

# Madrid Yearly Review 2020 – Executive Summary

International Registration of Marks



**This executive brief identifies key trends in the use of the WIPO-administered Madrid System. For fuller statistics, see the *Madrid Yearly Review 2020* – available in English at: [www.wipo.int/ipstats](http://www.wipo.int/ipstats)**

## Key numbers for 2019

**66,400** (+5.7%)

**Madrid international applications<sup>1</sup>**

**433,295** (+3.2%)

**Designations in international applications**

**64,118** (+6.7%)

**Madrid international registrations**

**57,041** (+3.3%)

**Subsequent designations in international registrations**

**29,262** (-8%)

**Renewals of international registrations**

**741,619** (+4.6%)

**Active (in force) international registrations**

**6,208,277** (+3.3%)

**Designations in active international registrations**

**106** (+3 members)

**Contracting Parties (Madrid members)**

**122** (+3 countries)

**Countries covered**

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

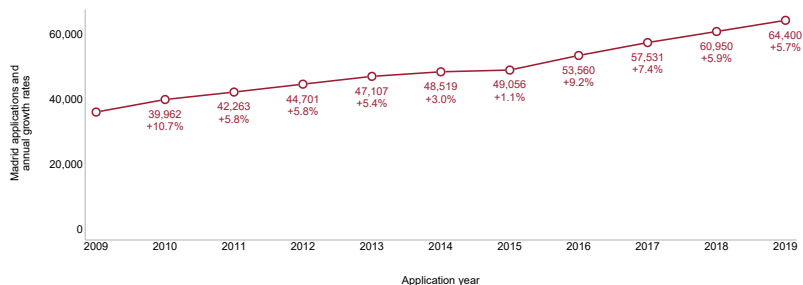
# Statistics on Madrid international applications

*International trademark applications filed via the Madrid System reached 64,400 in 2019, marking a 10<sup>th</sup> year of uninterrupted growth*

Applicants filed an estimated 64,400 international trademark applications under the World Intellectual Property Organization (WIPO)-administered Madrid System in 2019 (figure 1). This is an increase of almost 3,500 on the previous year, resulting in annual growth of 5.7% and marking a 10<sup>th</sup> year of uninterrupted expansion. Strong growth in Madrid applications from the United States of America (U.S.) was the main driver. The rise in filings (+1,261) from applicants based in the U.S. alone accounted for over a third (37 percentage points) of the overall rise in Madrid applications filed worldwide. Increases in Madrid applications from Switzerland (+344) and Turkey (+543) also contributed substantially to overall growth by 10 and 16 percentage points each.

**Trademark holders filed an estimated 64,400 Madrid applications in 2019, almost 3,500 more than in the previous year, resulting in annual growth of 5.7% and marking a decade of expansion.**

Figure 1 – Trend in international applications, 2009–2019



Note: Data for 2019 are WIPO estimates.

Source: WIPO Statistics Database, March 2020.

## ***The Madrid System further expanded its global coverage by welcoming new members Brazil, Canada and Malaysia***

Brazil, Canada and Malaysia joined the Madrid System in 2019, bringing the total number of members to 106 as of December 31, 2019. The addition of Malaysia brought to 32 the number of Asian countries covered by the System. In addition, new members Brazil and Canada represent an important expansion of the System in both Latin America and the Caribbean (LAC) and North America. Their membership now facilitates the use of the Madrid System by trademark holders located in these two countries, as well as by holders from abroad who are now able to extend protection for their marks to these two new Madrid member countries via international registrations. With these three accessions, the Madrid System now offers trademark holders the ability to obtain protection for their branded products and services within a geographical area covering 122 countries. Combined, Madrid members represent 63% of all countries worldwide, home to approximately 80% of the world's population, and in which about 87% of global GDP occurs, with the potential to increase these shares as membership continues to grow<sup>2</sup>.

