IMPAIRS OF RECENT DEVELOPMENT OF THE MADRID SYSTEM ON AUSTRALIAN USERS & RECOMMENDATIONS FOR FUTURE REFORM

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I INTRODUCTION

With the development of the globalization and international trade, the international registration of Trade Marks (TMs) becomes increasingly important for a country to accumulate business fortune and maintain sustainable economic growth. Against this backdrop, the 'tendency towards integration and internationalization of TM law is consequential'.

The history of the international TM protection can be traced back to the Paris Convention in 1883. The 'Madrid System', which was initiated in the Madrid Revision Conference of the Paris Convention in 1890 and currently administered by the International Bureau of the World Intellectual Property Organisation (WIPO), has been regarded as 'the most far-reaching Agreement reached so far' in harmonizing international TM laws and attempting to establish a unified international TM registration system. Particularly, in recent years, the number of international TM applications under the Madrid System increased rapidly and

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1 Thies Bosling 'Securing Trademark Protection in a Global Economy - The United States' Accession to the Madrid Protocol' in 12 University of Baltimore Intellectual Property Law Journal 137, Spring 2004, at 138 (stated: Globalization demands 'effective tools that extend TM protection beyond national boundaries and the safeguard of intellectual property rights (IPRs) worldwide').

2 Paris Convention for the Protection of Industrial Property (Paris Convention). See Michel J. Ayer, 'Why the Time has Arrived to Broaden Protection of Foreign Trademarks in the United States and Why It won't Happen' 32 Journal of Corporation Law 927, Summer 2007, at 932. (Paris Convention has been referred to as the 'first international effort to standardize and simplify the protection of intellectual property rights' among nations.)


4 Bosling, above n 1, 138.
continuously. According to the WIPO Gazette of International Marks, 36,471 international TM applications were received in 2006, representing an 8.6% increase from 2005.\textsuperscript{5} Once again a record number of applications was found in 2007. 39,945 applications were received which represents a 9.5 \% increase from 2006.\textsuperscript{6} The speed of growth slowed down at year-end of 2008 due to the global economic crisis, but the WIPO still received a record 42,075 applications, representing a 5.3\% rate of growth.\textsuperscript{7}

Australia was amongst the countries with the highest increase, accounting for a 29.1\% increase and ranking 11th of the list of major filing countries in the 2006 year.\textsuperscript{8} Australia continued its upward growth with an increase of 6.3\%, and now moved to the 10th place in the 2007 year.\textsuperscript{9} Australia is playing increasing important role in the international TM market and the Madrid System.

This paper will examine the recent development of the Madrid System and its possible impacts on users in Australia, and make recommendation for future reform. Part II of the paper will give a brief overview of the current ‘Madrid System’, and particularly focus on the Madrid Protocol and its impacts on Australian users. Both advantages and limitations of the current system will be examined. Part III will examine the recent development of the Madrid System, such as recent amendment of the Madrid Protocol and its impacts on users. Part IV will provide some recommendations for users, trade mark attorneys and future regulators by referring to the most recent amendments of the Madrid Protocol and legal reform proposals made by Australia. It argues that it is imperative to apply both legal and technology instruments (i.e. information access rule and central database) to improve the transparency, effectiveness and efficiency of the Madrid System and to provide better service to the users worldwide. Member states should push forward with the call of the WIPO on a harmonization the trade mark laws.

II MADRID SYSTEM & IMPACTS ON AUSTRALIAN USERS

A General Advantages & Australia’s Access to the Madrid System

The current "Madrid System" for the international registration of trade marks is governed by the two treaties: the Madrid Agreement Concerning the International Registration of Marks of 1891( the Agreement), and the Protocol Relating to the


\textsuperscript{8} Weston, above n 3.

\textsuperscript{9} WIPO, above n 6.
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Madrid Agreement of 1989 (the Protocol).\textsuperscript{10} Both treaties are currently administered by the WIPO. The members of the Madrid Agreement and the Madrid Protocol are referred to collectively as the ‘Madrid Union’.\textsuperscript{11} Australia has been a member of the Madrid Protocol only since July 2001.\textsuperscript{12}

The Madrid Agreement has been regarded as the first attempt to establish a unified international TM registration system,\textsuperscript{13} but it has not attracted as many users as it expected. Building upon the Agreement, the Madrid Protocol is the ‘most recent attempt at creating international protection for TMs’,\textsuperscript{14} and it has been regarded as a ‘highly significant step’ towards a truly unified International TM system.\textsuperscript{15}

The Madrid Protocol is widely acclaimed as being advantageous for Australia TM owners. As many commentators have pointed out, the Madrid Protocol enables TM owners 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.’\textsuperscript{16} It also enables TM owners to assign ownership and to renew an International Registration with a single application to the WIPO.

