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Baker McKenzie

The Truth About Madrid

Eva-Maria Strobel | 26 March 2024

Agenda

01 Introduction

02 The Myths

03 Conclusion

04 Questions



The background of the slide is a vibrant purple nebula with wispy, glowing clouds of gas and dust. Numerous small, bright white stars are scattered across the field of view, adding depth and a cosmic feel to the design.

01 Introduction

Introduction

“Madrid System” Concerning the International Registration of Trademarks

Madrid
Agreement
(1891)

Madrid
Protocol
(1989)

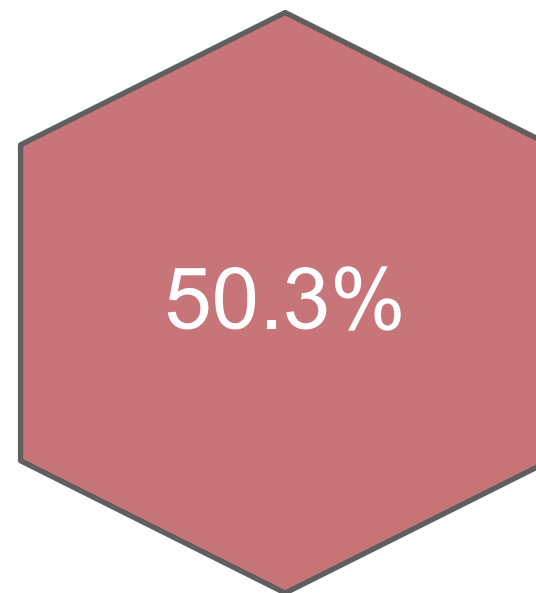
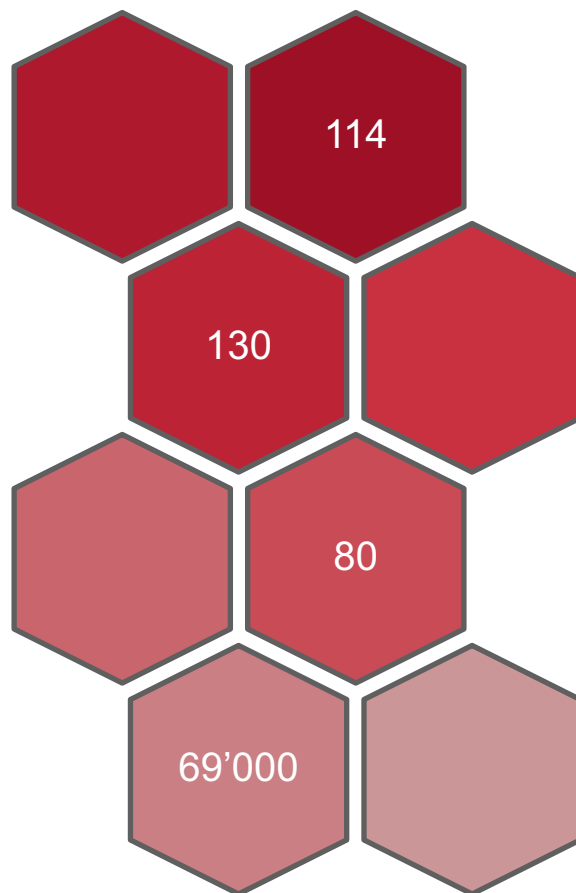
Common
Regulations
(1996)

Administrative
Instructions
(2002)

National Laws
and
Regulations

Introduction

Some “numbers-crunching”



Introduction

Agreement vs. Protocol

Member: States vs.
States and
Organizations

Basis: Registration
vs. application

Language: FR vs.
FR, EN, ES)

Time for Refusal: 12
months vs. 18
months (or extended
even further)

Fees: Fixed vs.
individual
designation fees

Dependency vs.
possibility of
transformation

Safeguard clause

Introduction

The “Pros”

Simple and convenient

- One-stop-shop.
- Streamlined.
- “All in one place”.
- “Centralized management”.

Cost-effective

- Saves time and costs by filing one application, rather than a bundle of national applications.
- Eliminates the need to involve local agents or obtain translations.
- No need for notarized priority documents, or even legalization.

Time saving

- No need to involve local agents at filing stage.
- Strict time limits accelerate the registration process.

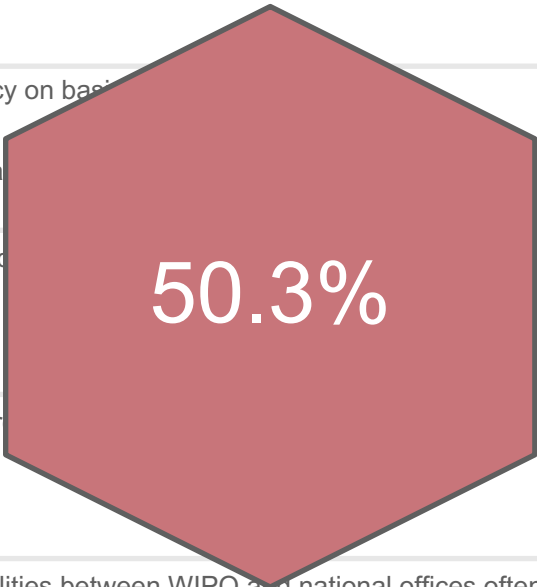
Global

- Majority of territories are represented.

Introduction

The “Cons”

Strict requirements	Basic mark and entitlement to file.
Risk of "central attack"	Dependency on basic mark. Transformation (3 months from the cancellation) is very costly.
Lack of flexibility	IR always id... for amendments/flexibility.
Complexity	Density of r...
Unclear responsibilities	Responsibilities between WIPO and national offices often unclear.
Change in ownership	Only to assignees who fulfil the entitlement to file. Refusal possible by Contracting Parties.