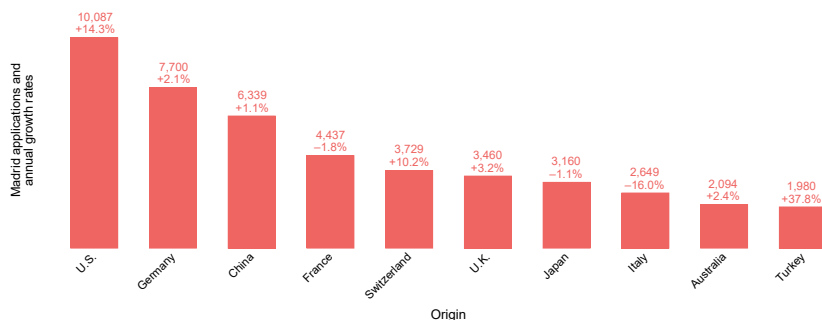
## ***Worldwide, where were the largest users of the Madrid System from in 2019?***

Recording double-digit growth for the second year in a row, applicants based in the U.S. continued to top the list of origins with the greatest number of international applications filed via the Madrid System. A strong year-on-year growth of 14.3% resulted from the estimated 10,087 Madrid applications filed by U.S.-based applicants in 2019 (figure 2). This was followed by applications from Germany (7,700), China (6,339), France (4,437) and Switzerland (3,729). As mentioned above, applicants located in the U.S. filed 1,261 more Madrid applications in 2019 than in 2018. For comparison, applicants in Germany filed only 156 more than in the previous year and for China the increase was 71. As for applicants based in France, they filed 83 fewer applications than the year before.

2 Complete World Bank GDP and population data are available only up to 2018.

**With annual growth of 14.3%, applicants based in the U.S. consolidated their top ranking in 2019 by filing almost 2,400 more Madrid applications than the next top-ranked origin, Germany.**

Figure 2 – International applications for the top 10 origins, 2019



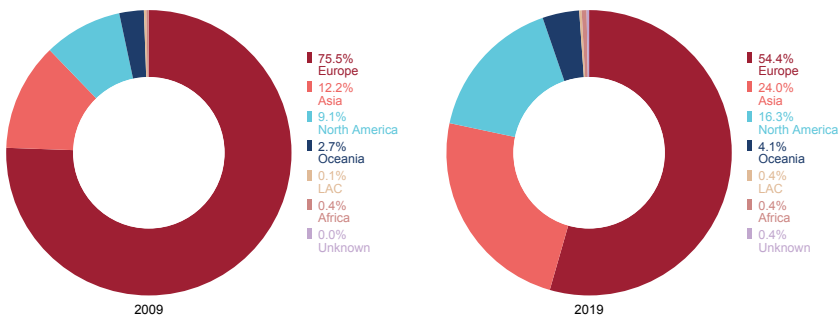
Note: Data for 2019 are WIPO estimates.

Source: WIPO Statistics Database, March 2020.

Combined, the top 10 origins of Madrid applications accounted for about 71% of the total filed in 2019, a share that has remained more or less unchanged for over a decade. The first top nine origins and their ranking in 2019 remained the same as for the previous year. However, Turkey’s high growth boosted it from 11<sup>th</sup> top origin in 2018 to move ahead of the Russian Federation and become the 10<sup>th</sup> top origin in 2019. In 2019, applicants based in Madrid member countries located on the European continent continued to file the majority (54.4%) of all Madrid applications; however, this is about 21 percentage points less than their combined share a decade previously in 2009 (figure 3). Whereas over half of all Madrid applications originated in Europe in 2019, almost a quarter (24%) came from Asia, which is almost double what it was only 10 years before (12.2%).

**Applicants based in Asian countries filed almost a quarter (24%) of all Madrid applications in 2019, up from just over 12% a decade before .**

Figure 3 – International applications by region, 2009 and 2019



Note: LAC is Latin America and the Caribbean.

Source: WIPO Statistics Database, March 2020.

In addition to the notable growth recorded by the U.S., among the top 20 origins, New Zealand (+16.7%), the Russian Federation (+15.6%), Singapore (+11.5%), Switzerland (+10.2%) and Turkey (+37.8%) also recorded strong year-on-year growth exceeding 10%. This is in contrast to declines in applications of one percent or more from several origins, including Austria (–1%), Denmark (–4.6%), France (–1.8%) and Japan (–1.1%). Among the top 20 origins of Madrid applications, Italy recorded the largest drop of 16% from 2018 to 2019.

China, the Russian Federation (1,712) and Turkey (1,980) are three middle-income countries to be among the top 20 origins.