Before Australia accessed the Protocol, Australian applicants seeking protection for their TMs overseas had to lodge their applications in every individual country in which they planned to trade with. A country-by-country basis application approach is costly and time-consuming. It arguably deterred many Australian businesses from safeguarding their TM rights abroad. Leaving Australian TMs unprotected overseas not only made them vulnerable for TM piracy, but it allowed foreign companies to

\textsuperscript{10} Also see Norm J. Rich, ‘United States Participation in the Madrid Protocol: What is the Price of Admission?’, in 5 Temple International & Comparative Law Journal 93, Spring 1991, at 94. (stating: ‘The Madrid Protocol was not intended to replace the original Agreement. Rather, the Madrid Agreement and Madrid Protocol comprise what is commonly referred to as “Madrid System”, and are meant to work together.’)


\textsuperscript{13} ‘The Agreement aims to ‘create an international registration system for marks that would ease the barriers of filing separate national applications’. Ayer, above n 2, 933.


legally adopt identical or similar marks and use them on identical or similar products outside Australia.\(^{17}\)

Under the *Protocol*, multiple registrations may be obtained with ‘one application, using a single language, and paying a single fee in a single currency’.\(^{18}\) Australian applicants do not have to expend time and money on filing separate TM applications in individual country any more. This will arguably be beneficial for applicants who would ‘otherwise be financially unable to obtain foreign registrations’, such as some medium and small companies who have been refrained from international TM registration due to high costs and intricate procedures.\(^{19}\)

As such, the access to the *Madrid Protocol* would arguably not only enable more Australian businesses to protect their TM rights abroad and help them to explore their registered products and services in overseas market, but also help to improve the comparativeness of Australian companies in the international trade in the long run.

**B Madrid Agreement vs Protocol: Specific Advantages of Madrid Protocol & Impacts on Australian Users**

Moreover specifically, as some commentators pointed out, ‘the *Protocol* introduced a number of innovations in the *Madrid System*.\(^{20}\) Compared with the *Agreement*, the *Madrid Protocol* has provided a number of advantages that the *Madrid Agreement* has not offered, and have significant implications on Australian users. Some most important ones include:

1. **Language and Coverage**

Under the *Madrid Agreement*, applications of international TM can only be filed in France.\(^{21}\) Under the *Protocol*, in addition to French, applications pursuant to the *Madrid Protocol* may alternatively be filed in English or Spanish.\(^{22}\) The recognition of English and Spanish as official languages has removed a ‘key barrier to the entry’ of many American countries.\(^{23}\) As some commentators observed, the

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\(^{17}\) Consequently, when owners of Australian TMs later decided to explore their businesses overseas, they may find some domestic companies had often already taken TMs identical or confusingly similar with their TMs.


\(^{19}\) Bosling, above n 1, 163.

\(^{20}\) Weston, above n 3.

\(^{21}\) See Bosling, above n 1, 161. See also Art 17(1)(a) of the *Agreement*.

\(^{22}\) Art 16(1) (b) of the *Protocol*.

\(^{23}\) The *Protocol* allows applications to be filed in the US with the English language and allows the application fees to be paid in U.S. currency. This arguably created more incentive for the US to join the Madrid system. See also Madrid Union, WIPO, Assembly Report, at para. 32, W.I.P.O. 34th Sess., MM/A/34/2 (Oct. 1, 2002), at http://www.wipo.org/documents/en/document/govbody/wo_gb_mm/doc/mma34_2.doc.
inclusion of English and Spanish is particularly attractive to smaller and medium sized firms that may have lacked the resources to pursue even a single application in French under the Madrid Agreement. This also created incentives for the US and many Latin American countries to access the Madrid system. Indeed, both the U.S. and a number of major Latin American countries have now become members of the Protocol. Moreover, the Madrid Protocol permits the accession of certain inter-governmental organizations. Consequently, the EU has joined the Madrid Protocol on 1 October 2004.

As such, through the Madrid System, applicants in Australia can now extend the protection to their TMs to most of major trade partners of Australia.

2. Time & Fee for Examination

The Madrid Protocol provides member states with more time and flexibility to examine applications, as well as allows them to collect higher fees for each application. The Madrid Protocol allows member states to extend the time frame within which they have to decide whether to register a TM from 12 months to 18 months (and subject to possible further extension). The Madrid Protocol also provides for a revised fee structure, and allows member countries to charge their national fees for the examination of applications.

These provisions are arguably more favourable to the nations which have relatively sophisticated (lengthy) TM registration processes and higher national registration fee, such as the US and Australia.

