

## **Working Guidelines**

by Thierry CALAME, Reporter General,  
Sarah MATHESON and John OSHA, Deputy Reporters General,  
Sara ULFSDOTTER, Anne Marie VERSCHUUR and Kazuhiko YOSHIDA,  
Assistants to the Reporter General

### **Q239**

#### **The basic mark requirement under the Madrid System**

##### **Introduction**

- 1) This Working Question concerns the basic mark requirement under the Madrid System. In short, the basic mark requirement requires a basic registration or application in the country of origin following which other parties to the system can be designated as part of an international registration.
- 2) There are great differences of opinion about the basic mark requirement under the Madrid System. Some strongly support abolishing it, while others do not consider this a realistic or desirable option. Some propose to explore potential alternatives
- 3) A WIPO working group (the "*Working Group on the Legal Development of the Madrid System for the International Registration of Marks*") has been meeting regularly since 2000 to discuss the development of the Madrid System, including the basic mark requirement (see [http://www.wipo.int/meetings/en/topic.jsp?group\\_id=147&items=10](http://www.wipo.int/meetings/en/topic.jsp?group_id=147&items=10)).
- 4) End of 2011, AIPPI received a request from Marques (a European association representing the interests of trade mark owners) to provide its position on the basic mark requirement and its potential abolishment. In its recommendation to the Bureau from 22 May 2012, the Trademark Committee (Q212) did not support the option of abolishment, but recommended to further study the basic mark requirement as part of a new working question, which led to the present working question.

##### **Previous work of AIPPI**

- 5) AIPPI has previously studied aspects of the topic of this Working Question and the Madrid System:
  - at the Brussels Congress in 1910, AIPPI adopted a resolution stipulating that not only a basic registration, but also a basic application in the country of origin should suffice (*Annuaire* (1910), p. 143 ff.);
  - at the The Hague Congress in 1947, AIPPI approved the idea of territorial limitation of international registrations (which were at the time automatically extended to all contracting states) (*Annuaire* (1947), p. 87-88);

- at the Madrid ExCo in 1970, AIPPI adopted a resolution (Q52, "*Possible revision of the Madrid Agreement concerning the international registration of trade marks*"), considering it not expedient at the time to decide on the question of independence of the international registration with regard to the national registration of origin, and approving several proposed revisions of the Madrid Agreement, among other things concerning territorial limitation; after this, several further meetings followed on Q52:

in Leningrad (1971), the Council of Presidents took the position that there should be a new, independent treaty based on the principle of independence with a system of direct registration, provided there would be (i) a central attack possibility and (ii) a facultative option of channeling international applications through the national administration;

in Cannes (1972), the Council of Presidents discussed a draft of the Trademark Registration Treaty ("TRT") and, among other things, (i) noting that it was divided on the principle of the institution of a central attack, instructed the Special Committee to continue the search for a solution; and (ii) supported permitting the option for an international application to be filed through a national office, it being understood that such may never be an obligation;

at the Mexico Congress (1972), AIPPI concluded among other things that (i) the TRT system is inherently difficult to reconcile with any central attack method and (ii) it opposes, as being inconsistent with the basic TRT principle of direct and independent filing with the International Bureau of WIPO, the inclusion of options allowing member states to impose the obligation to file or register first in their own countries;

- at the Rio de Janeiro ExCo (1985), AIPPI adopted a resolution (Q88, "*International registration of marks*") to continue to study the detailed implications of a new international registration system, noting among other things that (i) there are different ways of achieving such (e.g. a modification of the Madrid Agreement, a revival of the TRT or a new treaty), (ii) a new system might be more attractive if it e.g. provides the option to base an international registration not only on a home registration but also upon an application and (iii) the subject of limited time dependency (central attack) should be studied further; after this, several further meetings followed on Q88:

at the London Congress (1986), AIPPI resolved to continue the study of all solutions which could result in a more universal system for the international registration of marks, referring to two draft Protocols to the Madrid Agreement and noting among other things that (i) it confirmed the Rio de Janeiro resolution that it must be possible to base an international registration not only on a home registration but also on a home application, (ii) an international registration should continue to be made through the national office of the home country, (iii) some countries (such as Australia, Canada, Finland, Israel, Japan and the USA) are of the opinion that no national basis should be required and (iv) a system of transformation would create difficulties, even though it might ease some of the difficulties of the central attack system;

at the Amsterdam ExCo (1989), AIPPI adopted a resolution (i) confirming the London resolution that an application in the country of

origin can be the basis for an international registration and (ii) repeating the reservations made at the London Congress regarding the concept of transformation, but also considering that the concept might alleviate the consequences of a central attack.