Not only did U.S. applicants file the most Madrid applications in 2019, they also made the most designations (69,619) in their Madrid applications in order to expand the geographical scope of the protection for their marks. Despite a one-year decline of 21.9%, applicants in China, which ranked third according to applications filed by origin, made considerably more designations (58,866) in their applications than did those from Germany (43,418), and therefore ranked second in terms of designations made. China’s higher number of total designations relative to Madrid applications filed can be explained by the fact that applicants based in China designated, on average, about 11 Madrid members in each application filed in 2019. This is almost double the average of approximately six designated by applicants located in Germany. The average

number of designations made in Madrid applications filed by all origins combined is close to seven.

Surpassing both France and Switzerland, the United Kingdom (U.K.), with an exceptionally high year-on-year growth of 42.6%, went from being the sixth largest origin of designations in applications in 2018 to rank fourth in 2019. The increase in designations from the U.K. has trended upward in recent years in the run-up to Brexit, possibly due partly to the uncertainty of some U.K.-based applicants as to whether in the future they will be able to use the European Union Intellectual Property Organization (EUIPO) to extend protection for their marks to European Union (EU) member states.

### ***One applicant each from China and India ranked among the top five Madrid applicants in 2019***

With 189 Madrid applications, French personal care and cosmetics company L'Oréal was the top applicant in 2019, followed by pharmaceutical company Novartis AG of Switzerland (135), technology company Huawei Technologies of China (131) and research and advisory company NirSan Connect of India (124). This is the first year that applicants based in middle-income Asian countries have appeared among the top five applicants, which prior to 2019 had primarily consisted of European companies.

Eleven of the top 20 Madrid applicants in 2019 were companies based in Europe, two fewer than in 2018. Six were from Asia, up from four the previous year, and two from North America, which were technology companies Apple and Microsoft. Widening the scope to include the top approximately 100 Madrid applicants reveals that 64% were from Europe, 18% from North America, specifically the U.S., and 15% from Asia. Combined, these top 100 applicants accounted for almost 4,100 applications, which is still only 6% of all Madrid applications filed in 2019. The low share held by its most active users shows how widely use of the Madrid System is spread over many different applicants.

Companies located in almost 30 countries – including Bosnia and Herzegovina, Kazakhstan, New Zealand, the Russian Federation and Turkey, to name just a few – filed at least 19 Madrid applications in 2019 to rank among the top 100 Madrid applicants. In this list of top applicants, the most companies were based in Germany (24), followed by the U.S. (20), Switzerland (12), France (9), Japan (5) and the Republic of Korea (4).



## ***Which goods and services attracted the most trademark protection?***

Nice Classification statistics enable a ranking of the kinds of goods and services most frequently covered by Madrid international trademark applications. Since 1985, the most specified class among a total of 45 has been goods class 9, which includes computer hardware and software and other electrical or electronic apparatus of a scientific nature. In 2019, class 9 alone accounted for a tenth (10.2%) of all classes specified in applications filed. The other most specified classes were: class 35 (8.3% of the total), which covers services such as office functions, advertising and business management; class 42 (6.8%), which includes services provided by, for example, scientific, industrial or technological engineers and computer specialists; class 41 (5%), which mainly covers services in the areas of education, training, entertainment, sporting and cultural activities; class 5 (4.5%), which covers pharmaceuticals and other preparations for medical purposes; and class 25 (4.3%), which includes clothing. Three of the four most specified classes are services classes. Among the top 10 classes, class 5 (+12.5%) and class 41 (+9.7%) were the two that saw the fastest one-year growth.

## ***Over a third of all Madrid applications contain marks used in the services industry***

The first 34 of the 45 Nice classes cover goods, whereas the remaining 11 classes cover services. For the second year in a row, more than a third (34.6%) of all classes specified in Madrid applications in 2019 were services classes. This is 6.5 percentage points higher than the combined share of 28.1% recorded in 2005 and reflects the general growth in the global services industry. Goods and services class shares differ across origins, however. For example, among the selected origins presented in table A27, Croatia (41.6%) and Switzerland (42.3%) had the highest proportions of services-related classes in applications filed in 2019, in each case exceeding 40% of all classes specified in Madrid applications from these countries. They were followed by the U.K. (39.5%), the U.S. (38.7%) and France (38.2%), which likewise have developed services sectors. Conversely, Asian countries China (20%) and Japan (25.9%) had lower than average services class shares. Whereas a majority of selected origins showed an increase in their services class share in 2019 compared to 10 years earlier, several saw a decline; for example, Cyprus (-24.4 percentage points) and the Russian Federation (-6.8).

