as to what is meant to be achieved. According to the request of the Working Group, a possible alternative central attack mechanism should aim at “ensuring a *fair balance* between the interests of holders of international registrations, on the one hand, and third parties, on the other” (emphasis added).
53. A discussion of the advantages and disadvantages of central attack falls clearly beyond the purview of the present study, but the question whether the current system of central attack does ensure a fair balance of interests between the holders of international registrations and third parties arises. It cannot be forgotten that, for many decades, the fact that, because of dependence on the basic mark, the international registration could be defeated in all designated Contracting Parties has been widely considered as less than fair to the holder of the international registration. Ensuring a fair balance of interests need not therefore mean maintaining the current balance and the Working Group may wish, as a preliminary step, to consider what precisely the objectives of any alternative central attack mechanism should be, i.e., which international registrations are meant to be barred or which practices are meant to be discouraged.
54. Another element that should be borne in mind is that the current dependence system has at least the merit of simplicity. In considering possible alternative systems one should not lose sight of the fact that simplicity is a major asset of the Madrid system, which should be maintained.
55. In Part II, above, the proposals made during the elaboration of the TRT have been grouped in five categories, two of which (sections B and D) are in the nature of central attack mechanisms, properly speaking, since they involve *inter partes* proceedings, and three of which (sections A, C and E) are more in the nature of substitutes for central attack. The latter proposals are nevertheless of interest as they suggest possible alternatives.
56. The various proposals reviewed in Part II show that the two main issues to be considered in designing a possible central attack mechanism in the absence of a basic mark are (i) the authority before which central attack (by way of opposition or invalidation action) could be brought and (ii) the grounds on which such central attack could be based. Other parameters for consideration include, in particular, the timing of central attack, the effects of central attack, and remedies.

Authority Before Which Central Attack Could Be Brought

57. Regarding the authority before which central attack could be brought, the proposals reviewed in Part II contemplated two options. Under one option, central attack could be brought before the authorities of a designated Contracting Party where a new international registration conflicted with a senior international registration having effect in that Contracting Party, and refusal of protection or cancellation of the international registration by those authorities would result in the cancellation of the international

registration with respect to all other designated Contracting Parties in which the same conflict existed. This is the essence of the proposals described under section B of Part II under the caption of “Extraterritorial Effect of Certain Decisions of Refusal or Cancellation by Designated Contracting Parties”. If the Working Group wished to pursue this option, the question would then arise as to whether central attack could take place in any designated Contracting Party (see the “Belgian proposal”) or whether forum shopping should be restricted, by imposing that, where the Contracting Party or one of the Contracting Parties from which the holder of the international registration claims to derive its entitlement to file an international application - or the Contracting Party in which it has its main place of business, or the Contracting Party of which it is a resident – is among the designated Contracting Parties in which the ground for central attack exists, central attack should take place in that Contracting Party, and could take place in another designated Contracting Party only if that were not the case (see the proposal in the first draft of the TRT). However, even with that restriction, central attack before the authorities of designated Contracting Parties was considered as entailing excessive uncertainty for the holders of international registration and it is doubtful that it would ensure the fair balance of interests which is looked for.

58. The second option envisaged was central attack, by way of opposition to the international registration, before opposition boards established at WIPO, but functionally independent and not subject to any instructions in their decisions – i.e., similar to the Boards of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM). Should the Working Group wish to pursue this option, it would be necessary to determine, in particular, the appointing authority of the members of the boards (e.g., the Director General of WIPO); the composition of the boards and the way in which they would take their decisions (e.g., by a majority vote in three-member boards); whether proceedings before the boards would be entirely in writing (presumably by electronic means) or could involve hearings of the parties; and, depending on the expected workload of the boards – which would itself depend on the types of cases that they would have to decide (i.e., on the grounds for opposition retained) – the number of boards required, the size of the necessary supporting staff, the estimated costs of the boards’ operation and who should bear those costs.
59. To give a rough idea of the resources that may be required, a board would probably be constituted of three individuals at P5 level, with three legal assistants at P3 to P4 level, and three support staff at G level. There would, of course, also be administrative overheads. How many oppositions such a board could handle in a year would depend upon the type and complexity of the cases that it would have to decide. It would be expected that the unit cost of each opposition would have to be borne by the opponent, in the form of an opposition fee.
60. Another alternative suggested during the sixth session of the Working Group could be the establishment, possibly within the WIPO Arbitration and Mediation Center, of an Alternative Dispute Resolution (ADR) mechanism, with specialized neutrals or panels of experts, whose rulings would be binding on the International Bureau and accepted in advance both by the international applicant when filing its international application and by the opponent or plaintiff when filing its opposition or complaint. The rules of procedure of the ADR mechanism could be patterned on

