



The Madrid Protocol

**A Barbados Agent's Perspective on
Accession to the Protocol Relating to the
Madrid Agreement Concerning the
International Registration of Marks**

What is ... the Madrid Protocol?

- Protect a mark in a large number of countries by obtaining an international registration that has effect in each of the designated Contracting Parties [117 members]
- **Madrid System** governed by two treaties:
- the **Madrid Agreement 1891**—
 - revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Nice (1957) and Stockholm (1967); amended in 1979
- the **Protocol** relating to that Agreement 1989 –
 - more flexible and compatible with domestic legislation of certain countries or intergovernmental organizations that had not been able to accede to the Agreement

Basics of the Madrid Protocol – Applicant must be:

- A natural person or legal entity having a connection with a Contracting Party to the Agreement or the Protocol
- Connected through –
 - Effective industrial or commercial establishment
 - Domicile, or
 - Nationality
- Owner of mark already applied for or registered in office of origin

Basics of the Madrid Protocol - Fees

- On application, pay:
 - basic fee for first 3 classes [LDCs pay 10%],
 - supplementary fee for each additional class
 - complementary fee for each country designated
- Protocol Party may require an individual fee of its choosing in lieu of the complementary fee

Basics of the Madrid Protocol - Application

- Filed at WIPO's International Bureau through office of origin: English, French or Spanish
- Formal examination for compliance with Agreement, Protocol and their Common Regulations
- Published in *WIPO Gazette of International Marks* **and** notified to each designated Contracting Party
- Substantive examination by each designated local office under its domestic law

Basics of the Madrid Protocol – Grant or Refusal

- Statement of grant of protection or Refusal with grounds within 12/ 18 months
- Refusal published in WIPO Gazette
- Subsequent local procedure
- Final decision published in WIPO Gazette
- Opposition may occur after 18 months if so declared

Effect of registration

- Obtain local registration as of date of international registration
- Automatic local registration if no refusal issued within applicable time limit
- Automatic local registration if refusal subsequently withdrawn
- International registration may be transferred re all or some of the designated Contracting Parties and all or some of the goods or services indicated

Madrid vs. Local

Madrid System	Local filing
Three accepted languages	Myriad local languages → translations
One multiclass application	Individual local applications (no multiclass)
Single regime of rules and procedures	Multiple different rules and procedures
Pay one set of fees to IB	Multiple fees; various currencies
Default registration if no refusal in 12/18 months	Local office can process at its own leisure
Single filing for assignment or change of name or address	Pay and file individually in numerous countries
Can expand geographical scope at later date (subsequent designation)	Must start fresh in each new country
5-year Dependency on basic app/ reg'n - Transformation	No dependency or transformation issues
Renewal – once for all countries	Individual renewal per country; different dates

GOOD THING OR BAD THING?

- Madrid System efficient and cost effective for the trademark owner with broad geographical trade interests and deep pockets
- Question – What benefit is there in the Madrid System for small local businesses with limited export opportunities
- Who benefits from the economies of scale implicit in the Madrid System?

TO ACCEDE OR TO NOT ACCEDE: An Overview of the Issues

- A. Obligation to consider accession
- B. Trade-related issues
- C. Financial Considerations
- D. Enforcement issues
- E. Practical issues

A. OBLIGATION TO CONSIDER ACCESSION

- Economic Partnership Agreement, 2008, Art. 144. E.
- Parties to EPA:
 - Cariforum States (Caricom + Dominican Republic)
 - Members of the European Union
 - European Community
- All parties required to endeavour to accede
- No mandatory requirement to accede
- Any State party to the Paris Convention for the Protection of Industrial Property (1883) or intergovernmental TM organization may accede

B. TRADE-RELATED ISSUES

Who benefits from accession?

- Current trading partners: parties to Protocol?
- Scope to extend list of trading partners: parties to Protocol?
- Effect of Brexit: EPA made with European Union and with each European nation individually
- Balance of trade affected by TM registrations: imports vs. exports
- Who benefits most from accession?

Trade-related issues

Any benefit to local businesses?

- Only Antigua and Barbuda and Cuba already members of Madrid system
- If other Caricom nations do not accede, how does accession benefit local businesses?
- Would local businesses use the Madrid system?
- Any benefit from reduced international registration costs in markets of interest, when compared with pre-accession costs?

