
Malaysian's Perspective towards Madrid Protocol Accession

by Noor Asyikeen bt Mohd Salleh

ABSTRACT

At present, trademark owners in Malaysia who want to protect their trademarks in several countries must do so by filing their trademarks in each country of interest. It is also known as traditional national filing route. However, this route takes up considerable amounts of time and money. Hence, it is significant to embark on the Madrid Protocol journey. This article shall discuss benefits of accession to the Madrid Protocol in particular to Malaysian companies seeking international registrations. This paper also shall discuss changes that the Malaysian Intellectual Property ("IP") office has to make in accordance towards accession to the Madrid Protocol.

Introduction

The first Madrid Agreement dates back to 1891.¹ The Protocol relating to the Madrid Agreement ("Madrid Protocol") which had been adopted in 1989, entered into force on 1 December 1995 and came into operation on 1 April 1996.² The Madrid Protocol is aiming to provide a one stop solution for registering and managing marks worldwide. It is a global trademark registration system which is administered centrally by the International Bureau of the World Intellectual Property Organisation ("WIPO"), located in Geneva, Switzerland.

It is a purely procedural multinational system which provides an alternative and additional route for trademark owners to obtain trademark registrations in a wide number of member countries by filing a single application. It has become a convenient and economical means of securing trademark registration in member countries in Asia, Africa, Europe, the Middle East, the Pacific Rim and the Western Hemisphere. The Madrid Protocol had already expanded considerably with the



Noor Asyikeen bt Mohd Salleh;
Advocate and Solicitor of the High
Court of Malaya, LL.B (Hons) IIUM,
Associate at Messrs Iza Ng Yeoh & Kit,
Selangor.

notable accessions of 97 contracting parties such as Japan in 2000 and the United States in 2003.³

On 12 December 2015 during the 27th ASEAN Summit Convention, ASEAN member countries have concluded to accede to the Madrid Protocol by the end of 2015 as part of the ASEAN Economic Community building.⁴ Initially, in 2012, Malaysia was pointing towards acceding to the treaty by 2013 with strong indications. To date, the Philippines, Singapore and Vietnam have acceded to the Protocol. Other ASEAN member nations are in various stages of accession. At the moment, Malaysia is in the process of amending the Trade Mark Act 1976 in order to incorporate provisions for the accession to the Madrid Protocol.

At present, trademark owners in Malaysia who want to protect their trademarks in several countries do so by filing their trademarks in each country of interest. This takes up considerable amounts of time and money. Therefore, acceding to the Madrid Protocol would certainly benefit Malaysian companies seeking international registrations and at the same time can benefit international businesses who wish to seek trademark protection in Malaysia.⁵ The advantages of acceding to the Madrid Protocol as well as the changes that the Malaysian IP office has to make in accordance to the Madrid Protocol, shall be discussed further in the following chapter.

¹ Managing Intellectual Property, *The Madrid Protocol comes of age*, 2013, p.2, available at <http://www.managingip.com/Article/3211273/The-Madrid-Protocol-comes-of-age.html?LS=EMS840101>.

² Ibid.

³ WIPO, *Madrid-The International Trademark System*, available at <http://www.wipo.int/madrid/en/>.

⁴ ASEAN *Intellectual Property Portal*, available at <http://www.aseanip.org/Services/Madrid-Protocol>.

⁵ Shearn Delamore & Co, *IP Newsletter: Madrid Protocol*, 2012, p. 5.

Advantages of the Madrid Protocol

The Madrid Protocol has several advantages. First, it eliminates the high filing costs typically associated with filing a separate national application in each country/jurisdiction in which protection is sought.⁶ This is because the applicant only needs to pay one fee instead of filing separately in the various trademark offices and paying a separate fee in each office. Cost savings are also realised at the post-registration stage. Renewals, recordals of changes in the name or address of the proprietor and assignments can be carried out centrally at the International Bureau without their having to be paid and recorded separately in each of the designated countries/jurisdictions.

A further important advantage is that the applicant may file its application for international registration under the Madrid Protocol (international registration) pending the national application, rather than having to wait until a national registration is granted. International registration can be issued rather quickly in about three months, for an application confirmation.⁷ However, instead of 12 months, the subsequent national registration of the contracting party can take as long as 18 months to examine the international registration application.⁸ Each office of a designated contracting party also can opt for a period of 18 months within which to notify the International Bureau of objection/provisional refusal (if any) to the international registration application.

