

Effective Use of the Madrid Protocol System and its Effect on Attorneys' Work

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In May 1999, the Japanese Diet
passed a bill partially amending the Trademark Law
and approving accession to the Madrid Protocol

Japan deposited the instrument of recession
the Madrid Protocol with the Director General of the
International Bureau of the WIPO on

December 14, 1999

Japan became the 42nd Member Country and
implemented the Madrid Protocol on

March 14, 2000

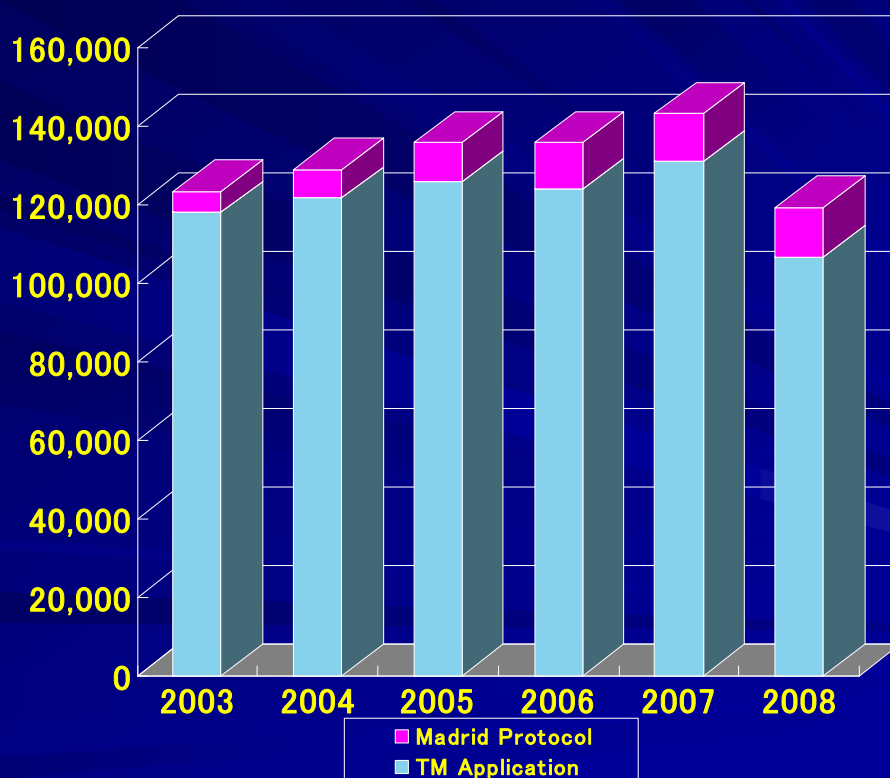
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Current state of use of the Madrid Protocol System by Japanese companies

- As for the territorial designations of the international registration to Japan, the statistics show the tendency to increase slightly through the world is in an economic crisis.
- The number of international registrations for which Japan is designated is about equal to half of all the trademark applications from other countries.
- Utilization concerning the Madrid Protocol System by Japanese companies should show a little higher figure.

