

Madrid Yearly Review 2018 – Executive Summary

International Registration of Marks

2018

This executive brief identifies key trends in the use of the WIPO-administered Madrid System. For fuller statistics, see the *Madrid Yearly Review 2018* – available in English at: www.wipo.int/ipstats

Key numbers for 2017

56,200 (+5.0%)

Madrid international applications¹

367,175 (+1.1%)

Designations in international applications

56,267 (+25.8%)

Madrid international registrations

52,630 (+15.3%)

Subsequent designations in international registrations

29,361 (-0.6%)

Renewals of international registrations

674,758 (+3.7%)

Active (in force) international registrations

5,821,469 (+1.4%)

Designations in active international registrations

100 (+2 members)

Contracting Parties (Madrid members)

116 (+2 countries)

Countries covered

1 Due to the time lag of transmittal of applications from offices of origin to the International Bureau (IB) of WIPO, total Madrid applications are estimated

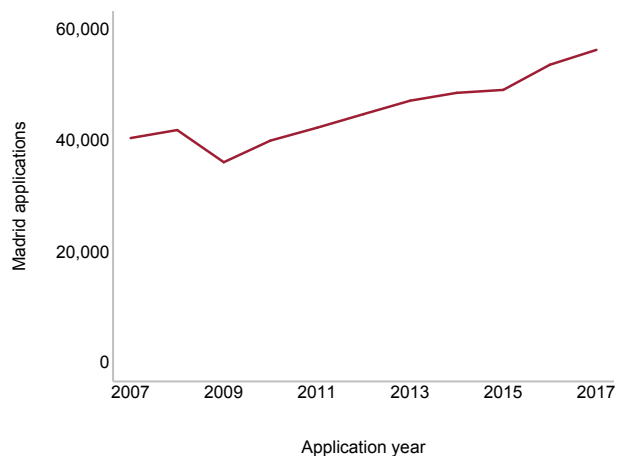
Section A: Statistics on Madrid international applications

Demand grew by 5% for WIPO's international trademark filing service, the Madrid System, which saw about 56,200 applications filed in 2017

An estimated 56,200 international trademark applications were filed under the World Intellectual Property Organization (WIPO)-administered Madrid System in 2017 (figure 1), once again setting a record for the number of applications filed. The 5% increase represents the eighth consecutive year of growth. The increase was driven by strong growth in applications from China, the Russian Federation and the United Kingdom (U.K.). China's increase alone accounted for more than half (52.3%) of total growth, while that for the Russian Federation (10.6%) and for the U.K. (10.5%) each represented about one-tenth of total growth.

The 5% growth recorded in 2017 marks the eighth consecutive annual increase in Madrid applications.

Figure 1 – Trend in international applications, 2007–2017



Source: WIPO Statistics Database, March 2018.

***One hundred members and counting:
the Madrid System continues to
expand its geographical scope***

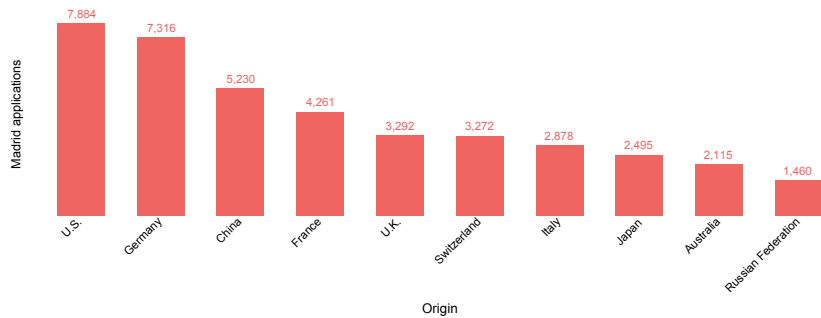
Indonesia and Thailand joined the Madrid System in 2017, bringing the total number of members to 100. With these two accessions, the Madrid System now offers trademark holders the ability to obtain protection for their branded products and services within an area covering a total of 116 countries. Madrid members represent more than 80% of world trade, with potential for expansion as membership grows.

