

Madrid Yearly Review 2019 – Executive Summary

International Registration of Marks

2019

This executive brief identifies key trends in the use of the WIPO-administered Madrid System. For fuller statistics, see the *Madrid Yearly Review 2019* – available in English at: www.wipo.int/ipstats

Key numbers for 2018

61,200 (+6.4%)

Madrid international applications¹

399,560 (+5.8%)

Designations in international applications

60,071 (+6.8%)

Madrid international registrations

55,211 (+4.9%)

Subsequent designations in international registrations

31,942 (+8.8%)

Renewals of international registrations

701,149 (+3.4%)

Active (in force) international registrations

5,956,644 (+1.7%)

Designations in active international registrations

103 (+3 members)

Contracting Parties (Madrid members)

119 (+3 members)

Countries covered

¹ Due to the time lag of transmittal of applications from offices of origin to the International Bureau (IB) of WIPO, total Madrid applications are estimated.

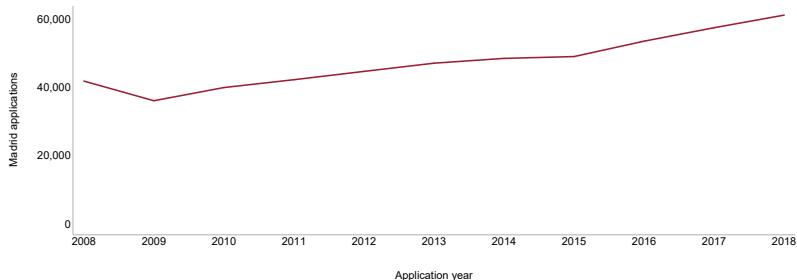
Statistics on Madrid international applications

In 2018, international trademark applications filed via the Madrid System rose above the 60,000 mark for the first time

Applicants filed a record-setting estimated 61,200 international trademark applications under the World Intellectual Property Organization (WIPO)-administered Madrid System in 2018 (figure 1). The resultant 6.4% increase represents a ninth year of uninterrupted expansion. Strong growth in Madrid applications from Japan (+22.8%), the United States of America (U.S.) (+11.9%) and China (+7.9%) drove this increase. The increase in filings from applicants based in the U.S. alone accounted for a quarter (25 percentage points) of total growth, while that for Japan (16) and for China (14) contributed a similar share to total growth.

Exceeding 60,000 for the first time ever, Madrid applications grew by 6.4% in 2018 – a ninth consecutive year of increase.

Figure 1 – Trend in international applications, 2008–2018



Source: WIPO Statistics Database, March 2019.

Growth in membership of the Madrid System continues to expand in geographical scope

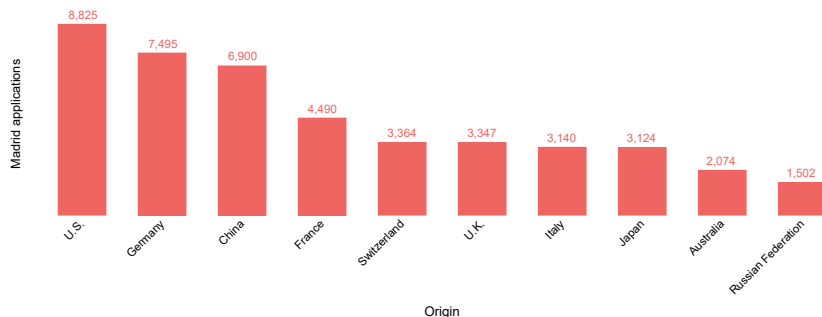
Afghanistan, Malawi and Samoa joined the Madrid System in 2018, bringing the total number of members to 103 as of December 31, 2018. With these three accessions, the Madrid System can now offer trademark holders the ability to obtain protection for their branded products and services within a geographical area covering 119 countries. Combined, Madrid members represent about 60% of all countries, home to over 70% of the world's population, and in which just over 80% of global GDP occurs, with the potential to increase these shares as membership grows.

Where did the largest users of the Madrid System come from in 2018?

