

**SPECIAL ISSUE:  
PUBLIC AUTHORITY & INTERNATIONAL INSTITUTIONS**

*Thematic Studies*

## **WIPO's International Registration of Trademarks: An International Administrative Act Subject to Examination by the Designated Contracting Parties**

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### **A. Introduction**

Although the World Intellectual Property Organization (WIPO) is a technical intergovernmental organization with a limited mandate, it has been entrusted with a panoply of tasks. These include, *inter alia*, the international harmonization of intellectual property law, the administration of fee-based global intellectual property protection services, and the delivery of dispute resolution services to individuals. While the central role of WIPO in the continuous development of substantive intellectual property law has been questioned by developing countries,<sup>1</sup> the administrative activities of WIPO have remained largely unscathed by critique and, therefore, have not attracted much attention. They revolve around the international filing, registration or recognition of industrial property rights, such as patents, industrial designs and trademarks,<sup>2</sup> and provide an interesting perspective on the law of international institutions.

Dating back to 1891 and, thus, presenting itself as one of the earliest examples for the exercise of public authority by international institutions, the international registration of trademarks introduced the concept of an "international

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<sup>1</sup> Peter-Tobias Stoll, *WIPO - World Intellectual Property Organization*, in II UNITED NATIONS - LAW, POLICIES AND PRACTICE 1437 (Rüdiger Wolfrum ed., 1995).

<sup>2</sup> Intellectual property is traditionally divided into two branches, industrial property on the one hand and copyright and related rights on the other hand. In contrast to industrial property rights, copyright and related rights do not need to be registered.

administrative act subject to examination by the designated contracting parties.”<sup>3</sup> This concept comprises administrative acts that fulfill the criteria of domestic concepts of administrative decisions, but are performed by international authorities that share their decision-making power with designated contracting parties (*i.e.* domestic authorities).<sup>4</sup> In comparison with modern instruments of international institutions, the “international administrative act subject to examination by the designated contracting parties” appears to be surprisingly progressive. It is, on the one hand, directly applicable in the domestic legal orders of the contracting parties, and anticipates, on the other hand, elements of modern forms of administrative cooperation between supranational and domestic authorities within the European Community (EC).

Before discussing this concept and interrelated procedural questions in more detail (C.), an introductory overview will be given of the subject area, legal regime and interests involved (B.). In the end, the international registration of trademarks will be assessed (D.) and possibilities of future developments discussed (E.).

## **B. The International Registration of Trademarks in Context**

### *I. Subject Area: Trademarks*

Trademarks are distinctive signs, which identify certain goods or services such as those produced or provided by a specific person or enterprise. Trademark protection helps consumers identify and purchase a product or service because its nature and quality, indicated by its unique trademark, meets their needs. The trademark holder has the exclusive right to prevent unauthorized third parties from using said trademark, or a confusingly similar trademark, so as to prevent customers and the general public from being misled and the trademark itself from being exploited economically.<sup>5</sup> Trademarks can be protected on the basis of either use or registration. Full trademark protection, however, is properly secured only by registration.<sup>6</sup>

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<sup>3</sup> The German translation reads “internationaler Verwaltungsakt unter Prüfungsvorbehalt” borrowing from the term “Transnationalität unter Prüfungsvorbehalt” introduced by Eberhard Schmidt-Aßmann, *Verwaltungskooperation und Verwaltungskooperationsrecht in der Europäischen Gemeinschaft*, 31 *EUROPARECHT* 270, 300-301 (1996).

<sup>4</sup> Designated contracting parties are those states or intergovernmental organizations in which the international applicant wishes his trademark to be protected.

<sup>5</sup> FREDERICK ABBOTT, THOMAS COTTIER & FRANCIS GURRY, *THE INTERNATIONAL INTELLECTUAL PROPERTY SYSTEM: COMMENTARY AND MATERIALS, PART ONE* 128-131 (1999); *INTRODUCTION TO INTELLECTUAL PROPERTY: THEORY AND PRACTICE* 183-186 (WIPO ed., 1997).

<sup>6</sup> WIPO (note 5), 194.

*I. Legal Regime: Madrid System for the International Registration of Trademarks*

The international registration of trademarks is governed by two treaties: the Madrid Agreement concerning the International Registration of Marks<sup>7</sup> (Madrid Agreement), concluded in 1891, and the Protocol relating to it<sup>8</sup> (Madrid Protocol), concluded in 1989. The Madrid Agreement and the Madrid Protocol together form the Madrid system for the international registration of trademarks (Madrid system). The aim of the Madrid Protocol was to persuade Japan, the United Kingdom and the United States of America to join the Madrid system by making some of its rules more accommodating.<sup>9</sup> The two treaties are parallel instruments, albeit independent from one another, and states may adhere to either one or to both. In addition, an "intergovernmental organization" which maintains its own office for the registration of trademarks may become party to the Madrid Protocol.<sup>10</sup> In reality, only supranational organizations fulfill this criterion, such as the EC that maintains the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM).<sup>11</sup>

Both treaties are global protection system treaties. Global protection system treaties form one of the three groups of intellectual property treaties administered by WIPO.<sup>12</sup> They ensure that one international filing, registration or recognition of a given industrial property right will have effect in any of the designated contracting

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<sup>7</sup> UNTS, vol. 828, 389.

<sup>8</sup> O.J. 2003 L 296/22.

<sup>9</sup> The main differences are that, under the Madrid Protocol, English is introduced as the second procedural language (instead of French only), international registration can be requested on the basis of a domestic trademark application (instead of domestic trademark registrations only) and contracting parties of the Madrid Protocol can extend the period for the refusal of protection from 12 to 18 months, which is of particular importance for states and intergovernmental organizations having comprehensive official examinations. See 27 INTERNATIONAL REVIEW OF INTELLECTUAL PROPERTY AND COMPETITION LAW (IIC), 145, 146 (1996).

<sup>10</sup> Madrid Protocol, Art. 14(1)(b).

<sup>11</sup> Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trademark, O.J. (1994) L 11/1, Art. 2 and 111 *et seq.*; Council Regulation (EC) No 6/2002 of 12 December 2001 on Community Designs, O.J. 2002 L 3/1, Art. 2 and 62 *et seq.* See also <http://oami.europa.eu/en/default.htm>.

<sup>12</sup> The other groups are intellectual property protection treaties and classification treaties. Intellectual property protection treaties, such as the Paris Convention for the Protection of Intellectual Property (Paris Convention) (UNTS, vol. 828, 305), define internationally agreed basic standards of intellectual property protection in each country. Classification treaties, such as the Strasbourg Agreement Concerning the International Patent Classification (UNTS, vol. 1160, 483), create classification systems that organize information concerning inventions, trademarks and industrial designs into indexed, manageable structures for easy retrieval.

parties. Due to the principle of territoriality, the holder of an industrial property right registered under domestic industrial property law is only protected within the territorial boundaries inside which the domestic law is enforceable.<sup>13</sup> Usually, the holder interested in registering his industrial property right outside the territorial boundaries of his home country has to file additional domestic applications in the respective countries of interest. This can be costly and administratively cumbersome, as the holder has to pay different fees and submit his application in different languages, which must also be in accordance with the relevant domestic procedural rules and regulations.

Alternatively, the applicant or holder of an industrial property right may make use of the WIPO-administered global protection system treaties. These are not able to overcome the principle of territoriality, but simplify and reduce the cost of making individual applications in other countries than the home country. In the case of the Madrid system, the applicant or holder of a trademark may file a single application with the International Bureau of WIPO (International Bureau) through the intermediary of his home country office.<sup>14</sup> The application is submitted in a single language and only one set of fees is levied. A trademark so registered is equivalent to an application or a registration of the same trademark effected directly in each of the contracting parties designated by the applicant or holder of the trademark.<sup>15</sup> If the trademark office of a designated country does not refuse protection within a specified period, the protection of the trademark is the same as if it had been registered by that office.