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02 The Myths

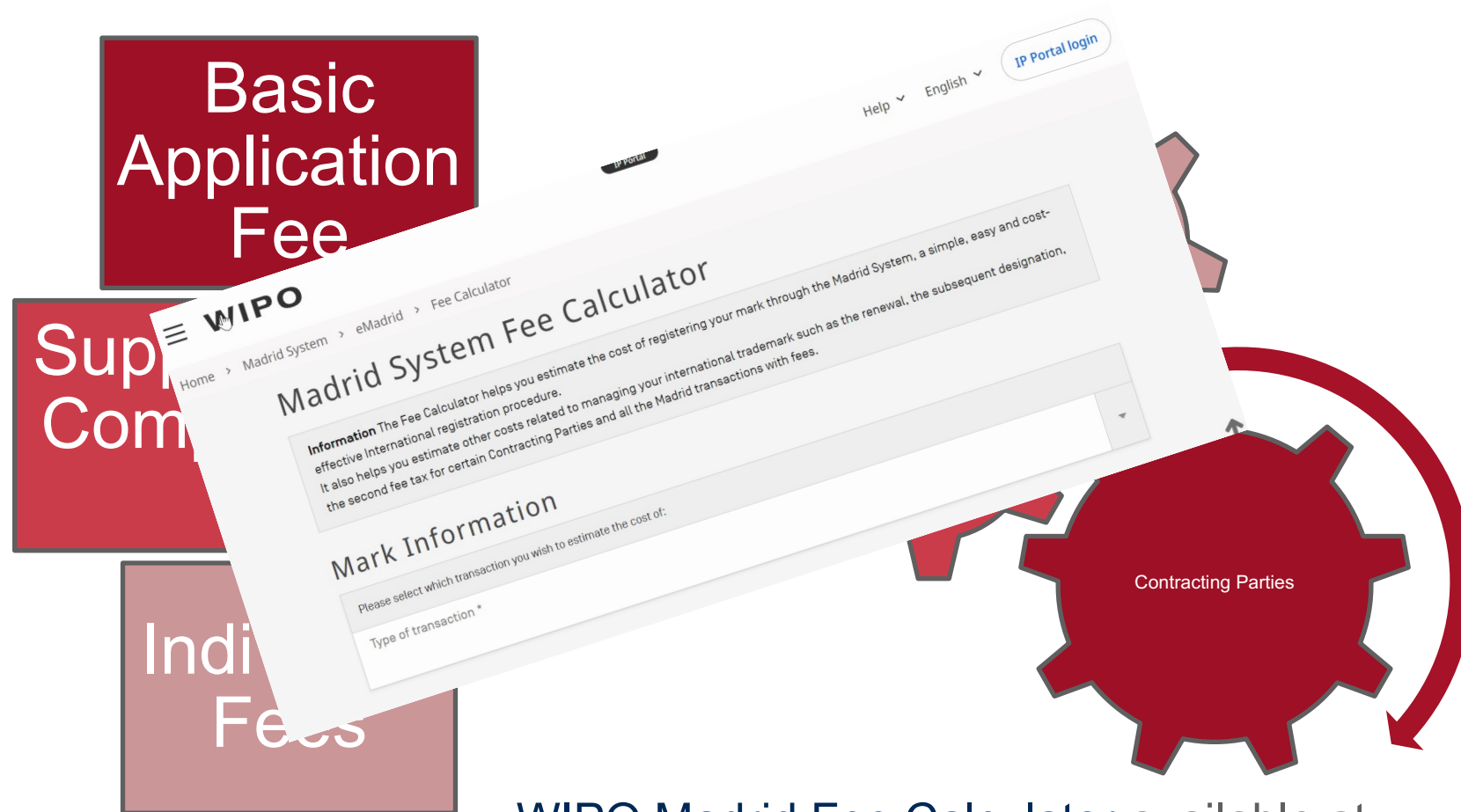


Myth # 1

Madrid is cheap(er).

Madrid is cheap(er).

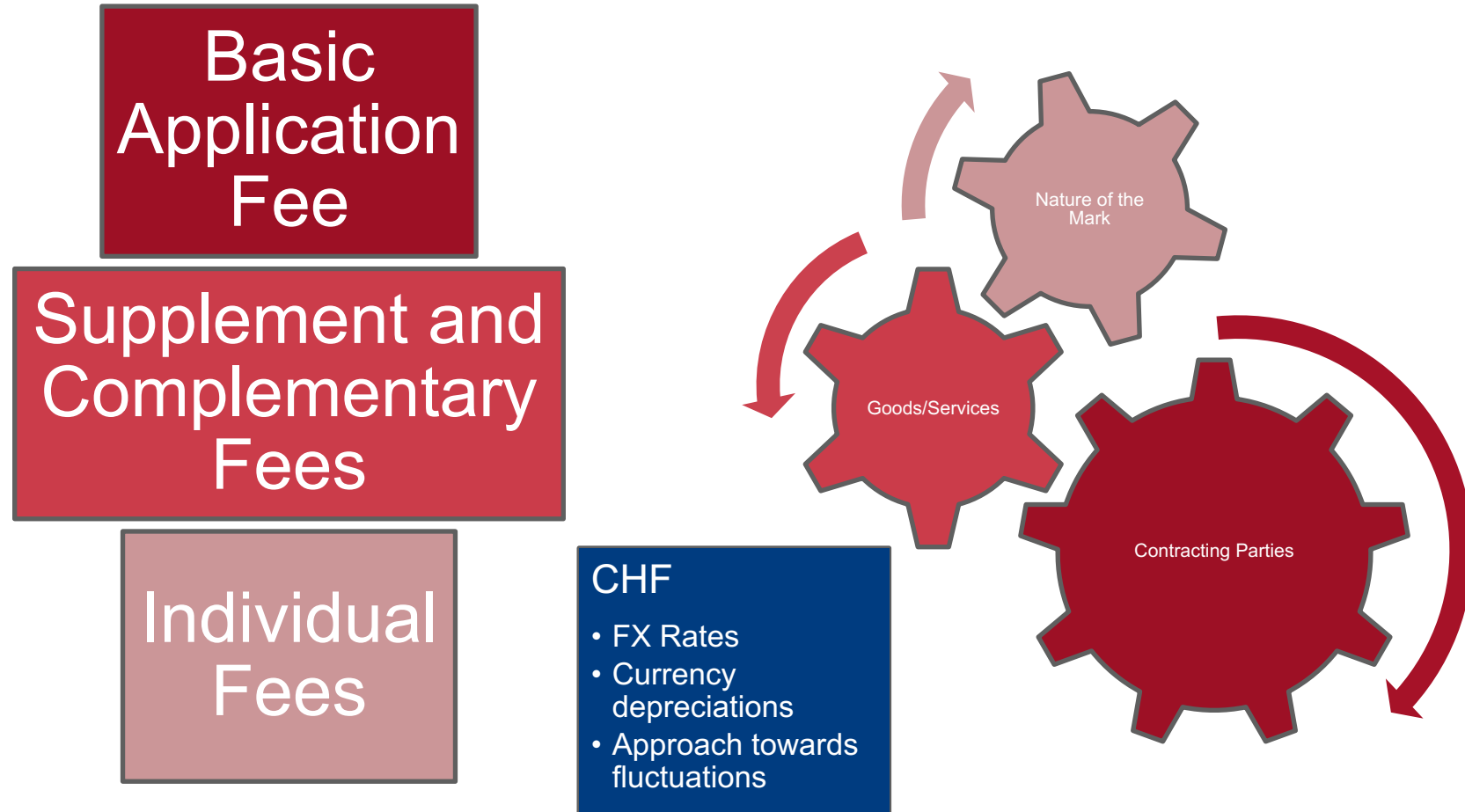
Fee Structure



[WIPO Madrid Fee Calculator](https://madrid.wipo.int/feecalapp/) available at
<https://madrid.wipo.int/feecalapp/>

Madrid is cheap(er).

Fee Structure

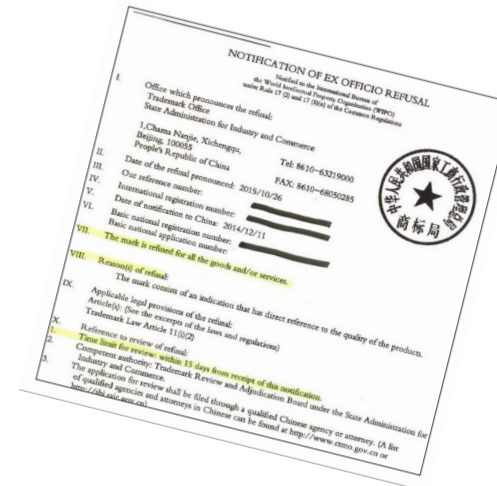


Madrid is cheap(er)

But what about...

Appointment of
local agents as
representatives.