For a fifth consecutive year, applicants based in the U.S. filed the largest number of international applications via the Madrid System. A strong year-on-year growth of 11.9% resulted in an estimated 8,825 Madrid applications being filed by U.S.-based applicants. This was followed by applications from Germany (7,495), China (6,900), France (4,490) and Switzerland (3,364) (figure 2). Applicants located in the U.S. filed over 900 more Madrid applications in 2018 than in 2017, increasing the gap between that country and Germany and consolidating the U.S.'s top spot among the largest origins of Madrid applications. For comparison, applicants in China filed around 500 more Madrid applications than in the previous year, while for those based in Germany, the year-on-year increase was approximately 175.

For a fifth consecutive year, applicants based in the U.S. filed the largest number of international applications via the Madrid System.

Figure 2 – International applications for the top 10 origins, 2018

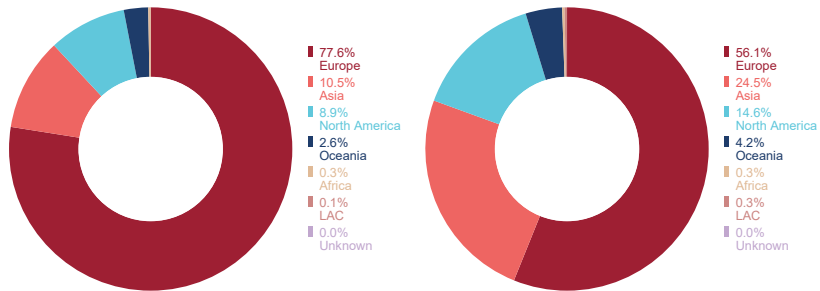


Source: WIPO Statistics Database, March 2019.

Combined, the top 10 origins of Madrid applications accounted for 72% of the total number filed in 2018, a share that has remained almost unchanged for over a decade. The composition of the top 10 applicants did not alter from 2017. Again, applicants based in Madrid member countries located on the European continent filed the majority (56.1%) of all Madrid applications in 2018; however, this is almost 22 percentage points lower than their combined share a decade previously in 2008. Whereas over half of all Madrid applications originated in Europe in 2018, almost a quarter (24.5%) came from Asia, up from just 10.5% only 10 years before (figure 3).

Applicants based in Asian countries filed almost a quarter of all Madrid applications in 2018, up from just over 10 percent a decade before.

Figure 3 – International applications by region, 2008 and 2018



Note: LAC is Latin America and the Caribbean.

Source: WIPO Statistics Database, March 2019.

Among the top 20 origins, Japan (+22.8%), the Republic of Korea (+26.2%), Singapore (+29%) and Turkey (+10.2%) all recorded strong year-on-year growth. This is in contrast to declines in applications from a number of origins, including Australia (-2.4%), Finland (-2.6%) and Sweden (-8.8%).

China, the 10th-ranked Russian Federation (1,502) and 12th-ranked Turkey (1,437) are the only three middle-income countries of origin to appear among the top 20.

Although applicants in the U.S. filed the highest number of Madrid applications in 2018, those based in China (59,624) made more designations in their Madrid applications so as to expand the geographical scope of the protection for their marks than applicants from any other country of origin, ahead of both the U.S. (57,878) and Germany (46,345). China's higher number of total designations can be explained by the fact that applicants based in China designated, on average, 12 Madrid members in each application filed in 2018. This is about double the average designated by applicants located in Germany and the U.S. The average number of designations made in Madrid applications filed by all origins combined is close to seven.

Which companies from a variety of industries filed the most Madrid applications in 2018?

Pharmaceutical company Novartis AG of Switzerland with 174 applications headed the list of top filers, followed by French personal care and cosmetics company L'Oréal (169), automotive company Daimler AG of Germany (129), technology company Apple Inc. of the U.S. (87) and consumer goods company Henkel AG of Germany (86). Novartis filed 78 more applications in 2018 than in 2017, elevating it from fifth position to the top spot. Ranked third, Daimler moved up 33 places from 36th in 2017 and Henkel jumped from 30th spot to rank fifth.