### *1. Interests Involved: Economic Interests of Exporting Enterprises*

Among the specialized agencies of the United Nations (UN), WIPO is exceptional in so far as it provides economic services to individuals.<sup>16</sup> Among the WIPO-

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<sup>13</sup> On the principle of territoriality in trademark law, see Graeme B. Dinwoodie, *Trademarks and Territory: Detaching Trademark Law from the Nation-State*, 41 HOUSTON LAW JOURNAL 886-973 (2004); FRIEDRICH-KARL BEIER, *Territoriality of Trademark Law and International Trade*, 1 INTERNATIONAL REVIEW OF INDUSTRIAL PROPERTY AND COPYRIGHT LAW 48-72 (1970).

<sup>14</sup> According to Art. 1(3) of the Madrid Agreement, the home country is defined as (a) any country, party to the Madrid Agreement, in which the holder of a trademark has a real and effective industrial or commercial establishment, (b) if he has no establishment in such a country, the country, party to the Madrid Agreement, in which he has his domicile; or (c) if he has neither an establishment nor a domicile in such a country, the country, party to the Madrid Agreement, of which he is a national. According to Art. 2(2) of the Madrid Protocol, the applicant or holder of a trademark may freely choose his office of origin on the basis of establishment, domicile or nationality.

<sup>15</sup> Madrid Agreement, Art. 4(1); Madrid Protocol, Art. 4(1)(a).

<sup>16</sup> Edward Kwakwa, *Institutional and Procedural Reform at the World Intellectual Property Organization*, 3 INTERNATIONAL ORGANIZATIONS LAW REVIEW 143, 143 (2006). As a result, WIPO is a self-funding agency

administered global protection system treaties, the Patent Cooperation Treaty, concluded in 1970, is the most successful.<sup>17</sup> It is the global protection system treaty with the most contracting parties (137 in 2007) and the most applications filed per year (145,300 in 2006).<sup>18</sup> The Madrid system is the second most successful global protection system with a total of 80 contracting parties and 36,471 applications filed in 2006.<sup>19</sup> This success can be attributed to the economic importance of the international registration of trademarks for enterprises wanting to acquire and maintain protection in export markets. Without international registration, unfair competitors could use similar distinctive signs to market inferior products or services. Since exporting enterprises are predominantly situated in developed countries, developed countries benefit more from the Madrid system than developing countries. In 2005, the basic fee for applications originating in least developed countries were, however, reduced to 10% of the standard amount.<sup>20</sup> The number of international registrations from developing countries, while not comparable to registrations from developed countries, is beginning to grow.<sup>21</sup>

Compared to the more successful Patent Cooperation Treaty, the Madrid system is unique in so far as it is not only the oldest global protection system, but is also the first WIPO-administered global protection system within which the EC participates.<sup>22</sup> The EC adhered to the Madrid Protocol in 2004. What is more, the central instrument under the Patent Cooperation Treaty is not an international registration and, thus, not an "international administrative act subject to examination by the designated contracting parties."<sup>23</sup>

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by and large, with almost 90 percent of WIPO's budget coming from fees paid by individuals, *see* WIPO Annual Report 2005, 26.

<sup>17</sup> UNTS, vol. 1160, 231.

<sup>18</sup> WIPO, Record Year for International Patent Filings with Significant Growth from Northeast Asia, WIPO/PR/2007/476, 8 February 2007.

<sup>19</sup> WIPO, Germany Holds its Lead in a Year that sees Record Number of International Trademark Filings, WIPO/PR/2007/480, 15 March 2007.

<sup>20</sup> Assembly of the Madrid Union, Fee Reduction for Applicants from Least Developed Countries, MM/A/36/2, 11 July 2005. In the period 2003/2004, only two out of 53,345 international applications originated from least developed countries.

<sup>21</sup> *See* (note 19).

<sup>22</sup> The second WIPO-administered global protection system within which the EC participates is the Hague System for the International Registration of Industrial Designs. The EC acceded to the Hague Agreement Concerning the International Registration of Industrial Designs, Geneva Act (O.J. 2006 L 386/30), on 1 January 2008.

<sup>23</sup> Rather, it is an international filing system that has the same effect as national filings vis-à-vis designated contracting parties. The procedure under the Patent Cooperation Treaty enhances the

### C. Analyzing the International Registration of Trademarks

The concept of an “international administrative act subject to examination by the contracting parties” introduced by the international registration of trademarks will be explored through domestic paradigms of administrative decisions (IV.). Interrelated procedural questions will be further examined by defining and delineating the parameters in which the international registration of trademarks occurs. These parameters are the institutional and normative framework (I. and II.), the procedural regime (III.) and mechanisms of control and review (V.).

#### *I. Institutional Framework: International Administrative Union*

The organizational setting of the Madrid system is an international administrative union, a special union called the Madrid Union for the International Registration of Marks (Madrid Union), which was established by the Madrid Agreement.<sup>24</sup> The establishment of international administrative unions dates back to the nineteenth century when the growing interdependence between states led to the realization that certain administrative matters, such as commerce, communication and transportation, could no longer be dealt with on the national level alone but needed coordination through permanent international institutions.<sup>25</sup> International administrative unions are understood as the historical predecessors of intergovernmental organizations. They differ insofar as they not only frequently lack international legal personality, but also the capacity to generate an autonomous will distinct from the will of their contracting parties.<sup>26</sup>

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chances of an international applicant having his patent registered, as the international filing is published by the International Bureau together with the international search report (*i.e.* a listing of published document citations that might affect the patentability of the invention). However, unlike an international registration, it does not replace domestic registrations. For more details on the procedure of the Patent Cooperation Treaty *see* WIPO (note 5), 395-405. Its impact on international administrative law has been discussed in SABINO CASSESE, *GLOBAL ADMINISTRATIVE LAW, CASES AND MATERIALS*, available at: <http://www.iilj.org/GAL/documents/GalCasebook.pdf>, 37 *et seq.*; SABINO CASSESE, *Administrative Law without the State? The Challenge of Global Regulation*, 37 *NEW YORK UNIVERSITY JOURNAL OF INTERNATIONAL LAW AND POLITICS* 663, 682 and 685 (2006).

<sup>24</sup> Madrid Agreement, Art. 1.

<sup>25</sup> JOSÉ ALVAREZ, *INTERNATIONAL ORGANIZATIONS AS LAW-MAKERS* 28 (2005); IGNAZ SEIDL-HOHENVELDERN & GERHARD LOIBL, *DAS RECHT DER INTERNATIONALEN ORGANISATIONEN EINSCHLIEßLICH DER SUPRANATIONALEN GEMEINSCHAFTEN* 20 (7th ed. 2000).

<sup>26</sup> Rüdiger Wolfrum, *International Administrative Unions*, in *MAX PLANCK ENCYCLOPEDIA OF PUBLIC INTERNATIONAL LAW*, <http://mpepil.oup.com>, para. 2 (Rüdiger Wolfrum ed., 2008); CHRISTIAN TIETJE, *INTERNATIONALISIERTES VERWALTUNGSHANDELN* 129 (2002); Joël Rideau, *Les institutions internationales de la protection de la propriété intellectuelle*, 72 *REVUE GÉNÉRALE DE DROIT INTERNATIONAL PUBLIC (RGDIP)* 730, 731 (1968).