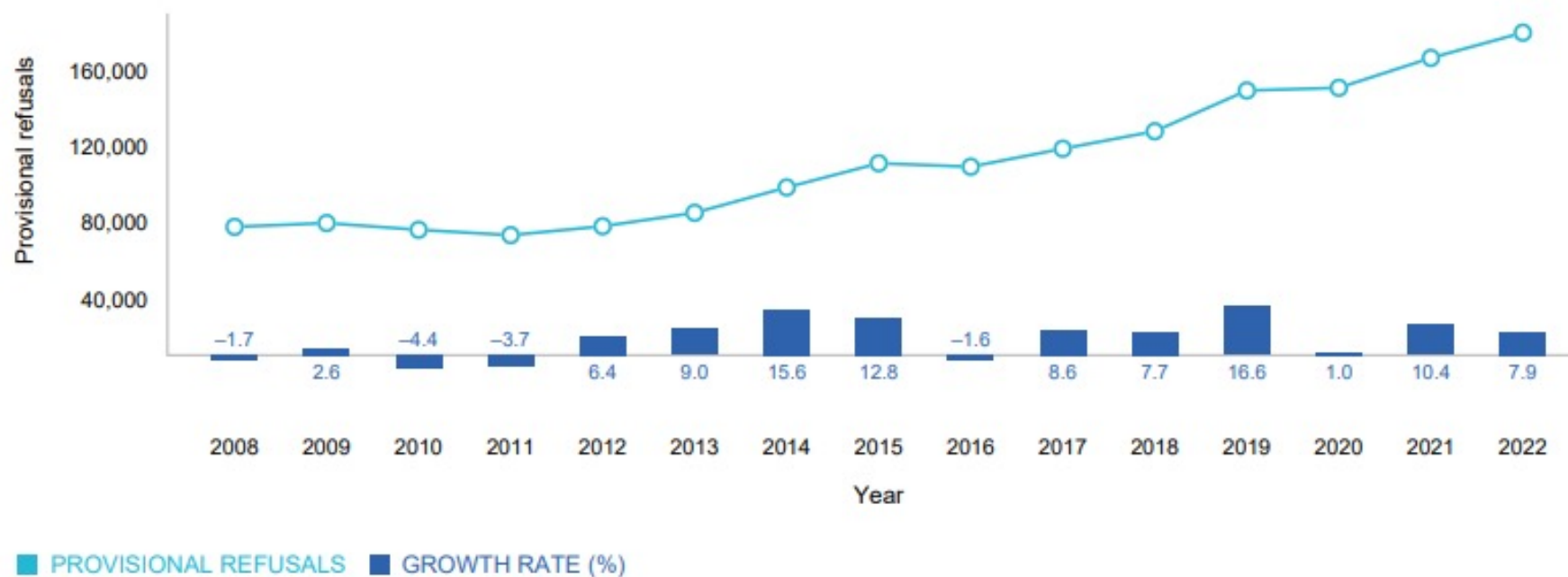
Cost for dealing
with provisional
refusals.



Madrid is cheap(er)

Some statistics...

Trend in provisional refusals of designations in International Registrations, 2008 - 2022

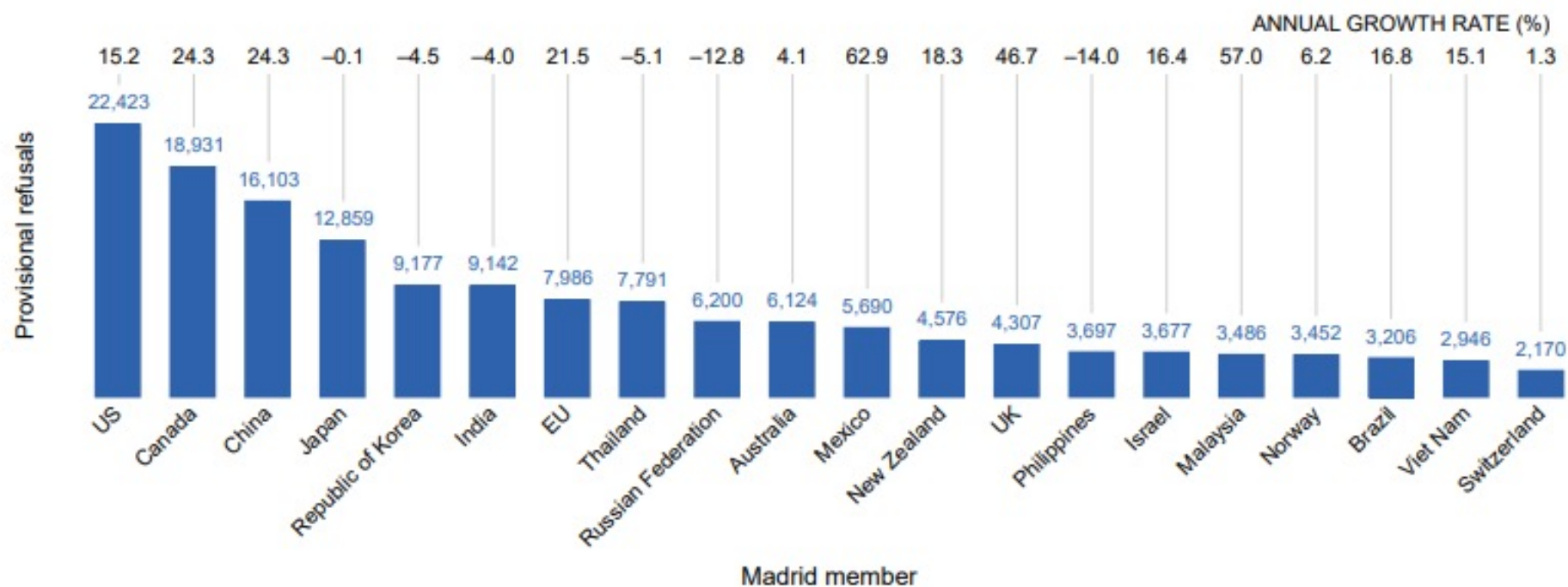


Source: WIPO Statistics Database, March 2023.

Madrid is cheap(er)

Some statistics...

Provisional refusals of designations by selected designated Madrid members, 2022



Source: WIPO Statistics Database, March 2023.

Madrid is cheap(er)

Some statistics...

Designations in active international registrations for the top 20 designated Madrid Members, 2022



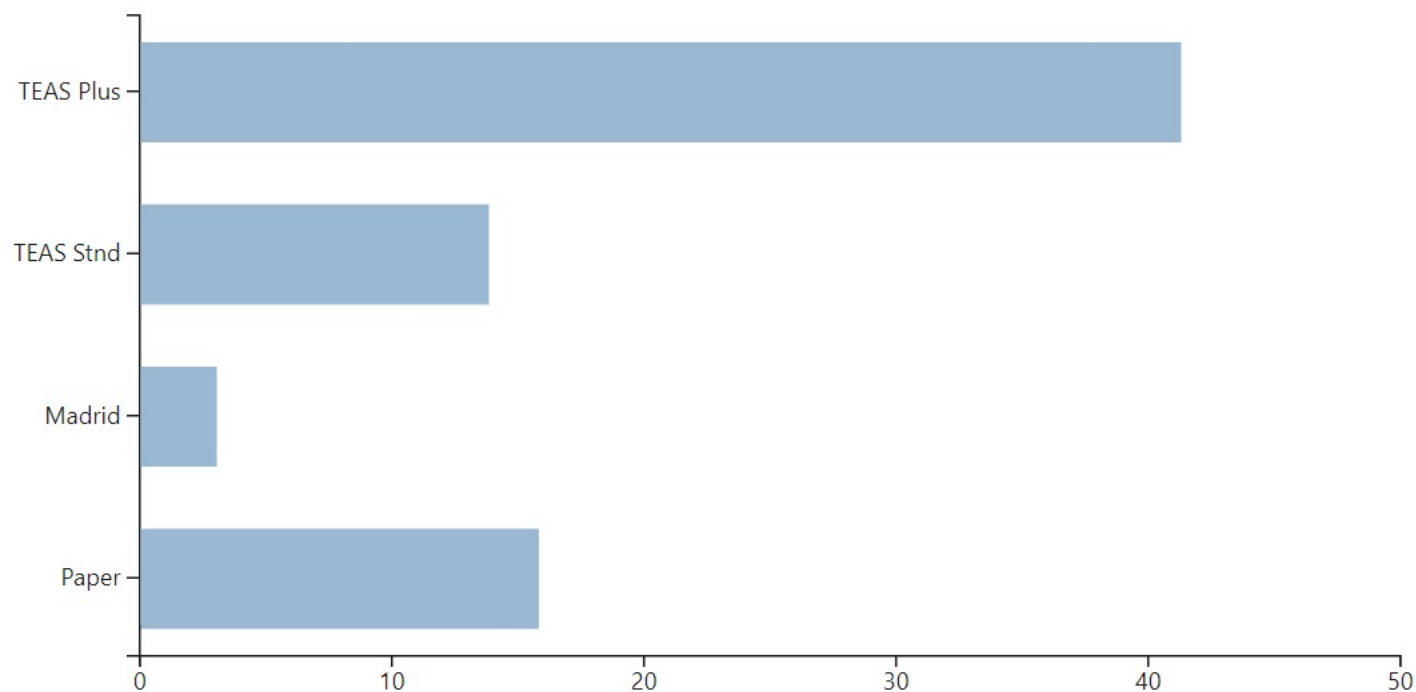
Note: EU is the European Union; Benelux comprises the territories of Belgium, Luxembourg and the Kingdom of the Netherlands, which are deemed to be a single country for the application of the Madrid System.

