

**THE MADRID SYSTEM FOR THE
INTERNATIONAL REGISTRATION OF
MARKS**

William R. Cohrs
Exxon Mobil Corporation
Irving, Texas

Summary

The "Madrid System" provides a means for simultaneously requesting protection for a trademark in a number of countries. The process is simple administratively, with one central office, and relatively fast and inexpensive.

Countries newly adhering to the Madrid System may join either or both of two international treaties which make up the System – the original Madrid Agreement or the newer Madrid Protocol. Most new members prefer to join the Madrid Protocol, which is the more modern of the two. Japan ratified the Protocol in early 2000, Australia did so in 2001, and the United States, which never joined the Agreement, deposited its accession papers to join the Protocol in August 2003, with an effective date of participation of November 2, 2003. Recent reports are that the European Community as an entity will adhere to the Madrid Protocol, perhaps within the next year, and each of the current fifteen EC member states is already an individual member of the Agreement or the Protocol, or both.

As of October 15, 2003, seventy-four countries had adhered to either the Madrid Agreement or the Madrid Protocol, or both.

Introduction

For many trademark owners, an inexpensive procedure for the simultaneous application for registration of their marks in a number of countries is, of course, desirable. For more than 100 years, such a system, called the Madrid Agreement Concerning the International Registration of Marks ("the Madrid Agreement"), has, since April 14, 1891, allowed the nationals of the countries who were members of the Agreement to protect their trademarks, whether for goods or for services, in any or all of the other member countries. This is done by means of a single international application filed in one place, in one language, with a minimum of formalities, with one fee, paid in a single currency, and resulting in only one registration number and

one renewal date applicable to all of the countries accepting the registration. As of October 15, 2003, 54 countries were members of the Madrid Agreement. Neither the United States nor the United Kingdom has ever been a member of the Agreement.

Nearly a century after the implementation of the Madrid Agreement, on June 27, 1989, a related treaty was also adopted in Madrid -- the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. It is usually referred to as the "Madrid Protocol," which retains the same basic purposes of the Madrid Agreement and the same general procedures, but introduces certain different features and rules.

Despite their many similarities, the Madrid Agreement and the Madrid Protocol are two quite separate treaties. But because of their many similarities and because they share the same "Common Regulations," they are inextricably linked, and they are usually referred to, in combination, as the "Madrid System." More than 700,000 international registrations have been issued since 1891, of which about half are still in force. As each international registration is, on average, extended to more than 12 countries, the System currently accounts for more than 4 million trademark registrations spread over 74 countries.

Membership

When the Madrid Agreement received its final ratification and became operational in 1892, only 5 member states had joined. Over the years this number has increased to 54. Countries are still able to ratify the Agreement despite the existence of the Protocol.

When the Madrid Protocol first became operational on April 1, 1996, it had 9 members, including the UK, but by October 15, 2003, it had 61 accessions. The majority of industrialised countries are either members or committed to membership of one or both Treaties. Japan joined the Protocol in 2000, Australia in 2001, and the USA becomes an active member November 2, 2003. All European Community states are now members, and the EC itself may eventually become a member (see below). In Latin America very little enthusiasm is being shown for joining the Madrid System because membership is considered to raise serious constitutional issues. Recent actions by WIPO to make Spanish an official language of the Protocol may have some impact on future decisions to join by some countries.

There are three different types of member countries – those that have joined only the Agreement, those that have joined only the Protocol, and those that are members of both. This distinction is important, in view of the different rules that are applicable to each Treaty.

Only individual countries may become members of the Madrid Agreement, but the Protocol provides for a different type of member, namely, an international organisation having a regional Office for the purposes of registering regional marks with effect throughout the territory of the organisation. It is clear that the European Community falls within the above definition, and EC membership has been proposed, but the discussions have yet to come to fruition. The definition would also probably cover the Organisation Africaine de Propriété Industrielle ("OAPI") with its headquarters in Cameroon, but it does not include such regional groupings as: the African Regional Industrial Property Organisation ("ARIPO"), NAFTA, the Andean Pact, or MERCOSUR. The Madrid System also makes provision for the single Benelux registration system by permitting the 3 Benelux countries (Belgium, Luxembourg, and the Netherlands) to be individual members in their own right while allowing an applicant to extend an international registration to Benelux as a whole.