Today, the Madrid Union operates within the framework of WIPO and interacts with the trademark offices of the contracting parties and, in particular cases, with individuals. The trademark offices of the contracting parties can be national trademark offices, notified common trademark offices of several contracting parties,<sup>27</sup> such as the Benelux Office for Intellectual Property,<sup>28</sup> and regional trademark offices, such as the EC's OHIM. The fact that the EC and its member states are both parties to the Madrid Protocol does not lead to an additional level in the organizational setting of the Madrid system. National, common and regional trademark offices are all situated on the same level; all three forward international applications to the International Bureau. The reason is that the Madrid Protocol is – at least according to the substantive definition of mixed agreements<sup>29</sup> – not a mixed agreement. It was not concluded on the basis of shared, but of parallel competences. It does not fall partly within the competence of the EC and partly within the competence of its member states, but fully within the exclusive competence of both the EC and its member states.<sup>30</sup> This is due to the fact that Community trademarks exist independently from national trademarks and do not replace them.<sup>31</sup>

Like in all administrative unions operating within the framework of WIPO, the decision-making organ of the Madrid Union is an assembly of all contracting parties. As the Madrid Protocol is not a mixed agreement, the rights and obligations resulting from the membership to the Madrid Protocol do not have to be shared between the EC and its member states.<sup>32</sup> The EC, therefore, does not have a number of votes equal to the number of their member states,<sup>33</sup> but may exercise its right to vote independently of its member states.<sup>34</sup> The Assembly is authorized not only to

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<sup>27</sup> Madrid Agreement, Art. 9<sup>quater</sup>; Madrid Protocol, Art. 9<sup>quater</sup>.

<sup>28</sup> See <http://www.boip.int/en/homepage.htm>.

<sup>29</sup> A mixed agreement, according to the substantive definition, is an international agreement that includes among its parties the EC, one, some or all of its member states and one or some other subjects of international law *and* that falls partly within the competence of the EC and partly within the competence of its member states (shared competences); see e.g. Henry G. Schermers, *A Typology of Mixed Agreements*, in *MIXED AGREEMENTS* 23, 25 (David O'Keefe & Henry G. Schermers eds., 1983).

<sup>30</sup> KAREN KAISER, *GEISTIGES EIGENTUM UND GEMEINSCHAFTSRECHT: DIE VERTEILUNG DER KOMPETENZEN UND IHR EINFLUSS AUF DIE DURCHSETZBARKEIT DER VÖLKERRECHTLICHEN VERTRÄGE* 160 (2004).

<sup>31</sup> Council Regulation 40/94, Recital 5.

<sup>32</sup> KAISER (note 30), at 199.

<sup>33</sup> See e.g. Agreement establishing the World Trade Organization (UNTS, vol. 1867, 3), Art. IX(1).

<sup>34</sup> Madrid Protocol, Art. 10(3)(a).



determine the program and adopt the budget, but also to amend the organizational provisions of the Madrid Agreement.<sup>35</sup> As the Madrid Union does not have any organs apart from the Assembly, it “borrows” WIPO’s International Bureau for the international registration of trademarks and WIPO’s Director-General for other administrative tasks.<sup>36</sup>

## *II. Normative Framework: Treaties, Regulations and Administrative Instructions*

The mandate for the international registration of trademarks is contained in the Madrid Agreement and the Madrid Protocol. These treaties prescribe specific actions for all stages of the procedure and are complemented in the following ways: first by regulations implementing the international treaties (*i.e.* the Common Regulations under the Madrid Agreement and the Madrid Protocol)<sup>37</sup> that are adopted and modified by the Assembly; and second by instructions with details in respect of the application of the Common Regulations (*i.e.* the Administrative Instructions for the Application of the Madrid Agreement and the Madrid Protocol)<sup>38</sup> that are established and modified by the Director-General of WIPO under Rule 41 of the Common Regulations.

## *III. Procedural Regime*

The procedural regime governing the international registration of trademarks has a composite dimension as four actors on different levels are involved in the proceedings: first, the international applicant; second, the office of origin (*i.e.* the trademark office of his home country); third, the International Bureau; and fourth, the trademark offices of the designated contracting parties. Ergo, the proceedings leading to an international registration of trademarks are mixed insofar as both domestic (national, common and supranational) and international authorities participate.<sup>39</sup>

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<sup>35</sup> Madrid Agreement, Art. 10(2)(a)(v) and (ix).

<sup>36</sup> The International Bureau is based in Geneva. WIPO’s staff, drawn from more than 90 countries, includes experts in diverse areas of intellectual property law and practice, as well as specialists in public policy, economics, and administration. In 2005, WIPO’s annual expenditure for its staff amounted to 189,928,000 Swiss Francs. *See* WIPO, Annual Report 2005, 26.

<sup>37</sup> *See* [http://www.wipo.int/export/sites/www/madrid/en/legal\\_texts/pdf/common\\_regulations.pdf](http://www.wipo.int/export/sites/www/madrid/en/legal_texts/pdf/common_regulations.pdf).

<sup>38</sup> *See* [http://www.wipo.int/export/sites/www/madrid/en/legal\\_texts/pdf/admin\\_instructions.pdf](http://www.wipo.int/export/sites/www/madrid/en/legal_texts/pdf/admin_instructions.pdf).

<sup>39</sup> The filing procedure under the Patent Cooperation Treaty has also been qualified as “mixed”, *see* CASSESE, GLOBAL ADMINISTRATIVE LAW, CASES AND MATERIALS (note 23), 37.



### 1. Three Main Procedural Stages: Application, Registration and Examination

These mixed proceedings are characterized by three main and two additional stages. The main stages are the application stage, the registration stage and the examination stage. The additional stages concern changes in the international registration of trademarks<sup>40</sup> and the renewal of the international registration of trademarks<sup>41</sup> by the International Bureau.

In the application stage, the international applicant submits his application for the international registration of his trademark through the intermediary of the office of origin.<sup>42</sup> A trademark may be the subject of an international registration only, if it has already been domestically registered or, where the international application is governed exclusively by the Madrid Protocol, if domestic registration has been applied for in the office of origin (basic registration or application). The international application has to fulfill the formal requirements laid down in the treaties, the Common Regulations and the Administrative Instructions. As the international application must be submitted using the appropriate official form, the procedure is highly formalized and standardized.<sup>43</sup> The international applicant must, *inter alia*, indicate those states or intergovernmental organizations with whom he wishes the trademark to be protected. The international application is, furthermore, subject to the payment of fees.<sup>44</sup> These fees may be paid directly to the International Bureau or, where the office of origin accepts to collect and forward such fees, through that office.

In the succeeding registration stage, the International Bureau checks that the international application complies with the formal requirements and that the required fees have been paid. In case of irregularities, the International Bureau

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<sup>40</sup> Common Regulations, Rules 25 *et seq.*

<sup>41</sup> Madrid Agreement, Art. 7(1); Madrid Protocol, Art. 7(1); Common Regulations, Rules 29 *et seq.*; An international registration of a trademark is effective for 20 years under the Madrid Agreement (Art. 6(1)) and for 10 years under the Madrid Protocol (Art. 6(1)). It may be renewed for further periods of 20 and 10 years respectively.

<sup>42</sup> Madrid Agreement, Art. 1(2); Madrid Protocol, Art. 2(2).

<sup>43</sup> Common Regulations, Rules 9(2)(a). There are three different official forms (MM1, MM2 and MM3) for the international application; all of them are available at: <http://www.wipo.int/madrid/en/forms/>.