those applied by the WIPO Arbitration and Mediation Center in the administration of disputes under the Uniform Domain Name Dispute Resolution Policy (UDRP). The questions to be decided by the neutrals or panels would have to be clearly defined in the treaty and the implementing regulations thereunder. As required, a specific roster of neutrals could be established on a wide geographical basis.

61. An advantage of the latter option would be that it would draw from the existing infrastructure and experience of the WIPO Arbitration and Mediation Center in the administration of arbitration, using electronic communication and within short deadlines³¹. In terms of costs, it is noted that the fee currently charged by WIPO for a complaint under the UDRP (involving no more than five domain names) is 1,500 US dollars for a case to be decided by a single panelist and 4,000 US dollars for a case to be decided by three panelists.

Grounds on Which Central Attack Could Be Based

62. The grounds for central attack (or for *ex officio* substantive examination as a substitute for central attack) put forward in the proposals reviewed in Part II, above, include the following:
- (i) the mark which is the subject of the international application or international registration is identical with or similar to [variants: visually similar to / substantially similar to] the mark which is the subject of a senior international registration, for identical or similar goods or services;
 - (ii) the mark is identical with or visually similar to a term “generally accepted as a generic term in international trade” in respect of the goods and services concerned;
 - (iii) the mark is “obviously” contrary to morality or public order;
 - (iv) the mark is excluded from registration under Article 6*ter* of the Paris Convention;
 - (v) the applicant lacks entitlement to file an international application.
63. Other grounds contemplated, but set aside by the proponents, included conflict with a well-known mark (Article 6*bis* of the Paris Convention) and application in bad faith.
64. The above list of grounds shows an effort to identify situations which would be likely to lead to refusal of the international registration in all designated Contracting Parties and to prevent abusive international filings. It is submitted, however, that, if the Working Group wished to pursue the option of central attack before opposition boards established at WIPO or a panel within an ADR procedure, then central attack should be restricted to grounds not involving a judgment which could be based on circumstances only specific to a given jurisdiction and, in particular, on the perception of the relevant public in that jurisdiction. This would exclude likelihood of confusion with a senior mark and conflict with a well-known mark; genericness; morality and public order; and Article 6*ter* of the Paris

³¹ Normally, the procedure under the UDRP is completed within two months from the date of receipt by WIPO of the complaint.

Convention to the extent that armorial bearings, flags, other emblems, abbreviations and names of international intergovernmental organizations as well as official signs and hallmarks indicating control and warranty are concerned³².

65. If one sets aside the grounds mentioned in the preceding paragraph³³, three possible grounds out of the seven mentioned in paragraphs 62 and 63, above, would remain, namely:
- (i) the mark which is the subject of the international application or international registration is *identical* with the mark which is the subject of a senior international registration for *identical* goods and/or services;
 - (ii) the international registration was applied for in bad faith;
 - (iii) the applicant lacked entitlement to file an international application.
66. As regards the ground referred to in item (i) above, it is noted that identity with a senior mark for identical goods or services is a bar to registration and/or a ground for invalidation of the registration in all jurisdictions. No likelihood of confusion needs to be established. Office practice and case law do of course differ somewhat from one jurisdiction to the other as to the assessment of or interpretation to be given to identity, both as regards the marks in conflict and the goods and services concerned. It is believed, however, that there is here a ground for refusal of the international application or cancellation of the international registration which could well be handled by an opposition board established at WIPO or by a panel within an ADR procedure.
67. The question arises, however, as to the rationale for considering only conflicts with marks being the subject of senior international registrations and not with any other senior mark in designated Contracting Parties. Apart from practical considerations, the "consideration of principle" given in the first draft of the TLT was that "only persons who have used the Treaty should be able to rely on the Treaty against a person who has also used it; in other words, a person who has not used the Treaty (because he does not rely on an internationally registered mark) should not be allowed to derive benefits from the Treaty³⁴." Whatever the weight of this rationale, the Working Group