***Who were the largest users of
the Madrid System in 2017?***

For the fourth year in a row, the United States of America (U.S.) remained the largest user of the Madrid System. International applications filed by applicants based in the U.S. increased to 7,884. These were followed by applications from Germany (7,316), China (5,230), France (4,261) and the U.K. (3,292) (figure 2). Applicants located in China filed almost 1,400 more Madrid applications in 2017 than in 2016, which translated to a high growth rate of 36.3% and allowed China to surpass France to become the third largest origin of Madrid applications.

For the fourth year in a row, the U.S. remains the largest user of the Madrid System.

Figure 2 – International applications for the top 10 origins, 2017

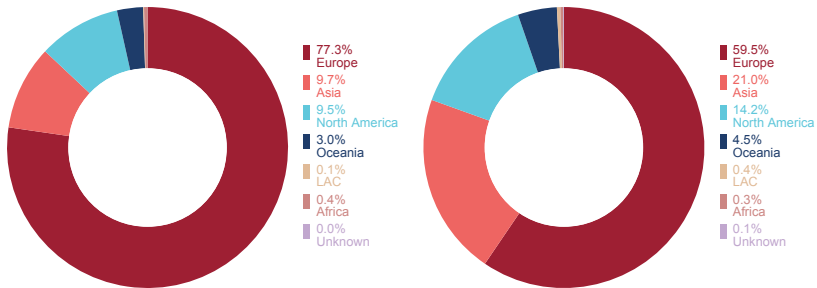


Source: WIPO Statistics Database, March 2018.

Combined, the top ten origins of applications accounted for 72% of all international applications filed in 2017, a share that remained almost unchanged from 2016. The composition of the top ten applicants did, however, change somewhat. The Russian Federation moved from 13th place in 2016 to rank 10th in 2017, edging ahead of the Netherlands, which dropped from 10th place to being the 11th largest origin of Madrid applications. Once again, applicants based in Madrid member countries located on the European continent filed the majority (59.5%) of all international applications in 2017; however, this is about 18 percentage points lower than their combined share a decade earlier. This can be explained by the ever-increasing volume of Madrid applications filed by applicants located in Asia, which has seen its share of total applications more than double, from 9.7% in 2007 to 21% in 2017 (figure 3).

More than one-fifth of all Madrid applications came from Asia in 2017, more than doubling this region's share from a decade earlier.

Figure 3 – International applications by region, 2007 and 2017



Source: WIPO Statistics Database, March 2018.

Among the top 20 origins, Belgium (+10.9), the Republic of Korea (+9.8%), the Russian Federation (+23.9%), Sweden (+24.2%) and the U.K. (+9.3%) all saw strong year-on-year growth. This is in contrast to the declines in applications from Austria (-4.9%), Germany (-3%), Italy (-6.6%) and the Netherlands (-5.8%).

China, the Russian Federation (1,460) and 12th-ranked Turkey (1,304) are the only three middle-income countries of origin to appear among the top 20 origins.

Which companies filed the most Madrid international applications in 2017?

Filing 198 applications in 2017, cosmetics and beauty giant L'Oréal of France held its position as the top Madrid applicant for the second year in a row. It was followed by pharmaceutical company Richter Gedeon (117) of Hungary, Germany based games maker ADP Gauselmann (104), and pharmaceutical company Novartis (96) and retailer Abercrombie & Fitch Europe (82), both based in Switzerland. Sixth ranked Apple (74) of the U.S. moved up seven places from 13th in 2016.

Sixteen of the top 20 Madrid applicants are Europe-based companies. Occupying the 10th spot, Aucma Company Limited of China (which produces, among other things, refrigeration and heating appliances) and 12th-ranked Samsung Electronics of the Republic of Korea were the highest ranked Asian companies.

