



EC Accession to the Madrid Protocol

UNICE, the Union of Industrial and Employers' Confederations of Europe, AIM, the European Brands Association, and MARQUES, the Association of European Trade Mark Owners, would like to register their support for the Commission's proposal for a Council Decision approving the accession of the EC to the Protocol relating to the Madrid Agreement and the accompanying proposal to amend the Community Trade Mark Regulation ("CTMR")¹.

UNICE is the official voice of more than 16 million small, medium and large companies active in Europe, employing over 106 million people. Active in European affairs since 1958, UNICE's members are 35 central industrial and employers' federations from 28 countries, working together to achieve growth and competitiveness in Europe.

AIM represents the branded goods industries in Europe on issues, which affect the ability of manufacturers to design, distribute and market their brands. It represents some 1800 companies, both direct corporate members of AIM and members of its national associations in 20 countries, which are mainly active in the fast moving consumer goods sector.

MARQUES is an association created to educate and promote the professional development of brand owners in the selection, management, protection and exploitation of their trade marks within a global economy, to create a forum for the free exchange of ideas and information and to provide an effective platform for the representation of their interests.

For all of these organisations, and their members, trade mark protection is vital.

COREPER is currently examining an extremely important development in this field – the proposed accession of the EC to the Protocol to the Madrid Agreement².

The Madrid international registration system is an excellent tool for industry as it allows international registration of trademarks with very little bureaucracy. A link between the CTM and the Madrid registration systems is therefore potentially very attractive. One critically important feature of the proposed link is the possibility for right holders designating the EC in their international registrations to "opt back" to national *designations* of their international registration instead of having to convert the EC designation into national *applications* should their EC designation fail. Should, however, "opting back" not be included in the EC accession to the Protocol, EC accession would be of very limited value to business and it would reduce the attractiveness of the CTM system. This is particularly worrying given that the USA has recently decided to accede to the Protocol, making the Madrid system all the more attractive.

¹ OJ 1996 C293/11 & C300/11

² Proposal for a Council Regulation 8283/03

Link between the CTM system and the Madrid Protocol

The Madrid Agreement and Protocol greatly facilitate international trademark registration procedures. Instead of needing to apply separately for a trade mark to be registered in every country of interest, an owner of a trade mark application or registration in any of the 71 countries party to the Agreement/Protocol can apply for that mark to be registered in all or any of those countries simply by filing one application via the International Bureau of the World Intellectual Property Organisation (WIPO).

Since 1996 the Commission has been working towards establishing a link between the CTM and the International Registration systems. Thus, for example, an international registration could designate the EC instead of having to designate its member countries individually. In order for this to be possible, the Commission proposed accession of the EC to the Madrid Protocol and amendment to the CTMR. Linking the European and international systems in this way would bring clear benefits to European industry and to international trade.

Industry is very pleased to note that these long-stalled proposals have been brought back to the Council's table. We are particularly pleased to note that COREPER is examining "opting-back", as proposed in Article 154(1)(b) of the proposed Council Regulation. Opting back is an essential aspect of the link, for the following reasons.

Should an international registration designating *inter alia* the EC be rejected for the EC (for example due to a conflict in one EC jurisdiction), Article 154(1)(b) provides for the EC *designation* to become convertible into corresponding national *designations* of the international registration ("opting-back"), as opposed to a conversion into multiple national *applications* in the EC jurisdictions of interest. The opting-back solution operates within the framework provided by the international registration system and is entirely consistent with it: a regional designation would be replaced by national designations within the Madrid system. It would enable right holders to keep all the benefits of the international registration system when unsuccessfully designating the EC instead of being moved out of the international registration system and thereby penalised for having designated the EC instead of individual EC jurisdictions in the first place.

Clearly, the opting-back clause would encourage applicants for international registrations to make use of the CTM system via EC designations. Without opting-back, it is quite certain that many applicants for international registrations would continue to designate individual EC jurisdictions, thereby not making use of the CTM system. In so doing, they would avoid the risk of having to prosecute multiple national applications should their EC designation fail.

The possibility to opt-back is therefore key to the success of the CTM system when it is linked with the Madrid system. Industry voices are clear that EC accession to the Protocol would be pointless absent opting-back. Without this protection, they will simply continue to designate individual EC Member States in their international registrations. Hence, the years of work to achieve the goal of linking the European and international systems would succeed on paper only and the CTM system would become less attractive and less competitive.

For further clarification or information on this issue, please contact
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