

Madrid Yearly Review 2017 – Executive Summary

International Registration of Marks



This document provides the key trends in the use of the WIPO-administered Madrid System. This edition provides a summary of the statistics reported in the Madrid Yearly Review 2017. For complete information, please consult the full edition of the Madrid Yearly Review in English, available at: www.wipo.int/ipstats

Key numbers

Description	2016	Change ¹
Madrid international applications	52,550	+7.2%
Designations in international applications	353,268	+6.2%
Madrid international registrations	44,726	- 13.9%
Subsequent designations in international registrations	45,633	- 5.7%
Renewals of international registrations	29,546	+2%
Active (in force) international registrations	641,587	+2.5%
Designations in active international registrations	5,688,043	+0.4%
Share of Madrid designations in total non-resident trademark filing activity ² (for Madrid member origins only) ³	63%	- 2 percentage points ⁴
Contracting Parties (Madrid members)	98	+1 member
Countries covered	114	+1 country

1. Change refers to the period 2015–16.

2. Trademark filing activity is measured in application or designation class counts, which consist of the number of classes specified in applications and designations.

3. The latest available year for total trademark application class counts is 2015.

4. Change refers to the period 2014–15.

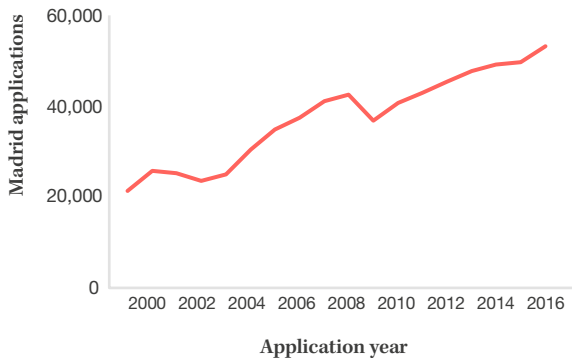
Section A: Statistics on Madrid international applications

Marking the 125th anniversary of the Madrid System, international trademark applications exceeded 50,000 for the first time

An estimated 52,550 international trademark applications were filed under the WIPO-administered Madrid System in 2016 (figure 1). That is a record number. The annual growth rate of 7.2% was the fastest recorded since 2010 and much faster than 2015's modest increase of 1%. The increase was driven by strong growth in applications from both China and Germany. China's increase accounted for more than one-third (36.8%) of total growth, while that of Germany represented about one-fifth (20.8%).

Figure 1

Trend in international applications



Source: WIPO Statistics Database, March 2017.

The Madrid System continues to increase its geographical scope

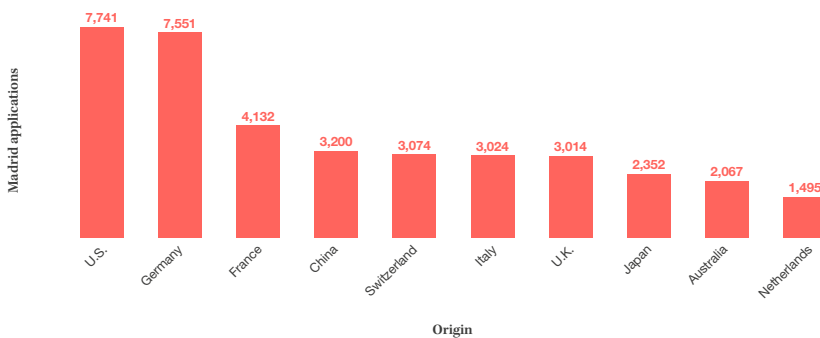
Brunei Darussalam joined the Madrid System in 2016, bringing total membership to 98. With this accession, the Madrid System now offers trademark holders the ability to obtain protection for their branded products and services in an area covering a total of 114 countries.

Who were the largest users of the Madrid System in 2016?

For the third year in a row, the United States of America (U.S.) remained the largest user of the Madrid System. International applications filed by applicants located in the U.S. reached 7,741. These were followed by applications from Germany (7,551), France (4,132) and China (3,200) (figure 2). Applicants domiciled in China filed about 1,300 more Madrid applications in 2016 than in 2015. The resulting remarkably high growth of 68.6% pushed China from ninth largest origin in 2015 to fourth largest in 2016.