Source: WIPO Statistics Database, March 2023.

Madrid is cheap(er)

Some statistics...

Percentage of Applications Approved Upon First Action



Source: [Trademarks Dashboard | USPTO](#)



Myth # 2

**Madrid is more time
efficient.**

Madrid is more time efficient

As time goes by...

Basic Registration	Examination Period
Madrid Agreement	12 months
Madrid Protocol	18 months
Madrid Agreement & Protocol	12 months

Government of Canada

Gouvernement du Canada

MENU

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Canadian Intellectual Property Office

Trademarks

Practice notices

Measures to improve timeliness in examination

From: Canadian Intellectual Property Office

Publication Date: May 3, 2021

The Canadian Intellectual Property Office (CIPO) is taking action to improve timeliness in issuing trademark rights. The actions being taken by CIPO are in response to higher than anticipated filings of trademark applications and our success following Canada's accession to the Madrid System for the international registration of trademarks. While CIPO has built capacity by hiring more staff, this solution alone is insufficient in the short term to avoid increased wait times. Therefore, implementing additional initiatives are necessary to ensure the issuance of timely and quality rights.

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Trademark processing wait times

We are currently examining new applications submitted between: June 13, 2023 - June 27, 2023

For average Trademark wait times, see the tables below.

The tables below show the average wait times for new applications and each stage of the examination or registration process. Your wait time may be less than the average or longer than the average. There are many factors that impact how long it takes to shorten your wait time by following these tips for avoiding processing delays.

Trademark Processing Times	Average	Target
Pre-Examination Unit		
TEAS	71 days	10 days
MADRID	1 day	10 days

Madrid is more time efficient

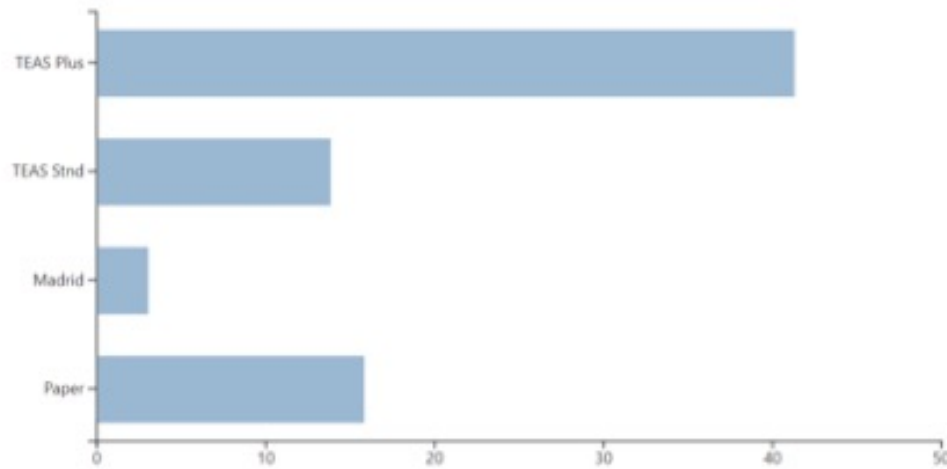
As time goes by...

- Basic Registration
- Madrid Agreement
- Madrid Protocol
- Madrid Agreement Protocol

Madrid is cheap(er)

Some statistics...

Percentage of Applications Approved Upon First Action

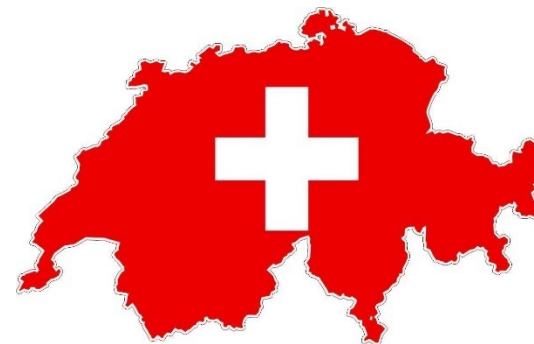


Source: [Trademarks Dashboard | USPTO](#)

TEAS	71 days	10 days
MADRID	1 day	10 days

Madrid is more time efficient

Basic Registration	Examination Period
Madrid Agreement	12 months
Madrid Protocol	18 months
Madrid Agreement & Protocol	12 months





Myth # 3

Madrid is simple and easy.

Madrid is simple and easy

The international trademark registration process at a glance



Madrid is simple and easy

Conclusions:

File one
application.

Pay one set of
fees.

Modify, renew or
expand globally
through centralized
system.

Simplified
renewals and
recordals.

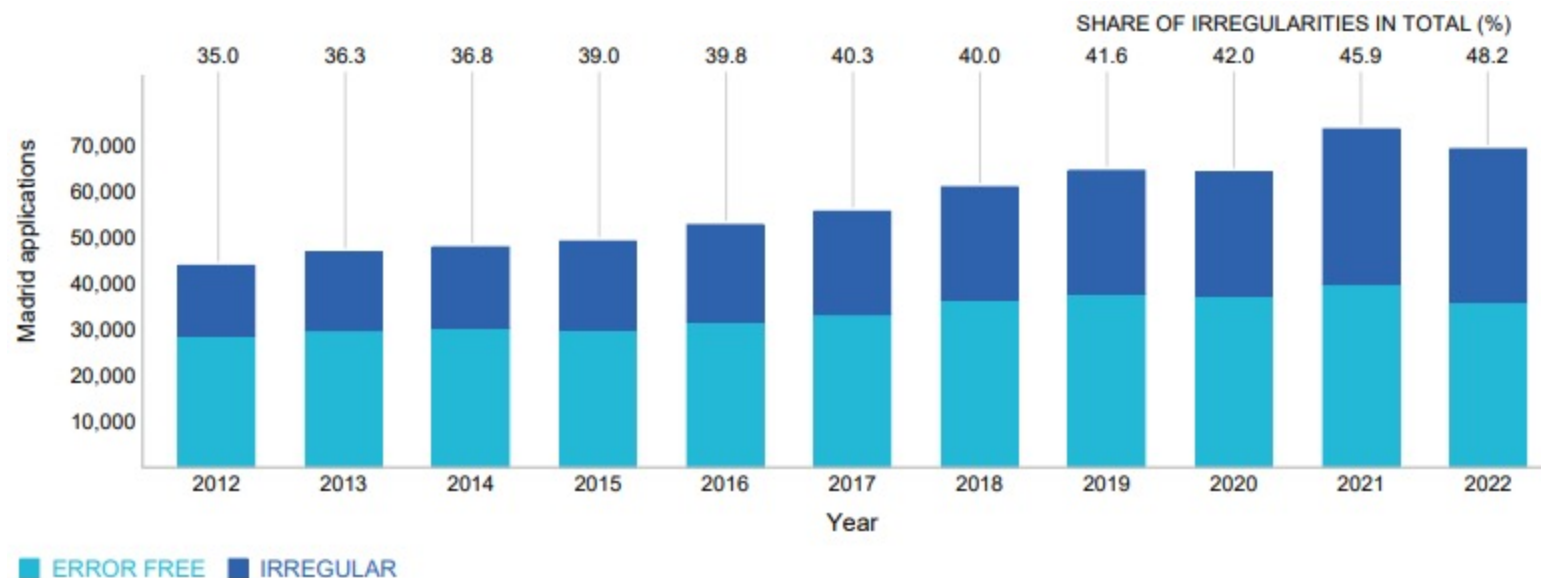
No need for
translations.