<sup>44</sup> Madrid Agreement, Art. 8(2); Madrid Protocol, Art. 8(2) and (7); *see also* Schedule of Fees Prescribed by the Common Regulations under the Madrid Agreement and the Madrid Protocol and the fee calculator, both available at: <http://www.wipo.int/madrid/feecalc/FirstStep>.

informs both the office of origin and the international applicant.<sup>45</sup> In case of compliance, the trademark is recorded in the International Register and published in the WIPO Gazette of International Marks (WIPO Gazette).<sup>46</sup> The International Bureau then notifies the offices of the designated contracting parties of the international registration, informs the office of origin and sends a certificate to the international applicant.<sup>47</sup>

The ultimate examination stage provides an opting-out mechanism for the office of a designated contracting party. Since it has the right to declare that protection cannot be granted to the trademark in its territory,<sup>48</sup> it may examine the international registration of the trademark, but it is not required to do so.<sup>49</sup> However, in case of a provisional refusal, it must notify the International Bureau within 12 or 18 months (*i.e.* the time limit specified in the treaties)<sup>50</sup> and indicate the grounds for refusal.<sup>51</sup> Any procedure following the provisional refusal, such as review, appeal or response to an objection made by a third party, is carried out directly between the holder of the internationally registered trademark and the office concerned. The holder of the internationally registered trademark has the same rights and remedies as if the trademark had been deposited directly with the office of the designated contracting party that issued the notification of provisional refusal. Once all the procedures before that office have been completed, it must send a statement to the International Bureau indicating that the provisional refusal is confirmed or is totally or partially withdrawn.<sup>52</sup> The provisional refusal and the statement are recorded in the International Register and published in the WIPO

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<sup>45</sup> WIPO, GUIDE TO THE INTERNATIONAL REGISTRATION OF MARKS UNDER THE MADRID AGREEMENT AND THE MADRID PROTOCOL, para. B-22.01 (2004).

<sup>46</sup> Common Regulations, Rule 32(1)(a)(i). See <http://www.wipo.int/madrid/en/gazette/>.

<sup>47</sup> Common Regulations, Rules 14(1) and 24(8).

<sup>48</sup> Madrid Agreement, Art. 5(1); Madrid Protocol, Art. 5(1).

<sup>49</sup> WIPO (note 45), para. B-33.06. However, where the office of a designated contracting party finds no reason for refusing protection, it may issue a statement granting protection before the expiry of the relevant time limit. As with negative decisions on registration, this statement is recorded in the International Register, published in the WIPO Gazette.

<sup>50</sup> Madrid Agreement, Art. 5(2); Madrid Protocol, Art. 5(2)(a) and (b); see also, *supra*, note 9.

<sup>51</sup> Common Regulations, Rule 18(1)(a)(ii).

<sup>52</sup> Common Regulations, Rule 17(5)(a).

Gazette.<sup>53</sup> In addition, copies are transmitted to the holder of the internationally registered trademark.<sup>54</sup>

## 2. *Rights and Duties of Actors Involved*

The international applicant of a trademark has various rights and duties in the proceedings. Although he may not present the international application directly to the International Bureau, he may sign it, if the office of origin allows him to do so.<sup>55</sup> Together with the office of origin, the international applicant is entitled to be informed of irregularities with respect to his international application,<sup>56</sup> to receive a certificate of the international registration,<sup>57</sup> to be notified of facts in designated contracting parties that affect the international registration<sup>58</sup> and to defend his rights in case of invalidation in designated contracting parties.<sup>59</sup> In contrast to the original international application, the applicant or holder may present a request directly to the International Bureau for the purposes of subsequent designation, recording amendments (such as name or address) and cancellation.<sup>60</sup> As far as duties are concerned, the applicant or holder must fulfill the formal requirements of a request which is presented directly to the International Bureau<sup>61</sup> and pay the necessary fees.<sup>62</sup>

To a certain extent, the rights and duties of the offices (*i.e.* the International Bureau and the domestic trademark offices of the contracting parties) are mirrored in the rights and duties of the international applicant. In addition, they have rights and duties in relation to each other. Due to the mixed nature of the proceedings leading to the international registration of trademarks, their main duty is to notify one another of any decision that affects the international registration of the trademark.

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<sup>53</sup> Common Regulations, Rules 17(4) and (5)(c) and 32(1)(a)(iii).

<sup>54</sup> Common Regulations, Rule 17(4) and (5)(b) and (c).

<sup>55</sup> Common Regulations, Rule 9(2)(b).

<sup>56</sup> Common Regulations, Rules 12 and 13.

<sup>57</sup> Common Regulations, Rule 14(1).

<sup>58</sup> Common Regulations, Rules 16 *et seq.*

<sup>59</sup> Madrid Agreement, Art. 5(6); Madrid Protocol, Art. 5(6). *See* section B. V.

<sup>60</sup> Common Regulations, Rule 25.

<sup>61</sup> Common Regulations, Rules 24 *et seq.*

<sup>62</sup> Common Regulations, Rule 10.

It is enshrined in various provisions of the Madrid Agreement and the Madrid Protocol and concretized by the Common Regulations.<sup>63</sup> Moreover International Bureau must publish any decision affecting the international registration of trademark in the WIPO Gazette.<sup>64</sup> The WIPO Gazette contains all relevant data on new international registrations, renewals, subsequent designations and changes as well as other entries affecting international registrations. It is open to the public and issued by the International Bureau on a weekly basis.<sup>65</sup>

#### *IV. Classifying the International Registration of Trademarks*

The international registration of trademarks is difficult to classify, as the legal instruments of international institutional law have not yet been completely systematized.<sup>66</sup> Calling the international registration an “international administrative decision” would not amount to much, as this term is very vague and merely differentiates unilateral administrative decisions from bi- or multilateral administrative treaties at the international level. Therefore, this paper proposes to explore international administrative decisions through the paradigms of domestic concepts of administrative decisions.<sup>67</sup> By doing so, the international registration of trademarks may be qualified as an “international administrative act subject to examination by the designated contracting parties.”

##### *1. Paradigms of Domestic Concepts of Administrative Decisions*

The international registration of trademarks by the International Bureau has, in contrast to the listing under the world heritage regime of the United Nations Educational, Scientific and Cultural Organization<sup>68</sup> and the financial sanctions regime of the UN<sup>69</sup>, a domestic equivalent. In France, the domestic registration of

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<sup>63</sup> See on the principle of transparency section C. I. 2.

<sup>64</sup> Common Regulations, Rule 32(1) and (2).

<sup>65</sup> WIPO (note 45), para. A-07.01.

<sup>66</sup> See ALVAREZ (note 25), at 217 *et seq.*; JAN KLABBERS, AN INTRODUCTION TO INTERNATIONAL INSTITUTIONAL LAW 197 *et seq.* (2004); Matthias Goldmann, in this issue.

<sup>67</sup> See on the problems of comparative administrative law Eberhard Schmidt-Aßmann and Stéphanie Dagron, *Deutsches und französisches Verwaltungsrecht im Vergleich ihrer Ordnungsideen. Zur Geschlossenheit, Offenheit und gegenseitigen Lernfähigkeit von Rechtssystemen*, 67 ZEITSCHRIFT FÜR AUSLÄNDISCHES ÖFFENTLICHES RECHT (ZAÖRV) 395, 396 (2007).

<sup>68</sup> Diana Zacharias, in this issue.

<sup>69</sup> Clemens Feinäugle, in this issue.

industrial property rights by domestic industrial property offices is an *acte administratif individuel* (individual administrative act), taken by a public authority with regard to a definite number of individuals.<sup>70</sup> In Germany, it is a *Verwaltungsakt* (administrative act) in the sense of section 35 of the German Law on Administrative Proceedings (*Verwaltungsverfahrensgesetz*),<sup>71</sup> i.e. “[an] order, decision or other sovereign measure taken by an authority to regulate an individual case in the sphere of public law which is intended to have direct external legal effect.”<sup>72</sup> This seems to imply that in principle the international registration of industrial property rights, such as trademarks, also fulfills both French and German domestic criteria.