Another advantage is that the Protocol does not change local laws on the acquisition of trademark rights and application formalities.⁹ Once an international registration has been issued, the International Bureau will notify the trademark office of each contracting party of the request for an extension of protection to that country. It will then be examined according to the relevant national law. Examination of national designations by national trademark offices remains subject to local practice and procedure. The national trademark office will grant protection of the mark in that country only if the application meets the local registration requirements.

A further important advantage is that the protection of the mark in each of the designated contracting parties is

the same as if the mark had been the subject of an application for registration filed direct with the office of that contracting party.¹⁰ The international registration is therefore equivalent to a bundle of national registrations. Although it is a single registration, protection may be refused by some of the designated contracting parties or the protection may be limited or renounced with respect to only some of the designated contracting parties. It may also be invalidated (for example, for non-use) with respect to one or more of the designated contracting parties.¹¹ Moreover, any action for infringement of an international registration must be brought separately in each of the contracting parties concerned.

The duration of international registration of the Madrid Protocol, which is effective for 10 years, is also an important advantage.¹² It is valid for 10 years from the date of receipt of the application in the office of origin, provided that the application is submitted to WIPO within two months from that date. If not, the priority date would be the date WIPO receives the application.¹³ It may be renewed for further periods of 10 years on payment of the prescribed fees. The International Bureau will send a reminder to the holder and to his representatives (if any) six months before renewal is due.¹⁴ The international registration may be renewed in respect of all the designated contracting parties or in respect of only some of them. It may not however, be renewed in respect of only some of the goods and services recorded in the International Register.

Another important advantage is that the international registration can be converted into national application that retains the priority date of the international registration.¹⁵ For a period of five years from the date of its registration, the international registration remains dependent on the mark applied or registered for in the office of origin. If during that time, the basic application is refused or withdrawn or the basic registration is cancelled or has lapsed, the protection of the international registration will no longer be invoked. This is known as "central attack".¹⁶ After the expiry of the period of five years, the international registration becomes independent of the basic application or basic registration.

⁶ International Trademark Association (INTA), *Fact Sheets: Madrid Protocol*, 2014, p. 3, available at <http://www.inta.org/TrademarkBasics/FactSheets/Pages/MadridProtocol.aspx>.

⁷ *Ibid.* p.2.

⁸ *Ibid.* p.2.

⁹ *Ibid.* p.2.

¹⁰ WIPO, *Madrid System: Objectives, Main Features, Advantages*, p.11, available at http://www.wipo.int/edocs/pubdocs/en/marks/418/wipo_pub_418.pdf.

¹¹ *Ibid.* p.11.

¹² *Supra.* p.14.

¹³ Jerome Gilson & Anne Gilson Lalonde, *The Madrid Protocol: A Slumbering Giant Awakens At Last*, 2003, p.15.

¹⁴ *Ibid.* p.14.

¹⁵ International Trademark Association (INTA), "Fact Sheets: Madrid Protocol", (2014) p. 1, available at <http://www.inta.org/TrademarkBasics/FactSheets/Pages/MadridProtocol.aspx>.

¹⁶ Jerome Gilson & Anne Gilson Lalonde, *The Madrid Protocol: A Slumbering Giant Awakens At Last*, 2003, p.21.

International registration of the Madrid Protocol is also to the advantage of trademark offices.¹⁷ One of the reasons is that they are compensated for the work that they perform. This is because, the individual fees collected by the International Bureau are transferred to the contracting parties in respect of which they have been paid, while the complementary and supplementary fees are distributed annually among the contracting parties not receiving individual fees, in proportion of the number of designations made of each of them. If the International Registration Service closes its biennial accounts with a profit, the proceeds are divided among the contracting parties.¹⁸

Changes Towards Accession to the Madrid Protocol

At the moment, Malaysia is in the process of amending the Trade Mark Act 1976 in order to incorporate provisions for the accession to the Madrid Protocol. The following are some changes that need to be made by the Intellectual Property Corporation of Malaysia ("MyIPO") in accordance with the Madrid Protocol.¹⁹

Change 1: Application in Multiple Classes

At present, trademark owners who want to file their trademarks in Malaysia for more than one class have to submit one application for each class. This is by virtue of section 25(2) of the Trade Mark Act 1976 which specified that an application shall not be made in respect of goods or services comprised in more than one class.