3. Lower the Bar: Registration vs Application

The Madrid Protocol eliminates the requirement of home registration under the

"The Delegation of Mexico said that the Madrid Protocol was of the highest importance to its country. However, it would be difficult for the Mexican Congress to consider the accession of Mexico to this treaty if Spanish was not recognized as a working language. The Delegation, therefore, strongly supported the inclusion of Spanish in the Madrid system. Moreover, Columbia, Costa Rica, Panama, Ecuador, Uruguay, El Salvador, Honduras, Venezuela, and numerous non-Latin American countries also support to include Spanish as an official language, and many recognized that this would be an important factor in their consideration of accessing the Madrid System. Ibid.

See Ayer, above n 2, 937.
WIPO, above n 11.
Article 14(1)(b) of the Protocol.
Wetton, above n 3.
Art 5(2)(b) and (c) of the Protocol. (The member states may declare that the time limit to notify a refusal of protection shall be 18 months.) See also Murphy, above n 11, 26.
See Art 8(1) of the Protocol. See also Samuels & Samuels, above n 18, 447.
Both the U.S. and Australia have declared that the time limit to notify a refusal of protection of TM shall be 18 month as well as an individual fee (national fee) for the international TM application will be applied. See WIPO, above n 11. See also Bosling, above n 1, 161. (explained why the US joined the Protocol)
Madrid Agreement. According to the Agreement, in order to be eligible for international registration the proposed TM must be registered in its country of origin in the first place.\textsuperscript{31} The Madrid Protocol provides that an international registration may also be based solely on a home country application.\textsuperscript{32} In the other words, the Madrid Protocol only requires the filing of a TM application, not a granted registration at the TMs Office (TMO) of a member state ("the office of origin").

That means that Australia applicants for international TM registration no longer have to wait until the Australian TMO completes its examination but may file for an international application on the same day they lodge their domestic application to the TMO in Australia.\textsuperscript{33} This enables applicants to obtain international protection even before using the TM anywhere in or outside Australia.

4 Lower the risk of "Central Attack"

There is a much-criticized ‘central attack’ rule in the Madrid Agreement – the cancellation of a home registration automatically invalidates international registrations based upon it, unless the affected TM has been registered as an international TM more than five years.\textsuperscript{34} Under the Protocol, although a registration is still subject to central attack, cancellation of a home registration does not automatically lead to invalidation of relevant international registrations anymore.\textsuperscript{35}

The registrant may apply for transferring its former international registrations into national registrations in each member state where protection is desired within a three-month time frame.\textsuperscript{36} If the transformation application is successful, the transformed national registration will bear the same priority date as the international registration.\textsuperscript{37}

As such, the greater number of grounds on which the validity of an Australian registration may be attacked\textsuperscript{38} is no longer a competitive disadvantage for Australia.

\textsuperscript{31} Bosling, above n 1, 159.
\textsuperscript{32} The Protocol, art. 2(1).
\textsuperscript{33} See Trade Mark Act 1995, s29 (regarding formalities for claiming convention priority) and s 72 (regarding convention priority). Trade Mark Regulation 4.5.
\textsuperscript{34} Art 6 (2)-(4), the Madrid Agreement. That is to say, "the International Registration and all of its territorial extensions will be cancelled if the basic application or registration is refused or cancelled". Murphy, above n 11, 9.
\textsuperscript{35} See Thorsten Klein, Madrid Trademark Agreement v. Madrid Protocol, 12 J. Contemp. Legal Issues 484, 487 (2000); see also Bosling, above n 1, 160.
\textsuperscript{36} See the Protocol, 9-quinquies. See Bosling, above n 1, 163 (stating ‘... when an applicant's home registration is cancelled, the registrant may apply to the countries in which he has acquired registrations pursuant to the Madrid Protocol and request their transformation into national registrations within a three-month time frame'.)
\textsuperscript{37} See the Protocol, 9-quinquies.
\textsuperscript{38} See Parts 8 and 9 of the Trade Mark Act 1995 (regarding cancellation of registration and removal of TM from register for non-use).
trademark owners compared to their contenders in other countries, such as the EU.\textsuperscript{30}

5 Summary: Access to the Madrid Protocol & Current Status

The advantages/innovations of the Madrid Protocol (introduced above) have meant that most new members are acceding to the Madrid Protocol rather than the Agreement. Along with a number of other countries, Australia and has only adopted the Madrid Protocol not the Agreement.\textsuperscript{40}

Moreover, as some commentators have observed, through introducing a number of innovations in the Madrid System, the Madrid Protocol has successfully expanded its geographical coverage.\textsuperscript{41} As of this writing, 56 states, or "Contracting Parties," have adopted the Agreement,\textsuperscript{42} and a total of 78 states have adopted the Protocol.\textsuperscript{43}

Indeed, with constant coverage expansion, the Madrid System would arguably play an increasing important role in not only facilitating an applicant in the Australia seeking protection abroad, but also facilitating a foreign applicant seeking an extension of protection in Australia.