Thirteen of the top 20 Madrid applicants in 2018 were companies based in Europe, two fewer than in 2017. Four were from Asia and three from North America. Expanding to include the top approximately 100 Madrid applicants shows that almost two-thirds were from Europe, about one-fifth from Asia, and one-tenth from North America, specifically, the U.S.

Coming in at 7th, Japanese personal care company Shiseido, 8th-ranked consumer electronics and video game company Nintendo, also of Japan, and 9th-ranked Samsung Electronics of the Republic of Korea were the three most active Asian companies in 2018.

Companies located in more than 20 countries – including Australia, Hungary, India, the Russian Federation and Singapore, to name just a few – filed at least 20 Madrid applications in 2018. In this list of top applicants, Germany-based companies number the highest at 29, followed by those in Switzerland (10) and the U.S. (10), and by those in Japan (9), the Republic of Korea (6) and China (5).

Which goods and services attracted the most trademark protection?

Nice Classification statistics enable a ranking of the kinds of goods and services most frequently covered by Madrid international trademark applications. Since 1985, the most specified class has been goods class 9, which includes computer hardware and software and other electrical or electronic apparatus of a scientific nature. In 2018, class 9 accounted for a tenth (10.1%) of all classes specified in applications filed. The other most specified classes were: class 35 (8% of the total), which covers services such as office functions, advertising and business management; class 42 (6.7%), which includes services provided by, for example, scientific, industrial or technological engineers and computer specialists; class 41 (4.8%), which mainly covers services in the areas of education, training, entertainment, sporting and cultural activities; class 25 (4.3%), which includes clothing; and class 5 (4.1%), which covers pharmaceuticals and other preparations for medical purposes. Three of these six most specified classes are services classes. Among the top 10 classes, technological services (+13.8%) and cleaning preparations (+12.9%) saw the fastest growth.

Over a third of all Madrid applications now contain marks used in the services industry

The first 34 of the 45 Nice classes cover goods, whereas the remaining 11 classes cover services. For the first time, more than a third (34.3%) of all classes specified in Madrid applications in 2018 were services classes. This is a marked increase on a combined share of just over a quarter (26.4%) recorded 14 years previously in 2004.

However, goods and services class shares differ across origins. For example, among selected origins, Croatia (51.4%), Egypt (57.1%), Estonia (52.5%) and Singapore (53.5%) had the highest shares of services-related classes in applications in 2018, in each case exceeding half of all classes specified in Madrid applications from these countries. They were followed by Norway (42.3%) and Switzerland (41.1%), both of which also have a developed services sector. Conversely, China had by far the lowest services class share among selected origins, with services classes accounting for just 20.2% of its total class count; this though is 12 percentage points higher than its share in 2008. Asian countries Japan (25.3%) and the Republic of Korea (25.7%) also had lower than average services class shares.

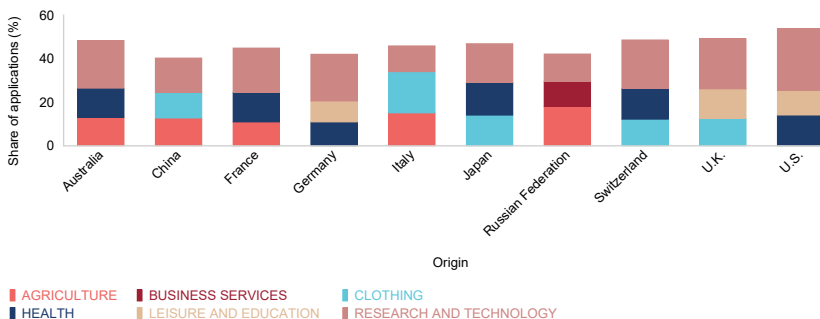
The research and technology sector continues to attract the highest share of trademark protection via the Madrid System

For statistical reporting, the 45 Nice classes can be grouped into 10 industry sectors. The scientific research, information and communication technology sector (abbreviated to research and technology), which includes top Nice classes 9 and 42, continued to account for the highest share (20.7%) of all classes specified in Madrid applications filed in 2018. It was followed by pharmaceuticals, health and cosmetics (abbreviated to health), agricultural products and services (agriculture), and textiles, clothing and accessories (clothing), each accounting for between 11.1% and 12.5% of all filing activity. The chemicals sector continued to receive the lowest share (3.3%) of total filing activity.

