

### **Filing and Prosecution: Madrid System**

The Madrid System for the registration of International marks is managed by the International Bureau of **WIPO** based in Geneva, Switzerland. WIPO stands for the *World Intellectual Property Organization*. You may sometimes see its French and Spanish acronym: OMPI. It is a body of the United Nations and its website is [www.wipo.int](http://www.wipo.int).

The Madrid System provides the possibility to a trade mark owner to have their trade mark protected in several (overseas) countries by simply filing one application directly with their own Trade Marks Office.

Madrid, Madrid Protocol, Protocol, International, International Registration or IR – these all largely mean the same thing within the trade mark profession and are interchangeably used. There's also the Madrid Agreement but this isn't really relevant anymore.

#### **Who may apply?**

To be able to take advantage of this system, the trade mark owner must satisfy two criteria:

1. Entitlement
2. Base mark

#### **Entitlement**

To meet the entitlement requirement, you must:

- be a national of a Contracting Party; or
- be domiciled in a Contracting Party; or
- have a business (i.e. a real and effective industrial or commercial establishment) in a Contracting Party

Put simply, an applicant must be a national or based (domiciled) in a Madrid member state.

For example, as South Africa is not a member of the Madrid System, it is not possible for a South African company to take advantage of the Madrid System. However, a British applicant can as the United Kingdom is a party to the Madrid Protocol. This handout concentrates on a British perspective to the Madrid System.

#### **Entitlement – real and effective industrial or commercial establishment**

Less simply, an applicant can also claim entitlement through having a “real and effective industrial or commercial establishment” in a Madrid member state. Here is a basic scenario to help explain this:

A company incorporated in South Africa cannot file under the Madrid System. However, if it has a working office in the UK then it could use this as its “real and effective industrial or commercial establishment” and be entitled to file.

Interpretation of what constitutes a “real and effective industrial or commercial establishment” is down to each country designated in an International application and is somewhat ambiguous.

### Base mark

Furthermore, to apply for a trade mark under the Madrid Protocol you must have an application or registration in your home or base country. The base country will be jurisdiction you are claiming entitlement from.

For a British applicant, we would therefore need a United Kingdom trade mark application or trade mark registration.

### Office of origin

The jurisdiction you base your Madrid application on determines where the actual application must be filed, and this Trade Marks Office is referred to as the 'Office of origin'. This means the 'Office of origin' for a British applicant claiming entitlement from the United Kingdom and with a UK base mark would be the UKIPO.

### Countries that can be designated in an International Application

A trade mark owner from a country that is a party to the Madrid System can seek to register their trade mark under this system in other Madrid System countries (114 members in total covering 130 countries).

They get to pick and choose the countries. It's not a unitary (all-or-nothing) application (like an EU trade mark is, for example).

A list of the members of the Madrid System can be found online:

[http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid\\_marks.pdf](http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf)

Virtually the whole of Europe is covered and so are a number of Asian countries and the economically important markets of Australia and the United States.

The number of members is not entirely clear as Belgium, Luxembourg and the Netherlands have separate memberships but share a Trade Marks Office (Benelux). However, in the Dutch Caribbean, Bonaire, Sint Eustatius and Saba, Curaçao and Sint Maarten are tagged into the Netherlands' membership and Guernsey is part of the UK's membership but all have to be designated separately.

You cannot designate the jurisdiction in which your base mark is in.

### Languages

The three official administrative languages of the Madrid System are English, French and Spanish.

This is a bit misleading because it does not determine the language you need to file your application in. This is determined by the 'Office of origin'.

UK applications can be filed in English or Welsh, but when filing Madrid applications via the UKIPO they must be in English. The UKIPO will not translate Madrid applications from Welsh to English and they will not accept Madrid applications filed in French or Spanish.

The three “official” Madrid languages of English, French and Spanish do not determine what language an application is filed in. Correspondence from WIPO should be in English if this is the filing language. However, correspondence from the various Trade Marks Offices of designated countries can be in English, French or Spanish.