C Problems and Limitations

Although the Madrid Protocol has introduced a number of innovations in the Madrid System, and made the System becomes more international, the system does still have many limitations. Some important ones may include:

1 Not a True International TM (Comparison with the EU CTM)

Generally speaking, the Madrid Protocol has not created a strong and enforceable TM protection in multiple jurisdictions. To some extents, the international TM protection provided by the Madrid System is not as strong as the Community TM (CTM) protection in the European Union (EU). Compared with the CTM, The Madrid Protocol provides a relatively loose structure for TM protection.

Firstly, the registerability of the International TM through the Madrid System is eventually subject to each member state’s domestic law. When an international application is filed in the WIPO, it is not the WIPO but the TMO of each member state to eventually decide whether a proposed TM is registrable. The TM protection

\textsuperscript{30} See also Bosling, above n 1, 154 (in the article, the Author conducted paralleled study on the impacts of the Protocol on TM applicants in the U.S.)

\textsuperscript{40} WIPO, above n 11. See also Bosling, above n1, 161. (Stating: "The Madrid Protocol contains a number of provisions that are designed to meet the objections raised by the United States and other nations in opposition to the Madrid Agreement")

\textsuperscript{41} Weston, above n 3.


\textsuperscript{43} WIPO, above n 11.
regime under the Madrid System is quite different from that of the EU. An application of CTM may be rejected if it is unregistrable in just one member state. For example, if the TM is found to be descriptive in French, the application will then fail for the whole EU. But under the Protocol, if some states find a TM is unregistrable, other states may still grant protection to the TM. Under the CTM, genuine use in one member state constitutes use throughout the EU. That means an opposer may succeed even if it has prior rights in only one EU country. But under the Protocol, the genuine use in one member state does not constitute use in any other member states.

Secondly, unlike the CTM registration in EU, the WIPO International Bureau does not, in fact, issue a single TM registration which is enforceable in multiple jurisdictions. In EU, the enforcement of CTM protection is broad-based. For example, a CTM owner may obtain injunctive relief against infringement across the EU. By contrast, there is no unified enforcement mechanism for protecting international TMs registered under the Madrid Protocol. As protection, if granted, it is still subject to each member state’s domestic law.

Thirdly, under the Protocol, the WIPO shall record the assignment of an international TM in respect of ‘contracting countries only’. This arguably limits the scope of application of the Madrid System, and may cause potential economic losses of TM owners in certain circumstances.

Lastly, as mentioned above, there are a number of other limitations, such as home application requirements and central attack rule. They all prevent under the Madrid Protocol from representing a ‘truly international right’. As such, some commentators observed the Madrid Protocol merely create a ‘centralized filing system which simplifies the process of obtaining and maintaining national TM registrations’ in the member states of the Madrid Union. To some extents, it does not represent a truly international Trade Mark right.

44 A Community Trade Mark (CTM) is any trademark which is pending registration or has been registered in the European Union as a whole (rather than on a national level within the EU). See also European Commissions, Trade Marks including Community Trade Mark, at <http://ec.europa.eu/internal_market/indprop/tm/index_en.htm> at 3 October 2008. The CTM system creates a unified trademark registration system in Europe, whereby one registration provides protection in all member states of the EU. The CTM system is unitary in character.

45 Ayer, above n 2, 933.
46 Article 9ter, the Madrid Agreement.
47 For example, if an Australian firm, which filed an International application to extend the TM protection to China, Japan and the U.S., has decided to sell its business (including TM properties), it can only assign its international registration to these designated countries. The firm cannot assign its registration to any non-Madrid Union countries, such as Malaysia, Indonesia, or India. This would arguably lead to a decrease of business value of the firm’s international TM, since the rights attached to its international mark cannot be transferred to non-Madrid members.

48 See Murphy, above n 11, 59.
49 Murphy, above n 11, 5. See also Ayer, above n 2, 5.
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2. Lack of Transparency & Need to understand the laws in each designated country

Although many commentators claimed that the one-stop registration system under the Madrid Protocol enables TM owners to file international applications ‘without the need for foreign counsel’ (as discussed above), in practice, they may still need get advices from local counsel on specific TM application requirements in each designated country. The registration process of the international TM application is not completely transparent. So applications may fail simply because applicants do not understand some specific TM application provisions in contracted countries.

Using Australia as an example, if the Australian TM Registrar has any objections to a particular international registrations designating Australia (IRDA), the Registrar will send a provisional refusal to the TM owner through the WIPO International Bureau. However, the Registrar is not obligated to consider any response by the TM owner who has not notified (in writing) the Registrar of its address for service in Australia.\(^50\) Thus, failure to specify an Australian address in a timely fashion may result in lapsing of overseas applicants’ applications.\(^51\)

It is clear that most overseas applicants may not understand the Australian law in such details. As such, the advices from local agents are still important in some circumstances. The same holds true for Australian applicants lodging international TM applications abroad. And this will arguably involve additional cost to applicants.