³² Under paragraph 1(c) of Article 6*ter*, members of the Paris Union are not required to refuse the registration of those emblems, names, etc. where such registration "is not of such a nature as to suggest to the public that a connection exists between the organization concerned and the armorial bearings, flags, emblems, abbreviations, and names, or if such [...] registration is probably not of such a nature as to mislead the public as to the existence of a connection between the user and the organization." Several members of the Madrid Union have provisions to that effect in their trademark legislation. Under paragraph 2 of Article 6*ter*, "Prohibition of the use of official signs and hallmarks indicating control and warranty shall apply solely in cases where the marks in which they are incorporated are intended to be used on goods of the same or a similar kind."

³³ Including Article 6*ter*, although one could conceivably retain as a ground for central attack conflict with a sign protected under Article 6*ter*(1)(a) other than official signs and hallmarks indicating control and warranty, as well as conflict with the latter signs and hallmarks and with signs protected under Article 6*ter*(1)(b) where, both the signs and the goods concerned being identical, likelihood of confusion or association may be presumed.

³⁴ See document TRT/I/3, page 104. Besides, as mentioned in paragraph 26, above, the first draft of the TRT specified that central attack could also be based on an international registration whose date was later than that of the attacked international registration if the former international registration enjoyed the seniority of an identical national registration whose protection started at a date earlier than

may wish to consider whether the ground for central attack envisaged in item (i) of paragraph 65 could offer a remedy against (and perhaps discourage) possible abuses of the international registration system.

68. Another possible ground for central attack aiming at preventing that the facility offered by the international registration system be abused by what a delegation referred to as “bad actors” during the sixth session of the Working Group could be bad faith.
69. Bad faith is a ground for opposition to or cancellation of a trademark registration in a number of jurisdictions. There is, however, no generally accepted international definition of bad faith and scarcely any definition at the national or regional level, except as may be derived from case law in jurisdictions where bad faith exists as a ground for opposition or cancellation. The general underlying purpose, however, is clearly to prevent the misappropriation of trademark rights by unscrupulous persons in violation of accepted standards of honest and fair commercial behavior. A finding of bad faith may occur, for example, where the mark was applied for in order to prevent a third party, having a legitimate interest in the mark from acquiring rights in the mark, or to appropriate a trademark successful in other jurisdictions in order to disrupt the expansion of the business of a competitor, or to create confusion as to the source, affiliation or endorsement of the applicant’s goods or services³⁵.
70. The Working Group may wish to consider whether bad faith could be a ground for central attack. If so, and provided that the requirements for a finding of bad faith, the tests to be applied in reaching such a finding and the type of evidence to be adduced are clearly established, this is a ground for central attack which might lend itself to decision by an opposition board established at WIPO or a panel within an ADR procedure.
71. Regarding the possible ground for central attack referred to in item (iii) of paragraph 65, namely, the lack of entitlement to file an international application, it seems, judging by the scarcity of case law on the subject, that instances where an international registration is challenged on that ground are rather rare. This may be due, in good part, to the control exercised by Offices of origin on the entitlement of the applicant to file an international application through them. As shown in document MM/LD/WG/8/2, 72 per cent of the Offices that responded to the questionnaire whose results are analyzed in that document indicated that they do verify the entitlement of an applicant to file an international application³⁶. It could be feared that, should that control disappear as a result of the suppression of the requirement of a basic mark, a larger number of international applications than seems to be currently the case might be filed by persons not entitled to do so, because they do not meet the requirements as to establishment, domicile or nationality laid down in the Agreement and the Protocol. The potential for abuse is of course

that of the attacked international registration, and it is understood that in determining the seniority of an international registration in a given Contracting Party, any seniority acquired by virtue of Article 4*bis* of the Agreement or of the Protocol would have to be taken into account.

³⁵ For further examples of circumstances which may give rise to a finding of bad faith, see document SCT/23/2, Annex I, page 29 and ssq.