#### Types of mark available

- ‘Standard’ marks
- Collective marks
- Certification marks
- Guarantee marks

Collective marks, Certification marks and Guarantee marks are only available in countries that allow such marks within their national/regional law. Guarantee marks are largely the same as Certification marks, but not applicable to applications based on UK trade marks as we do not have them here.

If the base application/registration is not a Collective, Certification or Guarantee mark then the Madrid application cannot be for a Collective, Certification or Guarantee mark. There is check box on the form for Collective, Certification and Guarantee marks.

Series of marks are allowed in the UK and these can be used as the basis of a Madrid application. However, only one of the marks in the series will be able to be included in an application.

Tick boxes are also available for Three-dimensional marks and Sound marks.

Trade marks currently have to be graphically represented.

#### Classification

The International Classification is used and multi-class applications are allowed.

The classification and specification must correspond with the base mark. You cannot broaden the specification.

You can narrow a specification. Sometimes this is important as some of the designated countries may not accept specifications that are more broadly accepted in the UK e.g. the USA.

If you do wish to narrow a specification then this does not need to be for every designated country.

#### Example

Base UK mark = Class 5: Pharmaceutical preparations.

International Application designations of the EU, Norway and Switzerland = Class 5: Pharmaceutical preparations.

International Application designation of the US = Class 5: Pharmaceutical preparations for the treatment of cardiovascular diseases.

### Priority

Priority can be claimed in the usual way i.e. within the six months 'window' of the first filing. Commonly, the priority application will be the same as the base application, although it is possible to make a priority claim from an application filed in another country provided it is the first filing. No documents are required to be filed with the application to substantiate priority.

### Sample application

Your tutor should provide a sample application prepared through the Madrid Application Assistant. The UKIPO also provide an official form MM2. This is a variant of WIPO's MM2 adapted by the UKIPO. Applications through a different Office of origin would be filed differently.

It can seem a little daunting, but much of the information that can be put on the form is optional and parts of the form are often not applicable.

Currently it is not possible to file these applications online through the UKIPO, although application forms can be e-mailed to them.

### Fees

The fees for Madrid filings are not simple. They are also different if the applicant is from a "Least Developed Country" but as this does not apply to a British applicant we will ignore that here.

The Basic Fee is **653 Swiss francs ("CHF")** unless the mark is in colour and then it rises to **903 CHF**.

Each country then gets a fee, either an Individual Fee or a Complementary Fee.

An Individual Fee is payable if the designated country has chosen to receive one<sup>12</sup>, otherwise it's a Complementary Fee. The Complementary Fee is **100 CHF** for each country. Individual Fees vary and are determined by the country. (Higher fees may apply to Collective, Certification and Guarantee marks.)

If you pick any Complementary Fee countries then there is also a Supplementary Fee due for each additional class of goods OVER THREE. This amounts to **100 CHF** for each extra class. This is paid for per class not per country.

Payment of the WIPO fees must be made to WIPO directly through a deposit account with them or a bank transfer to them. Alternatively, if payment is not made then WIPO should issue an Irregularity Notice with a reference and you should be able to use this reference to pay by credit card.

There is a fee calculator on WIPO's website which can be very helpful:

<http://www.wipo.int/madrid/en/fees/calculator.jsp>

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<sup>12</sup> In some cases, a Complementary fee is charged instead of an Individual fee (Article 9sexies) but this is not applicable if entitlement derives from the UK. You will not need to know about Article 9sexies for the exam

Additionally, a handling fee will be charged by the 'Office of origin' for their services. The UKIPO charges **£40**. As you may imagine this fee is not included in WIPO's fee calculator (as it's not a fee paid to them) so don't miss it off if you're quoting to a client.

### Procedure

Madrid applications must be filed at the same office (the Office of origin) as the base application e.g. the UKIPO.