However, upon closer inspection several questions persist concerning the specific characteristics of domestic administrative acts versus international registration. For example, the assertion that international registrations are a “sovereign measure [...] in the sphere of public law” could be problematic considering that industrial property law is generally regarded as a specialized branch of private law. However, while the relationship between industrial property right holders and other individuals is indeed regulated by private law, the act of registering industrial property rights as such is a sovereign measure. It is, in other words, taken with reference to the relationship of sovereign and subject.<sup>73</sup>

The international registration has, moreover, a regulatory character. It bestows upon the international applicant the exclusive right to prevent unauthorized third parties from using the trademark in the territories of the designated contracting parties. From the date of the international registration, the protection of the trademark in each of the designated contracting parties is the same as if the trademark had been the subject of an application for registration filed direct with the office of the designated contracting party in question.<sup>74</sup> An international registration is, therefore, equivalent to a bundle of domestic registrations.

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<sup>70</sup> For the comparable domestic registration of patents in France, see Jean Foyer, *L'opposabilité, sur le territoire français, d'un brevet européen dont la description est rédigée en une langue étrangère*, 27 RECUEIL DALLOZ 1919, 1921 (2007).

<sup>71</sup> BGHZ 18, 81, 92 (German Federal Supreme Court); Reimar König, *Die Rechtsnatur der Patenterteilung und ihre Bedeutung für die Auslegung von Patentansprüchen*, 10 GEWERBLICHER RECHTSSCHUTZ UND URHEBERRECHT (GRUR) 809, 810 (1999).

<sup>72</sup> Bundesgesetzblatt (BGBl.) (German Federal Gazette) 2003, part I, at 102. An English translation of the German Law on Administrative Proceedings is reprinted in THE RULE OF LAW IN PUBLIC ADMINISTRATION: THE GERMAN APPROACH 113-166 (Heinrich Siedentopf, Karl-Peter Sommermann & Christoph Hauschild eds., 2nd ed. 1993).

<sup>73</sup> In the fifteenth to eighteenth centuries, this was even more conspicuous. Patents were granted to individuals by the sovereign in the form of “privileges”; see WIPO (note 5), 17.

<sup>74</sup> Madrid Agreement, Art. 4(1); Madrid Protocol, Art. 4(1).

Again, the fulfillment of the “individual case” criterion raises doubt. This criterion distinguishes both the French *acte administratif individuel* and the German *Verwaltungsakt* from a legislative act in that it regulates a specific case and does not lay down general abstract norms applicable to an indefinite number of cases.<sup>75</sup> The international registration targets the international applicant, but deals indirectly with an indefinite number of individuals who might violate the exclusive right to use the trademark without authorization of the holder in the future.<sup>76</sup> The fact that the trademark is recorded in the International Register and published in the WIPO Gazette is reminiscent of the promulgation of a law and further underlines the general abstract effect of the internationally registered trademark.<sup>77</sup> This effect, however, results from the domestic trademark laws of the designated contracting parties and not from the international registration as such. The international registration merely bestows upon the international applicant the exclusive right to prevent unauthorized parties from using the trademark and places the onus upon the designated contracting parties to decide on the legal ramifications.<sup>78</sup>

Finally, “direct external legal effect,” another criterion of the German *Verwaltungsakt*, is generally problematic in the field of international law. Even if international law and domestic law are seen as parts of one legal order, international law may not be sufficiently precise enough to be directly applicable in domestic law and might require further implementation. For example, both the inscription of properties in the World Heritage List and the inscription of individuals or groups in the UN financial sanctions list are not intended to have direct external legal consequences. They are aimed at the contracting parties or member states who are called upon to implement the obligations resulting from the listing: protection and conservation of the properties on the one hand, freezing of assets of individuals and groups associated with Usama bin Laden on the other hand.<sup>79</sup> The international registration, by contrast, is intended to have direct external legal consequences. The idea of simplifying the proceedings leading to multiple registrations of trademarks in other contracting parties would be thwarted if the international registration needed further domestic implementation. It is

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<sup>75</sup> MAHENDRA PAL SINGH, GERMAN ADMINISTRATIVE LAW IN COMMON LAW PERSPECTIVE 67 (2001).

<sup>76</sup> Foyer (note 70), 1921; König (note 71), 812.

<sup>77</sup> König (note 71), 812.

<sup>78</sup> *Id.*

<sup>79</sup> Zacharias, in this issue; Feinäugle, in this issue.

directly applied in the domestic legal orders of the contracting parties<sup>80</sup> and, therefore, has direct external legal effect.

Borrowing from domestic concepts of administrative decisions, the international registration of industrial property rights, such as trademarks, by the International Bureau has, therefore, been labeled an "international administrative act,"<sup>81</sup> as it is performed by an international authority. Although the international registration is equivalent to a bundle of domestic registrations in the designated contracting parties, it is only one administrative act – *one* administrative act that has, however, direct external legal effect in the territories of *all* designated contracting parties.

## 2. *Reconciling Domestic Paradigms with the International Registration of Trademarks*

While the international registration of trademarks, thus far, in principle mirrors the criteria of domestic concepts of administrative decisions, in particular the German *Verwaltungsakt*, it has characteristics that cannot be fully reconciled with these aforementioned concepts. These characteristics refer especially to the mixed nature of the proceedings leading to the international registration of a trademark. The decision-making power is not concentrated in the hands of the international authority (*i.e.* the International Bureau), but shared with the relevant domestic authorities (*i.e.* the office of origin and the offices of the designated contracting parties). On the one hand, the offices of the designated contracting parties may suspend, remove or re-establish the exclusive right to prevent unauthorized third parties from using the trademark in their territories.<sup>82</sup> On the other hand, the internationally registered trademark remains dependent on the original trademark for a period of five years from the date of the international registration.<sup>83</sup> If the

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<sup>80</sup> See for the EC Art. 146 of the Council Regulation 40/94, for Germany section 112 of the Gesetz über den Schutz von Marken und sonstigen Kennzeichen (German Trademark Law; BGBl. 1994, part I, at 3082) and for France Art. R.717-1 of the Code de la propriété intellectuelle (French Intellectual Property Law; JO (3.7.1992) 8801). However, according to Art. R.717-2 of the French Intellectual Property Law, the international registration of certification trademarks (*marques collectives de certification*) can only be directly applied, as soon as regulations governing their use are submitted to the domestic trademark office in French; see also WIPO (note 45), para. B-15.04.

<sup>81</sup> Günter Gall, *Der Rechtsschutz des Patentanmelders auf dem Euro-PCT-Weg – Erster Teil*, 7 GEWERBLICHER RECHTSSCHUTZ UND URHEBERRECHT, INTERNATIONALER TEIL (GRURINT) 417, 424 (1981); Alois Troller, *Markenrecht und Landesgrenzen*, 6 GRURINT 261, 263, footnote 8 (1967).

<sup>82</sup> This is due to their right to declare that protection cannot be granted to the trademark in their territories, see section B. III. 1.

<sup>83</sup> Madrid Agreement, Art. 6(3); Madrid Protocol, Art. 6(3). These provisions also apply when legal protection has later ceased as the result of an action begun before the expiration of the period of five years.



basic application is refused or the basic registration ceases to have effect, for example through cancellation following a decision of the office of origin or a court, the international registration will no longer be protected.