Figure 2

International applications for the top 10 origins, 2016

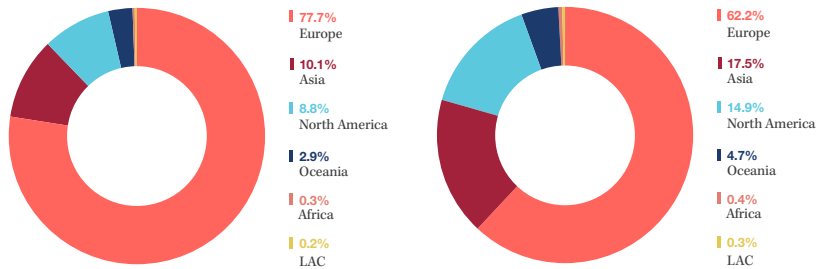


Source: WIPO Statistics Database, March 2017.

Combined, the top 10 origins of applications accounted for 72% of all international applications filed in 2016. Applicants from Madrid member countries located on the European continent filed 62.2% of all international applications, followed by those in Asia (17.5%), which has seen an increase of about seven percentage points compared to its share a decade earlier (figure 3).

Figure 3

International applications by region



Source: WIPO Statistics Database, March 2017.

Germany (+10.8%), Italy (+14.4%) and the U.K. (+10%) – three larger European countries – saw strong growth, whereas France (-0.4%) recorded a small decline in applications.

Among the top 20 origins, the Russian Federation (+32.7%), Finland (+24.9%) and the Netherlands (+14.1%) also recorded high annual growth. On the other hand, seven of the top origins saw declines, with Belgium (-12.3%) recording the sharpest.

Fourth-ranked China, 12th-ranked Turkey (1,221) and 13th-ranked Russian Federation (1,176) are the only three middle-income countries appearing in the top 20.

Which companies filed the most Madrid international applications in 2016?

Filing 150 applications in 2016, L'Oréal of France became the top Madrid applicant for the first time. It was followed by the U.K.'s Glaxo Group (141), BMW (117) and Lidl (112) – both of Germany – and Switzerland's Novartis (94), which after holding the top spot for five years in a row, dropped to 5th position in 2016.

Incidentally, all top 10 Madrid applicants are European companies. Occupying the 13th spot, Apple of the U.S. was the highest ranked non-European company, while Japan's Daiichi Sankyo came in at 15th, Turkey's İLKO at 16th, and China's Huawei Technologies ranked 18th.

Among the top 55 applicants, carmaker BMW saw the largest increase in applications filed in 2016 (+77 additional filings), closely followed by pharmaceutical company Glaxo Group with 73.

Which classes saw the highest volumes of international applications?

Nice Classification statistics allow a ranking of the kind of goods and services most frequently covered by international trademark applications. For more than a decade, the most specified class has been class 9, which includes computer hardware and software and other electrical or electronic apparatus of a scientific nature. In 2016, class 9 accounted for 9.4% of all classes specified in applications filed. The other most specified classes were: class 35 (7.6% of the total), which covers services such as office functions, advertising and business management; class 42 (6%), which includes services provided by, for example, scientific, industrial or technological engineering and computer specialists; class 41 (4.6%), which mainly covers services in the area of education, training, entertainment, sporting and cultural activities; class 25 (4.4%), which includes clothing; and class 5 (4.3%), which covers pharmaceuticals. Three of these six most specified classes are services classes.

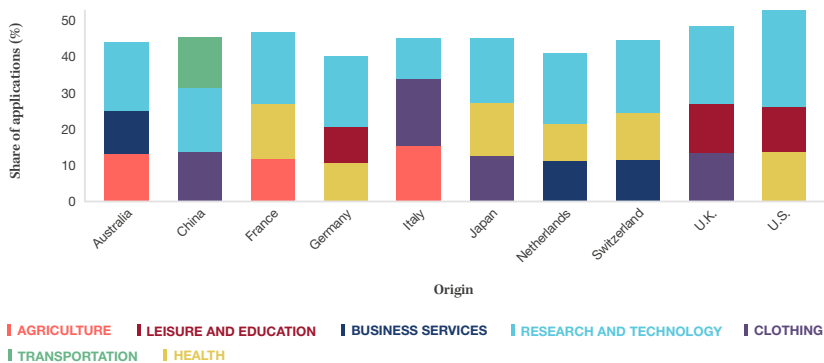
The research and technology sector attracts the highest share of trademark protection via the Madrid System