Procedure

The trademark for which international registration is sought must first be either registered or applied for at a trademark office in one of the member countries. Under the Agreement, the application for an international registration must be based on a **registration** in the applicant's home country, but under the Protocol an international application may also be based on an **application** in the home country. An applicant from a country which is party only to the Agreement may only designate other members of the Agreement, and the same for the Protocol.

An international registration may be applied for by (1) a national of any country belonging to the Agreement or the Protocol, as well as (2) any other natural person or legal entity (i) domiciled or (ii) having a real and effective industrial or commercial establishment, in a country belonging to either Treaty.

The whole purpose of the System is to "register" a trademark simultaneously in as many countries as the applicant chooses from the then-current list of members. So, when the international application is filed, the applicant must designate each country to which an "extension of protection" is sought. Additional countries may be designated at any time thereafter, but the effective date of such a later designation will be the date thereof. The result of the application is termed an "international registration," but in reality, it is neither a "registration" in a governmental sense nor "international" per se. The term is really a benign oxymoron. An international registration is nothing more than a series of national applications having a central point of administration. Each country in which protection is sought must accept the application for it to be effective there.

The Madrid System is run by the International Bureau of the World Intellectual Property Organisation ("WIPO") in Geneva, but a trademark owner cannot file an international application directly with WIPO. Instead, the international application is filed with the applicant's national trademark office, which sends it to Geneva after carrying out a check to certify that the details coincide with those of the national application or registration on which it is based.

WIPO gives every international application a registration date and number, publishes it in its bi-monthly Gazette, issues an international registration certificate, notifies the Offices of the designated countries, and informs the applicant's national office. An international registration lasts for 10 years and is renewable for like periods. It is important to note that WIPO examines the application only for formalities and not on absolute or relative grounds, i.e., for matters such as distinctiveness, descriptiveness, morality, or prior rights. This is left entirely to the national offices, each of which processes the international registration according to its own law and practice.

An international application may, when applicable, claim the usual 6 months priority provided for by the Paris Convention.

Refusal

When the request for extension of protection is examined by a national office, it can be refused on any of the grounds that would apply if an application had been filed directly as a national application. A refusal may,

of course, subsequently be lifted after argument or discussion between the national office and the trademark owner or its representative.

Each designated office normally has only one year to inform the applicant if the application is going to be refused, and the time limit is calculated from the date on which the designation has been notified by the International Bureau to the national office concerned. Under the Protocol, however, any country may, when ratifying the Protocol, make a declaration that the one-year time limit is extended to 18 months, or even beyond 18 months when the refusal may result from an opposition. Twenty-seven have done so. Consequently, the examination period of an international registration remains at 12 months (or less) in the majority of the 74 Madrid System countries, and in the majority of the 61 Protocol countries. If there is no refusal, the application is accepted in that country, and the mark receives all the benefits of protection that would be afforded by a national registration.

Fees

In theory, fees are paid by an applicant directly to WIPO in Geneva in Swiss Francs, and most countries also request applicants to pay an additional "handling" charge. There are two different fee structures for obtaining an international registration. The standard fee structure is the same under the Protocol as under the Agreement, namely a "basic" fee, to cover the expenses of the International Bureau (653 Swiss Francs, or about \$500); a "complementary" fee payable for each country designated (73 Swiss Francs, or about \$55); and a "supplementary" fee for each class of goods or services beyond three (again, 73 Swiss Francs, or about \$55). Once every year the cumulative amounts paid in complementary and supplementary fees is distributed among the member states in proportion to the number of designations that have been made to each of them.

The other fee structure is available only under the Protocol. This provides that a member country may, instead of receiving the complementary fee referred to above, elect to receive an "individual" fee for each designation made. It fixes the amount of the individual fee itself, but this cannot be higher than the equivalent of the amount that said country's national office would be entitled to receive from a national applicant for a ten-year registration in the same number of classes. In these circumstances the fees are paid by WIPO directly to the national offices, and there is no sharing in

the apportionment of the complementary and supplementary fees. Twenty-six countries (out of 61) have currently opted for the individual fee system.

See the Appendix for a link to an online fee calculator on WIPO's web site.

Languages

One of the problems countries such as the US and UK had with the Madrid Agreement was that the only working language for communications to or from WIPO was and is French. Under the Protocol, however, two working languages, English and French, were provided for, and Spanish has recently been approved as an official language.