To a certain degree, this constellation resembles the “mutual recognition procedure” in the EC.<sup>84</sup> Within this procedure, the competent authority of one member state, the so-called *reference* member state, takes a decision that, in principle, ought to be recognized by the competent authorities of the other member states, the so-called *concerned* member states. The *concerned* member states can, however, raise objections, but only by referring to specific grounds, in the area of granting market authorizations for medicinal products, for example, by arguing that the medicinal product presents a potential serious risk to public health.<sup>85</sup> If the member states cannot reach an agreement on the issue, the decision-making power devolves to the European Commission.

However, the international registration procedure differs in three respects from the mutual recognition procedure. First, it is not a domestic authority of one contracting party that decides on the international registration, but an international authority (*i.e.* the International Bureau). Second, the offices of the designated contracting parties have the right to declare that a trademark cannot be granted protection in their territories, but in order to do so, they must notify the International Bureau within 12 or 18 months of their provisional refusal and indicate the grounds for refusal. Otherwise, they lose their decision-making power. Third, the decision of the offices or courts of the designated contracting parties to refuse protection to the trademark in their territories is definite. The International Bureau is not afforded the competencies to intervene in any way in the settlement of the substantive issues raised by a refusal of protection.<sup>86</sup>

### 3. Conclusion: A Unique Instrument of International Institutional Law

Reviewing these commonalities and differences of the international registration of a trademark with the German *Verwaltungsakt* and the mutual recognition procedure

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<sup>84</sup> See for more details on the mutual recognition procedure GERNOT SYDOW, VERWALTUNGSKOOPERATION IN DER EUROPÄISCHEN UNION: ZUR HORIZONTALLEN UND VERTIKALEN ZUSAMMENARBEIT DER EUROPÄISCHEN VERWALTUNGEN AM BEISPIEL DES PRODUKTZULASSUNGSRECHTS 181 *et seq.* (2004).

<sup>85</sup> Report from the Commission on the experience acquired as a result of the operation of the procedures for granting marketing authorisations for medicinal products laid down in Regulation (EEC) N 2309/93, in chapter III of directive 75/319/EEC and chapter IV of directive 81/851/EEC, COM(2001) 606 final, 5.

<sup>86</sup> WIPO (note 45), para. B-37.03.

within the EC, one may call the international registration of trademarks an “international administrative act subject to examination by the designated contracting parties”, as it is performed by an international authority that shares its decision-making power with the designated contracting parties. Similar to the German *Verwaltungsakt*, it may become final and conclusive such as a court decision (*Bestandskraft*).<sup>87</sup> The finality may either be formal or material. Formal finality means that the administrative act can no longer be challenged through remedies before the public authority or the court, because no remedies exist, the remedies have already been exhausted or the remedial time limit has expired.<sup>88</sup> Material finality signifies that the administrative act is binding on the public authority that has issued it as well as on the individual concerned (*res judicata*).<sup>89</sup>

Exactly when the international registration of a trademark reaches formal finality depends on the offices of the designated contracting parties. If they do not refuse protection within the relevant time limit, the international registration of a trademark can no longer be challenged through remedies after the expiration of five years from the date of the international registration. Up until that time, if the basic registration is refused, cancelled or withdrawn in the home country of the international applicant, the international registration will no longer be protected. After five years, the internationally registered trademark is no longer dependent on the original trademark applied for or registered in the office of origin. However, if the offices of the designated contracting parties refuse protection within the relevant time limit, the international registration may reach formal finality at a later time, depending on the maximum time limits for seeking remedies in the designated contracting parties. In contrast to the refusal, cancellation or withdrawal of the basic registration in the home country of the applicant, the refusal of protection of the trademark in one designated contracting party does not affect the formal finality of the international registration as such or the remaining bundle of domestic registrations in other designated contracting parties.<sup>90</sup> The formal finality of the international administrative act subject to examination by the designated contracting parties is, thus, divisible.

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<sup>87</sup> Singh (note 75), 80.

<sup>88</sup> *Id.*, 80 *et seq.*; HARTMUT MAURER, ALLGEMEINES VERWALTUNGSRECHT 280 (15th ed., 2004).

<sup>89</sup> Singh (note 75), at 81. However, the administrative authority can abrogate the administrative act under certain conditions by withdrawal, by revocation or by reopening the administrative proceedings; *see* German Law on Administrative Proceedings, sections 48, 49 and 51.

<sup>90</sup> Compare Madrid Protocol, Art. 5(6) that does not speak of invalidation of a trademark as such, but of invalidation “of the effects [...] of an international registration” “in the territory of [a] Contracting Party”.

As the proceedings leading to the international registration are mixed, two different relationships have to be distinguished with regard to material finality, the relationship between the international applicant and the International Bureau and the relationship between the international applicant and the offices of origin and of the designated contracting parties. While the international registration of a trademark is binding on the International Bureau as soon as it is performed, it does not have material finality in relation to the offices of origin and of the contracting parties until the formal finality is given.

*V. Domestic Control and Review*

Since the international registration of trademarks is equivalent to a bundle of domestic registrations, it may be reviewed by domestic institutions of the designated contracting parties (*i.e.* domestic trademark offices and courts) during the examination stage.<sup>91</sup> The aim of global protection system treaties is to simplify and reduce the cost of making individual applications in other countries than the home country, but not to harmonize industrial property law of the contracting parties. While the provisional refusal is communicated to the International Bureau in the registration phase, any following procedure (such as review, appeal or response to an objection made by a third party) is therefore carried out directly between the holder of the internationally registered trademark and the office concerned. The Madrid system contains very few legal requirements with regard to these domestic procedures. There is, however, one exception. Pursuant to articles 5(6) of the Madrid Agreement and the Madrid Protocol, invalidation may not be pronounced by the competent authorities without the holder of the internationally registered trademark "having, in good time, been afforded the opportunity of defending his rights."

In accordance with its continually increasing mandate, WIPO has established its own review mechanisms during the last decades. WIPO's Arbitration and Mediation Center and Advisory Committee on Enforcement have been mentioned in other papers.<sup>92</sup> One could add that WIPO is the leading domain name dispute resolution service provider accredited by the Internet Corporation for Assigned Names and Numbers (ICANN) under the Uniform Domain Name Dispute Resolution Policy (UDRP).<sup>93</sup> In the event that a trademark holder considers that a

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<sup>91</sup> See section B. III. 1.

<sup>92</sup> CASSESE, *ADMINISTRATIVE LAW WITHOUT THE STATE?* (note 23), at 683 and 686.

<sup>93</sup> See <http://www.icann.org/udrp/udrp-policy-24oct99.htm>. The UDRP was adopted by ICANN in 1999, but is based on recommendations made by WIPO in *The Management of Internet Names and Addresses: Intellectual Property Issues*, Final Report of the WIPO Internet Domain Process, 1999,

domain name registration infringes on his trademark, he may initiate proceedings under the UDRP. However, none of these institutions possess the power necessary to review the international registration of trademarks. WIPO's Arbitration and Mediation Center was established in 1994 to offer alternative dispute resolution options for the resolution of international commercial disputes between *private* parties.<sup>94</sup> Although WIPO's domain name dispute resolution service deals with trademarks, it concentrates only on *conflicts* between domain names and trademarks. Last but not least, the mandate of WIPO's Advisory Committee on Enforcement is limited to technical assistance and coordination and does not offer review.<sup>95</sup>

#### **D. Assessing the International Registration of Trademarks: Principles, Composite System and Legitimacy**

The concept of an "international administrative act subject to examination by the contracting parties" has helped to shape and consolidate individual procedural principles of the law of international institutions (I.) and is an early example of composite systems<sup>96</sup> where the proceedings are mixed and the decision-making power is shared between the international and domestic authorities (II.). Having been established over a century ago, it does not raise the issues of legitimacy as some modern international administration instruments do (III.). However, this does not mean that there is not any leeway left for further improvement of the Madrid system.