The 45 Nice classes can be grouped into 10 industry sectors. The scientific research, information and communication technologies sector (abbreviated to research and technology), which includes top Nice classes 9 and 42, accounted for the highest share (19.6%) of all classes specified in Madrid applications filed in 2016, up 2.4 percentage points on its 2006 share. It was followed by health and cosmetics (abbreviated to health), agricultural products and services (agriculture), and textiles, clothing and accessories (clothing), each accounting for between 11.5% and 12.4% of all classes. The chemicals sector continued to receive the lowest share (3.4%) of filing activity.

The top three sectors vary across origins. Research and technology ranks among the top three industry sectors for all top 10 origins (figure 4). However, agriculture is listed as one of the top three sectors for only top origins Australia, France and Italy. Only China counts the transportation sector as one of its top three. Leisure and education is listed among the top three sectors for top origins Germany, the U.K. and the U.S. Applications from Australia, the Netherlands and Switzerland relating to business services represent the third most important sector for applicants from these countries.

Figure 4

International applications by top three sectors for the top 10 origins, 2016



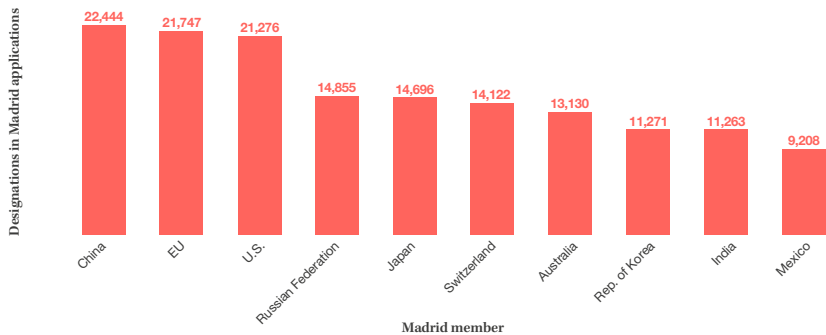
Source: WIPO Statistics Database, March 2017.

Where do Madrid applicants seek to protect their trademarks?

China (22,444) received the highest number of designations in international Madrid applications in 2016. In other words, more Madrid applicants sought to protect their marks in China more than in any other Madrid member country. China has been the top designated country since 2006. The European Union (21,747) and the U.S. (21,276) were the second and third most designated Madrid members (figure 5). Middle-income countries including the Russian Federation (14,855), India (11,263) and Mexico (9,208) also received high numbers of designations.

Figure 5

Designations in international applications for the top 10 designated Madrid members, 2016



Source: WIPO Statistics Database, March 2017.

The 20 most designated Madrid members combined received 62% of all designations made in international applications filed in 2016. Among these top designated Madrid members, the U.K. (+43.8%) saw the highest annual growth in the number of designations received, followed by New Zealand (+12.9), the EU (+12.2), the Philippines (+10.9) and Viet Nam (+10.4). Nearly all the 20 most designated members showed increases in the frequency with which they were designated in applications. In contrast, Kazakhstan (-0.7%) and Ukraine (-0.7%) saw slight declines in designations compared to 2015, and the Russian Federation showed zero growth.

Section B: Statistics on Madrid international registrations

WIPO recorded almost 45,000 international registrations in 2016

After 125 years of existence, the Madrid System recently recorded its 1.3 millionth international trademark registration. The long-term trend for registrations broadly follows that for applications. However, despite an increase in the number of international applications filed in 2016, the 44,726 international registrations recorded in the same year represent a 13.9% decrease compared to 2015. This decrease was mainly due to the deployment of a new back-end IT system in 2016, which occasioned a temporary contraction of the production capacity of the International Bureau (IB) of WIPO. Moreover, registrations can fluctuate considerably from one year to the next due to a number of factors, such as the time it takes for international applications to be processed at offices of origin before being sent to the IB, and the processing time required at the IB itself.

Figure 6

Trend in international registrations



Source: WIPO Statistics Database, March 2017.