3. Limited number of countries & Restraints on Assignment

As discussed above, the Madrid Protocol has attracted 77 member states, such as China, the U.S. and the EU. But some other important trade partner of Australia, particularly most countries in Asian Pacific areas (such as Malaysia, Indonesia and New Zealand) are still not on the Madrid list.\(^52\) Moreover, under the current Madrid System, the WIPO International Bureau shall record the assignment of an international TM in respect of ‘contracting countries only’.\(^53\) This arguably limits the scope of application of the Madrid System, and may cause potential economic losses of Australian TM owners in certain circumstances.

\(^{50}\) See Philip Macke, ‘Hidden traps of the Madrid Protocol’, Focus: Patent and Trade Mark, November 2002, <http://www.sar.com.au/pub/pdf/pla/ftmavr02.pdf> at 3 October 2008. (Macke further stated: ‘The Trade Marks Act 1995 and Regulations say nothing about what happens if a response is lodged without specifying an Australian address for service. There is no obligation upon the Registrar to notify the TM owner of this defect. If the Registrar does not notify the owner, the owner may not be aware of the defect, and it is possible that the IRDA will not be accepted within the relevant statutory period and it will lapse’.)

\(^{51}\) Ibid.

\(^{52}\) Weston, above n 3. However, it noteworthy that the status of New Zealand is set to change and the New Zealand Trade Marks Office has confirmed accession by December 2008. Ibid.

\(^{53}\) Article 9ter, the Madrid Agreement.
For example, if an Australian firm, which filed an international application to extend the TM protection to China, Japan and the U.S., has decided to sell its business (including TM properties), it can only assign its international registration to these designated countries. The firm cannot assign its registration to any non-Madrid Union countries, such as Malaysia, Indonesia, or India. This would arguably lead to a decrease of business value of the firm's international TM, since the rights attached to its international mark cannot be transferred to non-Madrid members.

4 Difficulty with the States Bounded by the Two Madrid Treaties

As of this writing, among 84 member states of the Madrid System, 6 states to only the Madrid Agreement, and 28 states to only the Madrid Protocol. This means that 50 states are bounded by both treaties. This arguably posted a question to the users of the system - How should they deal with the states bounded by both the Madrid Agreement and the Protocol? Which treaty should apply?

5 Other limitations

There are a number of other limitations, such as the limiting scope of the International registration to the scope of the basic registration in home country, central attack rule, and the like.

Australian users and TM attorneys should arguably be aware of all existing limitations of the Madrid System, and try to minimize the risks the limitations may bring to their business operations in Australia. In doing so, enhance the competitiveness of their products and services in Australia and worldwide.

III RECOMMENDATIONS FOR FUTURE REFORM

A Central Database for Improving Transparency - Australia's Proposals

Many existing problems, such as efficiency problem, can be resolved by improving the transparency of the current Madrid System. The improvement of the transparency can be achieved by both technological and legal measures, such as establishing a more centralized database and setting up more specific standards/provisions to facilitate the public’s access to information.

As we known, one of key deficiencies of the Madrid system is the lack of timely and accurate information to international applicants. As some commentators have


55 See Murphy, above n 10, 59.

56 Ibid, 1 (stating: 'there is an urgent need to address deficiencies in this area of the system's operation') See also WIPO, above n 58, 3 (proposing that 'priority be given to considering the provision of information to users'.)
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pointed out, the problem on information access may lead to a ‘slight increase in the level of uncertainty’ of the operation of the current Madrid System. For example, the TM office of origin may delay transmission of a foreign applicant’s International Application to the WIPO, and the WIPO may delay granting the International Registration due to defects in the application, such as irregularities in their specification of goods/service, and failure to pay sufficient fees. To minimize the degree of risk, it would be desirable if the WIPO can set up a powerful central database, enabling the system users (not only TM owners) to access accurate information about the status of a mark as well as the status of their applications in designated jurisdictions in a timely fashion. For example, in future legislation, the WIPO may require member states to inform applicants of application progress (the status of application in each stage of application) through the WIPO central databases at a timely fashion. If an application has defects (such as failing to pay fees, and failing to meet the specific requirements of TM laws in designated countries), designated countries should inform the applicant of the nature of defects and specific requirements in TM laws, and make these information available on the WIPO databases.

It is noteworthy that Australia recently made a proposal to the WIPO in relation to further work on the future development of the Madrid system. Australia’s proposal highlighted the importance and urgency of improving accessibility of information regarding international registrations for the future development of the Madrid System, and the role of the WIPO database as a ‘key central repository’ of accessible information (i.e. central database) about the status of international TM applications. Australia suggested the WIPO adopt a ‘cohesive approach’ to address the problems of the current Madrid system, and proposed a scheme addressing standards in provision of information on the status of international applications.