- 6) Moreover, the Trademark Committee concluded in its aforementioned recommendation from 22 May 2012:
- a) AIPPI shall not support the conclusions of the MARQUES' Paper (available at <http://www.marques.org/PositionPapers/>, titled "*MARQUES' Review of the Norwegian Proposal: Should the basic mark requirement be abolished in the Madrid System?*"), which conclusions are, in short, that Marques (i) supports the Norwegian proposal on the abolition of the basic mark requirement for the Madrid System, (ii) favours further discussion of the Norwegian proposal, because the advantages of abolition would highly benefit the trademark protection system and its users, while none of the discussed disadvantages seems justified or provable and (iii) does not see a need to replace the central attack provision by any measure with a similar effect;
  - b) AIPPI shall not support the Norwegian fall back proposal regarding "freezing the application of the five year dependence clause", which entails that international registrations recorded after the effective date of the freeze would be independent from the basic mark;
  - c) It is recognised, however, that the basic mark requirement is a complex issue and its discussion has merit. Therefore, it is recommended that AIPPI further study the details and consequences of the proposed changes to the Madrid system in regards to the basic mark requirement as a part of a new working question;
  - d) In addition, AIPPI may also consider the basic mark requirement under the aspect of necessary transliterations and transcriptions, if a certain mark is intended to be used and protected in zones with different writing systems.

## Discussion

- 7) The basic mark requirement requires a basic registration in the country of origin following which other countries can be designated as part of an international registration. If the Protocol Relating to the Madrid Agreement concerning the International Registration of Marks (the "Protocol") applies, also a basic application suffices.
- 8) For a period of five years from the date of the international registration, the registration remains dependent on the basic mark, meaning that its protection cannot be invoked if the basic mark no longer enjoys protection – either because it ceases to have effect because of e.g. a withdrawal, or because of a successful third party action (the so-called "central attack"); see Article 6(2) and 6(3) Madrid Agreement concerning the International Registration of Marks (the "Madrid Agreement") and Article 6(2) and 6(3) of the Protocol.
- 9) If the Protocol applies, there is a "transformation option": following a successful central attack, the international mark may be converted (transformed) into national or regional marks (art. 9quinquies Protocol).

## History

- 10) Historically, it seems that generally foreigners required a registration in their country of origin before qualifying for a registration elsewhere (see S.P. Ladas, *Patents, trademarks and related rights. National and International protection. Volume I* (Cambridge, MA, 1975), p. 36).
- 11) In any event, the history of the present system of international trademark registrations is long and goes back to the last quarter of the 19<sup>th</sup> century. In 1891, after the Madrid Conference of 1890, this resulted in a signed Arrangement; notably, the original Swiss proposal for direct applications to the International Bureau of WIPO was abandoned in favour of the Italian proposal for an application to be made through the national trademark office of the country of origin. International registrations were extended to all contracting countries. At subsequent conferences, several changes followed (S.P. Ladas, *Patents, trademarks and related rights. National and International protection. Volume II* (Cambridge, MA, 1975), p. 1424-1426).
- 12) At the London Conference in 1934, the Dutch delegation questioned the automatic extension to all contracting countries, and at its 1947 Congress, AIPPI supported the idea of territorial limitation. A new (additional) system was then considered, which would enable a direct trademark application to the Bureau. This proposal however had some disadvantages (it e.g. did not offer the applicant the advantage of dealing with a national office through a local attorney), and in any event there was not much interest, so the idea was abandoned (S.P. Ladas, *Patents, trademarks and related rights. National and International protection. Volume II* (Cambridge, MA, 1975), p. 1428-1429)
- 13) The five-year dependency was the result of a compromise at the Conference in Nice in 1957: some delegations took the position that in exchange for the extension of a trademark by a single act to other countries it should also be possible to cancel such by a single act, while others found that international registrations should be independent of the registration in the country of origin. As a compromise, dependency for a certain period of time was decided on, the outcome being five years (after proposals ranging from three to seven years) (see S.P. Ladas, *Patents, trademarks and related rights. National and International protection. Volume II* (Cambridge, MA, 1975), p. 1430, 1457).
- 14) Discussion on the system however continued, which seems to have resulted in the Trademark Registration Treaty (TRT), adopted in Vienna in 1973. This treaty does not contain a basic mark requirement and provides for direct filing at a central international register. Information on this treaty which was extensively discussed by AIPPI in the context of Q58 (see above para. 5) is somewhat difficult to find ([http://en.wikipedia.org/wiki/Madrid\\_system](http://en.wikipedia.org/wiki/Madrid_system) provides some information). Since its inception, only few countries have acceded to the TRT (namely Burkina Faso, Congo, Gabon, the Soviet Union and Togo).
- 15) The Madrid Protocol, which was adopted in 1989 and included the aforementioned transformation option as well as the option to use an application as basis for an international trademark, was however a success.