³⁶ See document MM/LD/WG/8/2, paragraph 29 and the replies to question 7 of the questionnaire in Annex I to that document.

bound to lessen with the expansion of the membership of the Madrid Union, but the Working Group may nevertheless wish to consider whether lack of entitlement to file an international registration should be a ground for central attack which could be brought before an opposition board established at WIPO or a panel within an ADR procedure.

72. Although notions such as nationality or domicile of a legal entity, or the interpretation of what constitutes a real and effective industrial or commercial establishment may vary significantly from one jurisdiction to the other, there should be sufficient guidance in private international law and international trade law for an international opposition board or ADR panels to develop acceptable principles and tests to determine whether an applicant qualifies, or not, for filing an international application under the applicable treaty. The question of who should bear the burden of proof would also have to be addressed. A possible solution would be along the lines suggested in paragraph 47, above.

Timing of Central Attack

73. If central attack before the authorities of a designated Contracting Party were contemplated – on any of the grounds mentioned in paragraphs 62 and 63, above – it would presumably have to remain limited in time, as is the current dependence on the basic mark, though not necessarily to a period of five years³⁷.
74. If, on the other hand, central attack were to be brought before an international opposition board or a panel within an ADR procedure, the question would arise as to whether one could also, depending on the grounds for central attack retained, envisage a pre-registration opposition procedure. Assuming, for example, that conflict with a prior identical international registration for identical goods or services were retained as a ground for opposition, there would be merit in a procedure which would allow for opposition to the international application before registration, so as to save the opponent the necessity to file parallel precautionary oppositions in designated Contracting Parties, where the period for opposition starts immediately upon, or shortly, after publication and notification of the international registration. If a pre-international registration opposition procedure were considered, it would imply, *inter alia*, a publication of the international application before registration. Besides, the time limit for opposition and the duration of the opposition proceedings should be maintained within tight deadlines, to avoid an excessive pendency of international applications.

Effects of Central Attack

75. Within the current regime of dependence of the international registration on the basic mark, central attack results in the cancellation of the international registration with respect to all designated Contracting Parties, irrespective of whether or not the ground or circumstances that led to the refusal or cancellation of the basic mark in the Contracting Party whose Office is the Office of origin exist, or not, in any given designated Contracting Party.

³⁷ The five-year dependence period decided at the Nice Conference was arrived at as a compromise between delegations in favour of a three-year period and others in favour of a seven-year period.

76. In the central attack mechanisms envisaged during the elaboration of the TRT, a distinction was made between the effects of central attack based on so-called "absolute grounds" (e.g., genericness, morality or public order, Article 6*ter* of the Paris Convention or lack of entitlement to file) and central attack based on a conflict with a prior international registration. Regarding central attack based on absolute grounds for refusal or cancellation of the registration, it was understood that the effects should apply in all designated Contracting Parties, i.e., that the international registration should be cancelled with respect to all of them. Central attack based on a conflict with a senior international registration, on the other hand, would have resulted in the cancellation of the attacked international registration only with respect to designated Contracting Parties where the impinging international registration had also effect for the same goods and services and was also senior to the attacked international registration. However simple this may look in principle, practical implementation raises a number of issues. For example, such questions arise as to what should happen if, prior to a decision leading to the cancellation of the international registration upon central attack, a contrary decision has been reached on the same grounds in a concerned designated Contracting Party.
77. Implementation issues would have to be addressed in due course, but what, it is believed, should be made clear at this stage is that, whatever mechanism of central attack may be considered, the sole effect of the decision of the authority before which central attack would be brought (be it an authority of a designated Contracting Party or an international opposition board or a panel in an ADR procedure) should be to cause the international application to be refused or the international registration to be cancelled to the relevant extent, but in no case should the findings of the said authority have a binding effect on the administrative or judicial authorities of any (other) designated Contracting Party in any ongoing or subsequent proceedings before the said authorities.

Remedies

78. Whether central attack were brought before the authorities of a designated Contracting Party (through an opposition or a cancellation action), with the usual appeal possibilities provided by the legislation of that Contracting Party, or before an international body or a panel within an ADR procedure, the holder of the cancelled international registration should be able to transform its international registration into national or regional applications, as is the case under Article 9*quinquies* of the Madrid Protocol. Besides, as was envisaged during the elaboration of the TRT, provision could be made to allow national or regional registrations obtained upon transformation to be converted back into designations under the international registration system.