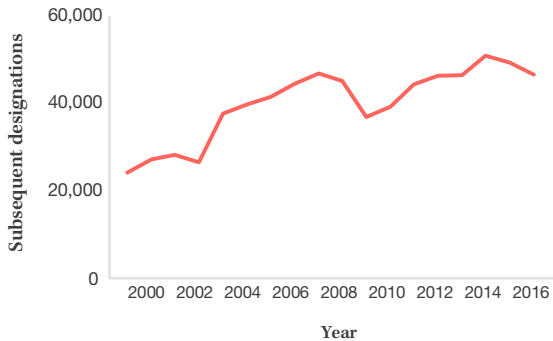
How has the trend in subsequent designations evolved over time?

Due in part to Madrid System accessions and the incentive for holders to extend protection to new members' jurisdictions as well as existing ones, the number of subsequent designations increased from about 26,000 in 2000 to 45,633 in 2016. However, international registration holders requested 5.7% fewer subsequent designations in 2016 than in 2015. This was the second consecutive year that the number of subsequent designations declined.

The number of subsequent designations increased sharply by 43.2% in 2003, corresponding with the year in which the U.S. became a member of the Madrid System and the year before the EU joined (figure 7). In contrast, subsequent designations decreased by 18.8% at the height of the global financial crisis in 2009, on a par with the 20.3% drop in designations in new applications.

Figure 7

Trend in subsequent designations in international registrations



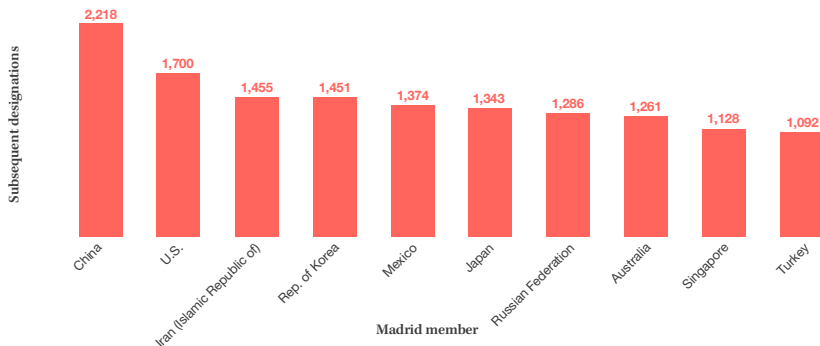
Source: WIPO Statistics Database, March 2017.

How did trademark holders use subsequent designations to extend protection for their marks to additional export markets?

As well as being the most designated Madrid member in international applications filed in 2016, China also received the highest number of subsequent designations (2,218), that is, requests by trademark holders to extend protection of their existing international registrations to cover China. The U.S. (1,700), the Islamic Republic of Iran (1,455) and the Republic of Korea (1,451) followed China as the top countries where international registration holders sought to extend protection for their marks (figure 8). Completing a second year of markedly high growth, subsequent designations received by the Islamic Republic of Iran increased by 35.2%, moving it from 12th position in 2015 to third in 2016, just in front of the Republic of Korea. Together with the Islamic Republic of Iran, Egypt (+3.6%), Switzerland (+2.8%) and Viet Nam (+0.8%) were the only top designated Madrid members to have received more subsequent designations in 2016 than in 2015.

Figure 8

Subsequent designations in international registrations for the top 10 designated Madrid members, 2016



Source: WIPO Statistics Database, March 2017.

Among the top 20 origins of subsequent designations in 2016, trademark holders from Germany represented the most active in extending protection for their existing international registrations to all 15 of the most designated Madrid members. Holders from Switzerland were among the top three origins of subsequent designations received by the EU, Norway and the U.S., whereas those from Italy were among the top origins in the Islamic Republic of Iran and Turkey.