##### *I. Principles*

Among the procedural principles that are central to the international registration of trademarks are the right to be heard and the principle of transparency. The latter allows for the effective exercise of the right to be heard and related participatory rights, such as the right to review. The foundation of these two procedural principles is strong, especially taking into account not only the Madrid system, but

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focusing on the problems caused by the conflict between trademarks and domain names. See Matthias Hartwig, in this issue.

<sup>94</sup> See <http://arbiter.wipo.int>.

<sup>95</sup> WIPO General Assembly, Report, WO/GA/28/7, 1 October 2002, para. 114(ii) and 120.

<sup>96</sup> On the concept and terminology of composite administrations, Armin von Bogdandy & Philipp Dann, *International Composite Administrations*, in this issue.

all WIPO-administered global protection system treaties that, in one way or another, guarantee the same principles.<sup>97</sup>

### 1. *Right to be Heard*

In domestic administrative law, the right to be heard prescribes that affected individuals must be given the opportunity to express their views on the facts before an administrative decision is taken.<sup>98</sup> It has been embodied in the above-mentioned articles 5 (6) of the Madrid Agreement and the Madrid Protocol and has been extended to international institutions. A possible point of contention could be that these provisions only concern the examination stage at the domestic level and not the procedural stages at the international level. While the right to be heard can in common law countries only be dispensed with by law, it may be denied in civil law countries, such as Germany, if the circumstances of a case do not require its observance. This would be the case, for example, if the administrative decision in question rests upon the application of an individual and does not depart from it to his disadvantage.<sup>99</sup> In consequence, following the German model, the right to be heard may be dispensed with at the international level, if the International Bureau registers the trademark. In this case, the administrative decision does not depart from the application to the disadvantage of the applicant. It may, however, not be denied, if the International Bureau does not register the trademark. In this case, both the international applicant and the office of origin acting as the international applicant's intermediary have to be accorded the right to be heard.

Whereas the treaties are silent on this matter, the Common Regulations state that the International Bureau has to inform both the international applicant and the office of origin of any irregularities in the international application.<sup>100</sup> Rules guaranteeing the right to be heard vary<sup>101</sup> and are dependant upon who is responsible for remedying the irregularity in question, the international applicant or the office of origin. If the office of origin is responsible, the International Bureau

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<sup>97</sup> For the right to be heard, *see* Hague Agreement, Geneva Act, Art. 15(1). For the principle of transparency, *inter alia*, *see* Hague Agreement, Geneva Act, Art. 10(3), 18(1).

<sup>98</sup> Benedict Kingsbury, Nico Krisch & Richard B. Stewart, *The Emergence of Global Administrative Law*, 68 *LAW & CONTEMPORARY PROBLEMS* 15, 37 *et seq.* (2004-2005).

<sup>99</sup> Singh (note 75), at 76 *et seq.*

<sup>100</sup> Common Regulations, Rules 11(2), (3), (4)(a) and (6), 12(1) and 13(1). There are three kinds of irregularities: irregularities with respect to the classification of goods and services, irregularities with respect to the indication of goods and services, and other irregularities.

<sup>101</sup> WIPO (note 45), para. B-22.02.

cannot accept proposals or suggestions directly from the applicant. It will, however, supply appropriate information to the applicant in order to give him the possibility of intervening with his office of origin.<sup>102</sup> If the office of origin does not react within the time limit, the International Bureau will, if possible, remedy the irregularity of its own accord.<sup>103</sup> If the responsibility for remedying the irregularity in question lies with either the office of origin together with the international applicant or the international applicant alone, they may do so within three months. If the irregularity is not remedied within this period, the international application is considered abandoned.<sup>104</sup>

## 2. Principle of Transparency

The principle of transparency is a fuzzy concept that lacks clarity and is difficult to evaluate.<sup>105</sup> Its meaning can, however, become clearer if coupled with the international institution in question. Since the international registration of trademarks concerns three different actors, the international applicant, third-parties affected by the international registration and the offices (*i.e.* the International Bureau and the domestic trademark offices of the contracting parties), the principle of transparency may be understood as an umbrella term under which the rights and duties of three different actors are interrelated.

First, under the Common Regulations, the international registration and every decision affecting the finality of the international administrative act in one of the designated contracting parties must be made known to the international applicant, as he is the intended beneficiary of the international administrative act.<sup>106</sup> The International Bureau is required to inform the office of origin of the international registration and to send a certificate to the then holder of an internationally registered trademark.<sup>107</sup> It is, likewise, requested to inform the holder of

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<sup>102</sup> *Id.* at paras. B-23.01 and B-23.04, B-24.01 *et seq.* Examples for such irregularities are those with respect to the classification or indication of goods and services.

<sup>103</sup> *Id.* at paras. B-23.11 and B-24.03.

<sup>104</sup> *Id.* at paras. B-25.05 and B-25.07. An example for such irregularities would be that the international applicant has not paid any or not enough fees.

<sup>105</sup> Carol Harlow, *Freedom of Information and Transparency as Administrative and Constitutional Rights*, 2 CAMBRIDGE YEARBOOK OF EUROPEAN LEGAL STUDIES 285, 285 (1999).

<sup>106</sup> For German administrative law, *see* Singh (note 73), at 79.

<sup>107</sup> Common Regulations, Rule 14(1).

provisional refusals by the offices of the designated contracting parties and later confirmations or withdrawals thereof.<sup>108</sup>

Second, under the Common Regulations, the international registration and every decision affecting the finality of the international administrative act must also be made known to third parties. The latter might express an entitlement to use the trademark in one of the designated contracting parties, for example because of prior rights, and might object to the extension of the protection of the trademark before the office of the designated contracting party concerned. The decisions are, therefore, not merely recorded in the International Register, but also published in the WIPO Gazette.<sup>109</sup> In addition, anyone wishing to obtain information about the contents of the International Register has access to the following sources of information: the electronic publication on CD-ROM (ROMARIN), the electronic database, and the annual statistics.<sup>110</sup> The right of third parties to access general information is supplemented by their right to access specific information. Under articles 5<sup>ter</sup> (1) of the Madrid Agreement and the Madrid Protocol, anyone is entitled to obtain from the International Bureau copies of particular entries in the International Register.

Third, since the international registration of trademarks depends on the exchange of information because of the mixed nature of the proceedings, the offices (*i.e.* the International Bureau and the trademark offices of the contracting parties) are additionally required to notify each other of any decision that affects the finality of the international registration under both the treaties and the Common Regulations.

## *II. Composite System*

Because the Madrid Union is an administrative union, the relationship between the two levels, (*i.e.* the International Bureau and the trademark offices of the contracting parties) is determined by heterarchy than by hierarchy. It concentrates on coordinating administrative national activities and does not exercise integrative functions.<sup>111</sup> The trademark offices of the contracting parties have the right to declare that protection cannot be granted to the internationally registered trademark in their territories and, thus, retain a substantial amount of decision-making power.

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<sup>108</sup> Common Regulations, Rule 17(4) and (5)(c).

<sup>109</sup> Common Regulations, Rule 32(1)(a)(i) and (iii).

<sup>110</sup> WIPO (note 45), paras. A-06.01 *et seq.*

<sup>111</sup> Wolfrum (note 26), at para. 3.



However, even though the Madrid Union does not aim at integration, it has supranational elements insofar as the International Bureau has the power to take administrative acts that are directly applicable in the territories of designated contracting parties. This power is, however, limited. For one, the international registration of a trademark is dependent on the original trademark applied for or registered in the office of origin for a period of five years. Additionally, the International Bureau is unable to extend the protection of a trademark against the will of a designated contracting party. However, if the original trademark does not cease to have effect and the office of a designated contracting party either refrains from examining the international registration of a trademark or does not notify the International Bureau of its refusal of protection within the relevant time limit, the International Bureau is the authority that ultimately decides.