No need for
notarizations or
legalization.

Madrid is simple and easy

But the truth is....

Irregularities in International Registrations, 2012 – 2022



Source: WIPO Statistics Database, March 2023

Madrid is simple and easy

But...

Complex set of
rules.

Unclear
communication.

Unclear
responsibilities.

Delays and risk
of loss of rights.

Amendments
implemented
and/or
planned...

Myth # 4

Madrid covers it all – and is always and immediately enforceable.

Madrid covers it all – and is always and immediately enforceable.

Jurisdictions covered (per 15 March 2024)

Afghanistan	African Intellectual Property Organization (OAPI)	Albania	Algeria	Antigua and Barbuda	Armenia	Australia	Austria	Azerbaijan	Bahrain	Belarus	Belize		
Benelux	Bhutan	Bonaire, Saint Eustasius and Saba	Bosnia and Herzegovina	Botswana	Brazil	Brunei Darussalam	Bulgaria	Cabo Verde	Cambodia	Canada	Chile		
China	Colombia	Croatia	Cuba	Curaçao	Cyprus	Czech Republic	Democratic People's Republic of Korea	Denmark	Egypt	Estonia	Eswatini		
European Union	Finland	France	Gambia	Georgia	Germany	Ghana	Greece	Hungary	Iceland	India	Indonesia		
Iran (Islamic Republic of)	Ireland	Israel	Italy	Jamaica	Japan	Kazakhstan	Kenya	Kyrgyzstan	Lao People's Democratic Republic	Latvia	Lesotho		
Liberia	Liechtenstein	Lithuania	Madagascar	Malawi	Malaysia	Mauritius	Mexico	Monaco	Mongolia	Montenegro	Morocco		
Mozambique	Namibia	New Zealand	North Macedonia	Norway	Oman	Pakistan	Philippines	Poland	Portugal	Republic of Korea	Republic of Moldova		
Romania	Russian Federation	Rwanda	Samoa	San Marino	Sao Tome and Principe	Serbia	Sierra Leone	Singapore	Sint Maarten (Dutch part)	Slovakia	Slovenia		
Spain	Sudan	Sweden	Switzerland	Syrian Arab Republic	Tajikistan	Thailand	Trinidad and Tobago	Tunisia	Türkiye	Turkmenistan	Ukraine		
United Arab Emirates		United Kingdom		United States of America		Uzbekistan		Viet Nam		Zambia		Zimbabwe	

Madrid covers it all – and is always and immediately enforceable.

But...

Lack of registration
certificate

Validity unclear

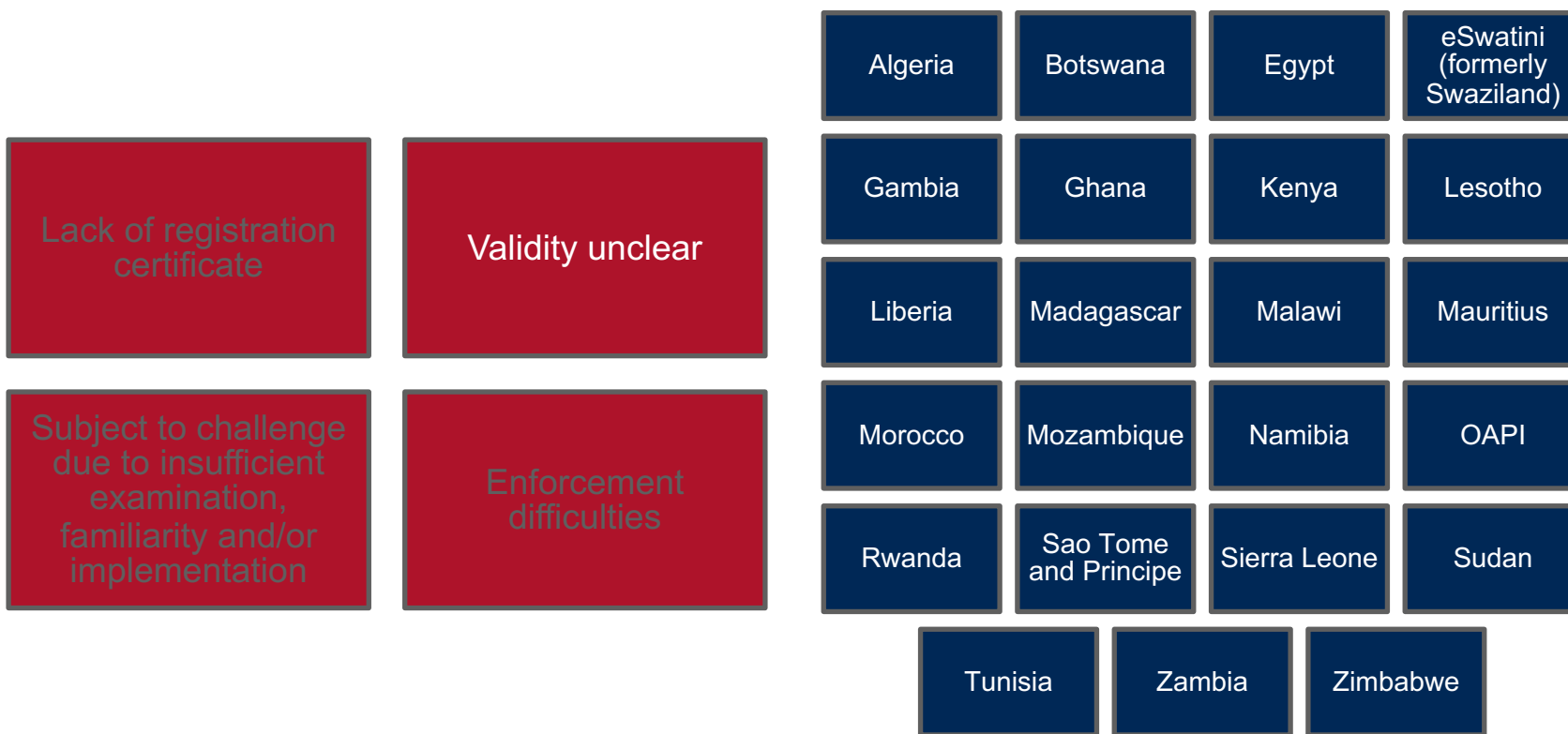
Subject to challenge
due to insufficient
examination,
familiarity and/or
implementation