*Why is it not possible to file directly at WIPO?*

Because it is the job of the Office of origin to check the Madrid application matches the base application/registration and to note this in their records.

Presuming everything is OK then the Office of origin certifies and forwards the application to WIPO.

This will be the last time the Office of origin is involved unless there are any issues with the specification or if there are any changes in protection made to the base application/registration during the next five years. Such amendments must be reported to WIPO as they impact on the Madrid mark.

### Examination by WIPO

Once the application is received by WIPO, they examine the mark for formalities, that the correct fees have been paid and check the classification. This is formal examination but not substantive examination which is left to the countries designated.

As the 'gatekeeper' of the International Classification, they can be strict with respect to classification.

WIPO send out an Irregularity Notice to the Office of origin if they have any issues with classification. The Office of origin will then require a response – such as an agreement to an amendment to the specification – from the applicant/representative. If replying to the Office of origin on such a query it is important you give them enough time to file a reply with WIPO by any deadline. You do not reply to WIPO directly. Note also that the Office of origin probably won't proactively get in touch with you if an Irregularity Notice is issued so it's necessary to be very diligent with these.

If fees need to be paid then WIPO sends out an Irregularity Notice. It's easiest to respond to this by making payment through WIPO's on-line E-Payment facility:

<https://webaccess.wipo.int/epayment/>

Once it is all is fine then WIPO issues a Certificate of Registration.

Around the same time WIPO also forwards details of the mark to all of the Trade Marks Offices of each designated country. This is known as the Notification date.

It is important to realise the "back-to-front" way this work. The Certificate of Registration issues BEFORE the detailed examination has been conducted and completed in the relevant countries.

As you know, different countries have different laws and different examination criteria. This does not change under the Madrid system. Each country examines the mark independently from the others according to its own national/regional trade mark law.

There is tacit acceptance (i.e. your mark is fully protected/registered) if no objections or notifications are raised within a timeframe of 12-18 months from the Trade Marks Office receiving details of the mark from WIPO.

#### Examination by designated countries

If objections are raised they must be made within 12 months of the Trade Marks Office receiving the Madrid application from WIPO.

For some countries they have a concession under the Madrid Protocol that this period is 18 months. This includes Australia, Brazil, Canada, China, the EU, India, Israel, Japan, Mexico, New Zealand, Norway, Republic of Korea, Singapore, Switzerland, Thailand, Turkey, Ukraine and the United States of America.<sup>13</sup>

Some countries can notify WIPO that a possible notification of refusal based on an opposition could be issued after the 18-month time limit, but they need to notify WIPO to avail themselves of this potential extra time.

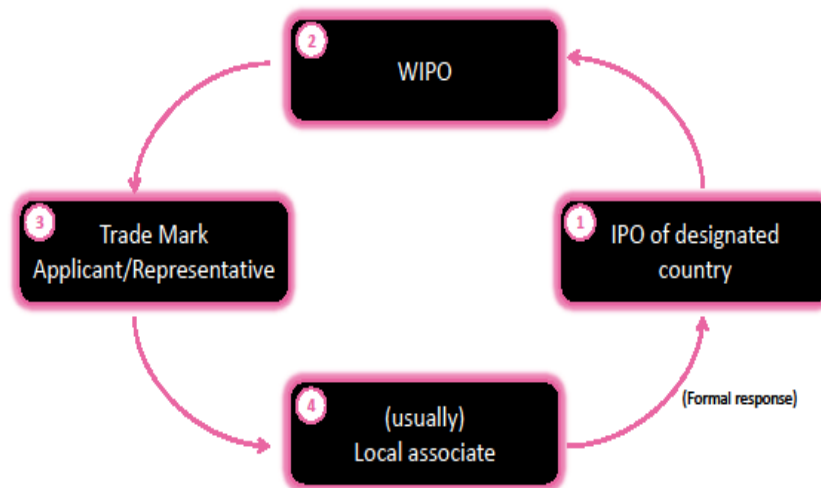
Objections will be raised in English, French or Spanish and communicated to WIPO who will pass this on to the agent/applicant. Each country can set different deadlines for a response.