CONCLUSION

79. In conclusion, it should be recalled that, as indicated in paragraph 53, above, the purpose of this paper is not to discuss the merits of central attack, but merely, as per the request of the Working Group, to explore how, in the absence of the requirement of a basic mark, a central attack mechanism could, at least theoretically, be envisaged. This document, therefore, is to be viewed as a contribution to the review of the proposal by Norway undertaken by the Working Group at its sixth session and, although it aims at facilitating consideration by the Working Group of the feasibility of designing a central attack mechanism in the absence of the

requirement of a basic mark, it does not purport to answer the overarching question of the usefulness, or otherwise, of maintaining some kind of central attack in a scenario where the international registration would no longer be dependent on a basic national or regional application or registration. Regarding that very question, the document nevertheless points to a number of elements which deserve particular attention.

80. First, as suggested in paragraph 53, above, the Working Group may wish, as a preliminary step in its review of potential central attack mechanisms, to consider whether the current system of central attack does, in fact, strike a fair balance between the interests of holders of international registrations and those of third parties, to elaborate on what precisely the objectives of a potential alternative central attack mechanism would be, and to envisage alternative ways of achieving any of those objectives.
81. Second, while there is ample literature on the merits or demerits of central attack, hard evidence regarding the actual use made of central attack, as it exists today, and of its real impact, is lacking. Paragraphs 10 to 16 and the Annex of this document give an analysis of the statistical data that the International Bureau was in a position to assemble from recordings in the International Register. Yet, as pointed out in paragraphs 15 and 16, available data allow only limited findings. Two essential pieces of information are missing which, if made available to the International Bureau, could facilitate a more comprehensive appreciation of the actual impact of central attack: the first one is an indication of whether the ceasing of effect of any given basic mark is, or not, the result of *inter partes* proceedings (i.e., whether it is, or not, the result of central attack properly speaking); the second is statistical information on the number of national or regional applications filed upon transformation under Article 9*quinquies* of the Protocol.
82. Under Rule 22 of the Common Regulations, where, pursuant to Article 6(3) of the Agreement or Article 6(3) of the Protocol, the protection resulting from an international registration may no longer be invoked (in whole or in part) as a result of dependence on the basic mark, the Office of origin must notify the International Bureau accordingly, indicating, *inter alia*, the “facts and decisions” affecting the basic application, the basic registration or the registration resulting from the basic application. An analysis of notifications received under Rule 22 of the Common Regulations, however, did not permit, in most cases, a determination as to whether the cause of the ceasing of effect was, or not, central attack – for example, the notification may indicate that the basic application was withdrawn, but it is not possible to determine whether it was withdrawn following objections issued by the Office *ex officio*, or after an opposition was filed. As far as transformation is concerned, there is no provision in Article 9*quinquies* of the Protocol or in the Common Regulations for any notification by designated Contracting Parties to the International Bureau.
83. If the Working Group so wished, the International Bureau could assemble further statistics breaking down ceasings of effect according to whether or not they are the result of central attack, properly speaking. To this end, it would be necessary that Offices agree to include in, or attach to, their notifications under Rule 22 of the Common Regulations, for a period of time, an indication to the effect that the facts or decisions that led to the notification are, or not, the result of, or follow from, *inter partes* proceedings. This would, of course, not capture “hidden” central attacks (for example, voluntary limitation of the list of goods or services in a basic registration under threat of a cancellation action), but it should allow for a better assessment of the actual number of real central attacks.

84. Similarly, the International Bureau could seek to assemble statistics on transformation, if Offices are in a position, over a period of time to be determined, to provide it with lists of numbers of international registrations which have been the subject of a national or regional application invoking the benefit of Article 9*quinquies* of the Madrid Protocol.
85. As a final remark, it cannot be overemphasized that, as alluded to in paragraph 54, above, the Madrid system draws its attractiveness largely from the simplicity and cost-effectiveness of the international registration procedure. The proposal by Norway offers an opportunity to address perceived weaknesses of the Madrid system and to render the system still more responsive to the needs of its users. It is indeed arguable that the abolition of the requirement of a basic mark may go some considerable way towards the attainment of that goal. However, the WG may wish to consider the long term implications for the Madrid system, in terms of efficiency, economy and simplicity, of the introduction of a new mechanism aimed at preserving a procedure for central attack, and, in particular, whether the overall benefits, for users, to be gained from the introduction of such a mechanism, in the absence of the requirement of a basic mark, would outweigh, downstream, the inevitable additional complexity and other potential disadvantages for the Madrid system.