Enforcement
difficulties



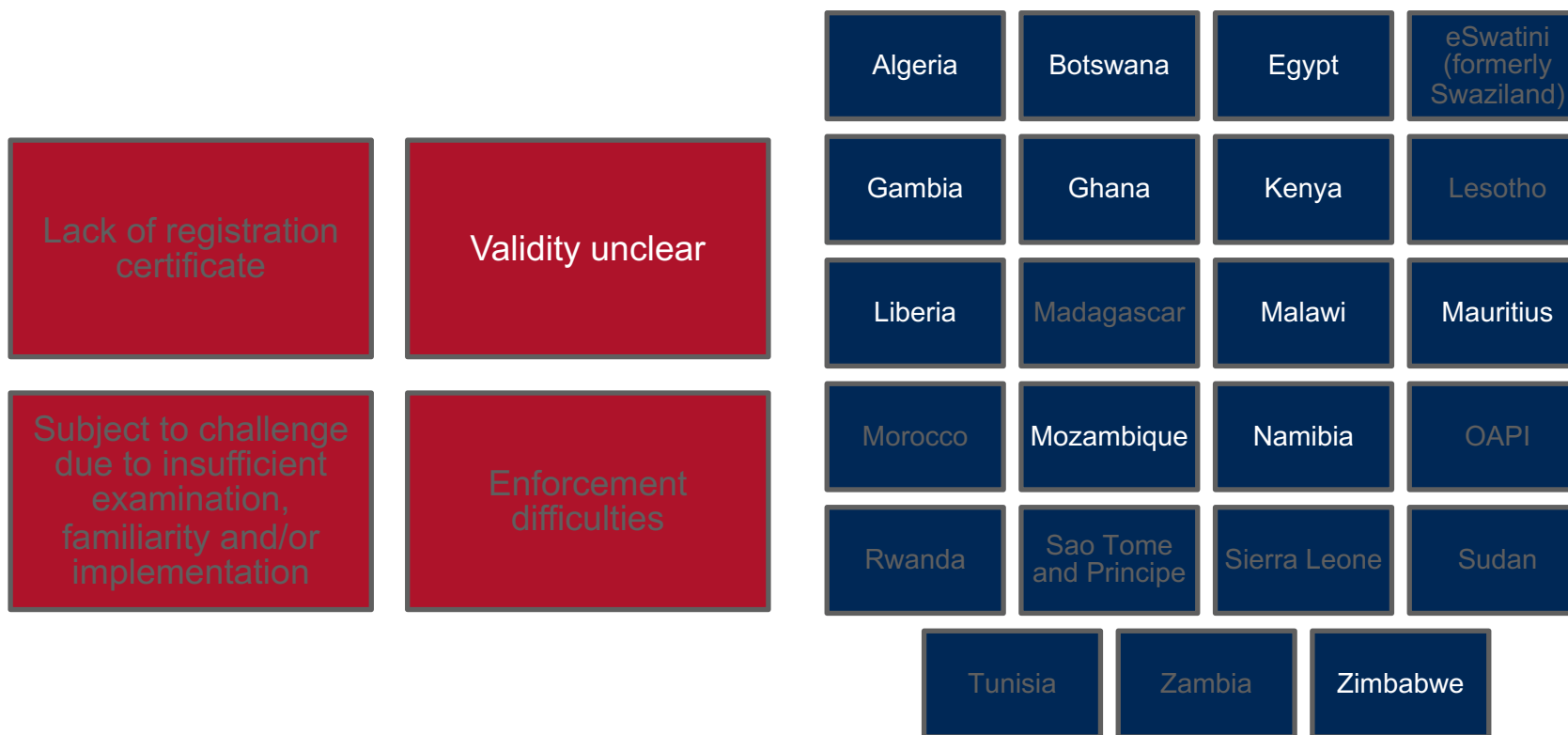
Madrid covers it all – and is always and immediately enforceable.

But...



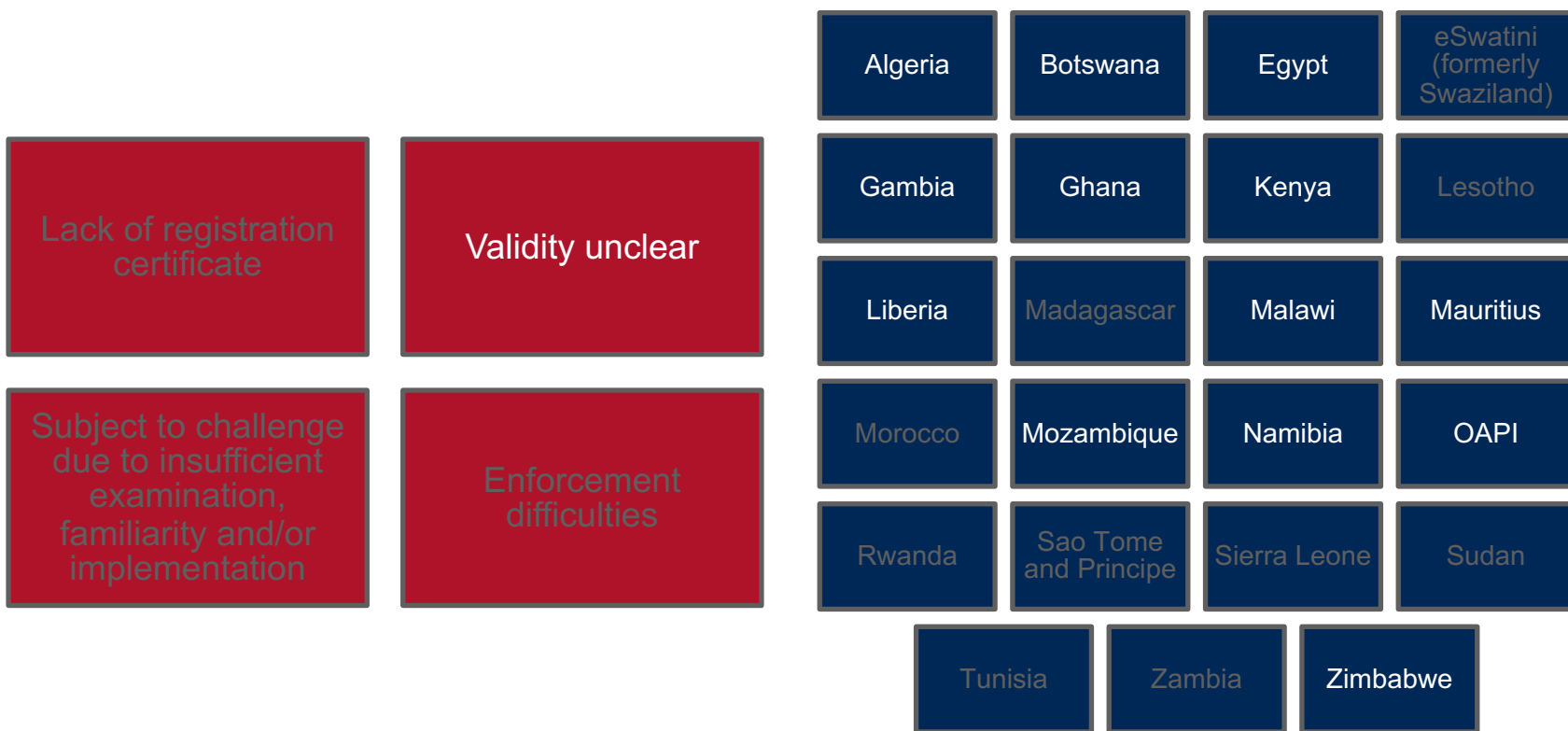
Madrid covers it all – and is always and immediately enforceable.

But...