The top three sectors in which Madrid applications are filed vary across origins. Research and technology ranks among the top three industry sectors for all of the top 10 origins. For eight of these origins, it is the top sector. In contrast, clothing is the top sector for applicants based in Italy, and it is agriculture for those in the Russian Federation. Health ranks among the top three sectors for six of the top origins (figure 4). However, leisure and education is listed as one of the top three sectors for only Germany, the United Kingdom (U.K.) and the U.S., among the top origins. The Russian Federation is alone in counting business services as one of its top three sectors.

The research and technology sector features among the top industry sectors for applications from all top 10 origins.

Figure 4 – International applications by top three sectors for the top 10 origins, 2018



Source: WIPO Statistics Database, March 2019.

Where do Madrid applicants seek to protect their trademarks abroad?

For the second year in a row, the European Union (EU) (25,030) attracted the highest number of designations in Madrid applications in 2018, followed by China (24,289) and the U.S. (22,827) (figure 5). This means that Madrid applicants sought to extend protection for their marks to the 28 EU member countries as a whole more than in any other Madrid member jurisdiction. Along with China, half of the top 20 designated Madrid members were middle-income countries, notably the Russian Federation (15,627), India (12,254), Mexico (10,080) and Turkey (8,881). Among the top destinations for international trademark registration via the Madrid System, the U.K. saw the largest surge in annual growth of 21.9%, albeit lower than its extraordinary increase of 60.6% from 2016 to 2017.

The EU, China and the U.S. were the most designated Madrid members, each receiving a similar number of designations from trademark holders abroad wanting to extend protection for their marks to these markets in 2018.

Figure 5 – Designations in international applications for the top 10 designated Madrid members, 2018



Source: WIPO Statistics Database, March 2019.

For a third consecutive year, the 20 most designated Madrid members, combined, received 62% of all designations made in Madrid applications filed in 2018. In addition to the U.K., top designated Madrid members the Republic of Korea (+9.3%), Singapore (+10%) and Viet Nam (+11.3%) also saw high year-on-year increases in the number of designations received. Only India received slightly fewer (-0.1%) designations in Madrid applications in 2018 than in 2017.

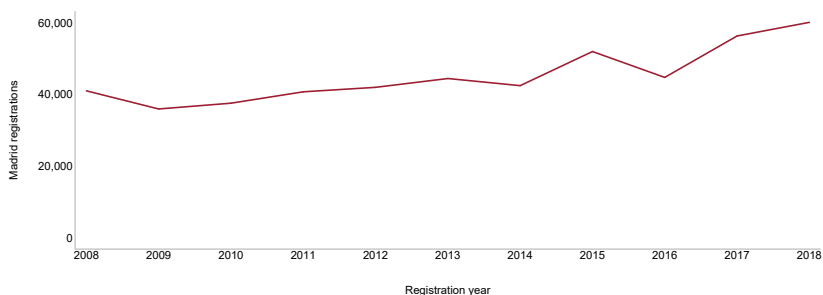
Statistics on Madrid international registrations, renewals and active registrations

Over 60,000 international registrations went to trademark holders worldwide in 2018

In 2018, the WIPO recorded a total of 60,071 international registrations, the highest number on record (figure 6). The long-term trend for registrations broadly follows that for applications; however, changes in the number of registrations from year to year can be more pronounced than for applications. Registrations can fluctuate considerably from one year to the next for a number of reasons, such as the time it takes for Madrid applications to be processed at offices of origin before being sent to the International Bureau (IB) of WIPO or due to the processing time required at the IB itself, which includes an irregularities procedure and time limits for applicants and offices to remedy such irregularities.

In 2018, for the first time, Madrid international registrations exceeded 60,000.