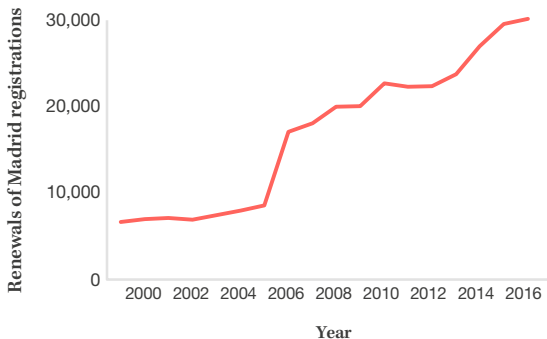
Section C: Statistics on renewals and active Madrid international registrations

Annual renewals of international registrations continue to climb, approaching 30,000

International registration holders renewed 29,546 registrations in 2016, representing an increase of 2% on 2015 and the fifth consecutive year of growth. The number of renewals in a given year depends on both the number of registrations and the number of renewals recorded 10 years previously, so the trend seen in figure 9 is only a partial reflection of the trend in registrations with a 10-year lag. In just one year, renewals of Madrid registrations doubled, from about 8,150 in 2005 to just over 16,600 in 2006. Since then, they have trended upwards, notwithstanding a modest decline in 2011. The high growth in renewals in 2006 resulted from a change in the renewal period from 20 to 10 years that came into effect in 1996.

Figure 9

Trend in renewals of international registrations



Source: WIPO Statistics Database, March 2017.

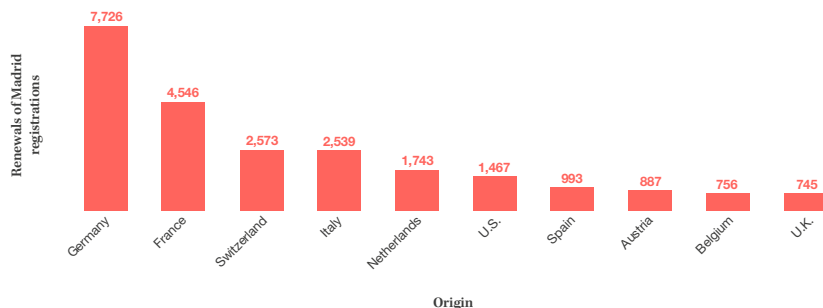
Holders from Germany, France and Switzerland recorded the highest numbers of renewals

Holders from Germany (7,726), France (4,546) and Switzerland (2,573) recorded the highest numbers of registration renewals in 2016 (figure 10), reflecting these countries' long-standing membership of the Madrid System. Their holders' stocks of international registrations have often been maintained for many decades. Together, these three origins accounted for half of all renewals in 2016.

Although half the top 20 origins for renewals in 2016 saw near-zero growth or declines compared to the previous year, several recorded increases in excess of 30%, namely Hungary (+83.3%), Finland (+40%), Sweden (+36.9%) and the Russian Federation (+31.7%).

Figure 10

Renewals of international registrations for the top 10 origins, 2016



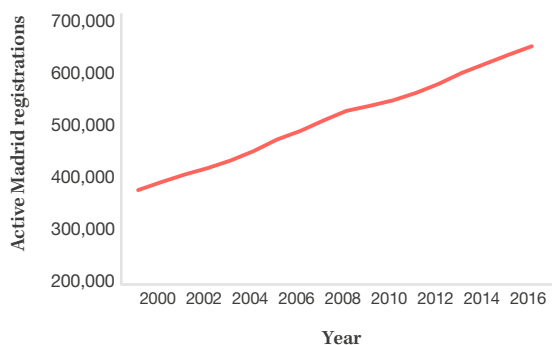
Source: WIPO Statistics Database, March 2017.

Nearly half of all international registrations recorded over the past 125 years are still active

Approximately 641,500 of the 1.3 million international registrations recorded since the creation of the Madrid System were active, that is in force, in 2016. The number of active Madrid registrations has grown steadily year on year, increasing from about 381,000 in 2000 (figure 11). The total number of registrations in force grew by 2.5% in 2016.

Figure 11

Trend in active international registrations



Source: WIPO Statistics Database, March 2017.

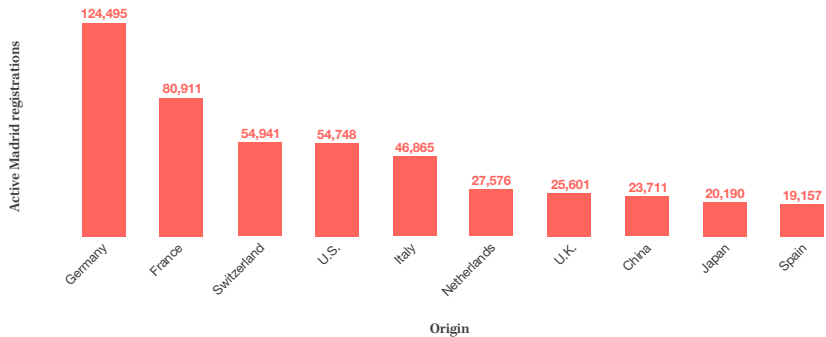
Together, holders from four countries own almost half of all active international registrations

