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WIPO's international registration system: what now, what next?



Turkey adopted the World Intellectual Property Organization's (WIPO) international registration system in 1999. **Uğur Aktekin** and **Pinar Arıkan** in Istanbul examine the successes and failures of the system since its implementation 15 years ago.

Historically, the protection of trademark rights has been dependent upon territorial registration. International brands and businesses have been obliged to protect their trademark rights on an individual country-by-country basis, registering their trademarks at national IP offices.

For decades, there has been growing demand for the institution of a trademark registration system ensuring protection on a global scale by registration of an international trademark with the World Intellectual Property Organization ("WIPO") known as the Madrid System, which facilitates obtaining territorial registrations by extending international registration to the member countries. The Madrid System allows for trademark filing in multiple worldwide jurisdictions simultaneously. Its legal foundations are the Madrid Agreement (1891) and the Madrid Protocol (1989). The Madrid Agreement established a union between states, laying a foundation from which "nationals of any of the contracting countries may, in all the other countries party to this agreement, file and secure protection for their marks applicable to goods or services, registered in the country of origin through WIPO".

In essence, the system allows individuals or enterprises in signatory states to file or register a trademark in the country of origin, and gain recognition of that trademark in all signatory states at once. The Madrid Protocol opened up membership of the former to any state wishing to participate; Turkey became a member on 1 January 1999, adopting the Madrid System in the process.

The Madrid System has theoretically created a simple and cost-effective system for international trademark application, which saves applicants considerable time and money. Filing an application is easy,

and can be done using a single language and a local attorney, through the jurisdiction's local trademark office. Applications are subsequently submitted to the WIPO's international office in Geneva, examined in terms of formalities and processed, then distributed to the trademark offices of member states.

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It is up to member state trademark offices to decide whether a trademark claim will be accepted or not. Submissions are evaluated as if they were made on a national level, meaning local trademark offices have the right to reject applications, and have 18 months in which to make their decision. Should a trademark application be rejected by any member state, the decision can be contested by the applicant by way of appeal to their national trademark office.

On paper, the benefits of the system are obvious, and manifold. Using a single form filled in a single language, applicants can file international trademark applications, renew existing trademarks and update their information. In theory, this eliminates the need for a trademark owner to hire local agents in overseas jurisdictions, by allowing them to file and manage all international applications with the help of one trademark attorney, in their local jurisdiction. This naturally reduces the cost to applicants greatly. However, despite apparently offering a unified and cost-effective platform, those making applications via the Madrid System need to be wary – a failure to acquaint oneself with the intricacies of national laws and regulations in particular jurisdictions could mean their application is declined due to non-compliance of their claim with certain national trademark application guidelines. Contesting this decision could mean an applicant incurs further costs, and time, which could have been avoided by direct consultation and application via a local attorney.

In addition to this, for a period of five years from the original date of registration, international registration remains contingent on national registration. In essence, this means that should a national registration cease to have effect for any reason, international registration will cease to have effect too. That is called as “the central attack”. It is possible to transform the international registration in each designated country to national trademarks within three months as of the date of cancellation of the international registration. After the five years has elapsed, changes in the situation of the basic application or registration will not be binding upon the international registration. This may be considered either as a disadvantage or advantage based on the identity of the trademark owner. If the basic application is a bad faith one, this should be definitely counted as an advantage of the system.

Furthermore, at present, those applying via the Madrid System are not able to check the status of their applications in the national offices via the WIPO’s international office before any decision is given. In Turkey, where the Turkish Patent Institute (“TPI”) operates an online system allowing registrants to easily check the progress of applications whenever they wish, this is not an issue; in a country like Syria, where there is no such system, this is more problematic.

The apparent ease of implementation and the volume of international registrations filed since its institution has seen, Turkey heralded as one of the system’s success stories; a positive example for other markets to emulate, the system, however, has also some issues for rights owners and registrants in Turkey.

A lack of dedicated communication channels between the TPI and the WIPO is a key issue which has plagued the system since its very implementation. Direct electronic communication between the two bodies is still yet to be established, causing severe heralded delays in the progress of international registrations, and errors made at the application stage cannot be corrected immediately, which may also cause errors on the national registers.

This also creates the problem of dual registrations – if an international registration enters the TPI’s system at a later date and during such period than an identical national application for the same goods/services, the latter application might be registered before the former application enters into TPI records. At present, there is no dedicated platform allowing the TPI to correct such errors after registration and cancelling the erroneous trademark is only possible through a court action against the final refusal decision of the TPI.

Further, the TPI does not notify applicants of third party oppositions should they arise, and applicants do not have the chance to respond to them unless a Turkish agent watching the international registration extensions of foreign firms informs them, or the applicants themselves strictly follow up the status of their application (using the TPI’s online database).

Another issue that trademark owners designating Turkey using the Madrid System face is the TPI may not accept the goods/services which are accepted by the WIPO or their home jurisdiction.

Comment

The Madrid System is increasingly becoming the preferred method of trademark registration by trademark owners and attorneys, due to both the practice and pursuit facilities provided for the applicant, and its obvious cost advantages. Yet, the Madrid System has significant issues in key areas. Countries yet to adopt the system ignore these shortcomings at their peril – applicants in signatory states would do well to apprise themselves of these weaknesses, and formulate strategies for overcoming them.

In the case of Turkey, many issues stem from the lack of a dedicated electronic communication system between the TPI and WIPO. Similar experiences of poor communication have been recorded in other member states.

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There has, however, been a modicum of progress in this regard in recent years, and there is a tangible willingness on the part of both bodies to create such a system (or, indeed, make their respective internal communication systems consistent with one another). If and when this degree of synchronicity is achieved, many of the issues which plague the system would be eliminated.

An international trademark registration system is fundamental in an increasingly global economy, and ever-expanding international business market. The exponential rise in the system’s use, and the accession of many major international jurisdictions and markets to membership status is a clear indication that governments and businesses the world over are attracted by the system’s benefits, whether they be tangible or prospective. In years to come, it is undoubtable that membership will increase, with key emerging markets and developing economies being amongst the most significant accessions.

It is perhaps only inevitable that an international system incorporating so many diverse markets the world over will encounter problems. The Madrid System, while well established in some respects, is still in its relative infancy – future developments will almost certainly improve and optimise the system’s functionality and operation. At present, despite its shortcomings, the system offers a fairly efficient and cost effective method of organisation, which can benefit trademark owners and applicants the world over.

Authors



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