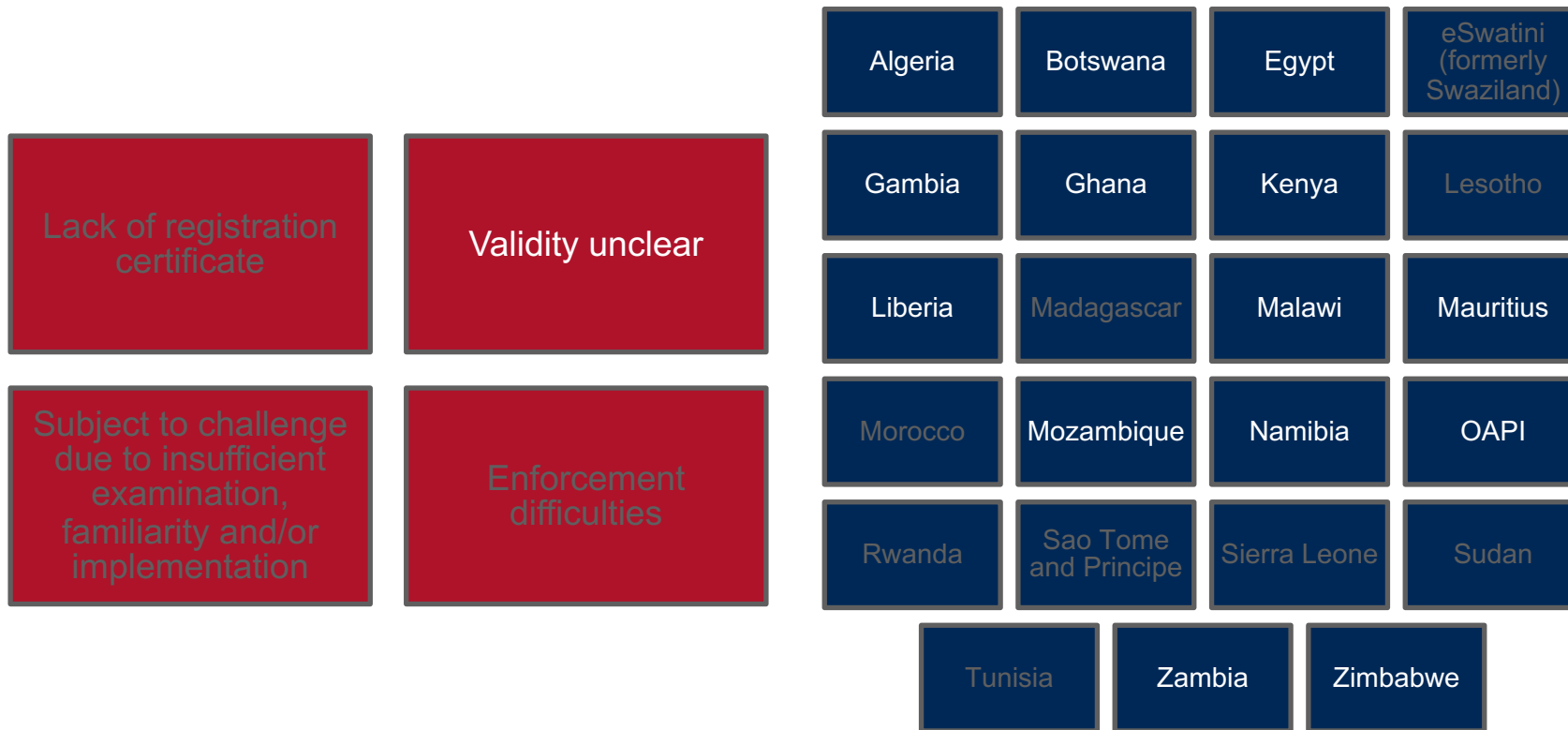
Madrid covers it all – and is always and immediately enforceable.

But...



Madrid covers it all – and is always and immediately enforceable.

But...



Madrid covers it all – and is always and immediately enforceable.

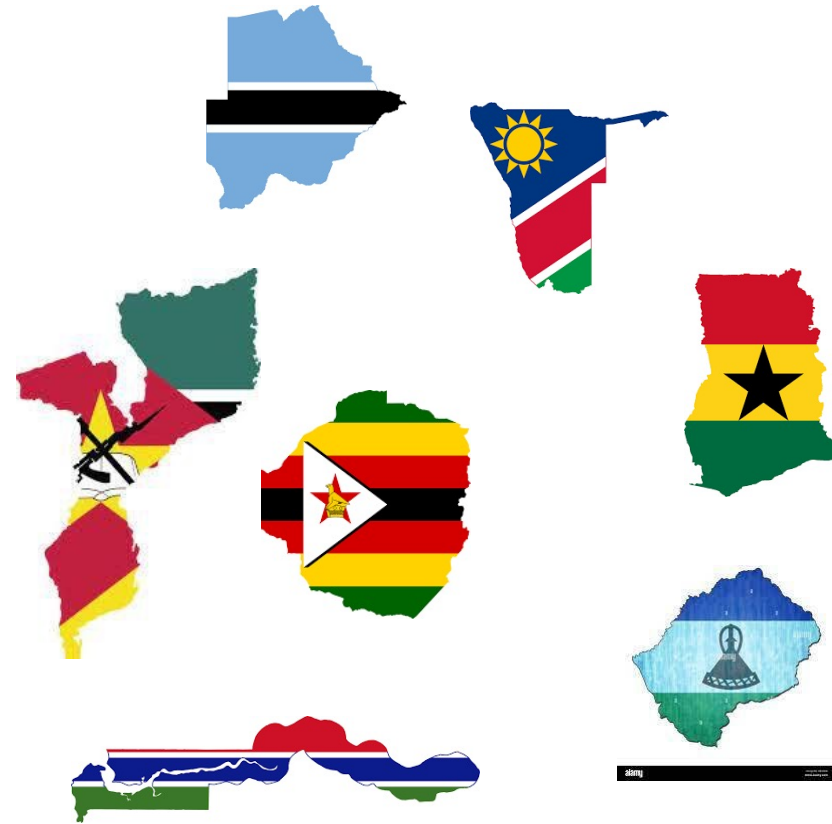
But...

Lack of registration
certificate

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Subject to challenge
due to insufficient
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Madrid covers it all – and is always and immediately enforceable.

But...

Lack of registration
certificate

Validity unclear

Subject to challenge
due to insufficient
examination,
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implementation

Enforcement
difficulties





Myth # 5

Madrid is cut in stone.

Madrid is cut in stone.

Inherent limitations to the system.

Lack of
flexibility.

Narrowing the
specification.

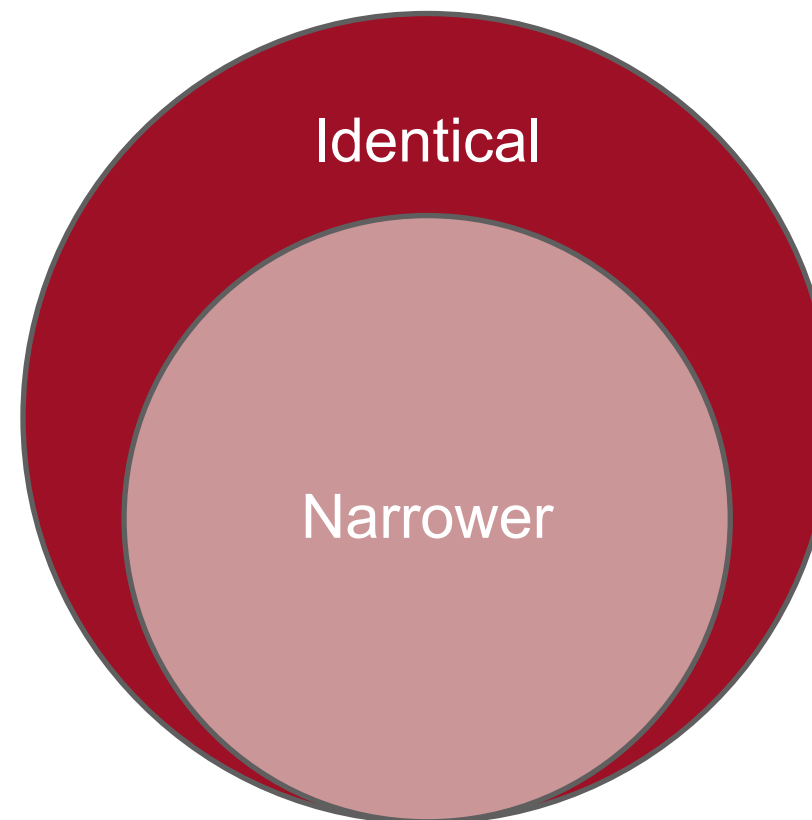
Lost in
translation or
transliteration.