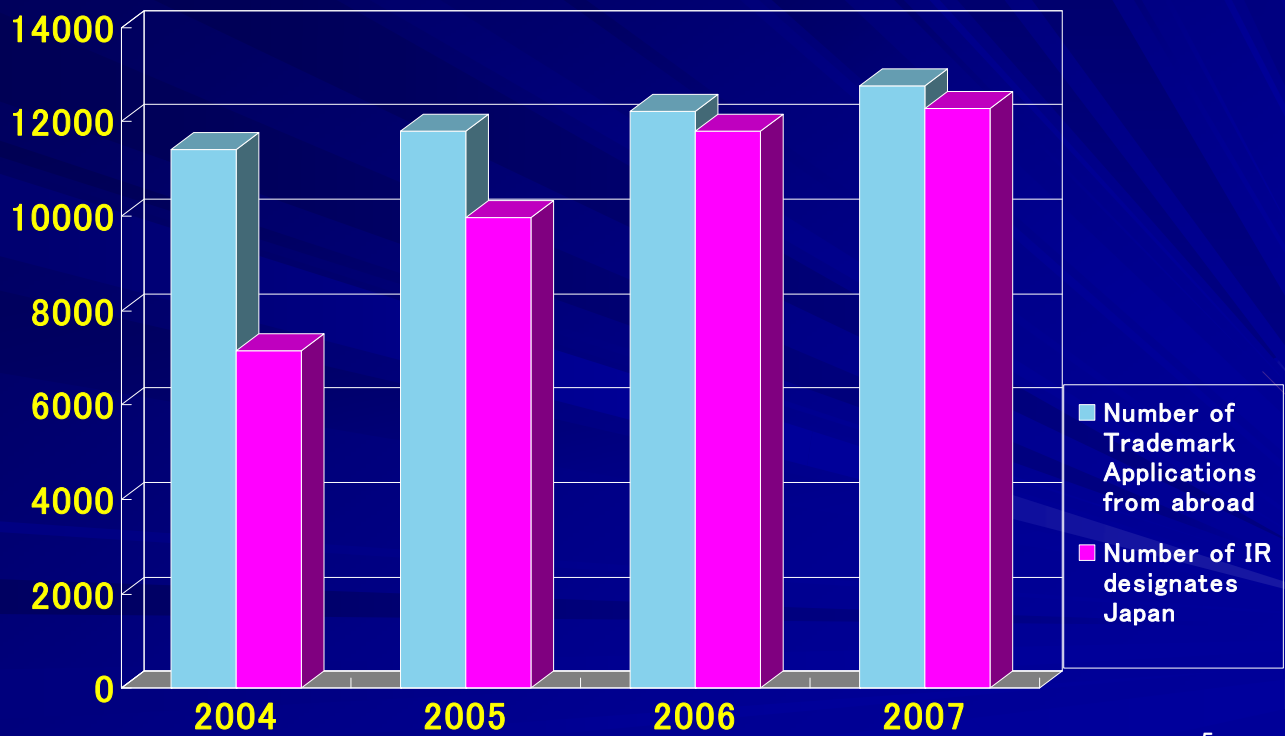
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Number of Trademark Applications & International Registrations Designated to Japan



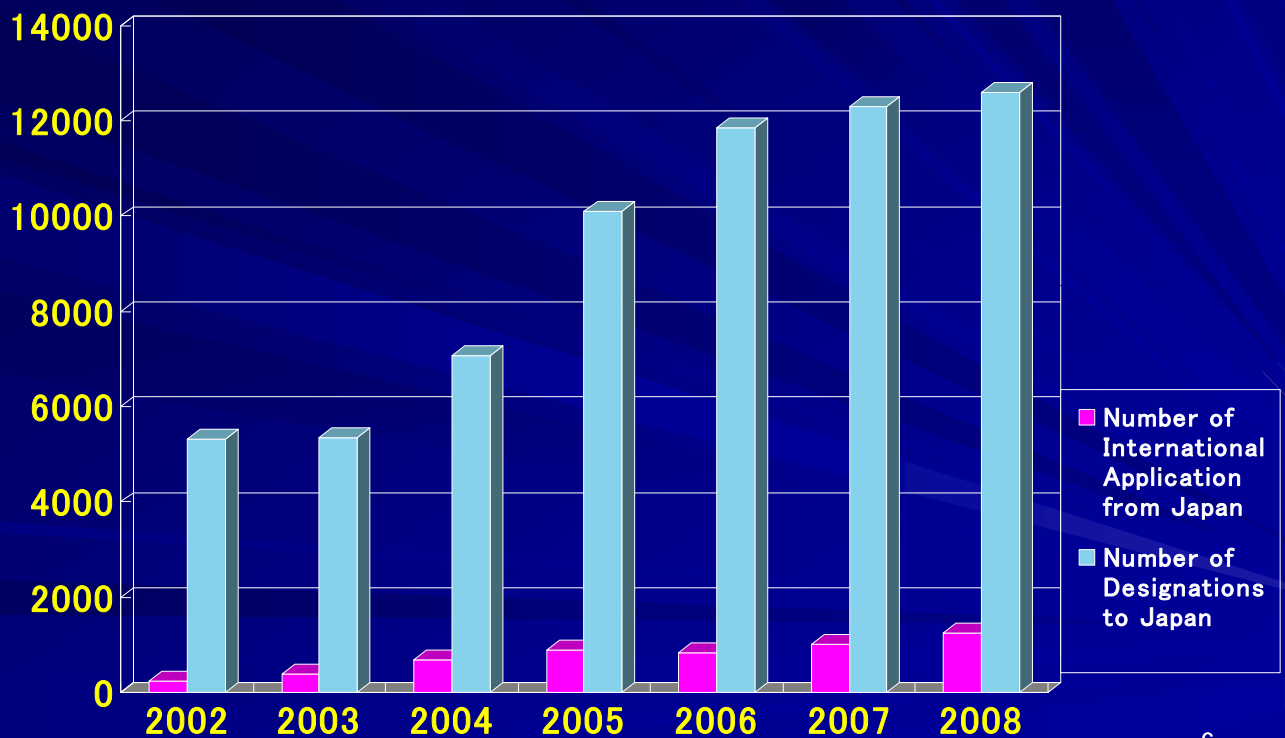
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Statistics of Trademark Applications from abroad and International Application Designations to Japan



