

Sponsored by



Licensing Executives Society
(U.S.A. and Canada), Inc.



NYSE Euronext



THOMSON REUTERS

IP Value 2011

How best to utilise the Madrid Protocol
Kuhnen & Wacker

Part of The IP Media Group



Published by Globe White Page, publishers of *Intellectual Asset Management* magazine

iam

International

How best to utilise the Madrid Protocol

International enterprises are often confronted with the question of how to obtain international protection for trademarks while keeping work and costs reasonable. In general, applying for single national trademarks in various countries is not the best way to proceed, as the time and effort spent over administration and the costs involved are disproportionately high. In most cases, an international registration is by far the most attractive option. This chapter discusses the system for international registrations, as well as the advantages and limitations of this system.

Background

International registrations are regulated by the so-called Madrid system, which consists of the Madrid Agreement Concerning the International Registration of Marks, as well as the Protocol on the International Registration of Marks. The Madrid Agreement and the Madrid Protocol are independent and co-existing contracts which together constitute a closed system for the international registration of trademarks. The Madrid system is administrated by the International Bureau of the World Intellectual Property Organisation (WIPO) in Geneva, Switzerland. Thanks to the international procedural mechanism, the Madrid system offers a rights holder the possibility of protecting its mark in several countries simply by filing one application with its own national or regional trademark office. An international mark registered in this way is equivalent to an application or registration of the same mark effected directly in each of the countries designated by the applicant. If the trademark office of a designated country does not refuse protection within a specified period, the mark will be protected in the same way as if it had been registered by that office.

The Madrid system thus replaces the previous system of having to file cumbersome and expensive parallel applications with a multitude of national trademark offices. It simplifies and reduces the formalities of trademark protection compared to a multitude of

national trademark applications (with different procedures and prerequisites). The practicability of having one single application also continues after the mark is registered, through flexible handling of any further procedures and the mark's administration. For example, it is possible to extend the territorial protection of an internationally registered mark to any additional contractual countries after its registration.

Moreover, it is possible to register amendments, such as assignments or renewals, through one single petition, and such petitions need not be filed separately for all countries claimed. The Madrid Protocol is widely acclaimed as being advantageous for rights holders. As many commentators have pointed out, the protocol enables rights holders to file a single international application for each mark without the need for foreign counsel and without any legal authentication of documents or translation requirements. In addition to the considerable costs thus saved for rights holders, this takes less time and administrative work compared to administering a multitude of single national marks with different durations of protection abroad.

The Madrid Agreement and Madrid Protocol both have legal regulations of their own which regulate the prerequisites for the application and subsequent protection. The question of whether the application for an international registration will be carried out according to the regulations of the agreement and/or the protocol depends on whether the countries in which protection is sought are members of the agreement and/or the protocol. At present, 85 countries are members of the Madrid system. The list of member countries is available at www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf.

In practice, the protocol is of far more relevance and interest. This is because it introduced a number of changes to the Madrid system which significantly enhanced its usefulness to rights holders. For example, under the protocol it is possible to obtain an international registration based on a pending trademark

application, so that a trademark owner can effectively apply for international registration concurrently with or immediately after filing an application in a member jurisdiction. By comparison, the agreement requires the rights holder to hold an existing registration in a member jurisdiction, which often takes months and sometimes years to obtain.

Peculiarities, advantages and limitations

With the long-awaited accession to the protocol of the United States in 2003 and the European Union in 2004, two of the largest economic markets worldwide are now part of the Madrid system. The importance of international registrations has increased accordingly and international registrations can now easily be extended to the United States and/or the European Union. However, there are many aspects that should be noted in order to utilise the protocol in the most effective way.

Dependency of an international registration on its basic mark

The prerequisite for an international registration is a so-called 'basic mark'. This is generally a national trademark valid in the country in which the rights holder is domiciled or has its place of business. An international registration depends on the basic mark for the first five years of the latter's existence. If the basic mark is cancelled, the international registration will also be cancelled, along with any protection claimed in other countries. The purpose of this regulation is to allow third parties to claim their rights against an international registration through a central attack on the basic mark. It also makes attacks against the mark in each single country in which protection is being claimed unnecessary. If the basic mark is the subject of a waiver, withdrawal, objection, cancellation or declaration of nullity, the protection of the international registration can no longer be claimed.

However, the danger of losing the right is minimised by the fact that the protocol allows rights holders to convert the trademark protection resulting from an international registration that was cancelled within this five-year term into national trademark applications. However, such a conversion means that the application will be confronted with many national trademark applications; therefore, it is essential that rights holders appoint national representation before the national offices.

Community trademarks in the Madrid System

With the European Union's accession to the protocol it has also become possible to use a Community trademark as a basic mark for an international registration. However,

as mentioned before, there is a five-year dependency between the basic mark and the international registration. This makes the choice of a Community trademark as a basic mark quite risky. Although it would be possible to save costs in view of the lack of the requirement of a national registration, this option must be carefully considered. One must bear in mind that Community trademarks are subject to potential objections in not only one country, but (presently) 27 countries, which could overthrow the whole international registration. Therefore, it is recommended that Community trademarks be used only as a basic mark if the mark can be considered safe (eg, the opposition period and final registration period have expired).