86. The Working Group is invited to consider this document and to indicate whether, and how, it wishes to pursue the review of any of the issues addressed therein in the framework of its consideration of the proposal by Norway.

[Annex follows]

STATISTICAL ANALYSIS OF INTERNATIONAL REGISTRATIONS RECORDED IN RESPECT OF EACH OF THE YEARS 2000 TO 2003 AND OF THE FIRST 10 MONTHS OF 2004 FOR WHICH A CEASING OF EFFECT OF THE BASIC MARK HAD BEEN RECORDED IN THE INTERNATIONAL REGISTER BY THE END OF OCTOBER 2009

In the tables contained in this Annex,

- column A indicates the Contracting Parties concerned, using their ST.3 two-letter code (available on the WIPO Website at: <http://www.wipo.int/export/sites/www/standards/en/pdf/03-03-01.pdf>);
- column B gives, for each Contracting Party concerned, the number of international registrations recorded in the year indicated at the top of the table;
- column C gives the number of international registrations referred to in column B which were based on a national or regional application;
- column D gives the number of international registrations referred to in column B which were based on a national or regional registration;
- column E gives the number of international registrations referred to in column B in respect of which a notification of ceasing of effect was recorded in the International Register by the end of October 2009;
- column F gives, as a percentage, the ratio between the figures in columns E and B;
- column G gives the number of ceasings of effect referred to in column E which were total;
- column H gives, as a percentage, the ratio between the figures in columns G and B;
- column I gives the number of ceasings of effect referred to in column E which were only partial (i.e., where only part of the goods and services concerned were affected);
- column J gives, as a percentage, the ratio between the figures in columns I and B;
- column K gives the number of ceasings of effect referred to in column E where the basis for the international registration concerned was a national or regional application;
- column L gives, as a percentage, the ratio between the figures in columns K and C;
- column M gives the number of ceasings of effect referred to in column E where the basis for the international registration concerned was a national or regional registration;

- column N gives, as a percentage, the ratio between the figures in columns M and D;
- column O gives the number of designations which, as a result of the ceasings of effect referred to in column E, could have been the subject of transformation under Article 9*quinquies* of the Protocol.

[Tables follow]

Analysis of Ceasings of Effect of International Registrations Recorded in respect of the years 2000 to 2004

2000														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
AL	2		2											
AM	2		2											
AT	1,085	1	1,084	10	0.92	6	0.55	4	0.36			10	0.92	81
BA	4		4											
BG	101		101	3	2.97	2	1.98	1	0.99			3	2.97	43
BX	2,939	13	2,926	54	1.83	12	0.4	42	1.42			54	1.84	589
BY	10		10											
CH	2,735	1	2,734	22	0.8	10	0.36	12	0.43	1	100	21	0.76	261
CN	223	11	212	1	0.44	1	0.44					1	0.47	10
CU	3		3											
CZ	347	3	344	4	1.15	2	0.57	2	0.57			4	1.16	52
DE	6,049	88	5,961	179	2.95	45	0.74	134	2.21	7	7.95	172	2.88	3,023
DK	323	149	174	9	2.78	6	1.85	3	0.92	4	2.68	5	2.87	53
DZ	14		14											
EE	21	18	3	4	19.04	1	4.76	3	14.28	4	22.22			48
EG	22		22											
ES	833	5	828	3	0.36	3	0.36					3	0.36	39