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

For the purpose of statistical reporting, 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, among others, continued to account for the highest share (20.6%) of all classes specified in Madrid applications filed in 2019. It was followed by pharmaceuticals, health and cosmetics (abbreviated to health), agricultural products and services (agriculture), and textiles, clothing and accessories (clothing and accessories), each accounting for between 10.9% and 12.7% of all filing activity. As in previous years, the chemicals sector (3.2%) and transportation and logistics (6.4%) continued to receive the lowest shares of total filing activity.

The top three sectors in which Madrid applications are filed vary across origins. Research and technology ranks in the top three industry sectors for nine of the top 10 origins, the exception being the Russian Federation (figure 4). For eight of these origins, it is the top sector. In contrast, clothing and accessories is the top sector for applicants based in Italy, and it is agriculture for those in the Russian Federation. Health ranks among the top three sectors for seven of the top origins. Germany, the Russian Federation and Switzerland counted business services as one of their top three sectors. Leisure and education is listed as one of the top three sectors for the U.K. and the U.S. only.

**The research and technology sector features among the top industry sectors for Madrid applications from nine of the top 10 origins. For seven of the top origins, health is one of the top three sectors, and for five, it is the agricultural sector.**

Figure 4 – International applications by top three sectors for the top 10 origins, 2019



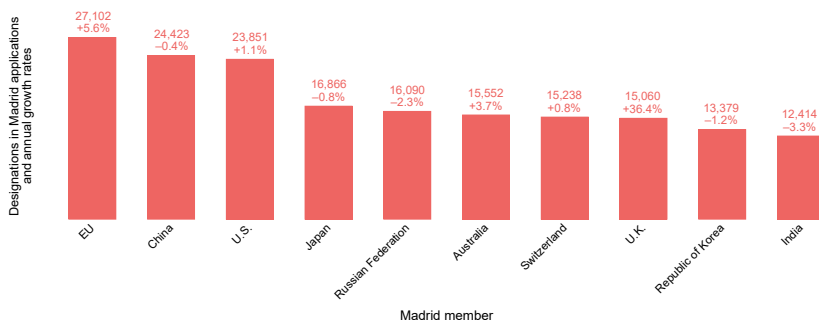
Source: WIPO Statistics Database, March 2020.

### *Where do Madrid applicants seek to protect their trademarks abroad?*

For the third year in a row, the EU (27,102) attracted the most designations in Madrid applications in 2019, followed by China (24,423) and the U.S. (23,851) (figure 5). This means that Madrid applicants sought to extend protection for their marks to the 28 EU member countries as a whole more than they did to any other Madrid member jurisdiction. Like China, nine of the top 20 designated Madrid members were middle-income countries, notably India (12,414), Mexico (10,715), the Russian Federation (16,090) and Turkey (8,996). Among the top destinations for international trademark registration via the Madrid System, the U.K. saw the biggest surge in annual growth of 36.4%, almost 9 percentage points more than its increase in 2018, and occurring during the lead-up to Brexit.

**The EU, China and the U.S. were the most designated Madrid members, each receiving a similar number of designations from trademark holders abroad wanting to extend protection for their marks to these three markets in 2019.**

Figure 5 – Designations in international applications for the top 10 designated Madrid members, 2019



Source: WIPO Statistics Database, March 2020.

For a fourth consecutive year, the 20 most designated Madrid members, combined, received 62% of all designations made in Madrid applications filed in 2019. In addition to the U.K., top designated Madrid members Indonesia (+20.3%) and Thailand (+13.2) also saw double-digit annual increases in designations received. In contrast, eight of the top 20 Madrid members received fewer designations in Madrid applications in 2019 than they had in 2018, with India (-3.3%) and Turkey (-3.2%) recording the steepest declines.

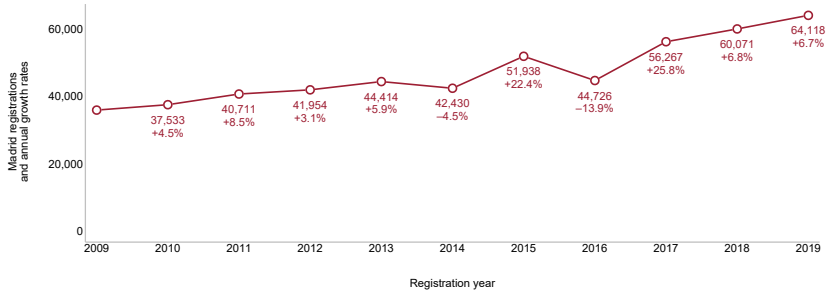
# Statistics on Madrid international registrations, renewals and active registrations