The addition of Spanish may have political implications, however, because other member states will surely be tempted to demand equal treatment for their own languages, and the end result could be a substantial increase in WIPO's administrative costs of processing applications for international registration.

Effect

An international registration enjoys, in each of the countries designated, the same protection as if the mark had been filed directly in that country, provided no refusal is notified within the prescribed period of 12 or 18 months (as the case may be) or, if a refusal is notified but subsequently withdrawn.

Dependency, Central Attack and Transformation

Another issue of concern under the Madrid Agreement has been "central attack." During its first five years of life, the international registration is linked with, and is totally dependent on, the fate of the basic national registration on which it is based. If, during those five years, the basic registration lapses, is withdrawn, is revoked, is cancelled, or is invalidated for all or some of the goods and services, the international registration is similarly affected in all of its designated countries.

Anyone with an earlier conflicting mark desiring to attack the international registration may do so by attacking the basic registration. This is generally referred to as a "central attack" because it is an attack on the central

foundation stone of the international registration. If it is successful, the international registration will be cancelled, or partially cancelled, in every designated country as the result of this one single action directed centrally against the basic national registration, even though the grounds or the circumstances that led to it might not exist or be relevant in any or all of the designated countries. In the year 2000, only 140 international registrations were canceled (in whole or in part) as a result of central attack, while nearly 23,000 international registrations were effected.

This potentially disastrous type of central attack remains a feature of the Madrid Agreement, but under the Protocol the result is not so dramatic. In the event of a successful central attack on the basic home registration and the subsequent cancellation of the international registration, a Protocol registration may be "transformed" into a series of national applications in the designated countries (but not the home country), all of which will retain the original filing date (i.e., the international registration date) and any priority claimed. Transformation must be effected within three months from the date on which the international registration is cancelled, and the goods and services listed in the national applications must be no broader than the goods and services contained in the international registration. The national applications resulting from this transformation are then subject to a further examination under the national laws or rules pertaining to the country concerned. In itself, transformation does not require the payment of any new fees to WIPO, but the applicant will have to pay a national application fee (and attorneys/agents' fees) in each of the countries in which the international registration is transformed. In practice, transformation requests are rather rare.

Assignment

The whole of the international registration may be assigned to a third party, or partially assigned to several different third parties, provided each assignee qualifies to be the owner of an international registration by virtue of being a national of, or having domicile or a real and effective industrial or commercial establishment in, a country in the Madrid System. A registration under the Agreement may be assigned only to an assignee of an "Agreement country" and a Protocol registration, likewise, may be assigned only to an assignee of a Protocol country.

Pros and Cons of the Protocol

The Madrid Protocol has some advantages and some disadvantages for trademark owners, as well as for their representatives or attorneys.

Under the Protocol **trademark owners**, whether they are multinationals or small or medium sized enterprises, and whether they come from a developed or a developing country –

- have access to a simplified procedure for the registration of their trade marks, namely ONE application in ONE place with ONE set of documents in ONE language with ONE fee in ONE currency resulting in ONE registration with ONE number and ONE renewal date covering all the countries in which the registration is effective;
- will get an expedited examination (12-18 months);
- have to pay much lower overall registration costs;
- will also probably increase the overall number of countries in which a particular trademark is protected, because of the relative simplicity of the Protocol registration procedure (it being easy just to check a box on the application form) and the relative cheapness;
- may make applications in either English or French and, if neither is their natural language, they may find, on the very rare occasions that they might have to communicate directly with WIPO, that WIPO has the capacity to entertain general correspondence in a variety of languages, but WIPO does nothing to encourage this. In fact most owners entrust the processing of their trademark applications to firms of local attorneys who will usually be proficient in an international language such as English; and
- can use the system to obtain protection quicker than by filing directly, especially in some underdeveloped countries.

But on the other hand, US trademark owners –

- will find their foreign designations limited to the very precise list of

goods and services for which their trademark is protected in the US;

- may need to appoint local counsel if problems are encountered in any country, which could add to the expense (but of course this applies equally to an application filed nationally).

More applications mean an increased workload for the national office, which means more objections, all of which leads to more work for the **attorneys**. So, although attorneys may suffer from a reduction in filing instructions from foreign clients, they will probably find they have an increase in their international work, and thus almost certainly an increase in their litigation workload.

They will also find that there is an increase in oppositions, in assignments, and in licensing and franchising work, and it is a requirement of most national trademark laws that a local attorney must be appointed in the event of an objection, opposition, cancellation or revocation of the designation of an international registration.