Companies located in more than 20 countries – including Australia, India, Slovenia and Turkey, to name a few – filed at least 20 Madrid applications in 2017. In this list containing around 90 top applicants, Germany-based companies number the highest at 23, followed by those in China (11), the U.S. (9), Switzerland (7), France (5) and Japan (5).

Which goods and services attracted the most trademark protection?

Nice Classification statistics enable the kinds of goods and services most frequently covered by international trademark applications to be ranked. Since 1985, the most specified class has been goods class 9, which includes computer hardware and software and other electrical or electronic apparatus of a scientific nature. In 2017, class 9 accounted for about a tenth (9.8%) of all classes specified in applications filed. The other most specified classes were: class 35 (8% of the total), which covers services such as office functions, advertising and business management; class 42 (6.2%), which includes services provided by, for example, scientific, industrial or technological engineers and computer specialists; class 41 (4.7%), which mainly covers services in the areas of education, training, entertainment, sporting and cultural activities; and, each accounting for 4.5% of the total, class 5, which covers pharmaceuticals and other preparations for medical purposes and class 25, which includes clothing. Three of these six most specified classes are services classes.

A third of all international Applications contain marks used in the services industry

A third (33%) of all classes specified in international applications in 2017 were services classes. The first 34 of the 45 Nice classes cover goods, whereas the remaining 11 classes cover services. Over the period from 2000 to 2017, services classes have accounted for between 26% and 34% of all classes specified in international applications each year. After a brief decline in the early 2000s, recent years show the services classes once again comprising about a third of all classes specified in international applications, an increase of almost seven percentage points on the shares recorded in 2003 and 2004.

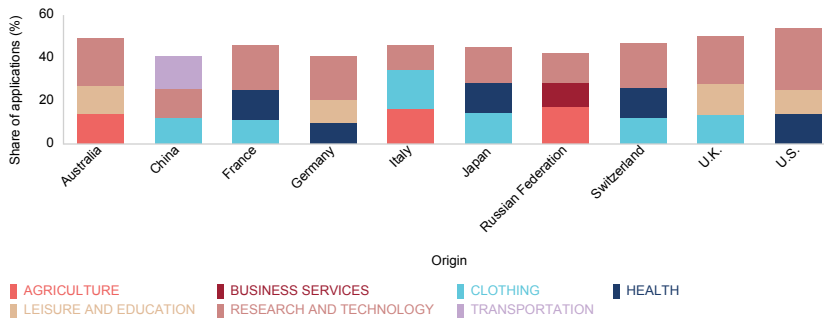
The research and technology sector continues to attract the highest share of trademark protection via the Madrid System

The 45 Nice classes can be grouped into 10 industry sectors. The scientific research, information and communication technology sector (abbreviated to research and technology), which includes top Nice classes 9 and 42, continued to account for the highest share (19.7%) of all classes specified in Madrid applications filed in 2017. It was followed by pharmaceuticals, health and cosmetics (abbreviated to health); textiles, clothing and accessories (clothing); and agricultural products and services (agriculture), each accounting for between 11.3% and 12.1% of all filing activity. The chemicals sector continued to receive the lowest share (3.5%) of filing activity.

The top three sectors in which Madrid applications are filed vary across origins. Research and technology ranks among the top three industry sectors for all of the top ten origins, and leisure and education ranks among the top three sectors for half of these top origins (figure 4). However, agriculture is listed as one of the top three sectors for only top origins Australia, Italy and the Russian Federation. China alone counts the transportation sector as one of its top three. Health is one of the top three sectors for France, Germany, Japan, Switzerland and the U.S.

The research and technology sector features among the top industry sectors for applications from all of the top 10 origins.