Therefore, the proposed change in section 25 is to allow application in multiple classes in a single application and such an application will result in one and same registration. This change is intended to simplify the application procedure and to assist the applicant in particular for filing an international application for registration of a trade mark. New section 25A which introduced division of a trade mark application into two or more separate applications is to complement the multiple class system.

Change 2: Divisional Application

A new section 25A is proposed to introduce divisional application whereby an applicant may request for an application for registration of a trade mark to be divided into two or more separate applications for registration of the trade mark. The current trade mark law does not provide provision pertaining to divisional application.

Change 3: Recordal System of Registrable Transactions

IP has been recognised globally as a personal property and it can be subject to a charge, mortgage, etc. Realising

the potential of IP as a financial instrument, MyIPO is proposing to give this due recognition for future dealings in financial transaction. As a regulatory and registration body, MyIPO has to play a role in IP securitisation by providing a recordal system of registrable transactions. The following transactions have been identified as registrable transactions which can be recorded or registered with the Registrar:

- (a) Grant of licence;
- (b) An assignment of a registered trade mark or any right in it;
- (c) Grant of any security interest (whether fixed or floating) over a registered trade mark or any right in or under it;
- (d) Making of personal representative of an assent in relation to a registered trade mark or any right in or under it; and
- (e) An order of the court or other competent authority transferring a registered trade mark or any right in or under it.

At the moment, section 7 of the Trade Mark Act 1976 specifically mentioned that notice of a trust express, implied or constructive shall not be entered in the Register or be received by the Registrar. Therefore, section 7 should be deleted as it is no longer applicable and relevant.

Change 4: Streamlining the Assignment and Transmission of Registered Trade Mark Provisions

Under the Madrid Protocol, it allows the holder of an international registration to assign some or all of its goods or services and may assign as to one or all of its designated contracting parties. Therefore, section 55 of the Trade Mark Act 1976 is proposed to be amended in order to facilitate partial assignment or transmission of a registered trade mark in relation to some or all of goods or services. This is to comply with the Madrid Protocol provisions.

Change 5: Collective Marks

The proposed change is to introduce new provision relating to collective marks. A collective trade mark means a mark used, or intended to be used, in relation to goods or services dealt with or provided in the course of trade by members of an association to distinguish those goods or services from goods or services so dealt with or provided by persons who are not members of the association. The introduction of new section 56A apart from providing the definition of collective trade mark, also provides the application and registration procedures of a collective mark and certain rules governing the collective marks.

17 Supra. p.15.

18 Ibid. p.15.

19 MyIPO, Proposed Amendments to the Trade Mark Act 1976, 2012.

Change 6: Madrid Protocol

Another proposed change to the Trade Mark Act 1976 is to introduce new section 70AA, which provides regulation making powers for the Minister to fully implement and give effect in Malaysia the provisions and requirements of the Madrid Protocol.

Change 7: Intellectual Property Official Journal (“IP Journal”)

The Government Gazette has been the official publication used by MyIPO for gazetting application for trade mark, patents and industrial designs. It has been proposed to replace the Government Gazette with the IP Journal for publishing all matters relating to IP (except section 1, the definition of “prescribed foreign country” in section 3, section 66(1), section 70(5) and section 70C of the Trade Mark Act 1976). This is in line with the international development such as the IP Office in the United Kingdom, Australia, the United States of America, Singapore and Canada.

Conclusion

In general, the advent of the Madrid Protocol in Malaysia is a positive development for Malaysian-based trademark owners. It is an easier, cheaper and more efficient way to obtain trademark registrations in other countries rather than having to file multiple separate national applications. Trademark owners outside Malaysia who are eligible to file under the Madrid system will also benefit because they can extend protection to Malaysia through their existing international registrations.

Indeed, filing under the Madrid Protocol has several advantages, inter alia, the mark owner need only file a single application in one language and pay fees in one currency to one office. Similarly, the registration may be renewed every 10 years in a single transaction. Furthermore, it has one registration number with one renewal date and changes in the address or representative or record an assignment can be done with one form rather than filing in each national trademark office.

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