

Working Group on the Legal Development of the Madrid System for the International Registration of Marks

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PROPOSAL BY THE DELEGATION OF THE REPUBLIC OF MOLDOVA

Document prepared by the Secretariat

1. In a communication dated July 26, 2024, the International Bureau received a proposal from the Delegation of the Republic of Moldova regarding the revision of Rule 8(2) of the Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks as well as a series of other changes.
2. The said proposal is annexed to this document.

[Annex follows]

ANNEX: PROPOSAL BY THE DELEGATION OF THE REPUBLIC OF MOLDOVA

BACKGROUND

1. The provisions in Rule 8(2) of the Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Regulations”) state that two or more applicants may jointly file an international application if the basic application was jointly filed by them or the basic registration is jointly owned by them, and if each of them qualifies, in relation to the Contracting Party whose Office is the Office of origin, for filing an international application under Article 2(1) of the Protocol.

2. This provision is a key limitation of the Madrid System because all applicants in international trademark applications submitted by two or more applicants must meet the qualifications set forth in Rule 8 of the Regulations, namely each co-applicant must possess:

- Nationality, or
- Domicile, or
- A real and effective industrial or commercial establishment in the Contracting Party of the Office of origin.

3. In 2023, the International Bureau brought to the attention of the Madrid Working Group that some Contracting Parties had informally contacted the International Bureau about the possibility of amending the Madrid System legal framework to allow the Office of origin to certify international applications filed by two applicants who jointly owned the basic mark, when only one of them had a connection with the Contracting Party of the Office of origin. There is a similar provision in Rule 18.3 of the PCT Regulations. The Working Group discussed the issue without reaching consensus (see documents MM/LD/WG/20/2 and MM/LD/WG/20/8).

PROPOSAL SUMMARY

4. This proposal requests the Working Group to consider making some amendments to the Regulations that would allow more flexibility for Contracting Parties to certify international applications filed by two or more applicants who jointly own the basic application/registration, when only one of them has a connection with the Contracting Party of the Office of origin.

MAJOR DIFFICULTIES FOR MADRID SYSTEM USERS ADDRESSED

5. This proposal acknowledges the difficulties trademark holders face and modernizes the Madrid System to reflect the realities of conducting business in the 21st Century global economy. It takes into account prior proposals, input from Contracting Parties and the Madrid Secretariat’s encouragement that proposals need not be mutually exclusive.

6. A key limitation of the Madrid System is that all applicants in a multi-applicant international trademark application must meet the qualifications set forth in Article 2(1) of the Madrid Protocol for the Contracting Party whose Office is the Office of origin, according to Rule 8 of the Regulations.

7. In contrast, at the national level, including in the Republic of Moldova, joint filing of trademark applications is allowed without any additional requirements. Thus, two individuals from different countries can file a trademark application at the national level without needing any connection to a single territory or engaging in real activity at the application stage.

8. This disparity between national provisions and international constraints can lead to difficulties in utilizing the Madrid System.

For example, Mr. M from Moldova and Mr. R from Romania, who wish to start an online business and register a trademark in Moldova, plan to file an international application via the Madrid System for protection in the USA, Kazakhstan, Romania, China, and Turkey. However, Mr. R cannot qualify as an applicant in Moldova due to lack of domicile, nationality, or a business establishment there. Thus, the two co-owners cannot use the Madrid System as it is built today without resorting to some creative workarounds.

Potential solutions include:

1. Mr. M providing a nominal domicile for Mr. R or transferring part of his business to Mr. R with necessary LLC Register modifications in Moldova.
2. Implementing a workaround where:
 - 2.1. Mr. R transfers his national trademark rights to Mr. M,
 - 2.2. Mr. M files the international application as the sole owner,
 - 2.3. Mr. M transfers the national trademark rights back to Mr. R,
 - 2.4. Mr. M transfers part of the international registration rights to Mr. R.

The second option is costly and requires considerable trust, leading applicants to question why co-owners from different states can exist immediately after an international application is filed but not at the application stage. This complexity may discourage use of the Madrid System and may lead Mr. M and Mr. R to the idea of opting for national filings in the USA, Kazakhstan, Romania, China, and Turkey instead of using the Madrid System.

PROPOSAL DETAILS

9. This proposal requests the Working Group to consider making one of the following amendments to the Regulations that would allow more flexibility for Contracting Parties to certify international applications filed by two or more applicants who jointly own the basic application/mark, when only one of them has a connection with the Contracting Party of the Office of origin.

Option A (keeping the Madrid System closed to members)

Rule 8

(2) [Two or More Applicants] Two or more applicants may jointly file an international application if the basic application was jointly filed by them or the basic registration is jointly owned by them, and if at least one ~~each~~ of them qualifies, in relation to the Contracting Party whose Office is the Office of origin, for filing an international application under Article 2(1) of the Protocol, and if the rest of them meet the qualification in relation to any Contracting Party.

This amendment would resolve the issue while keeping the system limited to its members.

Option B (in line with provisions in Rule 18.3 of the PCT Regulations)

(2) [Two or More Applicants] Two or more applicants may jointly file an international application if the basic application was jointly filed by them or the basic registration is jointly owned by them, and if at least one ~~each~~ of them qualifies, in relation to the Contracting Party whose Office is the Office of origin, for filing an international application under Article 2(1) of the Protocol.

This amendment would resolve the issue in a way in which the Madrid system would not exclude persons entitled to file due to their association with persons who were not entitled to do so.

10. Being mindful of the fact that some Contracting Parties might need to adapt their legal framework to implement amended Rule 8(2), the Working Group could consider adopting a transitional provision to allow time for the Contracting Parties concerned to make the necessary legislative amendments. A new paragraph (9) in Rule 40 of the Regulations could read as follows:

Rule 40

(9) [Transitional Provision Relating to Rule 8(2)] Contracting Parties may continue to apply Rule 8(2), as in force on November 1, 2023, until [*Date on which the amended Rule becomes mandatory*], or until a later date, provided the Contracting Party concerned sends a notification to the International Bureau before [*Date on which the amended Rule becomes mandatory*], or before the date on which this Contracting Party becomes bound by the Protocol, whichever occurs later. The Contracting Party may withdraw the said notification at any time thereafter.

Consequently, it is respectfully requested that the Working Group discuss this proposal, with the goal towards incorporating the above-described amendments into the Regulations with the earliest possible date of entry into force.

[End of Annex and of document]