

Question Q239

National Group: Estonia

Title: **The basic mark requirement under the Madrid System**

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Questions

I. Current law and practice

- 1) Is your country party to (i) the Madrid Agreement Concerning the International Registration of Marks, (ii) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks and/or (iii) the Trademark Registration Treaty?

Estonia is party to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks since 1998. Estonia is not party to the Madrid Agreement Concerning the International Registration of Marks nor the Trademark Registration Treaty.

- 2) a) To the extent it can be established, in how many published cases was a central attack used in the past ten years in your country?

According to the Estonian Patent Office, they have informed the WIPO about 103 cases regarding the invalidation of the basic mark in Estonia during the past ten years. Most of the time it has been because the Estonian Patent Office has not registered the basic mark. However, unfortunately, it is not possible to establish whether a central attack has been used or not. Thus, it is possible that the central attack has not been used in Estonia.

b) If these cases contain important considerations regarding the rationale, effect and effectiveness of a central attack, please summarise such.

N/A

- 3) a) In your experience, is the system of international registrations often used (rather than alternatives, such as the filing of separate national registrations)?

The system of international registrations (registration under the Madrid System, the Community Trade Mark in the European Union) is used more often than the alternatives, such as filing of separate national registrations.

b) If the answer is no, is this because it is difficult to obtain the basic application or registration and/or are there other reasons? If so, which are those other reasons?

N/A

c) If the answer is yes, is this because it is more efficient in terms of costs or otherwise and/or are there other reasons? If so, which are those other reasons?

The system of international registrations is used more often than filing of separate national registrations because it is more efficient in terms of cost and procedure.

4) If your country is party to the Protocol: is transformation often used in your jurisdiction? Why, or why not?

According to the Estonian Patent Office, there has been 16 cases, where the transformation has been used (1-4 times per year) since Estonia joined the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks in 1998.

II. Policy considerations and proposals for improvements of the current law

5) a) Should the basic mark requirement be abolished? Why, or why not?

In our opinion, the basic mark requirement should not be abolished. Three main reasons for this are as follows. Firstly, the Madrid System, including the basic mark requirement, has worked well so far, and as it has brought out, a well working system should not be abolished lightly in favor of an uncertain alternative. Secondly, the trade mark owners are usually interested in obtaining a registration in their home countries first. This is because expanding and taking business to foreign markets is often time-consuming and depends on many factors, including the success of the business, thus, the need and scope of the trade mark protection elsewhere often becomes evident in the later stage. Thirdly, as critics have pointed out, the costs of remuneration of the international examiners in Geneva (WIPO) would be much higher than the remuneration of local examiners.

b) If the answer to (a) is yes, how should the new system work:

i) should any national registration or application qualify as a basic registration?

or

ii) should there be new central filing at WIPO with WIPO functioning as a mailbox receiving applications and forwarding those to the designated jurisdictions for examination?

or

iii) should WIPO even do more, such as engaging in harmonisation (see below under III)?

N/A

c) Do you foresee problems in the implementation of such a new system? If so, which?

As the national trademark laws of the members of the Madrid System are different, it would likely be very difficult for the member states to agree on a common uniform basis for the registration of an international level without a basic mark.

- 6) a) Should the dependency on the basic mark be abolished? Why, or why not?

As right now, the dependency should not be abolished. However, see answer to question nr 7.

b) If not, should the dependency be changed? If so, how (e.g. to a different period, to applying in case of particular cancellation grounds only or to having effect only in jurisdictions where the attacker has prior rights)? Why?

As right now, the dependency should not be changed. However, see answer to question nr 7.

- 7) Do you support a freeze of the application of the five year dependency clause and what are your considerations in this respect?

The main disadvantage of the Madrid System is the strict reliance on the basic mark for a period of five years. This means that any refusal, withdrawal or cancellation of the basic application or basic registration within five years of the registration date of the international registration will lead to the refusal, withdrawal or cancellation of the international registration to the same extent.

In our opinion, the freezing of the operation of the five year dependency clause would provide a flexible approach allowing the Madrid member states to assess its effects on the functioning of the system. We believe that it would be reasonable to assess the benefits and deficiencies of the new system before deciding whether to eliminate the dependency clause and convene a diplomatic conference to amend the treaties regarding this. Thus, in this stage, the freezing of the application of the five year dependency clause would be a reasonable option.

We believe that from the decision to freeze the operation of the five year dependency clause (and later abolishment, if found necessary) would have the benefit of legal certainty and legal sovereignty as the invalidation of an international registration would not depend on the basic mark by an alien jurisdiction. Also, we believe that the legal balance would not be substantially altered because there would still remain mechanisms to attack the international registration as such in designated contracting parties. Also, it could have a positive impact on potential users, as ceasing of effect and central attack would not be as a deterrent, and thus, potential users would be more willing to file for international registrations.