Figure 6 – Trend in international registrations, 2008–2018



Source: WIPO Statistics Database, March 2019.

How has the trend in subsequent designations evolved over time?

Due in part to Madrid System accessions and the incentive for holders to extend protection to include the jurisdictions of these new members in addition to those of longer standing Madrid members, the number of subsequent designations has increased from about 39,000 in 2004 to over 55,000 in 2018. These are requests made by trademark holders to extend protection for their existing international registrations to cover new markets. There were 4.9% more such subsequent designations made in existing international registrations in 2018 than in 2017, marking the second annual increase since the declines seen in 2015 and 2016. Although most requests for subsequent designations are submitted directly by holders to the IB, fluctuations in the numbers submitted via Madrid member offices from one year to the next can be significant for the reasons given for fluctuations in international registrations. The numbers of subsequent designations saw a gradual increase year on year from 2004 to 2007, helped in part by the recent accession to the Madrid System by the U.S. in 2003 followed by the EU in 2004. However, in 2009, at the height of the global financial crisis, subsequent designations decreased by 18.8%, on a par with that year's 20.3% drop in designations in new applications.

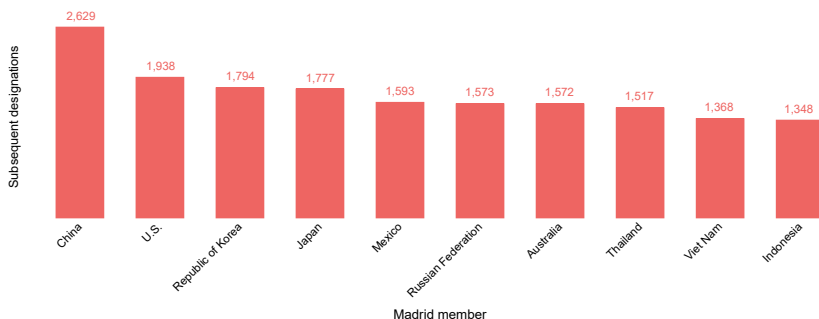
How did trademark holders use subsequent designations to extend protection for their marks to additional export markets in 2018?

Once again, in 2018, China (2,629) received the highest number of subsequent designations and has been the most designated country every year since 2004 (figure 7). In addition, China is the only destination country for trademark protection to have exceeded 2,000 subsequent designations each year since 2011.

In 2018, the U.S. (1,938), the Republic of Korea (1,794) and Japan (1,777) followed China as the top countries where international registration holders sought to extend protection for their marks. The top 20 designated Madrid member countries received just over half (52%) of all subsequent designations in 2018. Thirteen of these countries received more subsequent designations in 2018 than in 2017. Most notable was the increase in the number of subsequent designations of Thailand (+615.6%), a recent member of the Madrid System, from only 212 in 2017 to 1,517 in 2018, propelling it into the list of top 20 designated members. The U.K. (+31.5%) likewise saw a considerable increase in subsequent designations.

China has received the highest number of subsequent designations each year since 2004.

Figure 7 – Subsequent designations in international registrations for the top 10 designated Madrid members, 2018



Source: WIPO Statistics Database, March 2019.

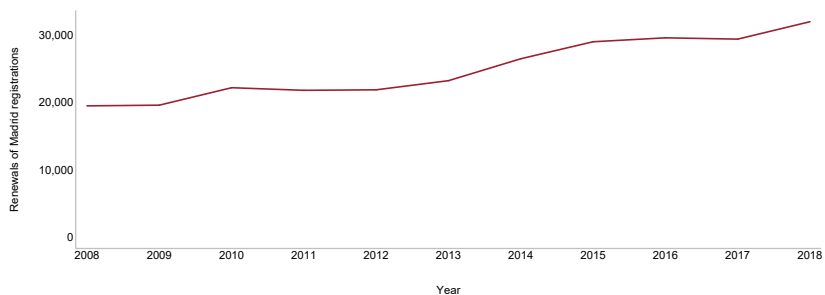
Among the top 15 designated Madrid members, six received their highest shares of subsequent designations in 2018 from trademark holders in France, Germany and the U.S. Holders from Italy were among the top three origins of subsequent designations in Australia, Mexico, the Russian Federation, Switzerland and Turkey, whereas holders from Japan were among the top three origins in their Asian neighbors Indonesia and Thailand.