No leeway for
amending
marks.



Madrid is cut in stone.

Inherent limitations to the system.



Madrid is cut in stone.

Inherent limitations to the system.

Lack of
flexibility.

Narrowing the
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Lost in
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Madrid is cut in stone.

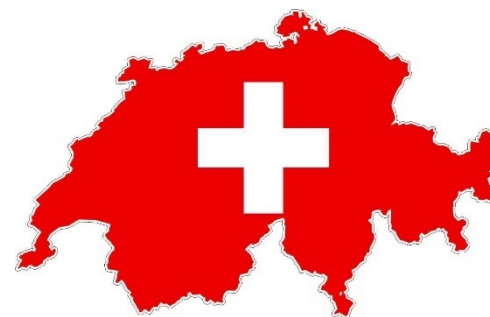
Inherent limitations to the system.

Lack of
flexibility.

Narrowing the
specification.

Lost in
translation or
transliteration.

No leeway for
amending
marks.





Myth # 6

**The biggest risk is the
central attack.**

The biggest risk is the central attack.

But what does that mean?

What is the dependency on the basic mark?

- Attack on basic mark results in the same limitation / cancellation of protection in designated countries
- International Registration does not become independent of basic mark until after 5 years.
- Time of commencement of cancellation proceedings (not conclusion) is decisive.

What issues are particularly “critical” situations?

- Export marks (in foreign language or script).
- Grounds of refusal.
- Identification of G/S.

The biggest risk is the central attack.

And how often does that happen?

How “real” is the risk of a central attack?

- Rare – but ceasing of effect due to *ex officio* refusals possible!
- Most “real” attacks within the EU.

What are the mitigation strategies?

- Consider waiting for basic mark to clear opposition period before filing International Registration – consider pre- vs. post-registration opposition, timeline and priority deadlines!
- Risk profile (e.g., EUTM may be facing increased risk of opposition compared to DE or FR basic mark).

And what options do right holder have?

- Transformation within 3 months of the cancellation of the basic mark under the Protocol.
- But: complicated, incurs additional cost, lost cost of filing the international application and designating Contracting Parties when the basic mark and all designations are cancelled; outcome is uncertain.

The biggest risk is the central attack.

And how will the future look like?

Current discussion and proposed changes:

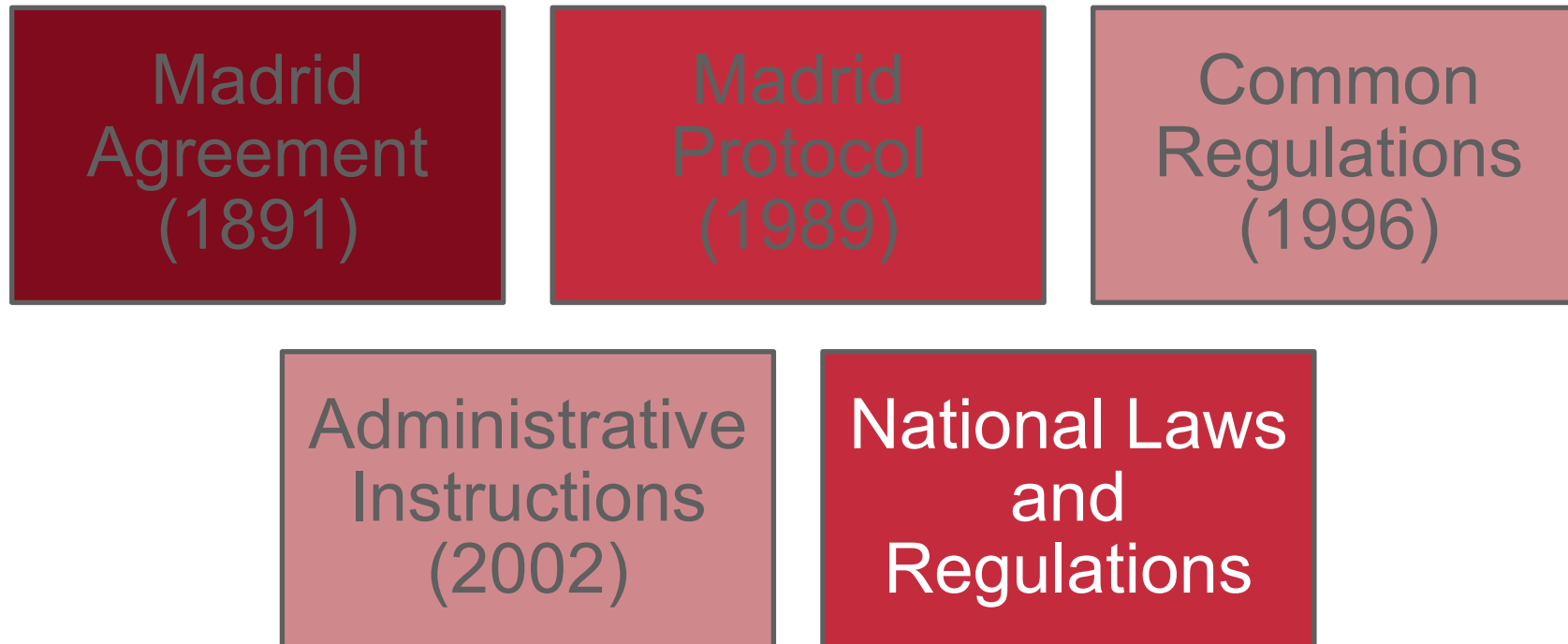
- Retain the basic mark requirement but reduce the dependency period from 5 years to 3 years.
- Retain the basic mark requirement but eliminate the dependency principle.
- Eliminate both the basic mark requirement and dependency principle.
- Retention of third-party central attack (albeit in different form).

Myth # 7

**Trademark laws under
Madrid are aligned.**

Trademark laws under Madrid are aligned.

There is a set of common rules, but...



Trademark laws under Madrid are aligned.

Example: Non-traditional trademarks

Paris
Convention

TRIPS

Singapore
Treaty

Graphic
representation
requirement?

Certification
marks?

The background of the slide is a vibrant purple nebula with wispy, glowing clouds of gas and dust. Numerous small, bright white stars are scattered throughout the scene, adding depth and a sense of cosmic scale. The overall color palette is dominated by various shades of purple, from deep indigo to bright magenta.

04 Conclusion: No one size fits all.

Benefits, risks and opportunities.



Benefits.

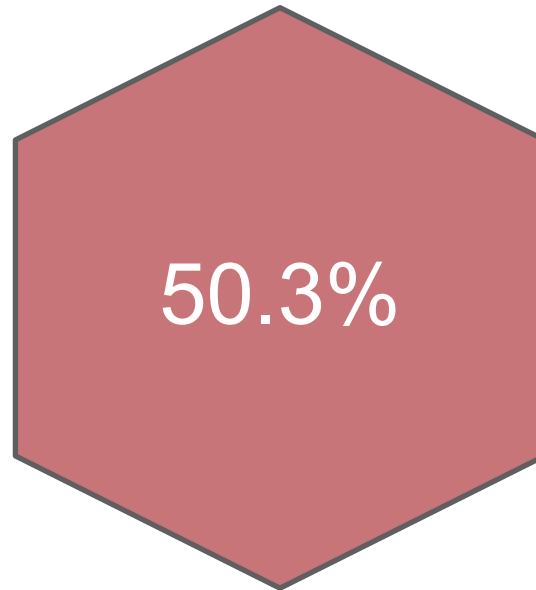


Caution!



Strategy.

And what about...?



Questions

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Thank you for your Contributions!

Baker McKenzie.



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Rio de Janeiro



Brazil
Andre Provedel, Associate,
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Flavia Rebello, Principal,
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Zurich



Vietnam
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Counsel, Hanoi



Vietnam
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Hanoi

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Maria Abdo, Manager Client
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