2000														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
NO	155	124	31	15	9.67	12	7.74	1	0.64	15	12.09			101
PL	172	6	166											
PT	282	2	280	3	1.06	3	1.06					3	1.07	2
RO	28	1	27											
RU	126	1	125	2	1.58	1	0.79	1	0.79			2	1.6	33
SE	433	333	100	45	10.39	33	7.62	12	2.77	43	12.91	2	2	545
SG	1		1											
SI	89	1	88	1	1.12	1	1.12					1	1.13	
SK	106		106	1	0.94	1	0.94					1	0.94	
TR	152	54	98	4	2.63	4	2.63			3	5.55	1	1.02	79
UA	7		7											
VN	3		3											
YU	13		13											
Total	22,968	1,425	21,543	553	2.41%	201	0.88%	350	1.52%	204	14.32%	349	1.62%	7,353

2001														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
ES	908	4	904	3	0.33	3	0.33					3	0.33	18
FI	254	210	44	37	14.56	9	3.54	28	11.02	35	16.66	2	4.54	350
FR	3,689	3	3,686	36	0.97	3	0.08	32	0.86			36	0.97	540
GB	561	376	185	86	15.32	24	4.27	62	11.05	80	21.27	6	3.24	1,328
GE	12	12												
GR	10	9	1	1	10	1	10			1	11.11			24
HR	124		124	2	1.61	1	0.8	1	0.8			2	1.61	17
HU	252	1	251	4	1.58	2	0.79	2	0.79			4	1.59	67
IE	2	2		2	100			2	100	2	100			55
IS	12	2	10											
IT	1,884	36	1,848											
JP	261	158	103	50	19.15	16	6.13	34	13.02	42	26.58	8	7.76	717
KP	6		6											
KZ	6		6											
LI	104		104											
LT	40	29	11	5	12.5	1	2.5	4	10	5	17.24			24
LV	47	1	46	1	2.12			1	2.12			1	2.17	8

2001														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
YU	36		36	2	5.55	2	5.55					2	5.55	20
Total	23,985	1,755	22,230	617	2.57%	191	0.80%	422	1.76%	238	13.56%	379	1.70%	8368

2002														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
ES	782	5	777	1	0.12	1	0.12					1	0.12	
FI	269	215	54	38	14.12	15	5.57	23	8.55	34	15.81	4	7.4	394
FR	3,406	3	3,403	39	1.14	11	0.32	28	0.82			39	1.14	703
GB	622	396	226	89	14.3	14	2.25	75	12.05	79	19.94	10	4.42	1,314
GE	1	1												
GR	9	7	2											
HR	198		198	5	2.52	5	2.52					5	2.52	
HU	149		149											
IE	20	18	2	1	5			1	5	1	5.55			5
IS	5	1	4											
IT	1,680	32	1,648	1	0.05	1	0.05					1	0.06	11
JP	240	151	89	50	20.83	15	6.25	35	14.58	41	27.15	9	10.11	786
KP	5		5											
KZ	6		6											
LI	118		118											
LT	57	37	20	2	3.5	2	3.5			2	5.4			8
LV	32	2	30	5	15.62	5	15.62					5	16.66	14

2002														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
VN	15		15											
YU	86		86	2	2.32	2	2.32					2	2.32	15
Total	22,239	1,753	20,486	603	2.71%	209	0.94%	394	1.77%	209	11.92%	394	1.92%	7,680

2003														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
LI	87		87	1	1.14	1	1.14					1	1.14	10
LT	75	51	24	1	1.33			1	1.33	1	1.96			5
LV	66	6	60	1	1.51			1	1.51			1	1.66	3
MA	45		45											
MC	38		38											
MD	50		50											
MK	10		10											
NO	150	118	32	13	8.66	7	4.66	6	4	11	9.32	2	6.25	136
PL	269	13	256											
PT	150	1	149											
RO	34		34											
RU	355	4	351											
SD	1		1											
SE	355	240	115	18	5.07	11	3.09	7	1.97	14	5.83	4	3.47	229
SG	65	41	24	6	9.23	4	6.15	2	3.07	6	14.63			26
SI	126		126	2	1.58	2	1.58					2	1.58	
SK	142		142	2	1.4	2	1.4					2	1.4	

2003														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
SM	9		9											
TJ	1		1											
TR	408	194	214	20	4.9	12	2.94	8	1.96	19	9.79	1	0.46	273
UA	49	4	45											
US	34	21	13	14	41.17	7	20.58	7	20.58	13	61.9	1	7.69	131
UZ	1		1											
VN	25		25											
YU	101		101											
Total	21,851	1,904	19,947	609	2.79%	187	0.86%	421	1.93%	217	11.40%	392	1.97%	8,150