Madrid registration holders domiciled in Germany owned 124,495 active registrations in 2016, corresponding to nearly 20% of the total. Holders domiciled in France (80,911) had about 13% of the total and for those in Switzerland (54,941) and the U.S. (54,748), the share was about 9% each (figure 12).

Among the top 20 origins, the Republic of Korea (+16.5%) and the U.S. (+11.3%) experienced the highest one-year growth in 2016, followed by Japan (+9%), Australia (+8.6%) and China (+8.3%). In contrast, 5 of the 20 top origins saw slight declines of between 0.5% and 2.5% in active registrations compared to 2015.

Figure 12

Active international registrations for the top 10 origins, 2016



Note: Origin data are based on the country of the registration holder's address.

Source: WIPO Statistics Database, March 2017.

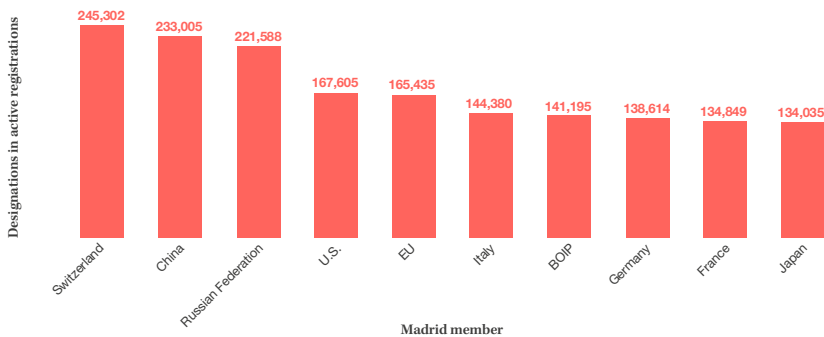
Designated members Switzerland and China top the list for designations in active registrations

In 2016, Switzerland (245,302) was once again the Madrid member with the highest number of designations in active Madrid registrations, a position it has held since 2006. This means that as of 2016, almost a quarter of a million trademarks in force in Switzerland resulted from Madrid international registrations. China (233,005) and the Russian Federation (221,588) were the second and third highest-ranking designated Madrid members, followed by the U.S. (167,605) in fourth position (figure 13).

Eleven of the top 20 Madrid members showed fewer designations in active registrations in 2016 than in 2015. Eight of these were Madrid member offices of individual EU member countries. However, the EU itself, as a designated Madrid member, saw the highest growth of 8.7%.

Figure 13

Designations in active international registrations for the top 10 designated Madrid members, 2016



Source: WIPO Statistics Database, March 2017.

The 5.68 million designations in active registrations in 2016 were owned by about 227,000 right holders

A majority (63.4%) of firms or individuals holding an active international registration possessed only a single such registration in their 2016 portfolios – a situation that has remained almost unchanged since 2012. Another 16.8% of holders owned only two active registrations. Overall, about 90% of all holders of active registrations held four or fewer international registrations in their portfolios, and about 95% owned no more than seven active registrations.

Section D: Statistics on administration

Three-quarters of all international applications in 2016 were sent to the International Bureau electronically

Electronic transmission was introduced in 1998, and its share of total transmissions had reached just 0.2% by the end of that year. Since then, the share of applications received electronically by the International Bureau (IB) has increased significantly. In 2013 and 2014, slightly more than half (52%) of all applications received by the IB were transmitted electronically by all offices of origin combined. This share increased by almost 23 percentage points to reach 74.5% in 2016.

Four of every five international applications are filed in English

In 2016, 81.6% of applications were filed in English, with French accounting for 15.8% and Spanish for 2.7%. The low share of filings in Spanish since its introduction as a filing language in 2004 is due to the fact that, to date, the Madrid System includes only four Spanish-speaking countries (Colombia, Cuba, Mexico and Spain), with Spain the only one listed among the top 20 origins of international applications.



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