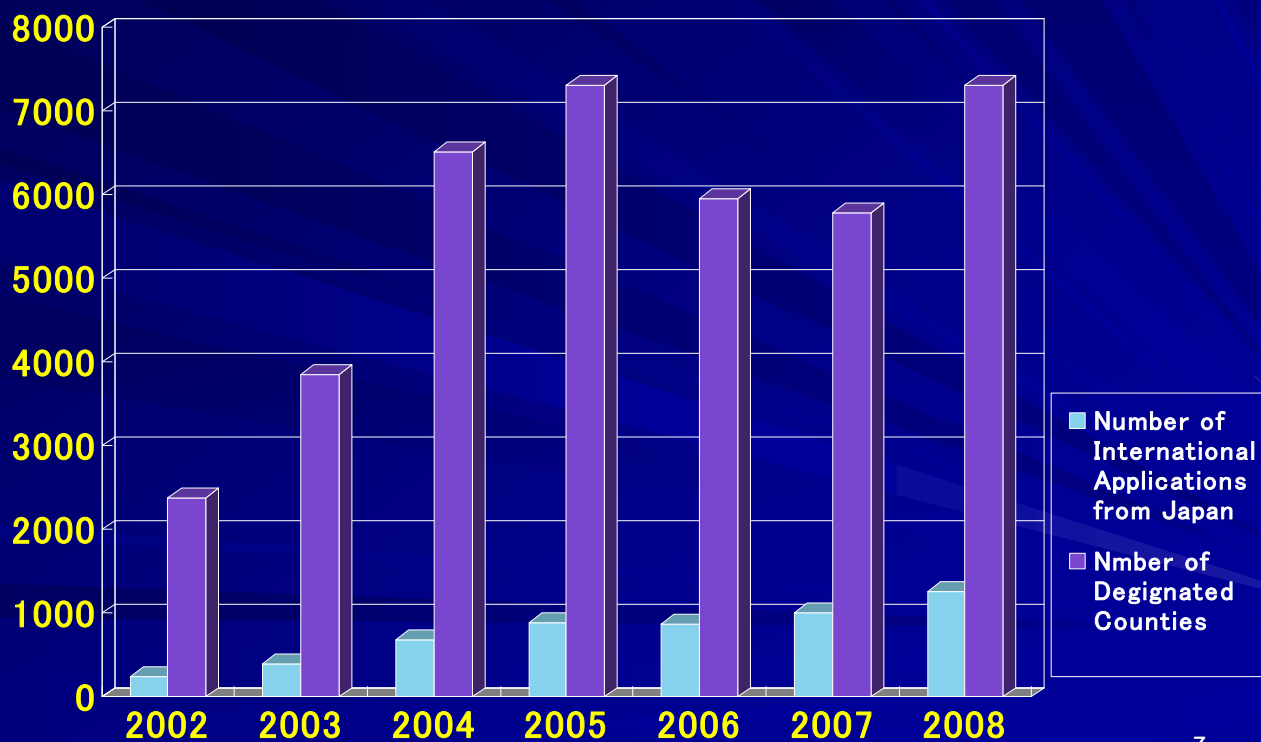
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Statistics of International Applications from Japan and Designations to Japan



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Statistics of the Number of Designated Counties under International Applications from Japan



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- **What is the reason why Japanese companies do not positively use the Madrid Protocol System?**
- **Is the study on the effective use of the Madrid Protocol System executed in Japan?**
- **How should Japanese companies effectively use the Madrid Protocol System?**

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Procedures that can be used to request the protection of trademarks in foreign countries.