## Support for abolishment of basic mark requirement and central attack

- 16) Some strongly support the abolishment of the basic mark requirement and the central attack. For example, in some countries with a restrictive examination practice, it is hard to obtain a registration for a basic mark, thus blocking a party from access to the

Madrid System even though the mark might be admitted readily in many other jurisdictions. Further, the effect of the central attack may be considered excessive where its effect extends to countries in which the owner making the central attack has no rights at all. Also, simplification and cost benefits are cited, and reference is made to the system of international designs, where no "basic design" is required.

#### Objections against abolishment of basic mark requirement and central attack

- 17) On the other hand, others consider that abolishing the basic mark requirement (and the central attack linked to it) may not be a realistic option and could pose more problems than it might resolve. They point to the need to review the reasons why similar proposals did not succeed. The basic mark requirement is arguably part of a balanced system that permits an applicant to make a first contact with the national trademark office before the mark is extended at an international level, while the basic mark requirement also has value in relation to the examination procedure. The central attack possibility is an efficient tool for trademark owners, its supporters say, while there is moreover a transformation option when the Protocol applies. More in general it is noted that a well working system should not be abolished lightly in favour of an uncertain alternative (both in terms of efficiency and costs).

#### Complications

- 18) A potential abolishment of the basic mark requirement is more complex than it may look at first glance. Firstly, a new system must be designed dealing with e.g. the following issues. Should any national registration (or application) qualify as a basic registration? Or should there be new central filing at WIPO with WIPO functioning as a mailbox receiving applications and forwarding those to the designated jurisdictions for examination? Or yet another option, should WIPO even take care of the examination in which case harmonisation of the test to be applied will be necessary?
- 19) In addition, it will be necessary to consider the basic mark requirement in the context of necessary translations, transliterations and transcriptions if countries with different writing systems are involved. The Madrid System is cost efficient as long as the mark is used and registered in one representation (Latin, Kanji, Chinese, etc.) in all countries at issue. Should an owner however intend to use and register a mark in different jurisdictions which use different written representations, there are not only cost issues (e.g. a trademark owner may need to register a basic registration in Latin words in China while they only wish to use the mark elsewhere), but also issues of genuine use of the several versions of the mark in question.

#### Potential changes to the current system

- 20) If the dependency of an international registration on the basic mark during a certain period is seen as a reasonable system balancing the different interests at stake, there may be support for reducing the dependency period (from 5 years to e.g. 3 years) to mitigate uncertainty arising from the availability of the central attack. Alternatively, there may be support for restricting the effect of the central attack to countries in which the owner of the basic mark has senior rights (which even if the Protocol applies would make a difference because it would shift the action required away from the trademark owner).

#### WIPO Working Group

- 21) The WIPO Working Group on the Legal Development of the Madrid System for the International Registration of Marks *"discussed and ruled out the possibility of eliminating the features of the basic mark and the impact of ceasing of effect and*

*central attack on the international registration – not least because such an undertaking would require the convocation of a diplomatic conference to amend the treaties.*" (see "Information concerning ceasing of effect, central attack and transformation" dated August 22, 2013, paragraph 20, available at [http://www.wipo.int/edocs/mdocs/madrid/en/mm\\_id\\_wg\\_11/mm\\_id\\_wg\\_11\\_4.pdf](http://www.wipo.int/edocs/mdocs/madrid/en/mm_id_wg_11/mm_id_wg_11_4.pdf)).