Objections are called Provisional Refusals. They can be partial or total. Partial provisional refusals do not always need responding to if you are happy with an Examiner's proposed revisions, but you may wish to check this and/or have a local agent file a response to be on the safe side.

Responses to objections are made to the Trade Marks Office concerned (usually through a local agent) and not to WIPO. This may appear strange. This diagram might help explain:

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<sup>13</sup> In some cases the examination timeline is always 12 months (Article 9sexies) but this is not applicable if entitlement derives from the UK. You will not need to know about Article 9sexies for the exam



Should there be a need to limit a specification to satisfy the concerns of an Examiner in a Provisional Refusal then this can be done by filing a Form MM6 with WIPO. This form can be country specific and does not need to be for every designated country. Even though this form is filed with WIPO, it may still be necessary to file a response to a Provisional Refusal with a local Trade Marks Office.

It is possible to divide an International Registration. This can occur where there are objections to some of the classes in a multi-class application, the classes with objections can be transferred to a divisional application and be dealt with later. This allows the acceptable classes to move forward without delay. It can also be used to divide goods/services within a single class, although this is less common.

Division will now be possible for individual countries designated in an International Registration, provided division exists within the national/regional law.

There will be a specific form for requesting division, a Form MM22. Unusually, this form is not to be filed with WIPO but with the Office of the designated party in which you wish to request division. There will also be a fee due to WIPO of 177 Swiss francs and some National/Regional Offices (and your agents) may wish to charge a fee for division.

### Objections/Acceptance

Objections must be overcome under the relevant national/regional law. The same principles apply regarding appeals and advertisements for opposition purposes for Madrid designations as they do for national/regional applications although timelines are sometimes different.

To recap, if no objections are raised within the relevant 12 or 18-month periods, then registration is tacitly assumed. However, Trade Marks Offices are obliged to issue Decisions confirming protection, when there are no grounds of objections. These should also be issued if objections have been overcome. These are called Statements of Grant.

It is possible to check the status of an International registration and the countries designated on Madrid Monitor, the on-line International Register found at:

<http://www.wipo.int/madrid/monitor/en/index.jsp>. This indicates if a 12 or 18-month period has elapsed without an objection being received. In this case, it will say:

|   |                          |
|---|--------------------------|
| ▼   | Antigua and Barbuda (AG) |
| <b>Registration</b>   |                          |
| 2019/11 Gaz, 28.03.2019   |                          |
| The refusal period has expired and no notification of provisional refusal has been recorded (application of Rule 5 preserved) |                          |

Some Offices (e.g. Australia, India, Mexico, Singapore and the United States of America) give an International Registration a local number (in addition to the International Registration number given by WIPO). This can be confusing because it creates uncertainty as to which number should be docketed in databases.

### Second Part Individual fees ("registration fees")

Brazil and Cuba receive fees for International Registrations in two parts, and you may see Japan still requiring these for application filed up to 31 March 2023. The second part individual fees are only payable once their Trade Marks Offices consider an IR qualifies for registration. As such, they are the equivalent of registration fees being paid on a national application. They are payable to WIPO and it is straightforward to pay them on-line through E-Payment. There will be a deadline for making payment.

### Duration, use requirements and marking

An International Registration is valid for 10 years and can be renewed indefinitely for 10 years.

Renewals are filed **directly** at WIPO and, if desired, countries can be dropped at renewal (i.e. you again pick and choose the countries to be renewed). Additional maintenance requirements apply to registrations covering Cabo Verde, Cambodia, Mexico, Mozambique, the Philippines and the United States, which must be handled at their respective national Trade Marks Offices (not WIPO). These will be explored more under Renewals and Maintenance.