Trade-related issues

Patterns of trade

- Resistance to cost for local / regional / international registration
- Export patterns
- Regional/ extra-regional markets
- Volume / balance of trade
- Non-tariff barriers to trade
- TM registration vs Market access

Trade-related issues

Our neighbours

- The Antigua & Barbuda experience
 - Impact on agents?
 - GDP derived from tourism not exports
 - Net importer of goods (heavy trade imbalance)
 - Most applicants are large foreign companies
 - Did accession lead to more registrations by locals?
- Services-based import economies have not acceded
 - BVI, Cayman Is., Turks & Caicos, Bermuda, Bahamas
 - Why not?

Trade-related issues

EPA Impact on Region

- When EPA signed, region trying to recover from pre-2008 food and energy price shock, particularly in the CARIFORUM states that are heavily dependent on tourism and foreign direct investment

See final report of the first five-year review of the implementation and impact of the EPA: *'Monitoring the Implementation and Results of the Cariforum-EU EPA Agreement'* (2014)

http://trade.ec.europa.eu/doclib/docs/2014/october/tradoc_152825.pdf

- World-wide recession started in 2008 continues
- Ability to expand the role and functions of IPO to facilitate implementation of the Protocol remains doubtful
- Could Protocol be maintained in the event of a natural disaster such as occurred in 2017?

C. FINANCIAL CONSIDERATIONS

- Cost/benefit analysis
- Current direct revenue from trademark application fees at CAIPO and publication of applications by the Government Printery

VS.

- Anticipated revenue to IPO from international designation of Barbados under the Protocol
- Relatively large number of incoming applications compared to local competition

Financial considerations

Indirect revenues & benefits

- Current value of the VAT and income tax collected by Government on professional fees earned by TM agents and on staff salaries
- Foreign currency earned under current system of direct local application for registration (agent's fees, application fees, publication); renewals and changes in Register; assignments
- Trickle-down effect in local economy
- Creation of employment / reduced dependence on social services

Financial considerations

Nature & volume of activity

Current scope of work	Post-accession
Application process [mandatory]	Irregularities in applications
Responses to office actions [may or may not arise]	Provisional refusals of registration
Opposition proceedings [may or may not arise]	Opposition proceedings
Filing changes in the Trade Marks Register	
Renewals of registrations	

Financial considerations

Cost/benefit analysis

- Estimated volume of the new work – can this compensate for the loss of full range of work currently being handled?
- Economic benefit of accession to
 - national economy
 - trademark owners comparable to local enterprises
- What share of the application, supplemental and complementary fees is received by comparable smaller states with (probably) fewer designations?
- Will local businesses benefit from access to foreign registration?

D. ENFORCEMENT ISSUES

- Negative effect of counterfeit goods on legitimate manufacturers
- Role of local agents in monitoring entry of counterfeit goods bearing clients' brands, as a first line of defence
- Madrid eliminates agents from application process
 - → weakened relationships
 - → increase in counterfeit success?

E. PRACTICAL ISSUES

- Dependence – failure of basic local registration on local TM owner with foreign registrations
- Inadequate local resources/ infrastructure
 - Inadequate staff complement
 - IT resources
 - Unreliable IPO database
- Current backlog in examinations
- Quality of examinations
- Timeframe for opposition proceedings and appeals
- Law reform, to be compatible with Madrid Protocol

Practical issues

- Escape from Madrid - timeframe
- Effect of AI at the IB on future fees
- Understanding Madrid
 - period during which WIPO would be obligated to make payments to Barbados;
 - basis on which such payments would be made;
 - process for any possible re-negotiation of payments or adoption of flexibilities;
- Financial consequences of denouncing the Protocol

THE VIEW FROM THE OTHER SIDE

Benefits to National Economy

- IP registration and portfolio management make up >20% of legal outsourcing industry est. US\$500M excluding
- Madrid System will enhance international trading capacity and provide greater use of EPA opportunities
- US and EU membership in Madrid would result in more EU and US brands registering in Barbados
- If Canada accedes, increased number of Canadian-based applications ties to major source of international business entities

The View from the Other Side

The User's Benefits

- Local businesses can register marks internationally at reduced costs compared with present access
- Reduction in translation costs and registration and maintenance fees
- Entities registered locally would have access to international registration by designating Barbados

Q & A

Thank you!

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Barbados