



# International Brand Protection for Canadian Companies: Using the Madrid Protocol to Expand Trademark Rights Abroad

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As of June 17, 2019, Canadian businesses will be able to access a centralized trademark filing system known as the Madrid Protocol to expand their brand protection internationally. This can offer significant cost savings and administrative efficiency in registration of trademarks in the member countries of the Madrid system. The following sets out basic information on when, how and where the Madrid Protocol can help to broaden the international scope of trademark protection.

## What is the Madrid Protocol?

The Madrid Protocol is an international treaty, based on the original Madrid Agreement of 1891 that permits companies in member countries to extend trademark protection from their home countries to other member states by using a centralized filing system administered by the International Bureau (“IB”) of the World Intellectual Property Office (“WIPO”). Using the Protocol can permit applicants to save the costs of hiring local trademark counsel to prepare and file applications in member countries, which in some cases can be considerable. The IB also handles renewals, assignments, changes of name, etc. for all international registrations, meaning that those changes can be requested centrally, and not on a country-by-country basis, again resulting in cost savings. Canada will formally become a member on June 1<sup>st</sup>, permitting Canadian businesses to take advantage of these cost savings and efficiencies in international brand protection, and allowing applicants from other member countries to file in Canada through the IB.

## What countries are members of the Madrid Protocol?

The Madrid system (which covers the original Madrid Agreement and the updated Madrid Protocol) can only be used by businesses in member countries. Currently, there are 104 members, covering 120 countries (the European Union is a member, as are most of the individual European countries). Generally, the members include European countries, the Russian Federation, the United States, Mexico, China, Japan, South Korea, Australia and New Zealand, whereas most of Africa and South America are not members. A full list is located [here](#).

## How do you use the Madrid system?

Applicants from member countries must first have a home country trademark application or registration (the “basic” application/registration). Accordingly, for Canadian businesses, a Canadian trademark application or registration is a prerequisite. An application for an “international registration” can then be filed with the Canadian Trademarks Office for the same mark, goods, services and classes designating specific countries who are members of the Madrid Union. The Canadian Trademark Office will certify the accuracy of information, and then formally present it to the IB. Applicants must forward the required fees directly to the IB, in Swiss francs (the Canadian Office will not handle the required fees). The IB, in turn, reviews and confirms that all necessary information has been received, and if not, will advise the Canadian Office of any deficiencies, which must be addressed within a short timeframe. Once all formalities and fees are complete, the IB issues an international registration, and forwards the Protocol application to the national trademark office of each designated country, where the applications are generally treated the same as all national applications, and are subject to examination and/or opposition and may be registered or refused. If registered, or the time to notify the IB of a refusal has expired, the IB will record an extension of rights to that country on the particulars of the international registration.



### **What is the impact of an international registration?**

When first issued by the IB, the international registration is, in effect, notice of the applicant's intent to extend rights to designated member states – the owner does not yet have any enforceable “international” rights to speak of. However, once national offices register the Protocol application and inform the IB of the extension of rights, the international registration acts as a record of the bundle of national rights, and all subsequent renewals, assignments, mergers, changes of name or address can be managed centrally through the IB – who will forward pertinent requests to the designated national offices. Applicants may also file multiple requests for designations – all treated the same way. There is a single renewal date (the 10<sup>th</sup> anniversary of the date the originating Trademarks Office submitted the international application to the IB), which applies regardless of the calculation of national renewal terms. The essence of the Madrid system is centralized filing and record-keeping, but not harmonization of national registration procedures.

### **What are the costs?**

The prerequisite to use of the Madrid Protocol is ownership of a home-country application or registration, so all applicants must start with that. The fees for the application for an international registration (or a subsequent designation of rights) are calculated in Swiss francs (“SF”) and payable in advance to WIPO, based on a combination of the “basic fee” (653 SF), which applies to all applications, supplemented by extra costs for colour claims (250 SF), and by the total number of classes of goods and services (100 SF per class over 3 classes), plus fees based on the country, which is either a standard “complementary fee” of 100 SF, or individual fees by country, plus their add-ons for colour and/or extra classes. Most countries have elected individual fees. By way of example, the added fees to designate the United Kingdom are 252 SF plus 63 SF per extra class, whereas the United States is 291 SF per class. Some countries are very expensive (eg. Bahrain seems to have the highest costs at 1710 SF, whereas others are a relative bargain – setting either the 100 SF complementary fee (eg. Russia), or Gambia, where the fee is 97 SF. Generally, because of the initial “basic fee”, most experts suggest that use of the Protocol filing system makes sense when there are more than 3 countries involved.

The above costs cover filing ONLY. They do not include costs relating to local examination and completion requirements. Those will be handled on a country-by-country basis, and in most cases, will involve the hiring of local trademark counsel to prepare and file the necessary response.