Non-use periods and marking are governed by national/regional law in the territories designated.



### Subsequent Designations

If you wish to include additional countries to the Madrid mark at a later date then this can be done. Such requests are called Subsequent Designations

These can be made with the Office of origin but are usually filed directly with WIPO. The simplest way to file these is through WIPO's online tool, which you need to login to WIPO IP Portal. Alternatively, these requests can be made on Form MM4.

Once the Subsequent Designation is received by WIPO they examine it for formalities and that the correct fees have been paid.

Subsequent Designations are just added to the original International Registration. The details of this i.e. Registration Number and Renewal Date do not change.

WIPO then forwards details of the mark to all of the Trade Marks Offices of each subsequently designated country. This will be the notification date for the subsequently designated countries. They then have the 12 or 18 months in which to examine the trade mark in accordance with their local law and issues Provisional Refusals or Statements of Grant, as applicable.

### Subsequent Designations – be aware

A handful of countries do not accept subsequent designations of International Registrations that are originally from a date prior to their accession - Brazil, Estonia, India and the Philippines. For example, if you have an International Registration from 2015 and now wish to designate Brazil in a subsequent designation then you cannot do so as Brazil did not join until 2019.

Be particularly careful if you make a subsequent designation close to an International Registration's renewal date. It may be necessary to immediately pay the respective renewal fees for the subsequently designated countries.

You may recall that additional maintenance requirements apply to registrations covering Cabo Verde, Cambodia, Mexico, Mozambique, the Philippines and the United States, which must be handled at their respective national Trade Marks Offices (not WIPO). When these countries are subject to a Subsequent Designation then it can be more complicated as to how these additional maintenance dates are calculated.

### Subsequent Designations – fees

The Extension basic fee is 300 CHF. Individual, Complementary and Supplementary fees are the same as they would be in an application.

### Advantages of the Madrid System

- Single application and single payment in one currency provides protection in multiple countries
- Can be filed at your own national Office in your own national language
- **Cost-effective** compared to filing national applications

- Rejection in one country does not impact on other countries. Contrast this to the EU trade mark where, in simple terms, a problem based on a trade mark in, say, Lithuania could wipe the whole EU trade mark out as it is a unitary right
- Subsequent management is simple e.g. renewals, Change of Name recordal
- Additional countries can be added to the registration at a later date, if required
- The timescale in which you will know if you have protection or problems is largely set: 12 or 18 months
- New countries are joining all the time – WIPO actively encourages membership

#### Disadvantages of the Madrid System

- It is not possible to assign a registration to a company based in a non-member country – the assignee needs entitlement
- Some countries (primarily in Africa) have not passed local legislation recognising International Registrations so their enforceability in these countries is questionable
- You cannot make a use claim in an application (e.g. India, the US)
- If marks within your organisation are managed on a regional basis it makes it less desirable to use
- If your home market is of little or no commercial interest then you must first file an unnecessary base application. For the UK, would you then have a *bona fide* intention to use the mark in the UK?
- You can lose out on local advice that could be provided by a local agent by filing nationally
- If objections are raised then an agent must be appointed and the cost savings can be quickly eroded
- If your base application/registration has a limited specification this will be replicated in the International Registration
- Within a group of companies marks are sometimes owned by different entities (e.g. for tax reasons). The ownership of a Madrid registration is as a whole
- Maintenance of some designations are more complicated
- In some countries if you're opposed (e.g. Brazil, Turkey), ordinarily you don't get to intervene in the opposition proceedings – you have to wait for the opposition to be decided
- If you need to enforce or register with Customs, you may be required to get a local Certified Copy in the local language before being able to do so
- The threat of "Central Attack"

#### "Central Attack" and dependency

For five years from the date of International Registration, the protection resulting therefrom is dependent on the base mark it was based on.