Figure 4 – International applications by top three sectors for the top 10 origins, 2017



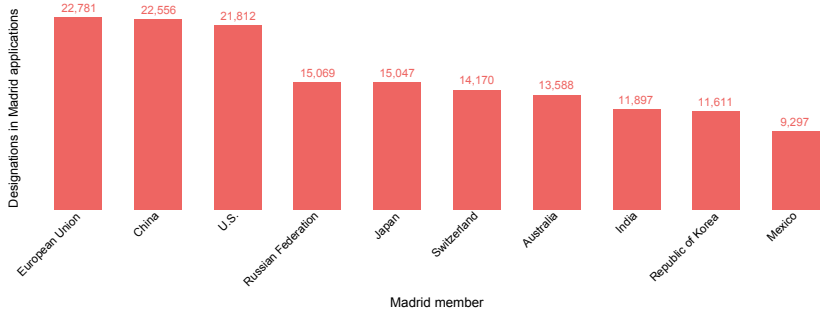
Source: WIPO Statistics Database, March 2018.

Where do Madrid applicants seek to protect their trademarks abroad?

The European Union (EU; 22,781) attracted the highest number of designations in international Madrid applications in 2017, edging slightly in front of China (22,556), which was last year’s top destination for international trademark registrations (figure 5). The U.S. (21,812) ranked third. Madrid applicants sought to extend protection for their marks to the 28 EU member countries as a whole more than in any other Madrid member jurisdiction. Middle-income countries, including the Russian Federation (15,069), India (11,897) and Mexico (9,297) were also among the top 10 destinations for international trademark registration via the Madrid System.

The EU, China and the U.S. were the most designated Madrid members.

Figure 5 – Designations in international applications for the top 10 designated Madrid members, 2017



Source: WIPO Statistics Database, March 2018.

The 20 most designated Madrid members combined received 62% of all designations made in international applications filed in 2017, a share that remained unchanged from the previous year. Among these top designated Madrid members, the U.K. (+56.3%) saw the highest annual growth in the number of designations received. This could be explained, in part, by the U.K.'s eventual exit from the EU, which may have resulted in uncertainty among international registration holders regarding their ability to extend protection for their marks to the U.K. by designating the EU. Viet Nam (+7.6%), the EU (+3.4%) and New Zealand (+3.1%) had the next highest one-year increases in the number of designations received.

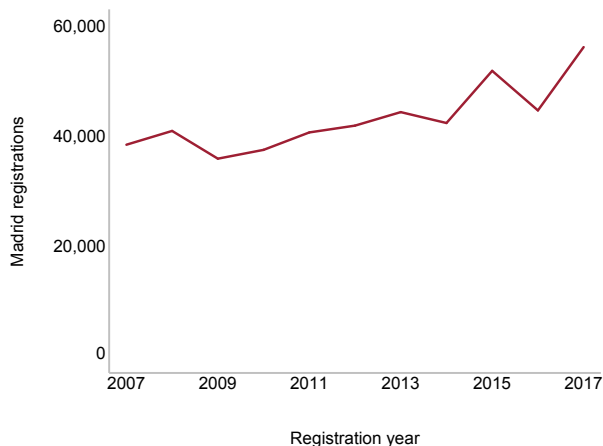
Section B: Statistics on Madrid international registrations, renewals and active registrations

Over 56,000 International registrations went to trademark holders worldwide in 2017

In 2017, the World Intellectual Property Organization (WIPO) recorded a total of 56,267 international registrations, the most ever recorded (figure 6). The long-term trend for registrations broadly follows that for applications; however, changes in the number of registrations from year to year can be more pronounced than for applications. For example, the large fluctuations seen in the last two years can be explained by a number of factors. The decline in 2016 was mainly due to the deployment of a new back end IT system that year, which resulted in a temporary contraction in the International Bureau (IB) of WIPO's production capacity. Moreover, registrations can fluctuate considerably from one year to the next due to a number of reasons, such as the time it takes for Madrid applications to be processed at offices of origin before being sent to the IB or due to the processing time required at the IB itself, which includes the irregularities procedure and the time limits for applicants and offices to remedy such irregularities.