The scheme includes two stages. The major tasks in Stage 1 include: (a) making known an intention to establish standards in provision of information which will ultimately apply throughout the Madrid system; and (b) establishing a minimum standard applying in the interim. Moreover, the proposal sets up different timelines for different contracting parties to meet the minimum requirements.

57 Murphy, above n 10, 52.
58 Ibid.
59 WIPO, above n 61, 6. (‘A significant element of this scheme would be that WIPO databases would be a key central repository of accessible information about the status of a mark in designated jurisdictions.’)
61 WIPO, Contribution by Australia (Part 1), Working Group on the Legal Development of the Madrid System for the International Registration of Marks : Fifth Session (MM/LD/WG5/5), May 5, 2008 to May 9, 2008 (Geneva, Switzerland), page 1 (Different compliance timelines have been set up for different contracted parties).
62 WIPO, Contribution by Australia (Part 1), above n 61, 2.
According to the proposal, contracting parties, which have availed themselves of individual fees or an 18-month refusal period, must meet the minimum requirements ‘within a specified time’; and all other contracting parties will be given a ‘specified longer period’ to meet the minimum standard. The tasks in Stage 2 include: (a) establishing standards which will apply across the system; and (b) implementing the standards. Australia also provided some specific suggestions on how to amend the Common Regulations in order to comply with the interim standard and to facilitate the publication of the information to users.

Australia’s proposal arguably reflected users’ needs for better information access to international registrations. The establishment of a more powerful central database will arguably contribute to improve the transparency and efficiency of the Madrid System, and make the system better serve its users. The two-stage approach would arguably increase the feasibility of the proposal, and ensure that improvement in the accessibility of information for users will occur in the short- to medium-term. The arrangement on setting up different compliance timelines has taken into account of various situations of different member states. This will arguably help to strike a sound balance of benefits of different member states, and contribute to the ‘broad aims for harmonising the operations of the system’.

Australia’s proposal has been considered by the WIPO, and has obtained wide supports from many member states. However, in addition to the current proposal, it would be more desirable if the WIPO could provide a clear guideline on specific obligations of each member in terms of facilitate information access, such as which specific information should be provided and timelines for providing the information. In doing so, make technology and legal measures work collectively to improve the effectiveness of the current system.

B Conflicts of Two Treaties & Recent Amendments of Protocol

As introduced above, it is always a problem when dealing with the states bounded by both the Madrid Agreement and the Protocol. Former Article 9sexies (‘the safeguard clause’) of the Protocol states that in relations between countries under the two treaties the Agreement’s provisions will apply. This is obviously not good for the promotion of the Madrid Protocol, which has more potential to improve the Madrid System and attract more member parties (as introduced above).

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63 Ibid. 6. (It provides that ‘Contracting parties availing themselves of individual fees or an 18-month refusal period must meet the minimum requirements within a specified time’; ‘All other contracting parties will be on notice that they will be required to meet this minimum standard in a specified longer period.’)
64 Ibid. 4. (Information to be provided) and page 8 (‘Amendment of the Common Regulations’).
65 Ibid.
66 Ibid. 4.
67 Ibid. See also WIPO, above n 60.
However, this problem has recently been partially resolved. In 2005, the WIPO set up an Ad Hoc Working Group in order to make recommendations to the Madrid Union Assembly concerning the reform of the Madrid System, including the refusal of Article 9sexies. In 2007, two important amendments have been made by the Assembly of the Madrid Union: Firstly, members approved the repeal of ‘safeguard clause’. The revised text provides that, as from 1 September 2008, for countries bound by both treaties, only the Protocol’s provisions will apply. Moreover, in order to minimize the effects of the repeal of the safeguard clause, Article 9sexies (1)(b) has been amended to render inoperative declarations of the Protocol which relates to options of an individual fees and/or an 18-month refusal period. Such arrangements allow new members of the Protocol to gradually adjust their laws to meet the final goals/requirements of the Protocol – 12-month refusal period and no extra individual fee. Secondly, the WIPO amended the Common Regulations under the Madrid System in 2008. Since the safeguard clause has been repealed, the relevant provisions regarding the safeguard clause in the common regulations shall be revised accordingly. And the new regulations will be in force on 1 September 2009.

These amendments provide the users/companies in Australia with new guidelines to deal with other Madrid members, particularly the states bound by both the Madrid Agreement and the Protocol. Amendments have arguably reflected the Working Group’s objective to ‘allow users in states bound by both the Agreement and the Protocol to benefit from advantages offered by the Protocol while limiting

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68 WIPO, Ad Hoc Working Group on the Legal Development of the Madrid System for the International Registration of Marks: Draft Agenda (MM/LD/WG/1), Jul 4, 2005 to Jul 8, 2005 (Geneva, Switzerland) at <http://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_1/mmld wg_1_1_prov.doc> at 2 May 2009. The work group was set up in 2005, and mainly focused on (1) ‘the review of the refusal procedure and the safeguard clause envisaged in the Madrid Protocol’ and (2) ‘possible amendments to the Common Regulations under the Madrid Agreement and Protocol.’