So, if the base mark is lost this results in the loss of the International Registration too. The base mark can be lost in the following ways:

- It is withdrawn
- It is allowed to lapse
- It is renounced
- It has been subject of a final decision of rejection, revocation, cancellation or invalidation (includes a successful opposition against the mark)

The Office of origin will report this to WIPO and in turn the International Registration will be cancelled.

Basing an application on a base application is riskier than basing it on a registration because there are more chances of an application being rejected or opposed than a registration being cancelled.

Given all this, protection of a whole International mark (i.e. in all countries) can be defeated by successfully taking action against the base mark. This has become known as “Central Attack”.

An International Registration is no longer dependent on its base mark following the first five-year period.

If it is lost (including partially) during the first five years there is a provision to turn the designations of the International Registration into national/regional applications in the relevant countries.

This is known as Transformation.

#### Transformation

Transformation applications are just like overseas national/regional applications and have largely the same formalities. They must be filed within three months of the date of cancellation of the International Registration.

Transformation applications backdate to the date of the International Registration (including any applicable priority dates).

In some countries, no official fees will be due for transformation applications (as WIPO has already received and passed on the fees received for the Madrid application), but there will be local agent charges for filing the transformation applications.

#### Madrid “incoming”

Another area of International trade mark prosecution that paralegals might get involved in, particularly if you work in private practice, is providing assistance to clients from other countries who have designated the UK in their international applications and then need some assistance locally.

#### Provisional Refusals for clients from other countries

Firstly, we may help in responding to Provisional Refusals issued by the UKIPO.

The client will have filed their International application through their own Office of origin – let’s say in the United States - designating some countries including the UK. Following registration, WIPO notifies the respective designated Trade Marks Offices including the UK Intellectual Property Office.

The UKIPO then conducts its examination and issues a Provisional Refusal. This is reported to WIPO who in turn report it to your client.

Your client then instructs you to respond to the Provisional Refusal.

You then file a Form TM33<sup>14</sup> appointing yourself as Representative together with arguments or an agreement to the Examiner's proposed amendments before the deadline set in the UK Intellectual Property Office's Provisional Refusal. (If the designation has been opposed then this would also result in a Provisional Refusal and would require defending like a normal opposition – oppositions will be looked at later in the course.)

If the Provisional Refusal is overcome then your client's designation of the UK will be protected in the UK. However, this will be within the International Registration and your client will remain responsible for this as a whole at WIPO, and it is at WIPO where renewal fees will be paid. Usually, you will not be responsible for renewals in these cases.

#### Transformation for clients from other countries

If a client loses their International Registration through "Central Attack" they could ask you to handle their Transformation application in the UK.

In the UK, you would need to file a Form TM4. There is no fee for filing this form with the UKIPO.

A resultant registration is like a regular UK trade mark registration with renewal fees to be paid in the future to the UKIPO and, unless your client has another arrangement regarding renewal fees, you will probably be responsible for them.

#### Reference

WIPO's website contains a lot of information related to the Madrid system. You can also refer to the same resources as you have for domestic and overseas trade marks that may provide useful information that is specific to a member of the Madrid system.

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<sup>14</sup> Form for Appointment or change of representative for TM owner

Activities

1. **DON'T DO THIS WITH LAST YEAR'S PAPER IF YOU WANT TO USE IT AS A MOCK EXAM LATER!**

Go through a previous year's exam paper and identify any questions that relate to 'Filing and Prosecution – Madrid System'.

Answer any relevant questions, referring to your notes if you need to. At this stage, don't worry how long it may take you, concern yourself with getting the right answers.

2. Take three countries, say, the last three countries you went on holiday to, or three countries that come up in the news in the coming days. Write down if they are Madrid members or not, referring to your notes if necessary.
3. Find a UK trade mark on your records owned by a UK company. I suggest one with a short specification, if possible. Go through the Madrid Application Assistant to prepare a corresponding International application designating Australia, China and New Zealand.