The total number of Madrid international registrations recorded each year is approaching 60,000.

Figure 6 – Trend in international registrations, 2007–2017



Source: WIPO Statistics Database, March 2018

How has the trend in subsequent designations evolved over time?

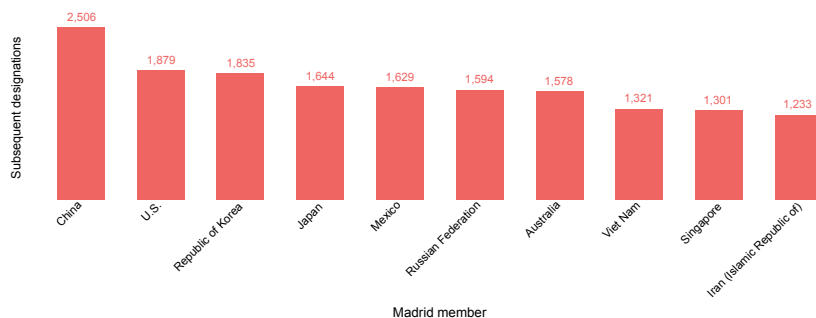
Due in part to Madrid System accessions and the incentive for holders to extend protection to new members' jurisdictions in addition to existing jurisdictions, the number of subsequent designations has increased from about 26,000 in 2000 to 52,630 in 2017. Simply put, subsequent designations are requests by trademark holders to extend protection of their existing international registrations to cover new markets. There were 15.3% more subsequent designations made in existing international registrations in 2017 than in 2016, reversing a two-year decline. Although most requests for subsequent designations are submitted directly by holders to the IB, fluctuations in the numbers of these requests submitted via Madrid member offices from one year to the next can be significant for the same reasons given for fluctuations in international registrations.

How did trademark holders use subsequent designations to extend protection for their marks to additional export markets in 2017?

China received the highest number of subsequent designations in 2017 (2,506). The U.S. (1,879), the Republic of Korea (1,835) and Japan (1,644) followed as the top countries where international registration holders sought to extend protection for their marks (figure 7). The top ten designated Madrid member countries received slightly more than 31% of all subsequent designations in 2017. Nine of these countries received more subsequent designations in 2017 than they did in 2016, the exception being the Islamic Republic of Iran, which recorded a decrease of 15.3%. Half of the top 10 designated Madrid members are middle-income countries, reflecting the appeal of these developing markets to registration holders seeking to extend protection for their marks.

Since 2004, China has received the highest number of subsequent designations each year.

Figure 7 – Subsequent designations in international registrations for the top 10 designated Madrid members, 2017



Source: WIPO Statistics Database, March 2018

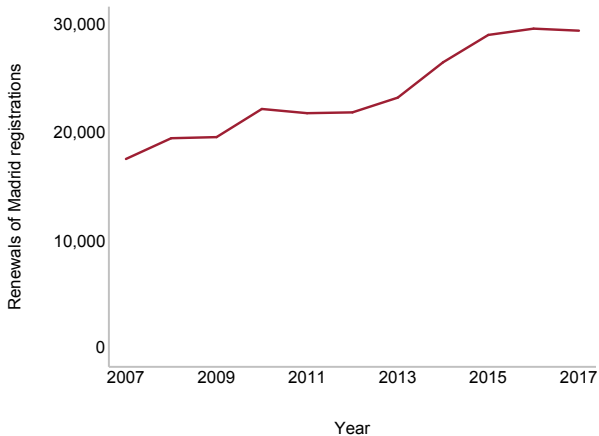
Among the top 15 designated Madrid members, seven received their highest shares of subsequent designations in 2017 from trademark holders in France, Germany and the U.S.. Holders from Italy were among the top three origins of subsequent designations received by the Islamic Republic of Iran, Mexico, the Russian Federation and the U.S, whereas holders from Switzerland were among the top three origins in the EU, Norway and the U.S.