January to October 2004														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
AL	1		1											
AM	5		5											
AN	2		2											
AT	839	5	834	32	3.81	10	1.19	22	2.62	2	40	30	3.59	375
AU	383	236	147	23	6	9	2.34	14	3.65	20	8.47	3	2.04	145
AZ	1		1											
BA	16		16											
BG	177		177											
BX	1,708	26	1,682	58	3.39	20	1.17	38	2.22	7	26.92	51	3.03	532
BY	19	1	18											
CH	1,515		1,515	49	3.23	18	1.18	31	2.04			49	3.23	558
CN	658	74	584	1	0.15	1	0.15					1	0.17	41
CU	1		1											
CY	2		2											
CZ	409		409	5	1.22	3	0.73	2	0.48			5	1.22	26
DE	3,987	45	3,942	187	4.69	55	1.37	132	3.31	9	20	178	4.51	3,017

January to October 2004														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
DK	285	95	190	13	4.56	9	3.15	4	1.4	10	10.52	3	1.57	211
DT	1		1											
DZ	15		15											
EE	54	32	22	5	9.25	1	1.85	4	7.4	4	12.5	1	4.54	33
EG	10		10											
ES	583	10	573	2	0.34	1	0.17	1	0.17			2	0.34	8
FI	154	103	51	12	7.79	7	4.54	5	3.24	12	11.65			128
FR	2,422	6	2,416	22	0.9	5	0.2	17	0.7			22	0.91	316
GB	582	319	263	44	7.56	8	1.37	36	6.18	39	12.22	5	1.9	516
GE	2	2												
GR	50	27	23											
HR	81	2	79	1	1.23	1	1.23					1	1.26	3
HU	172		172	1	0.58	1	0.58					1	0.58	
IE	18	16	2											
IS	14	8	6											
IT	1,592	87	1,505	1	0.06	1	0.06					1	0.06	2
JP	397	224	173	58	14.6	19	4.78	39	9.82	51	22.76	7	4.04	756

January to October 2004														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
KG	1		1											
KR	70	51	19	22	31.42	11	15.71	11	15.71	21	41.17	1	5.26	151
KZ	13		13											
LI	54		54											
LT	47	37	10	6	12.76	4	8.51	2	4.25	6	16.21			38
LV	61	7	54	3	4.91	3	4.91			2	28.57	1	1.85	11
MA	41		41											
MC	35		35											
MD	18		18											
MK	7		7											
NO	124	99	25	20	16.12	11	8.87	9	7.25	20	20.2			140
PL	249	9	240											
PT	115	1	114	1	0.86			1	0.86			1	0.87	25
RO	46		46	1	2.17	1	2.17					1	2.17	1
RU	313	5	308	6	1.91	5	1.59	1	0.31			6	1.94	60
SE	309	203	106	20	6.47	10	3.23	10	3.23	17	8.37	3	2.83	257
SG	63	45	18	3	4.76	1	1.58	2	3.17	3	6.66			25

January to October 2004														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Contracting Party	International Registrations	Based on Applications	Based on Registrations	Ceasing of Effect ("CE")	% of CE (Col.E/Col.B)	Total CE ("TCE")	% of TCE (Col.G/Col.B)	Partial CE ("PCE")	% of PCE (Col.I/Col.B)	CE Where Basis is an Application	% Col.K/Col.C	CE Where Basis is a Registration	% Col.M/Col.D	Transformable Designations
SI	109		109	1	0.91	1	0.91					1	0.91	
SK	110		110	2	1.81	2	1.81					2	1.81	1
SM	1		1											
TR	358	192	166	48	13.4	26	7.26	22	6.14	45	23.43	3	1.8	603
UA	56	8	48											
US	810	466	344	288	35.55	101	12.46	187	23.08	261	56	27	7.84	3,147
VN	11		11											
YU	43		43	3	6.97	3	6.97					3	6.97	6
Total	19,219	2,441	16,778	938	4.88%	348	1.81%	590	3.07%	529	21.67%	409	2.44%	11,132

[End of Annex and of document]