In addition, the European Union's accession to the protocol made it possible to claim the European Union within an international registration. Therefore, it is no longer necessary to file an application with the Office for Harmonisation in the Internal Market (OHIM), the relevant office for Community trademarks. In addition to this administrative advantage, claiming a Community trademark within an international registration offers further advantages with regard to the 'direct' application of a Community trademark. As well as saving costs against the application of a separate Community trademark with OHIM, the so-called 'opt-back' provision should be mentioned here. This allows the possibility of requesting a conversion by subsequently claiming a single EU member state of the Madrid system in case the Community trademark collapses. Thus, the Community trademark is simply divided up within the international registration and is split into national country designations within the international registration. The single (converted) designated countries thus remain a part of the international registration. By choosing this option, the applicant can safeguard the protection of the international registration in the EU member states and, at the same time, claim the administrative advantages of the international registration. This is not possible in the case of an application for a single Community trademark as, if unresolvable problems occur in one EU member state, the application can be converted only into national trademark applications (in view of the remaining EU member states).

Choosing the basic mark

In most cases, a national mark originating from the applicant's home country forms the basic mark for an international registration. However, the protocol offers good alternatives – especially to enterprises that are active worldwide – if there are problems with trademark protection, particularly in the home country. The basic

mark can be any national mark, with the prerequisite that the applicant must be domiciled in that country or have a place of business there. Therefore, the applicant can resort to a country in which the mark to be applied for is already legally valid and potential problems are unlikely. Thus, potential competitors can be forestalled and existing trademark conflicts can be adeptly circumvented.

Language and coverage

Under the agreement, applications for international registrations can be filed only in French. Under the protocol, in addition to French, applications may be filed in English or Spanish. The recognition of English and Spanish as official languages has removed a key barrier to entry for many countries. As some commentators have observed, the inclusion of English and Spanish is particularly attractive to smaller and medium-sized firms that may lack the resources to pursue even a single application in French under the agreement. It also creates incentives for the United States and many Latin American countries to access the Madrid system.

Registration versus application

As mentioned earlier, the protocol eliminates the requirement of home registration under the agreement. According to the agreement, in order to be eligible for international registration, the proposed trademark must be registered in its country of origin in the first place. The protocol provides that an international registration may also be based solely on a home country application. In the other words, the Madrid Protocol requires only the filing of a trademark application, not a granted registration at the member state's trademark office ('the office of origin'). This means that applicants for international registrations need no longer wait until the office of origin completes its examination, but may file for an international application on the same day they lodge their domestic application at the office of origin. This enables applicants to obtain international protection even before using the trademark anywhere in or outside their home country.

Domestic law still applicable

The registrability of an international registration through the Madrid system is eventually subject to each member state's domestic law. When an international application is filed with WIPO, it is not WIPO but the trademark office of each member state that will eventually decide whether the proposed trademark is registrable. If some states find that a trademark is unregistrable, other states may still grant protection to that mark. In addition, the genuine use of a mark in one member state does not constitute use in any other member states.

Further, WIPO does not, in fact, issue a single trademark registration which is enforceable in multiple jurisdictions. There is no unified enforcement mechanism for protecting international registrations as protection, if granted, is still subject to each member state's domestic law. Lastly, as mentioned above, there are a number of other limitations, such as home application requirements and central attack rule. These all prevent the Madrid Protocol from representing a truly international right.

Conclusion

The Madrid system has served as an important mechanism for international trademark registrations. The protocol introduced a number of important innovations to the Madrid system and is a significant step towards a truly unified international trademark registration system. The recent amendments to the protocol have further reinforced the key principles of the Madrid system.

When applicants lodge their international trademark applications through the Madrid system or when attorneys advise their clients, they should have a sound understanding of both the advantages and limitations of the current Madrid system. They should keep up to date with the latest developments and try to take best advantage of the system and minimise risks to their international applications by being aware of existing limitations. Only with consideration of all possibilities offered by the Madrid system and familiarity with all limitations will it be possible to get the most out of international registrations.



Christian Thomas
Associate attorney
Christian.Thomas@patentfirm.de
Kuhnen & Wacker
Germany

Christian Thomas is an associate attorney with the IP law firm Kuhnen & Wacker in Germany. He specialises in IP-related litigation and prosecution (in particular, trademark, internet, unfair competition, design and product piracy). Dr Thomas studied law at Ludwig-Maximilians-University in Munich and joined the Munich Bar Association in 2005. He was awarded his PhD from the University of Salzburg. Before joining Kuhnen & Wacker, Dr Thomas worked for a law firm in Australia. He frequently lectures and writes on IP-related matters.

Kuhnen & Wacker
Intellectual Property Law Firm
Prinz-Ludwig-Straße 40 A
85354 Freising
Germany
Tel +49 8161 608 0
Fax +49 8161 608 100
Web www.kuhnen-wacker.com