Annual renewals of international registrations hover around 30,000

International registration holders renewed 29,361 registrations in 2017, representing a slight decrease of 0.6% from 2016. The number of renewals in a given year depends both on the number of registrations and the number of renewals recorded 10 years previously, so the trend seen in figure 8 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. The high growth in renewals in 2006 resulted from a change to the renewal period from 20 to 10 years, which came into effect in 1996. Since 2006, renewals have trended upward, notwithstanding modest declines in 2011 and again in 2017.

Renewals of international registrations have held steady at around 29,000 for the past three years.

Figure 8 – Trend in renewals of international registrations, 2007–2017



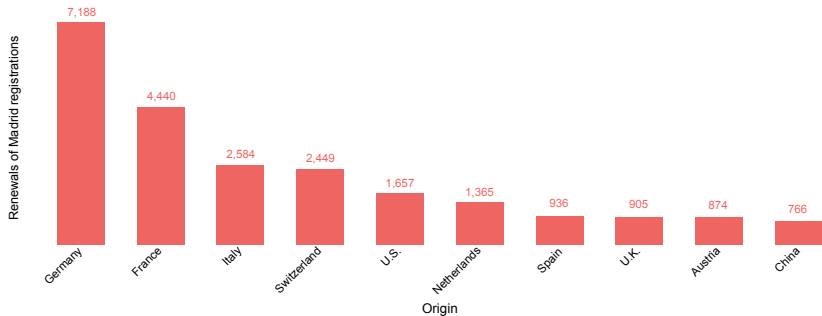
Source: WIPO Statistics Database, March 2018

Holders from Germany and France recorded the highest numbers of renewals in 2017

Holders from Germany (7,188) and France (4,440) recorded the highest numbers of registration renewals in 2017 (figure 9), reflecting these countries' long-standing membership of the Madrid System. Together, these two origins accounted for about 40% of all renewals in 2017, and their holders' stocks of international registrations have often been maintained for many decades.

More than half of all renewals in 2017 came from just four countries – Germany, France, Italy and Switzerland.

Figure 9 – Renewals of international registrations for the top 10 origins, 2017



Source: WIPO Statistics Database, March 2018

About half of all International registrations recorded since the Madrid System was established in 1891 are still active

About half (675,000) of the more than 1.3 million international registrations recorded since the creation of the Madrid System were active – that is, in force – in 2017. Totalling around 381,000 in 2000, the number of active Madrid registrations has been growing steadily each year. The total number of active registrations grew by 3.7% in 2017.

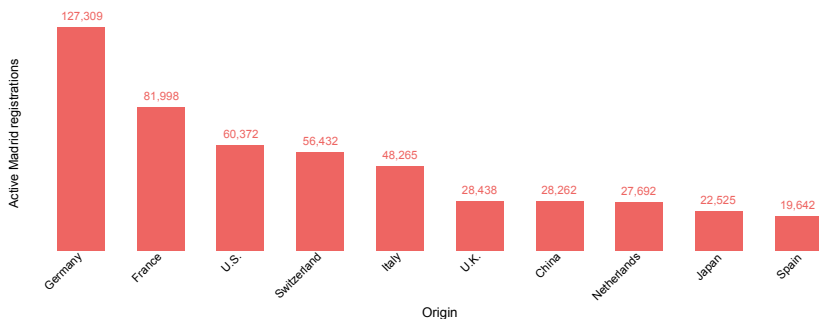
Together, holders from 10 countries own almost three-quarters of all active international registrations

Madrid registration holders domiciled in Germany owned 127,309 active registrations in 2017, followed by holders in France (81,998) and the U.S. (60,372) (figure 10). Together with the next seven top origins, holders located in these 10 countries possess 74% of all active registrations, largely due to their long-standing membership of the System and, as a result, their holders' accumulation of stocks of international registrations.