### *III. Legitimacy*

The legitimacy of the international registration of trademarks rests on four pillars: shared decision-making power of the International Bureau and domestic actors, participation of individuals in the procedure, external control and review, and effective simplification of multiple trademark registrations.

Although no democratically legitimized actors of the contracting parties are delegated to the International Bureau, the institutional link between the procedure governing the international registration of trademarks and domestic actors is strong due to the opting-out mechanism for the offices of the designated contracting parties. This opting-out mechanism leads to mixed proceedings that involve domestic actors (*i.e.* domestic trademark offices, and, in case of review, domestic courts).

Individuals have a considerable amount of influence on the procedure in two ways. First, the procedure governing the international registration of trademarks depends on their initiative (*i.e.* the international application). However, there is still potential for expanding their influence, if the Madrid system is compared to other global protection system treaties, such as the Hague Agreement and the Patent Cooperation Treaty. Under these treaties, individuals can file their international applications directly with the International Bureau and do not need an intermediary in form of an office of origin.<sup>112</sup> Second, individuals are guaranteed participatory rights: the right to be heard and the right to access to information on international registrations of trademarks.

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<sup>112</sup> Hague Agreement, Geneva Act, Art. 4(1); Patent Cooperation Treaty, Art. 9(1).

Moreover, the mechanisms of external, *i.e.* domestic, control and review of the international registration of trademarks through the domestic trademark offices and courts of the contracting parties is effective, since it hardly leaves any loopholes. The only loophole is that the international applicant is denied the possibility to review a negative decision of the International Bureau. The Convention on the Grant of European Patents<sup>113</sup> (European Patent Convention), a regional protection system treaty, by contrast, states that decisions of different sections and divisions of the European Patent Office (EPO) can be appealed before a Board of Appeal.<sup>114</sup> The Boards of Appeals are integrated into the organizational structure of EPO, but reach decisions independently. In case of the Madrid system, the review of negative decisions of the International Bureau would also have to take place on the international level, as the International Bureau shares its decision-making power with the domestic trademark offices of the contracting parties only in cases where international applications receive positive decisions. The fact that a negative decision obviates the right to review need not be necessarily detrimental to the international applicant. Unlike the EPO, the International Bureau does not check substantive requirements. Failure to remedy formal irregularities on the part of the international applicant only leads to an abandonment of international applications and does not prevent the international applicant from submitting new applications. What is more, the International Bureau is called upon to help the international applicant or the office of origin, as far as possible, with remedying irregularities.

Last but not least, the Madrid Union solves the problem of simplifying and reducing the cost of making individual trademark applications in designated contracting parties effectively, and thus contributes to the output-legitimacy of the system. It has served as a model for the international registration of other industrial property rights on both the international and regional level and the significant number of international registrations is an indication that the system functions well.

There are negative aspects too, though. WIPO as the international organization within which the Madrid Union operates has been criticized for not sufficiently taking into account the needs of developing countries and has been perceived by developing countries as an instrument designed to buttress the economic interests

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<sup>113</sup> UNTS, vol. 1065, 199.

<sup>114</sup> European Patent Convention, Art. 106.

of enterprises situated in developed countries.<sup>115</sup> This is confirmed to a certain extent by the fact that progress on the Development Agenda<sup>116</sup>, which calls on WIPO to view intellectual property as one of many tools for development and not as an end in itself, is only slowly being achieved. Nonetheless, the impetus behind this critique does not concern the simplification of multiple registrations of industrial property rights, but the harmonization of substantive intellectual property law, which forces developing countries to adapt their domestic legal orders to a certain standard. The Madrid system can be considered neutral or, considering the fee reduction for applications originating in least developed countries, at times even friendly towards developing countries.

### **E. Is This as Good as It Gets or Are There Possibilities of Future Development?**

Bearing in mind that international administrative unions, such as the Madrid Union, were established from the end of the nineteenth century onwards, the exercise of public authority within these unions can indeed be called progressive. The Madrid Agreement was the first global protection system treaty to introduce the concept of an "international administrative act subject to examination by the designated contracting parties," a concept that has faded into obscurity over the intervening years and, to a certain degree, had to be recreated for modern international institutions with shared decision-making power, such as for the mutual recognition procedure within the EC. The progressiveness of international administrative unions might hence raise expectations with regard to their future development. Is there a chance that the Madrid Union may expand upon its existing supranational elements?

Theoretically, this could be performed in two steps. First, the opting-out mechanism for offices of designated contracting parties could be abolished while maintaining the international registration of trademarks as a bundle of domestic registrations. The international registration would then be a "true" international administrative act, comparable to the grant of European patents under the European Patent Convention. This step would involve the Madrid Union establishing an international standard of substantive trademark law, as the International Bureau would then be obliged to verify the substantive requirements of international applications in addition to the formal ones. Substantive intellectual

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<sup>115</sup> Ruth L. Okediji, *The International Relations of Intellectual Property: Narratives of Developing Country Participation in the Global Intellectual Property System*, 7 SINGAPORE JOURNAL OF INTERNATIONAL & COMPARATIVE LAW 315-385 (2003).

<sup>116</sup> WIPO General Assembly, Proposal by Argentina and Brazil for the Establishment of a Development Agenda for WIPO, WO/GA/31/11, 27 August 2004.

property law may, however, be easier to harmonize at the regional than at the international level where the different interests of developed and developing countries come into play. Although the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights<sup>117</sup> have harmonized substantive trademark law in many respects, it is still a fragmentary regulation.<sup>118</sup> Also, the Madrid Union would be required to create its own “Board of Appeals,” as the domestic trademark offices and courts of the designated contracting parties would no longer be called upon to review the international registration of trademarks.

Second, the bundle of domestic registrations of trademarks could be abolished for the benefit of a unitary world or international trademark. In contrast to the first step, this step would not only entail the harmonization of international trademark law, but also endow the Madrid Union with the power to override the principle of territoriality. Hitherto, only highly integrated regional organizations, such as the Benelux Economic Union and the EC, were given such powers.<sup>119</sup> Consequently, they created the Benelux trademark and the Community trademark, unitary trademarks for the territories of Belgium, the Netherlands and Luxembourg and for the territories of the member states of the EC respectively.

Practically, though, it is rather unlikely that the Madrid Union will further expand on its supranational elements. The exercise of public authority within international administrative unions is still trapped within its original historical framework. Administrative matters are coordinated at the international level only when it is deemed necessary. Yet, the fact that integration is not a goal as such should not be bemoaned. It glosses over the conflict between developing and developed countries concerning the correct approach towards intellectual property and, thus, forms part of the success of the global protection system treaties. And it leaves room for less ambitious ways to develop the Madrid Union further. The Madrid Union could, for example, adapt to the progress made in other global protection system treaties. This concerns, as has been mentioned, mainly the right of individuals to file their international applications and not only their requests for subsequent designation,

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<sup>117</sup> UNTS, vol. 1869, 299.

<sup>118</sup> Annette Kur, *TRIPs and Trademark Law*, in *FROM GATT TO TRIPs: THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS*, 93, 116 (Friedrich-Karl Beier & Gerhard Schricker eds., 1996).

<sup>119</sup> Benelux Economic Union the Uniform Benelux Law on Marks (UNTS, vol. 704, 301, 312); for the EC Art. 95 and 308 of the Treaty establishing the European Community (O.J. 2006 C 231/37) and Council Regulation 40/94.

for recording of a change or a cancellation directly with the International Bureau. Apart from that, this is as good as it gets.