### **What are the advantages of using the Madrid Protocol to expand foreign trademark rights?**

The main advantage is cost savings available from a centralized approach to filing, recording assignments, mergers, and renewals, as well as fee payment (based on the number of countries designated) – all possible without having to retain local trademark counsel in the designated countries. Complicated local requirements for powers of attorney, legalization and notarization at filing can be avoided (although these could be required during examination). Record-keeping is simplified, since there is a single “registration” to renew, namely the international registration, and a single renewal deadline. Translation costs may be avoided since the applicant may select one of three possible languages (English, French or Spanish) for all communications.

### **Are there any disadvantages to use of the Madrid Protocol?**

Users of the system commonly identify a number of issues, starting with “dependency”, namely that international rights are dependent on the validity of the original home country, or basic application/registration for a period of five years after the date of the international registration. Should the basic application be refused, or the registration cancelled during this five year term, all international rights also cease. The Protocol (unlike the original Madrid Agreement) permits trademark owners to transform their international rights to individual national rights as long as requests are submitted in a timely fashion, according to national laws. However, there can be costs, inconvenience and potential limitation of rights as a result.

Second, international registration rights cannot be any broader than the home country mark. Canada has particularly strict requirements for goods and services descriptions, and those details will form the basis of limitations to any country extensions under the Protocol. For example, while some countries may permit descriptions such as “clothing”, or “pharmaceuticals”, the Canadian Trademarks Office requires more specificity, and those details must be included in all country designations originating from a Canadian application or registration.

Third, any rights in an international registration may be assigned only to a company in a country that is also a member of the Protocol. Particularly for companies with broad international rights, using the Protocol, only, to acquire foreign trademark



rights may prevent easy assignment of those rights. Another restriction is that amendments to registrations are limited – even if local country laws permit amendments to marks or descriptions of goods and services.

Less tangible, but equally important, by not using local trademark counsel, applicants may lose the benefit of important information or tips about local restrictions or risks to use. In addition, filing is of course no substitute for searching in advance of use or filing. Brand owners need to assess if, and when, such searching should be done. Both local country designations and use can expose companies to risk of challenge, and local advice might help to avoid examination or opposition obstacles.

### **Is the Madrid Protocol system better suited to use for some marks?**

In short, yes. Those with experience in using the Madrid Protocol caution that it is not suited for non-traditional marks, marks that are likely to encounter difficult examination issues or oppositions in the home country (due to the dependency issue), or marks that may not be accepted internationally, such as slogans, numbers and letters. It is also less advantageous for global brands, especially given the restriction on assignment of an international registration to companies within the Madrid Protocol. It seems to work best for long-used marks that are not likely to encounter objections based on prior rights and subsidiary brands where the impact of cancellation of rights due to dependency might not be as severe.

### **Are there some countries that are better for Protocol Applications than others?**

There are many local differences that may make some countries better candidates for Protocol filings, or at least require applicants to be aware of important local differences. For example, the timing of examination can differ wildly amongst member countries, making it administratively difficult to ensure a timely response. In China, it is not uncommon to receive objections that require a response in 2 – 3 weeks, which can be complicated given the timing to receive the objections (from the China national office to the IB and then to the Protocol applicant/agent), and retain local counsel to file the necessary reply. China is also one of a few countries that require Protocol registrants to obtain a Supplemental Certificate confirming registration rights, which may slow down enforcement proceedings. Some countries, such as Japan and Cuba have a two-step fee system, with rights being lost if the second fee is not payable on time. Some countries assign both international registration and local application numbers to separate classes within applications. The United States requires applicants to sign a supplementary declaration of intent to use, and also requires a statement of use in the sixth year of registration. These many local differences reinforce that the Madrid Protocol is a centralized filing system, and there is no guarantee of similar national treatment of the applications.

### **An international registration is not really an international registration**

There is no such thing as a registration that covers the entire world, thus making use of the words “international registration” in the context of the Madrid Protocol somewhat misleading. The Protocol is instead a system for filing and maintaining national rights in member countries. It is one of many tools available to brand owners to gain rights abroad in more cost-effective ways. For example, filing a Community Trademark in Europe offers rights that cover the current European Union in a single registration. The most efficient way to expand brand protection internationally is to do so strategically – using a combination of national rights, regional rights like the Community Trademark, and the Protocol to reduce local filing costs, along with prudent expert advice designed to limit local challenges to both use and registration. The place to start is at home, with national trademark rights – with those, brand owner options increase, and brand protection and enforcement can be easier.

For further information on the Madrid Protocol and its benefits for Canadian applicants, please contact [Bereskin & Parr's trademark team](#).

See also our earlier article [highlighting issues for non-Canadian businesses considering using the Madrid Protocol to extend their rights in Canada](#).

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