## *Trademark holders worldwide received over 64,000 Madrid international registrations in 2019*

In 2019, the World Intellectual Property Organization (WIPO) recorded 64,118 Madrid registrations, twice the amount issued in the early 2000s (figure 6). The long-term trend for Madrid registrations broadly follows that for Madrid applications; however, changes in the number of registrations from year to year can be more pronounced than for applications. Madrid registrations can fluctuate considerably from one year to the next for reasons such as the time it takes for Madrid applications to be processed at offices of origin before being sent to the International Bureau (IB) of WIPO or the processing time required at the IB itself, which includes an irregularities procedure and time limits for applicants and offices to remedy such irregularities.

**In 2019, trademark holders received a total of 64,118 Madrid registrations, representing an increase of 6.7% on the previous year.**

Figure 6 – Trend in international registrations, 2009–2019



Source: WIPO Statistics Database, March 2020.

### *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 include the jurisdictions of new Madrid members in addition to those of longer standing members, the number of subsequent designations has increased from about 36,000 in 2009 to 57,041 in 2019. Subsequent designations are requests made by trademark holders to extend protection for their existing Madrid registrations to cover new markets. There were 3.3% more such subsequent designations made in Madrid registrations in 2019 than in 2018, marking the third annual increase in a row since the declines seen in 2015 and 2016. Although most requests for subsequent designations are submitted directly by holders to the IB, fluctuations in the numbers submitted via Madrid member offices from year to year can be significant for the reasons given for international registrations. Subsequent designations underwent a gradual increase year-on-year from 2005 to 2007. However, in 2009, at the height of the global financial crisis, they decreased by 18.8%, on a par with that year's 20.3% drop in designations in new Madrid applications.

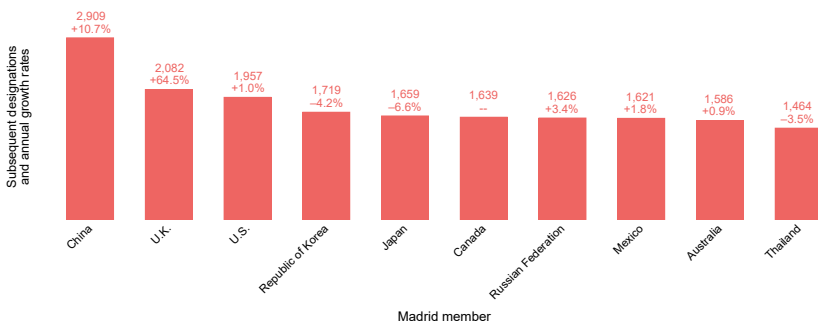
## *How did trademark holders use subsequent designations to extend protection for their marks to additional export markets in 2019?*

China (2,909) received the highest number of subsequent designations in 2019 and has been the most subsequently designated country every year since 2004 (figure 7). With an exceptionally high growth rate of 64.5%, the U.K. (2,082), as a destination country for trademark protection, jumped from 12<sup>th</sup> most subsequently designated Madrid member in 2018 to rank second in 2019. This is most likely due to a move by many Madrid registration holders to ensure protection for their marks in the U.K. post Brexit.

In 2019, the U.S. (1,957), the Republic of Korea (1,719) and Japan (1,659) followed behind China and the U.K. as the top countries where Madrid registration holders sought to extend protection for their marks. Canada (1,639), which joined the Madrid System only in June 2019, already ranked sixth most subsequently designated member by the end of the same year. The 20 most designated Madrid member countries received just over half (53%) of all subsequent designations in 2019. Twelve of these countries received more subsequent designations in 2019 than in 2018. Like the U.K., China (+10.7%), India (+16.6%) and the Philippines (+18.4%) saw high growth in the amount of subsequent designations received in 2019.

**China has received the highest number of subsequent designations each year since 2004, whereas the U.K. moved from 12<sup>th</sup> spot in 2018 to rank second in 2019, most likely due to a move by many Madrid registration holders to ensure protection for their marks in the U.K. post Brexit.**

Figure 7 – Subsequent designations in international registrations for the top 10 designated Madrid members, 2019



Source: WIPO Statistics Database, March 2020.