71 That is the declarations under Art 8(7) or 5(2) of the Protocol. See also Nicholas Weston, Madrid Mid-Year Update, May 22, 2008, at <http://www.australiantrademarkslawblog.com/tags/safeguard-clause/> at 2 October 2008.

72 See WIPO, ‘Amendment of the Common Regulations’, Assembly, Special Union For the International Registration of Marks (Madrid Union), Fortieth (23rd Extraordinary) Session Geneva, September 22 to 30, 2008, MM/A/40/1 (prepared by the International Bureau). See also WIPO, Proposal by Australia, above n 60, 9.
undesired effects of its application'. The repeal of safeguard clause is arguably a significant step taken towards the 'ultimate goal that the system be governed by only one treaty (the Protocol)', and will benefit all users around the world.

However, there are still many further works to be completed. Although the WIPO has set the options of an individual fees and/or an 18-month refusal period to allow new members of the Protocol to adjust their laws gradually, it would be desirable if the WIPO can also set up a clear timeline for these countries to meet the final requirements of the Madrid Protocol (in respects of reducing refusal period to 12 months and removing extra individual fee eventually).

C Harmonization of the Trade Mark Law & Regional Approach as a Springboard

One of key reasons that the Madrid System has not created an EU-style strong and enforceable TM protection in multiple jurisdictions is the nature of the System. It is mainly 'international administrative unions' rather than legislative institution, and the Madrid Agreement/Protocol was an 'international administrative act subject to examination by the designated contracting parties'. However, many existing problems of the current international TM registration system, such as unexpected delay and the need of local agents, are mainly because of the inconsistency between the TM laws in different member countries. As some commentators have observed, 'although the Paris Convention and the Agreement on Trade-Related Aspects of IPRs (TRIPS Agreement) have 'harmonized substantive TM law in many respects, it is still a fragmentary regulation'. Thus, in addition to adopting technological measures to improve the transparency and efficiency of the current Madrid System, the Madrid Union may also attempt to enhance the harmonization of the TM laws among the Madrid countries. For example, the Madrid Union may attempt to establish an international standard of substantive TM law, and authorize the International Bureau to verify the substantive requirements of international applications.

However, the establishment of a unified international TM law cannot be achieved overnight. A regional approach may serve as feasible starting-points for eventual

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73 See WIPO, Contribution by Australia (Part 1), Working Group on the Legal Development of the Madrid System for the International Registration of Marks : Fifth Session (MM/08/WG/5/5), May 5, 2008 to May 9, 2008 (Geneva, Switzerland), at page 1.

74 See WIPO, Draft Report, above n 69, 9. Moreover, as many commentators observed, this amendment is important because 'in certain aspects the Protocol contains less rigorous provisions than the Agreement'. See Weston, above n 71. Indeed, as introduced above, many countries never joined the Agreement, and the Protocol, addressed perceived defects within the Agreement.

75 Karen Kaiser, 'WIPO's International Registration of Trademarks: An International Administrative Act Subject to Examination by the Designated Contracting Parties', 1 November 2008, 9 German Law Journal 1597, 1621.

76 Ibid, 1622.

77 Ibid. See also Annette Kur, 'TRIPS and Trademark Law', in From GATT to TRIPS: The Agreement on Trade-Related Aspects of Intellectual Property Rights, 93, 116 (Friedrich-Karl Beier & Gerhard Schricker eds., 1996).
multilateral solutions. As we known, the rise of bilateralism and regionalism has become a tendency in the recent years.\textsuperscript{78} Using Asia as an example, based on a study that the author conducted for the United National Economic and Social Commission for Asia Pacific (UNESCAP) in September 2006, of the 110 bilateral or regional trade agreements (RTAs), which have been concluded or are in the course of being negotiated in the Asian Pacific area, 27 contain IP-related provisions (nearly 30% of the total number of agreements).\textsuperscript{79} Regional trade agreements have become an important supplementary form of IP legislation in the Asian and Pacific Areas. As such, the Madrid Union may set up a number of regional working groups to enhance the harmonization of the TM laws at the regional level, such as the EC group, Asia-Pacific group and African group. Member states in each working group may set up regional standards to harmonize their TM laws, either through regional TM Agreements and IP-related RTAs. Each working group may set up different timelines for group members to reform their domestic TM laws to meet the regional requirements.

Moreover, all working groups should always work under the coordination and supervision of the Madrid Union of the WIPO. In doing so, make sure the 'regional approach' is an approach under the control of the WIPO, and make sure that the regional approach would serve as an effective springboard for future multilateral resolutions eventually.