***Annual renewals of
international registrations
top 30,000 for the first time***

International registration holders renewed 31,942 registrations in 2018, representing an increase of 8.8% on 2017. The number of renewals in a given year depends both on the number of registrations and the number of renewals recorded 10 years prior, so the trend seen in figure 8 is only a partial reflection of the trend in registrations with a 10-year lag.

Renewals of international registrations have increased in all but two of the last 15 years, reaching almost 32,000 in 2018.

Figure 8 – Trend in renewals of international registrations, 2008–2018



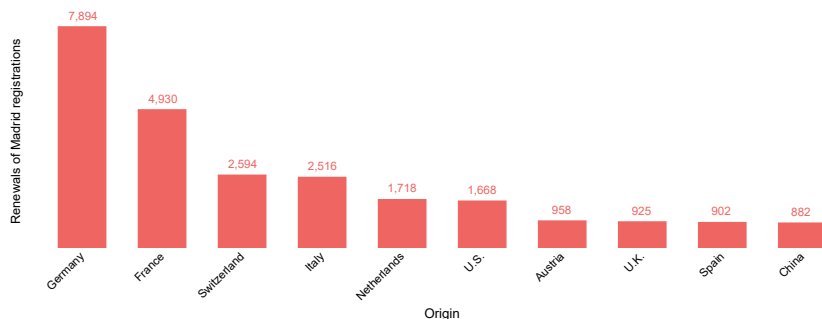
Source: WIPO Statistics Database, March 2019.

The highest numbers of renewals in 2018 were recorded by holders from Germany, France, Switzerland and Italy

Holders from Germany (7,894), France (4,930), Switzerland (2,594) and Italy (2,516) recorded the highest numbers of registration renewals in 2018 (figure 9). This reflects their long-standing membership of the Madrid System. Together, these top four origins of renewals accounted for over half (56%) of all renewals in 2018, and their holders' stocks of international registrations have often been maintained for many decades.

About 62% of renewals in 2018 came from just five European countries – Germany, France, Italy, the Netherlands and Switzerland.

Figure 9 – Renewals of international registrations for the top 10 origins, 2018



Source: WIPO Statistics Database, March 2019.

About half of all international registrations recorded since the Madrid System was established in 1891 are still active

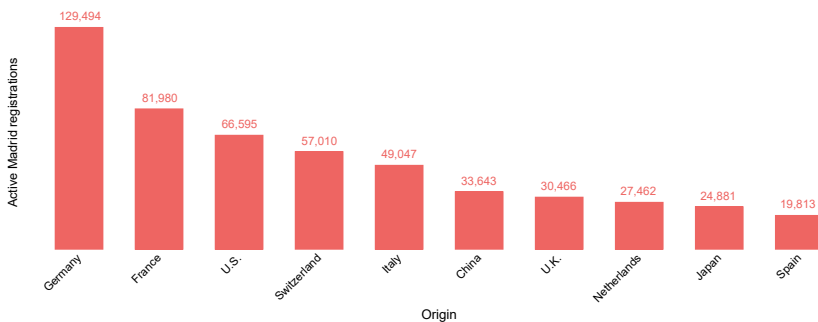
Almost half (701,149) of the more than 1.4 million international registrations recorded since the creation of the Madrid System remained active – that is, in force – in 2018. Totalling around 441,000 in 2004, the number of active Madrid registrations has increased gradually each year subsequently. In 2018, the total number of active registrations grew by 3.4%.

Together, holders located in 20 countries own 90% of all active international registrations

Madrid registration holders domiciled in Germany owned 129,494 active registrations in 2018, followed by holders in France (81,980) and the U.S. (66,595) (figure 10). Together, holders based in the top 20 countries of origin owned 90% of all active registrations in 2018. Holders from three upper middle-income countries, China, the Russian Federation and Turkey, were among the top owners of active registrations.