Among the top 20 origins, the Republic of Korea (+17%), China (+15.7%) and the U.S. (+10.3%) experienced the highest one-year growth in 2017. In contrast, 3 of the top 20 origins saw slight declines in active registrations of between 0.3% and 1.3% compared with 2016.

Madrid international registration holders from China, the Republic of Korea and the U.S. increased their portfolios of active registrations by more than 10% in 2017.

Figure 10 – Active international registrations for the top 10 origins, 2017



Source: WIPO Statistics Database, March 2018

Section C: Statistics on administration, revenue and fees

Three-quarters of all international applications in 2017 were sent to the International Bureau electronically

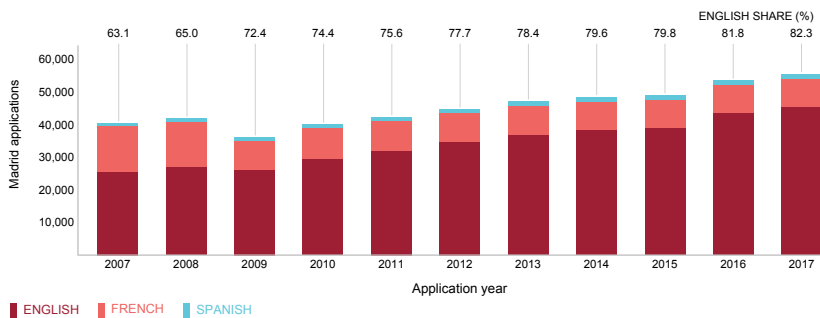
Electronic transmission was introduced in 1998, and its share of total transmissions to the International Bureau (IB) of WIPO had reached just 0.2% by the end of that year. Since then, the share of applications that the IB receives electronically has increased significantly. In 2013 and 2014, more than half (52%) of all applications that the IB received were transmitted electronically by all offices of origin combined. This share increased by almost 23 percentage points to reach 74.6% in 2017.

Four out of every five international applications are filed in English

In 2017, 82.3% of Madrid applications were filed in English, with French accounting for 15.2% and Spanish for 2.5% (figure 11). The low share of filings submitted 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.

Since 2007, the share of international applications filed in English has increased by almost 20 percentage points to reach 82.3% in 2017.

Figure 11 – Trend in applications by filing language, 2007–2017



Source: WIPO Statistics Database, March 2018

Almost 40% of all Madrid applications received in 2017 were irregular

The IB considers international applications that fail to meet all of the formal requirements, including the classification of goods and services in accordance with the International Nice Classification, to be irregular. In such instances, the IB informs both the Madrid member's IP office of origin and the applicant of the irregularities. Responsibility for remedying such irregularities lies with either the IP office of origin or the applicant, depending on the nature of the irregularity. In 2017, 38.7% of Madrid applications contained irregularities, a considerable portion of which were classification irregularities. For the past decade, the share of irregularities has ranged from 28.4% to 39.8% of all international applications filed.

Changes in ownership of international registrations remain relatively low

An international registration may change ownership following assignment of a mark, the merger of one or more companies, a court decision, or for other reasons. The change is subject to the recording of the new owner as the new holder of the registration in the International Register, and the new holder must fulfill the requirements necessary for holding an international registration. In 2017, there were approximately 17,400 changes in ownership of active international registrations – 3,780 more than in 2016, representing an increase of 27.7%. Despite this large increase, the share of changes in ownership relative to the total number of active registrations is small and has remained relatively stable over time. Only 2.6% of all active registrations changed ownership in 2017.

World Intellectual Property Organization
34, chemin des Colombettes
P.O. Box 18
CH-1211 Geneva 20
Switzerland

Tel: +41 22 338 91 11
Fax: +41 22 733 54 28

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External Offices visit:
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