Among the top 15 designated Madrid members, Australia, China, Japan, Mexico, the Republic of Korea and the Russian Federation all received their highest shares of subsequent designations in 2019 from trademark holders in France, Germany and the U.S. Holders from Japan were among the top three origins of subsequent designations in its Asian neighbors Indonesia, the Philippines, Singapore, Thailand and Viet Nam, whereas holders from Switzerland were among the top three origins for the U.K. and the U.S.

### ***Holders renewed almost 30,000 Madrid international registrations in 2019***

Madrid registration holders renewed 29,262 registrations in 2019, a fall of 8% on the previous year. The number of renewals in any given year depends both on the number of Madrid registrations and the number of renewals recorded 10 years prior, therefore the trend seen in figure 8 is only a partial reflection of the trend in registrations with a 10-year lag. The 2019 decrease was to be expected due to the lower number of Madrid registrations recorded at the height of the financial crisis in 2009 and up for renewal 10 years later.



**In 2019, renewals of Madrid registrations fell by 8% to 29,262, only the third annual decrease in the last 10 years.**

Figure 8 – Trend in renewals of international registrations, 2009–2019



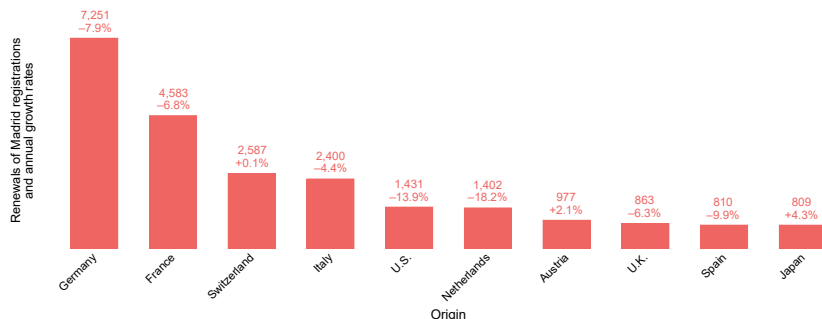
Source: WIPO Statistics Database, March 2020.

***The highest numbers of renewals in 2019 were recorded by holders from Germany, France, Switzerland and Italy***

Holders from Germany (7,251), France (4,583), Switzerland (2,587) and Italy (2,400) recorded the highest numbers of Madrid registration renewals in 2019 (figure 9). This reflects their long-standing membership of the Madrid System. Together, these top four origins of renewals accounted for over half (57%) of all renewals in 2019, and their holders' stocks of international registrations have often been maintained for many decades.

**About 57% of all renewals in 2019 came from just four European countries – Germany, France, Italy and Switzerland – reflecting their long-standing membership of the Madrid System and holders’ large stocks of existing registrations up for renewal.**

Figure 9 – Renewals of international registrations for the top 10 origins, 2019



Source: WIPO Statistics Database, March 2020.

***Almost half (49%) of all international registrations recorded since the Madrid System was established in 1891 are still active***

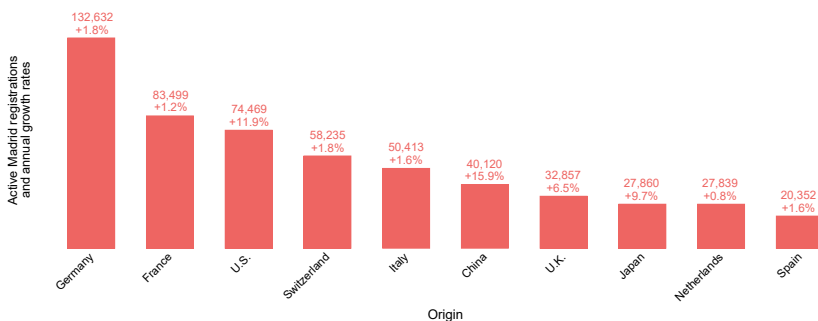
Of the 1.5 million international registrations recorded since the creation of the Madrid System, about half (741,619) remained active – that is, in force – in 2019. Totalling almost 463,400 in 2005, active Madrid registrations have increased by between about two and five percent each year subsequently. In 2019, the total number of active Madrid registrations grew by 4.6%.

***Together, holders located in just 20 countries own almost 90% of all active Madrid registrations***

Madrid registration holders domiciled in Germany owned 132,632 active registrations in 2019, followed by holders in France (83,499) and the U.S. (74,469) (figure 10). Together, holders based in the top 20 countries of origin owned almost 90% of all active Madrid registrations in 2019. Among the top 20 origins, holders from China (+15.9%), Japan (+9.7%), the Republic of Korea (-16.1%) and the U.S. (+11.9%) were the ones whose stocks of active Madrid registrations grew the most from 2018 to 2019.

