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What Pakistan's Accession to the Madrid Protocol means for its Lawmakers, Trade Marks Registry, Trademark Owners and Pakistan as a Nation

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The Madrid System also known as the Madrid System for the International Registration of Marks is administered by the International Bureau of the World Intellectual Property Organization (WIPO) in Geneva, Switzerland. It is a convenient and cost-effective solution for registering and managing trademarks worldwide, allowing the trademark holders to protect their trademarks in the contracting countries of the Madrid system by filing a single application at WIPO by paying a single set of fees.

The Madrid System is governed by two treaties - the Madrid Agreement concluded in 1891 and revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Nice (1957) and Stockholm (1967) and amended in 1979, and the Protocol Relating to that Agreement concluded in 1989. Following a decision in the Madrid Union Assembly in October 2016, the Agreement is now inoperative, and the Protocol now is the sole governing treaty under the Madrid System. The Protocol was created to bring more flexibility to the Madrid System with the aim of removing the difficulties that prevented certain countries and intergovernmental organizations from acceding to the Agreement.

Pakistan deposited its instrument of accession to the Madrid Protocol on February 24, 2021, making Pakistan the 108th member of the Madrid System, which at the moment of this article covers 124 countries. The Madrid Protocol will come into force in Pakistan on May 24, 2021 and will affect the Lawmakers, Trade Marks Registry, Trademark Owners and Pakistan as a Nation.

Law makers

At the moment of this article, the primary legislation governing trademarks in Pakistan, is the Trade Marks Ordinance 2001 supplemented by the Trade Marks Rules 2004, which do not provide for filing or dealing with applications under the Madrid Protocol.

The lawmakers in Pakistan would need to urgently update or amend the law and the authorities to make necessary provisions in the rules in order to facilitate filings under the Madrid Protocol as hardly a few weeks are left when the same will come into force in Pakistan.

Pakistan Trade Marks Registry

Once the Madrid Protocol is in force, then the job of the Pakistan Trade Marks Registry (TMR) would be to certify the International application and forward it to WIPO, after which all the other steps would be carried out by WIPO, such as conducting a formal examination, classifying the goods or services, Registration of the mark, publishing it in the International Gazette, issuing the Certificate and notifying the designated contracting country. Furthermore, part of the fees collected by WIPO for Pakistan would become revenue for Pakistan.

However, the TMR would need to give a provisional refusal within one year or 18 months (if a declaration is made) and completing such examinations in one year or 18 months may be a burden on Pakistan as there have been a backlog of applications which have been pending in the TMR since as far back as mid-1990s. Therefore, it is in the interest of the TMR to deal with all the pending backlogs prior to the enforcement date of Madrid System which unfortunately is drawing very near. A similar problem is being faced in India where national filings are being delayed as the international applications have to be processed within 18 months. The Indian Trademarks Registry has not been able to entertain the national filings because of the lack of manpower as it has been difficult for them to look into both National and International filings at the same time and with the same manpower. Learning from experience in India, the TMR in Pakistan should consider hiring more people so as not face the same problem so that applicants of national applications are not at a disadvantage. It would also need to create awareness and provide training to its staff in order to have them ready to adopt the new manner of operations.

Since, the Protocol will come in force for Pakistan in May, the fees for Pakistan are still to be prescribed by the authorities, however, an International Registration is more expensive than an application with the TMR. Filing of an application in the TMR currently costs around USD 7 and registration fee costs an additional USD 20 whereas an International Registration comprises of a basic fee, a complementary fee or individual fee for each Contracting Country and also a supplementary fee for each class of goods and services in excess of three classes. For example, considering an International Application from India to one Contracting Country, such as Australia, in one class, would amount to a grand total of approximately USD 1,283. Similarly, considering an International Application from India to four Contracting Countries, e.g., Philippines, Singapore, Switzerland and Turkey, in a total of 5 classes would amount to a grand total of approximately USD 4,127. The costs involved in an International Registration are certainly high but when filing in multiple jurisdictions the overall cost benefits provided by the Madrid System significantly outweigh the costs for filing in each jurisdiction separately.

Trademark Owners

Those Trademark Owners whose interest lie only in Pakistan, the Madrid Protocol will not be beneficial for them, however for those Trademark Owners whose interest lie in multiple countries, especially those countries that are Contracting Countries of the Madrid System, the Madrid System will provide them with a simple and cost-effective application procedure, as compared to hiring representatives in the country in which they want to register their mark and translating the application into the languages of the chosen countries where necessary. Similarly, subsequent to the International Registration, renewals, all changes such as change in name and/or address of the trademark owner, a change in ownership of the trademark or a limitation to the list of goods and/or services in respect of all or some of the Contracting Countries may be recorded via a single procedure and one set of fees.

However, in order to avail these advantages of the Madrid Protocol, the Trademark Owners from Pakistan would need to ensure that a basic registration or basic application has been made by the Trademark Owner or applicant in the TMR. Also, the Trademark Owners shall need to ensure that the Trademark Owner or applicant mentioned in the international application and the scope of goods and services listed in the international application are also the same as the ones mentioned in the basic application/registration. However, the downside to this is that, in case that the basic Pakistani registration or application is refused, invalidated, cancelled, renounced, or ceased within five years from the international registration then the international registration is cancelled as well.

The advantage is that the Trademark Owners would be able to obtain examination results within one year or 18 months (if a declaration is made) as compared to applying directly in some country, where in case of certain countries the Trademark Owners would not know how long it would take to complete the examination. Furthermore, there is a remedy provision that allows an international application to be changed to basic Pakistani application, if it meets extreme refusal, also known as central attack, from all the countries the applicant has applied to, hence maintaining the interest of the applicant and the date of filing.

However, as for if and when a provisional refusal is received from one or more of the Contracting Countries in which the applicant has applied for protection of his mark, the procedure to deal with the same is determined by the Office of the designated Contacting Country and the provisional refusal is carried out directly between the holder and the Office. It does not involve WIPO. This includes the grounds for refusal, time limit for requesting review or appeal, authority to which such request for review or appeal should be made and whether or not the assistance of a local representative is mandatory and/or advisable.

Overall effect on Pakistan as a Nation

All in all, Pakistan's accession to the Madrid System is a big move for the country and, as WIPO Director General, Mr. Daren Tang has stated during the official announcement, small and medium-sized enterprises and entrepreneurs in Pakistan will benefit from the Madrid System. Additionally, it will also make it convenient for those companies interested in protecting and bringing their brands to Pakistan, helping Pakistan's overall economy. In summation, accession to the Madrid System is a big win for Pakistan!

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