- 22) However, information collected by the Working Group on the central attack indicates that it is a tool not used often which leads it to conclude that its abolishment might not have a significant effect. The Working Group is now looking into a potential alternative to the formal modification of provisions on ceasing effect, namely the freezing of the operation of the dependency principle, which was discussed by the Working Group in its 11th session (see the link included above under 21) and was on the agenda for further discussion in a meeting on October 30 - November 1, 2013 (check [http://www.wipo.int/meetings/en/details.jsp?meeting\\_id=29762](http://www.wipo.int/meetings/en/details.jsp?meeting_id=29762) for the relevant information and updates).

## Questions

The Groups are invited to answer the following questions under their national laws. If both national and regional laws apply to a set of questions, please answer the question separately for each set of laws.

***Please number your answers with the same numbers used for the corresponding questions.***

### I. Current law and practice

- 1) Is your country party to (i) the Madrid Agreement Concerning the International Registration of Marks, (ii) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks and/or (iii) the Trademark Registration Treaty?
- 2)
  - a) To the extent it can be established<sup>1</sup>, in how many published cases was a central attack used in the past ten years in your country?
  - b) If these cases contain important considerations regarding the rationale, effect and effectiveness of a central attack, please summarise such.
- 3)
  - a) In your experience, is the system of international registrations often used (rather than alternatives, such as the filing of separate national registrations)?
  - b) If the answer is no, is this because it is difficult to obtain the basic application or registration and/or are there other reasons? If so, which are those other reasons?
  - c) If the answer is yes, is this because it is more efficient in terms of costs or otherwise and/or are there other reasons? If so, which are those other reasons?

---

<sup>1</sup> It is of course possible that a case only mentions the challenge of a trademark and does not mention that it amounts to a central attack.

- 4) If your country is party to the Protocol: is transformation often used in your jurisdiction? Why, or why not?

## **II. Policy considerations and proposals for improvements of the current law**

- 5) a) Should the basic mark requirement be abolished? Why, or why not?
- b) If the answer to (a) is yes, how should the new system work:
- i) should any national registration or application qualify as a basic registration?
- or
- ii) should there be new central filing at WIPO with WIPO functioning as a mailbox receiving applications and forwarding those to the designated jurisdictions for examination?
- or
- iii) should WIPO even do more, such as engaging in harmonisation (see below under III)?
- c) Do you foresee problems in the implementation of such a new system? If so, which?
- 6) a) Should the dependency on the basic mark be abolished? Why, or why not?
- b) If not, should the dependency be changed? If so, how (e.g. to a different period, to applying in case of particular cancellation grounds only or to having effect only in jurisdictions where the attacker has prior rights)? Why?
- 7) Do you support a freeze of the application of the five year dependency clause and what are your considerations in this respect?
- 8) a) Do you find that the basic mark requirement does not function well in the context of translations, transliterations and transcriptions in countries with different writing systems/languages? If so, would you support a change to the Madrid System with the purport that, when assessing genuine use, use of a translated, transliterated or transcribed mark is considered use of the mark? Please list any requirements such use should meet in your view (e.g. identical pronunciation and/or meaning).
- b) Are there any other aspects relating to the basic mark requirement that do not function well and if so, what should be changed?

## **III. Proposals for harmonisation**

Is harmonisation desired? If yes, please respond to the following questions *without regard* to your national laws.

- 9) Should absolute and relative grounds be harmonised, enabling the examination of international registrations to be handled by WIPO, as well as possibly also oppositions and cancellation actions (in a manner similar to Community Trademark registrations handled by OHIM), or should such not be harmonised (because it may not be feasible or for other reasons)? Note that this question only aims to ask whether such harmonisation is desired as a result of a change to the basic mark requirement; the question as to how such a new system should look exceeds the scope of this working question.
- 10) Please briefly list your considerations for the answer given under 9) (which may e.g. relate to feasibility, efficiency, costs, the potential need for new judicial authorities, etc.).

**NOTE:**

It will be helpful and appreciated if the following points could be taken into consideration when editing the Group Report:

- kindly follow the order of the questions and use the questions and numbers for each answer
- if possible type your answers in a different colour
- please send in a word document
- in case images need to be included high resolution is required for good quality printing.