**In 2019, active Madrid registrations owned by holders from Germany totaled more than 1.5 times those owned by holders from France, the next highest ranked origin.**

Figure 10 – Active international registrations for the top 10 origins, 2019



Source: WIPO Statistics Database, March 2020.

# Statistics on administration, revenue and fees

## *About 80% of Madrid international applications in 2019 were submitted to the International Bureau electronically*

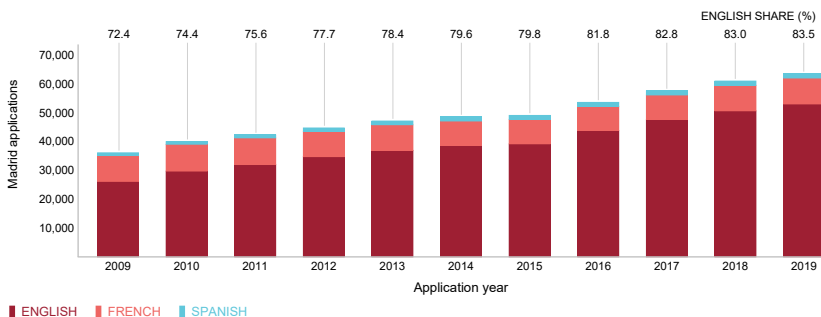
Electronic transmission was introduced in 1998, and its share of total transmissions to the International Bureau (IB) of WIPO was just 0.2% by the end of that year. Since then, the proportion of Madrid applications received electronically by the IB has increased significantly. In 2019, almost 80% of all Madrid applications were submitted to the IB electronically, up from 36.7% 10 years previously.

## *Four out of every five Madrid applications were submitted to the IB in English*

In 2019, 83.5% of Madrid applications were submitted in English, 14.1% in French and 2.4% in Spanish (figure 11). Every year since 2014, about four out of every five applications have been submitted in English. The reason for only a small proportion of applications having been submitted in Spanish since it was introduced as a filing language in 2004 is that, to date, the Madrid System includes only four Spanish-speaking countries (i.e. Colombia, Cuba, Mexico and Spain), of which Spain is the only one listed among the top 20 origins of Madrid applications.

**Every year since 2014, around four out of every five Madrid applications have been filed in English.**

Figure 11 – Trend in applications by filing language, 2009–2019



Source: WIPO Statistics Database, March 2020.

***Almost 60% of all Madrid applications received by the IB in 2019 met all formal requirements***

The IB considers irregular any Madrid application that fails to meet all formal requirements, including the classification of goods and services in accordance with the International Nice Classification. In such instances, the IB informs both the Madrid member’s office of origin and the applicant of the irregularities. Responsibility for remedying these lies with either the office of origin or the applicant, depending on the nature of the irregularity. In 2019, 58.6% of Madrid applications met all formal requirements. This does mean, however, that 41.4% contained irregularities, a considerable portion of which were classification irregularities. For every year since 2010, the share of irregularities in Madrid applications filed has exceeded 30%.

### ***Holders of Madrid registrations submitted over 80% of subsequent designations directly to WIPO***

Holders of a Madrid registration can request subsequent designation of Madrid members via their respective office or directly with the IB itself. In recent years, including 2019, holders have submitted a large majority of requests for subsequent designation directly to the IB without going via their office. The proportion of requests by holders choosing this route has grown from about 13% in 2005 to reach 81.5% of the total in 2019.

### ***Recordings of changes in ownership of Madrid registrations remain relatively low***

An international registration may change ownership following either assignment of a mark, the merger of one or more companies, a court decision, or for other reasons. Such a 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 meet the requirements necessary for holding an international registration. These include having entitlement, that is, the required connection to a Madrid member, which means being a national of, being domiciled in, or having a real and effective industrial or commercial establishment in a Madrid member's jurisdiction.

In 2019, the IB recorded approximately 17,800 changes in ownership of international registrations, which is only about 320 more than in 2018. The share of changes in ownership recorded in any given year relative to the total number of active registrations in the same year is small and has remained relatively stable over time. Only 2.4% of all active Madrid registrations changed ownership in 2019.





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