D \textit{Involvement of NGOs and Civil Society for Future Development of Madrid System}

As Thomas Friedman observed in his book 'The World is Flat', the rise and wide participation of individuals and civil society groups is one of important features of the current globalization.\textsuperscript{80} An important feature of the current debates on the future development of the Madrid System may be the involvement of civil society and non-governmental organizations (NGOs).

Like the negotiation process of the WIPO Development Agenda, which attracted endorsements from hundreds of individuals and public-interest NGOs,\textsuperscript{81} the current debates on the future development of the Madrid System has also attracted attentions from many NGOs and civil society group. Using the recent Working Group meeting (Session Six) in November 2008 as an example, in addition to 44

\textsuperscript{78} See Tian, Yijun. \textit{Re-thinking Intellectual Property} (2009), 55-56.
\textsuperscript{79} Ibid.
\textsuperscript{80} See Friedman, Thomas L. \textit{The World is Flat: A Brief History of the Twenty-first Country} (revised ed, 2006), 9-10 and 15.(discussing impacts of advances in technology on globalization and the difference between Globalization 1.0, Globalization 2.0 and Globalization 3.0'). Friedman argues that the third version of globalization features wide participation of individuals and civil society groups, and is driven by 'the individuals who understand the flat world, adapt themselves to its processes and technologies'. Ibid, 15.
\textsuperscript{81} ICTSD, 'Governments Meet in Geneva to Discuss WIPO Development Agenda' (13 April 2005) 9(12) \textit{Bridges Weekly} <http://www.ictsd.org/weekly/05-04-13/story1.htm> 5 October 2006.
member states, representatives from more than 10 international NGOs and civil society groups took part in the session in an observer capacity, such as International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP), International Chamber of Commerce (ICC), International Federation of Industrial Property Attorneys (FICPI), and International Trademark Association (INTA).\textsuperscript{82} As such, in addition to governmental avenues, the users of the Madrid System may also attempt to express their concerns and opinions on future reform of the Madrid System through NGOs.

Moreover, in order to improve the effectiveness of the proposals, NGOs may also set up strategic alliances and make jointed proposals to the WIPO and the Madrid Unions. For example, in the process of establishing a ‘Development Agenda’ for the WIPO,\textsuperscript{83} 14 developing nations (endorsed by hundreds of NGOs and civil society groups), which have common concerns on development, formulated an alliance — the Group of Friends of Development.\textsuperscript{84} The alliance played an important role for the successful adoption of the WIPO Development Agenda on 28 September 2007.\textsuperscript{85} The same strategy may also apply to future legislative reform of the Madrid System. Members states and NGOs, which have common interests, may form strategic alliances, and work collectively to make effective contribution for the harmonization the TM laws and reform of the Madrid System.

**IV CONCLUSION**

This paper has examined the recent development of the Madrid System and its possible impacts on users, particularly the users in Australia. The Madrid System established in 1891 has served as a most important mechanism for international TM registration. The Madrid Protocol introduced a number of important innovations to the Madrid System, and is a significant step taken towards a truly unified international TM registration system. The recent amendments to the Madrid Protocol further reinforced the key principle of the Madrid System – ultimately governed by one treaty (the Protocol).\textsuperscript{86} The recent proposal made by Australia has furthered the WIPO’s debates on the future development of the Madrid System, and would have profound implication in improving users’ accessibility of information in international registrations in the future.

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\textsuperscript{82} WIPO, *Working Group on the Legal Development of the Madrid System for the International Registration of Marks : Sixth Session*, Geneva, November 24 to 26, 2008 (MM/LD/WG/6) at page 1-2


\textsuperscript{84} The 14 original proponents of the agenda often refer to themselves as the ‘Friends of Development (FoD)’ including Argentina, Bolivia, Brazil, Cuba, Dominican Republic, Ecuador, Egypt, Iran, Kenya, Peru, Sierra Leone, South Africa, Tanzania and Venezuela. See ICTSD, above n81.

\textsuperscript{85} See Tian, above n 78, 46.

\textsuperscript{86} See above section 3 of the Paper.
When applicants in Australia lodge their international TM applications through the Madrid System or when attorneys advise their clients, they should have a sound understanding of both advantages and limitations of the current Madrid System. They should follow up with the latest development of the System, and try to make most of the advantages of the system, and minimized the risk of their international applications (through the Madrid System).

Future regulators may consider adopt a more systemic approach, and make treaties, common regulations, databases technology, domestic laws, governments and NGOs working collectively to improve effectiveness of the Madrid System. They may use regional approach as an effective springboard for future multilateral resolutions in harmonizing TM laws among member states. In doing so, contribute to establish a truly unified international TM registration system, and enhance the improvement of member countries’ international competitiveness.