Attorneys in those countries that are now members of the Protocol, but which were not previously members of the Madrid Agreement, report that their work has not decreased as a result of joining the Protocol although it may have changed in character. In general therefore attorneys have little to fear from the Madrid Protocol.

APPENDIX

1. A **list of the countries** which had ratified either the Madrid Agreement or the Madrid Protocol at October 15, 2003 is attached. This is taken from a WIPO website which is regularly updated and which can be viewed at "www.wipo.int/madrid/en" -- then click on "Overview."
2. Other information relating to the Madrid System, including the texts of the Agreement, the Protocol, and the Common Regulations, can be

found at the following addresses: "www.wipo.int/madrid/en" -- then click on "Legal Texts."

3. WIPO's **fee calculator** is found at: www.wipo.int/madrid/en -- then click on "Fee Calculator."

5. Madrid Agreement Concerning the International Registration of Marks

Madrid Agreement (Marks) (1891), revised at Brussels (1900), Washington (1911),
The Hague (1925), London (1934), Nice (1957) and Stockholm (1967), and amended in 1979

and

Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks

Madrid Protocol (1989)

(Madrid Union)ⁱ

Status on October 15, 2003

State	Date on which State became party to the Madrid Agreement ⁱⁱ	Date on which State became party to the Madrid Protocol (1989)
Albania.....	October 4, 1995	July 30, 2003
Algeria.....	July 5, 1972	—
Antigua and Barbuda.....	—	March 17, 2000
Armenia.....	December 25, 1991	October 19, 2000 ^{vi,x}
Australia.....	—	July 11, 2001 ^{v,vi}
Austria.....	January 1, 1909	April 13, 1999
Azerbaijan.....	December 25, 1995	—
Belarus.....	December 25, 1991	January 18, 2002 ^{vi,x}
Belgium.....	July 15, 1892 ⁱⁱⁱ	April 1, 1998 ^{iii,vi}
Bhutan.....	August 4, 2000	August 4, 2000
Bosnia and Herzegovina.....	March 1, 1992	—
Bulgaria.....	August 1, 1985	October 2, 2001 ^{vi,x}
China.....	October 4, 1989 ^{iv}	December 1, 1995 ^{iv,v,vi}
Croatia.....	October 8, 1991	—
Cuba.....	December 6, 1989	December 26, 1995
Cyprus.....	November 4, 2003	November 4, 2003
Czech Republic.....	January 1, 1993	September 25, 1996
Democratic People's Republic of Korea.....	June 10, 1980	October 3, 1996
Denmark.....	—	February 13, 1996 ^{v,vi,vii}
Egypt.....	July 1, 1952	—
Estonia.....	—	November 18, 1998 ^{v,vi,ix}
Finland.....	—	April 1, 1996 ^{v,vi}
France.....	July 15, 1892 ^{viii}	November 7, 1997 ^{viii}
Georgia.....	—	August 20, 1998 ^{vi,x}
Germany.....	December 1, 1922	March 20, 1996
Greece.....	—	August 10, 2000 ^{vi,x}
Hungary.....	January 1, 1909	October 3, 1997 ^{ix}
Iceland.....	—	April 15, 1997 ^{vi,x}
Iran (Islamic Republic of).....	December 25, 2003	December 25, 2003
Ireland.....	—	October 19, 2001 ^{v,vi}
Italy.....	October 15, 1894	April 17, 2000 ^{v,vi}
Japan.....	—	March 14, 2000 ^{vi,x}
Kazakhstan.....	December 25, 1991	—
Kenya.....	June 26, 1998	June 26, 1998 ^v
Kyrgyzstan.....	December 25, 1991	—
Latvia.....	January 1, 1995	January 5, 2000
Lesotho.....	February 12, 1999	February 12, 1999
Liberia.....	December 25, 1995	—
Liechtenstein.....	July 14, 1933	March 17, 1998
Lithuania.....	—	November 15, 1997 ^v
Luxembourg.....	September 1, 1924 ⁱⁱⁱ	April 1, 1998 ^{iii,vi}
Monaco.....	April 29, 1956	September 27, 1996