1. Filing of trademark applications in each country based on **the Paris Convention**
2. Protection of marks by the International Registration based on **the Madrid Protocol**
3. Protection of trademarks in the European Community based on **the European Community Trademark Law**

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Basic idea concerning protection of trademarks in foreign countries (I);

- Development and the expansion of business conducted overseas are closely related to the protection of the trademark right.
- Securing the trademark right should be executed as a tactic that supports the management strategy based on the best procedure.
- Strategic meaning of the trademarks to which the client wishes protection in foreign countries should not be treated based on the same idea.

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Basic idea concerning protection of trademarks in foreign countries (II) ;

- Along with the development of business activities in foreign countries, the most appropriate procedure for obtaining the trademark right should be selected in consideration of the characteristic, the merits, and the demerits of each procedure.
- The joining the Madrid Protocol has the meaning that expands the width of options of the procedure of securing the trademark right in foreign countries to the user.

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The Madrid Protocol System reveals the following advantages;

- **Simple Procedures:** The Madrid Protocol System makes it possible for one application to obtain marks in several countries,
- **Costs** are lower for application,
- **Prompt grant of trademark right:**
The decision whether to grant the protection of the mark will be shown in the time limits of one year or 18 months or less,
- **Centralized management of marks** in multiple countries,
- Allows the unified use of either English, French or Spanish in any country.

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The Madrid Protocol System makes it possible for one application to obtain protection of marks in several countries;

- The extension of the designated country that wishes protection of the mark can be facilitated by the procedures of **the Subsequent Designations**.
- Submitting Power of Attorney and other certificates is unnecessary.
(Note: Designated U.S.A.,: “Declaration of Intention to Use the Mark”)

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Cost-effectiveness:

- Even if the procedure is executed through the representative, the effectiveness of the Madrid Protocol System would be exhibited by increasing the number of countries where a protection of the mark is requested.

Prompt examination:

- The notification of the refusal (= *Notification of Provisional Refusal*) to the effects of the international registration is limited within one year or 18 months from the date of the notification of the territorial extension.
- Prevention of examination's being state pending for a long term.

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Centralized management of marks in multiple designated countries;

- The change of the international registration can give the effects to all the designated countries through a single simple procedural step and payment of a single fee.
- Especially , the convenience of the Madrid Protocol regarding (1) the management of the period for renewal, (2) the recordal of the change of content of the trademark registration, and (3) the possibility of the subsequent designation of the territories in which the protection of the mark concerned is wished should be paid attention.

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Factors that cannot help hesitating to use The Madrid Protocol System

- 1. Central attack:**
- 2. The notification concerning the grant of protection is not an obligation:**
- 3. Identity of the composition of marks:**
- 4. Careful Attitude to the New System:**

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1. Central attack:

- When the basic trademark is rejected or cancelled, the related International Registration is also cancelled.
- The international registration based on the trademark that has the possibility of becoming rejected, cancelled, and invalidated should be avoided.
- The situation in which the change can not be avoided or the discontinuance of the development of business conducted in foreign countries is assumed.

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2. The notification concerning the grant of protection is not an obligation:

- The result of the examination in the designated countries cannot be understood.
- The situation that cannot help interrupting the development of the business in a country concerned is caused until the confirmation regarding the result of the examination can be taken.

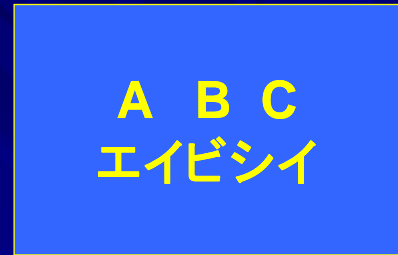
3. Identity of the composition of marks:

- The identity of the mark of international registration and the basic trademark are the fundamental requirements for filing the international application.
- As for the evaluation of the brand image, when the trademark described in a specific language in the country where the protection of the trademark is requested is higher, the Madrid Protocol might be inappropriate.

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The Basic Trademark Registration in Japan

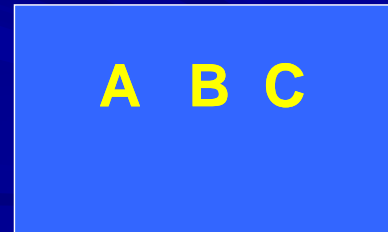
※ “エイビシイ” is the transliteration and the equivalent of the “ABC”



The composition of the marks are not identical !!