Madrid international registration holders from China and the Republic of Korea each increased their portfolios of active registrations by around 18% to 19% in 2018.

Figure 10 – Active international registrations for the top 10 origins, 2018



Source: WIPO Statistics Database, March 2019.

Statistics on administration, revenue and fees

Nearly three-quarters of all international applications in 2018 were sent to the International Bureau electronically

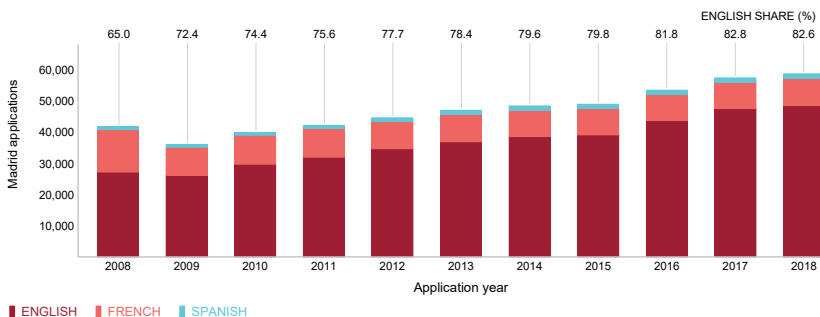
Electronic transmission was introduced in 1998, and its share of total transmissions to the International Bureau (IB) of WIPO had reached just 0.2% by the end of that year. Since then, the share of applications that the IB receives electronically has increased significantly. In 2018, almost three-quarters (74.7%) of all international applications were filed electronically, having been just one-third 10 years previously.

Four out of every five international applications are filed in English

In 2018, 82.6% of Madrid applications were filed in English, with French accounting for 15% and Spanish for 2.5% (figure 11). For every year since 2014, about four out of every five applications have been filed in English. The reason for the low share of filings submitted in Spanish since its introduction as a filing language in 2004 is that, to date, the Madrid System includes only four Spanish-speaking countries (Colombia, Cuba, Mexico and Spain), of which Spain is the only one listed among the top 20 origins of international applications.

Every year since 2014, about four out of every five international applications have been filed in English.

Figure 11 – Trend in applications by filing language, 2008–2018



Source: WIPO Statistics Database, March 2019.

Approximately 60% of all Madrid applications received in 2018 met all the formal requirements

The IB considers international applications that fail to meet all the formal requirements, including the classification of goods and services in accordance with the International Nice Classification, to be irregular. In such instances, the IB informs both the Madrid member's office of origin and the applicant of the irregularities. Responsibility for remedying such irregularities lies with either the office of origin or the applicant, depending on the nature of the irregularity. In 2018, 60.5% of Madrid applications met all the formal requirements. However, 39.5% contained irregularities, a considerable portion of which were classification irregularities. Since 2008, the share of irregularities in international applications filed has exceeded 30% for every year but one, 2009.

Holders of Madrid registrations submit 80% of their subsequent designations directly to WIPO

Holders of a Madrid registration can request subsequent designation of Madrid members via their respective office of origin or directly with the IB itself. In recent years, including 2018, holders have submitted a large majority of requests for subsequent designation directly to the IB without going via their office of origin. The share of requests by holders choosing this route has grown from about 12% in 2004 to reach 80% of the total in 2018.

Recordings of changes in ownership of international registrations remain relatively low

An international registration may change ownership following either assignment of a mark, the merger of one or more companies, a court decision, or for other reasons. The change is subject to the recording of the new owner as the new holder of the registration in the International Register, and the new holder must fulfill the requirements necessary for holding an international registration. These include having the required connection to a Madrid member, which means being a national of, being domiciled in, or having a real and effective industrial or commercial establishment in a Madrid member's jurisdiction.

In 2018, the IB recorded approximately 17,500 changes in ownership of international registrations, which is only about 100 more than in 2017. The share of changes in ownership recorded in a given year relative to the total number of active registrations in the same year is small and has remained relatively stable over time. Only 2.5% of all registrations changed ownership in 2018.



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