- 8) a) Do you find that the basic mark requirement does not function well in the context of translations, transliterations and transcriptions in countries with different writing systems/languages? If so, would you support a change to the Madrid System with the purport that, when assessing genuine use, use of a translated, transliterated or transcribed mark is considered use of the mark? Please list any requirements such use should meet in your view (e.g. identical pronunciation and/or meaning).

The basic mark requirement does not function well in the context of translations, transliterations and transcriptions in countries with different writing systems/languages due to the requirement of use of the basic mark in order to avoid cancellation or revocation. However, we believe that the linguistic diversity would be better served through the freezing of the operation of the dependency clause (and later abolishment, if found necessary).

b) Are there any other aspects relating to the basic mark requirement that do not function well and if so, what should be changed?

We are not aware of any other aspects relating to the basic mark requirement that do not function well, and thus, should be changed.

III. Proposals for harmonisation

Is harmonisation desired? If yes, please respond to the following questions *without regard* to your national laws.

We are of the opinion that the harmonisation of national laws is not desired at this point.

- 9) Should absolute and relative grounds be harmonised, enabling the examination of international registrations to be handled by WIPO, as well as possibly also oppositions and cancellation actions (in a manner similar to Community Trademark registrations handled by OHIM), or should such not be harmonised (because it may not be feasible or for other reasons)? Note that this question only aims to ask whether such harmonisation is desired as a result of a change to the basic mark requirement; the question as to how such a new system should look exceeds the scope of this working question.

N/A

- 10) Please briefly list your considerations for the answer given under 9) (which may e.g. relate to feasibility, efficiency, costs, the potential need for new judicial authorities, etc.).

N/A

SUMMARY

The basic mark requirement is an integral part to the functioning of the Madrid System and it should not be abolished. As the national trademark laws of the members of the Madrid System are different, it would likely be very difficult for the member states to agree on a common uniform basis for the registration of an international level without a basic mark.

The main disadvantage of the Madrid System is the strict reliance on the basic mark for a period of five years. Thus, the freezing of the operation of the five year dependency clause would provide a flexible approach allowing the Madrid member states to assess its effects on the functioning of the system before deciding whether to eliminate the five year dependency clause or not.

However, we believe that legal certainty and legal sovereignty would benefit from the decision to freeze the operation of the five year dependency clause (and later abolishment, if found necessary). Furthermore, the linguistic diversity would be better served through the freezing of the operation of the dependency clause.

ZUSAMMENFASSUNG

Die Anforderung der Basismarke ist ein untrennbarer Bestandteil des Funktionierens des Madrider Systems und sollte nicht abgeschafft werden. Da die nationalen Handelsmarkengesetze der Mitglieder des Madrider Systems unterschiedlich sind, würde es wahrscheinlich für die Mitgliedstaaten sehr schwer fallen, ohne die Basismarke eine gemeinsame einheitliche Grundlage für die Registrierung der internationalen Ebene zu vereinbaren.

Der Hauptnachteil des Madrider Systems ist der strikte Rückgriff auf die Basismarke für eine Periode von fünf Jahren. Das Einfrieren der Verwendung der fünfjährigen Abhängigkeitsklausel würde einen flexiblen Ansatz gewähren, die es den Madrid-Mitgliedern ermöglichen würde, deren Auswirkungen auf das Funktionieren des Systems zu bewerten, bevor ein Beschluss über die Eliminierung oder Nichteliminierung der fünfjährigen Abhängigkeitsklausel gefasst wird.

Wir sind jedoch der Meinung, dass Rechtssicherheit und Rechtssouveränität vom Beschluss über das Einfrieren der Verwendung der fünfjährigen Abhängigkeitsklausel (und gegebenenfalls vom späteren Abschaffen) profitieren würden. Auch der sprachlichen Vielfalt wäre durch das Einfrieren der Verwendung der Abhängigkeitsklausel besser gedient.

RÉSUMÉ

L'exigence d'une marque de base est une part intégrante au fonctionnement du Système de Madrid et elle ne doit pas être abolie. Comme le droit des marques national des membres du Système de Madrid est différent, il serait vraisemblablement difficile pour les États membres de s'accorder sur une base uniforme commune pour l'enregistrement d'un niveau international sans une marque de base.

L'inconvénient principal du Système de Madrid est la dépendance stricte sur la marque de base pour une période de cinq ans. Ainsi, le gel du fonctionnement de la clause de dépendance de cinq ans fournirait une approche flexible permettant aux États membres du Système de Madrid d'évaluer ses effets sur le fonctionnement du système avant de décider si oui ou non éliminer la clause de dépendance de cinq ans.

Cependant, nous croyons que la sécurité juridique et la souveraineté juridique bénéficieraient de la décision de geler le fonctionnement de la clause de dépendance de cinq ans (et plus tard l'abolition, si jugée nécessaire). De plus, la diversité linguistique serait mieux servie par le gel du fonctionnement de la clause de dépendance.