The International Application under the Madrid Protocol



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4. Careful Attitude against the New System:

- It is insufficient to pay attention to the convenience of the Madrid Protocol System only at the stage where the international application is considered.
- At the same time, the convenience of the Madrid Protocol System after the filed marks were internationally registered should be examined thoroughly.
- There is no necessity for executing the management of the period and the recordal of the change of the trademark right in each country.
- More attention should be paid to the conveniences concerning the aspect of the cost and the time after the mark is registered by the International Bureau.

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Assumption case:

Company X in Country A

- The development of the business in the foreign country is promoted.
- The sales project of the commodity **G** in country **B** was decided as a corporate strategy.

Company Y in Country B

- The sales network of this commodity **G** in country **B** has already been monopolized by the company **Y**.

X judged that an effective corporate strategy is to secure the sales network of **Y** by a business tie-up or a merger with **Y**.

- The sales strategy of this commodity is promoted not only in one country **B** but also in a lot of other foreign countries.

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Schedule of Trademarks Use in Country B:

Symbol and Company's Name of X (House Marks: Registered in A)

- Symbol and Name of Company should be secure trademark rights as **Worldwide Famous Unity Mark**.

Commodity Trademarks

(Pet names: Not yet registered in A).

- The fixed pet name of each commodity considers the brand image in the country concerned, and investigates the adoption of the trademark of a different character or a design in each country.
- The protection of the trademark based on the Paris Convention and the international registration based on the Madrid Protocol are compared.
- Which procedure is suitable should be examined for each trademark.

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House Marks of X:

- Possibility that basic registered trademark is cancelled by the effect of a Central Attack would be low.
- The convenience of the Madrid Protocol System that managing the marks collectively is possible will rise because the necessity of the management of the trademarks in each foreign country will increase.
- House Marks should secure the trademark right as Unified Global Brand.
- The use of the Madrid Protocol System should be positively examined.

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Pet Names of X:

- Pet Names marked in the language in the country that requests the protection might be more effective.
- The direction of the market often requests the modification of the design through necessity of the Pet Name.
- Pet Names of each commodity considers the Brand Image in a country concerned, and investigates the adoption of the trademark of a different character of a design in each country.
- The protection of pet Names based on the Paris Convention should be taken into thorough consideration.
- If Pet Name is promoted as Global Brands, it could be developed as United Brands by the Madrid Protocol System.

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- **Whether the basic trademark already been registered or not?**
- **When the basic trademark has not been registered yet, what is the possibility of registration?**
- **Is the trademark that is scheduled to be used in the country that wishes protection a House Mark as a symbol mark of the client or Pet Names for each commodity?**

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- **Is the composition of the trademark used in each country the same composition as the basic trademark?**

Is not there the possibility that the composition is different in each country?

- **It is necessary to secure the trademark right as a tactic to support the strategy of the business deployment in foreign countries.**
- **It is necessary to pay attention to the convenience of the Madrid Protocol with high possibility to be shown in the management side of the trademark rights for a long term after international registration.**



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- **The conveniences of the Madrid Protocol System regarding (1) the management of the period for renewal, (2) the recordal of the change of the content of the International Registrations and (3) the possibility of Subsequent Designation of the territories in which the protection of mark concerned is wished should be paid attention.**

✘ *Since Japan has joined the Madrid Protocol and ten years has not yet passed, the concern of these conveniences might be low.*

- **When the enterprise progresses to the Unified Global Brand, this convenience of the Madrid Protocol System will especially be able to be actually felt.**

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Patent Attorney's Work concerning the effective use of the Madrid Protocol System;

- The patent attorney should be an expert who is well versed in the content of each trademark system and procedure.
- The patent attorney should correctly inform the client on the character of each system including the different point of each procedure.

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- It is necessary to obtain the information regarding the necessary expenditure and the examination period for a usual trademark application and registration in the country that wishes protection.
- It is necessary to present the best procedure concerning each trademark to which the client wishes protection corresponding to the strategy of the development of the business in foreign country.

We ASAMURA PATENT OFFICE, p.c. look forward to the continuing development of the Madrid Protocol System.

Thank you.

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