State	Date on which State became party to the Madrid Agreement ⁱⁱ	Date on which State became party to the Madrid Protocol (1989)
Mongolia.....	April 21, 1985	June 16, 2001
Morocco.....	July 30, 1917	October 8, 1999
Mozambique.....	October 7, 1998	October 7, 1998
Netherlands.....	March 1, 1893 ^{iii,xi}	April 1, 1998 ^{iii,vi,xi}
Norway.....	–	March 29, 1996 ^{v,vi}
Poland.....	March 18, 1991	March 4, 1997 ^x
Portugal.....	October 31, 1893	March 20, 1997
Republic of Korea.....	–	April 10, 2003 ^{v,vi}
Republic of Moldova.....	December 25, 1991	December 1, 1997 ^{vi}
Romania.....	October 6, 1920	July 28, 1998
Russian Federation.....	July 1, 1976 ⁱⁱ	June 10, 1997
San Marino.....	September 25, 1960	–
Serbia and Montenegro.....	April 27, 1992	February 17, 1998
Sierra Leone.....	June 17, 1997	December 28, 1999
Singapore.....	–	October 31, 2000 ^{v,vi}
Slovakia.....	January 1, 1993	September 13, 1997 ^x
Slovenia.....	June 25, 1991	March 12, 1998
Spain.....	July 15, 1892	December 1, 1995
Sudan.....	May 16, 1984	–
Swaziland.....	December 14, 1998	December 14, 1998
Sweden.....	–	December 1, 1995 ^{v,vi}
Switzerland.....	July 15, 1892	May 1, 1997 ^{vi, x}
Tajikistan.....	December 25, 1991	–
The former Yugoslav Republic of Macedonia.....	September 8, 1991	August 30, 2002
Turkey.....	–	January 1, 1999 ^{ix, x}
Turkmenistan.....	–	September 28, 1999 ^{vi,x}
Ukraine.....	December 25, 1991	December 29, 2000 ^{v,vi}
United Kingdom.....	–	December 1, 1995 ^{v,vi,xiii}
United States of America.....	–	November 2, 2003 ^{v,vi}
Uzbekistan.....	December 25, 1991	–
Viet Nam.....	March 8, 1949	–
Zambia.....	–	November 15, 2001
(Total: 74 States)	(54)	(61)

ⁱ The Madrid Union is composed of the States party to the Madrid Agreement and the Contracting Parties to the Madrid Protocol.

ⁱⁱ All the States party to the Madrid Agreement have declared, under Article 3*bis* of the Nice or Stockholm Act, that the protection arising from international registration shall not extend to them unless the proprietor of the mark so requests.

ⁱⁱⁱ The territories of Belgium, Luxembourg and the Kingdom of the Netherlands in Europe are to be deemed a single country, for the application of the Madrid Agreement as from January 1, 1971, and for the application of the Protocol as from April 1, 1998.

^{iv} Not applicable to either the Hong Kong Special Administrative Region or the Macau Special Administrative Region.

^v In accordance with Article 5(2)(b) and (c) of the Protocol, this Contracting Party has declared that the time limit to notify a refusal of protection shall be 18 months and that, where a refusal of protection results from an opposition to the granting of protection, such refusal may be notified after the expiry of the 18-month time limit.

^{vi} In accordance with Article 8(7)(a) of the Protocol, this Contracting Party has declared that, in connection with each request for territorial extension to it of the protection of an international registration and the renewal of any such international registration, it wants to receive, instead of a share in the revenue produced by the supplementary and complementary fee, an individual fee. As regards the Kingdom of the Netherlands, such a declaration was made only in respect of the Kingdom in Europe, not in respect of the Netherlands Antilles.

^{vii} Not applicable to the Faroe Islands and to Greenland.

^{viii} Including all Overseas Departments and Territories.

^{ix} In accordance with Article 14(5) of the Protocol, this Contracting Party has declared that the protection resulting from any international registration effected under this Protocol before the date of entry into force of this Protocol with respect to it cannot be extended to it.

^x In accordance with Article 5(2)(b) of the Protocol, this Contracting Party has declared that the time limit to notify a refusal of protection shall be 18 months.

^{xi} The instrument of ratification of the Stockholm Act and the instrument of acceptance of the Protocol were deposited for the Kingdom in Europe. The Netherlands extended the application of the Madrid Protocol to the Netherlands Antilles with effect from April 28, 2003.

^{xii} Date of accession by the Soviet Union, continued by the Russian Federation as from December 25, 1991.

^{xiii} Ratification in respect of the United Kingdom and the Isle of Man.