

# Madrid System for the International Registration of Marks



Summary Report for the Year 2006



World Intellectual Property Organization

## MADRID SYSTEM FOR THE INTERNATIONAL REGISTRATION OF MARKS

### Summary report for the year 2006

#### Overall Registration Activity

In 2006, the volume of registration activity under the Madrid System globally increased importantly. The number of international registrations went up by 12.2 per cent, as compared to 2005, and there was a very significant increase in the number of renewals (+102.8 per cent) as a result of the change in the renewal period (from 20 to 10 years) that was introduced in April 1996 (see Graphs 1 and 2, on page 6).

The number of grants of protection, refusals and related communications recorded by the International Bureau in 2006 also increased considerably as a result of the global growth in registrations in the preceding 18 months.

**Table 1**  
**Selected Transactions Recorded in 2006**  
*Growth rates as compared to 2005*

	<u>2005</u>	<u>2006</u>	<u>Growth</u>
<b>Acquisition and Maintenance of Rights</b>			
International Registrations	33'169	37'224	12.2%
Renewals	7'496	15'205	102.8%
Subsequent designations	10'227	10'978	7.3%
<b>Individual Designations</b>			
in International Registrations	315'949	321'401	1.7%
in Renewals	78'925	170'866	116.5%
as Subsequent Designations	40'590	43'324	6.7%
<b>International Registrations in Force (at the end of the year)</b>			
Active Registrations	456'551	471'325	3.2%
Active Designations	5'193'583	5'275'465	1.6%
Number of Right Holders	152'691	159'075	4.2%
<b>Decisions by Designated Contracting Parties</b>			
Grants of Protection	<b>171'671</b>	<b>212'941</b>	<b>24.0%</b>
Refusals (total or partial)	54'015	79'128	46.5%
Extensions of the time-limit for refusal based on opposition	59'618	75'379	26.4%
Final decisions following a refusal	14'718	17'367	18.0%
Invalidations	42'937	40'697	-5.2%
	383	370	-3.4%
<b>Recorded Modifications</b>			
Changes in ownership	<b>66'429</b>	<b>70'687</b>	<b>6.4%</b>
Cancellations Due to Ceasing of Effect (Rule 22)	10'581	11'384	7.6%
Cancellations by Holder	851	1'179	38.5%
Renunciations	232	249	7.3%
Limitations of the list of goods and services	793	927	16.9%
Changes in name or address of the holder	1'777	2'033	14.4%
Other changes (entries concerning representatives, corrections, etc.)	16'127	15'543	-3.6%
	36'068	39'372	9.2%

#### Processing Time and Efficiency Gains

In 2006, the International Bureau made an effort to eliminate backlogs and streamline procedures. By the end of the year, registration processing time for international applications with no irregularities (counted from the time when the application is received at WIPO to the time when the registration is recorded and notified to the designated Contracting Parties) had been brought down to five weeks (it was seven weeks on average in 2006).

Despite an increase in the volume of incoming communications and notifications dispatched compared to 2005 (15.6 and 33 per cent, respectively), the functional support capacity remained unchanged (i.e., mail receipt and indexation, data entry, scanning and notification), thanks to increased automation and the outsourcing of part of the work. Efficiency gains were also achieved in the examination of international applications as well as of refusals and related notifications, as a result of the introduction of streamlined internal procedures.

### Profile of Registrations

#### *Coverage (goods, services, business sectors)*

On average, the goods or services specified in an international registration fell under two to three classes of the International (Nice) Classification. The most popular classes were those listed below:

**Table 2**  
**Most Popular Classes in International Registrations**  
*Registrations by Class and Share within Total*

<u>Classes</u>	<u>Products and Services</u>	<u>2006</u>	<u>%</u>
Class 9	covers e.g. computer hardware and software and other electrical or electronic apparatus of a scientific nature	8'196	8.9%
Class 35	covers services such as office functions, advertising and business management	5'797	6.3%
Class 25	covers clothing, footwear and headgear	5'021	5.4%
Class 42	covers services provided by e.g. scientific, industrial or technological engineers and computer specialists	4'947	5.4%
Class 5	includes mainly pharmaceuticals and other preparations for medical purposes	4'130	4.5%
Class 41	covers services in the area of education, training, entertainment, sporting and cultural activities	4'115	4.5%
Class 16	includes mainly paper, goods made from that material and office requisites	3'996	4.3%
Class 3	includes mainly cleaning preparations and toilet preparations	3'658	4.0%
Class 30	Includes mainly foodstuffs of plant of origin prepared for consumption or conservations as well as auxiliaries intended for the improvement of the flavour of food	3'028	3.3%
Class 7	includes mainly machines, machine tools, motors and engines	2'676	2.9%

#### *Coverage (territories)*

On average, 8.5 Contracting Parties were designated per international registration; 57% of the registrations recorded in 2006 contained one to five designations of Contracting Parties (see Graph 3, on page 7).

#### *Amount of fees paid*

Applicants paid on average a fee of 3,433 Swiss francs for an international registration; for 80% of the registrations the fees paid were less than 5,000 Swiss francs (see Graph 4, on page 7).

### Registrations in Force (Graph 5)

On December 31, 2006, there were 471,325 international registrations in force in the International Register, containing a total of more than 5.3 million active designations.

Those international registrations belonged to 159,075 different right holders (many of them SMEs). (See Graph 5, on page 8).

## Filing Trends

### *Global*

36,471 international applications were filed throughout 2006, which represents a growth of 8.6% as compared to 2005 (see Graph 6, on page 8).

### *Filing trends by Contracting Party (Table 3)*

The largest share of filings in 2006 was received from users based in Germany, France, United States of America, Italy, Benelux, Switzerland, United Kingdom, China, Spain and Austria (see the list of the 40 major user countries, number of filings per country, share within total filings and growth rates in Table 3, page 9).

The 25 countries of the European Union in 2006, together accounted for 23,916 international applications. The number of international applications filed through the European Community Office (OHIM) rose to 2,445 (a 32% increase as compared to 2005).

Some countries showed significant growth rates in filings in 2006 and moved up in the ranking of major filer countries. They included, *inter alia*, Italy (+25.5%) from 5<sup>th</sup> to 4<sup>th</sup> position, Spain (+17.2%) from 10<sup>th</sup> to 9<sup>th</sup> position, Australia (+29.1%) from 12<sup>th</sup> to 11<sup>th</sup> position, Norway (+32.8%) from 21<sup>st</sup> to 20<sup>th</sup> position, Finland (+31.0%) from 22<sup>nd</sup> to 21<sup>st</sup> position and Hungary (+39.5%) from 25<sup>th</sup> to 24<sup>th</sup> position.

Developing countries having witnessed significant growth in international trademark filings in 2006 included the Republic of Korea with 190 applications (+28.4%), Singapore with 161 applications (+16.7%) and Morocco with 119 applications (+80.3%).

### Trends in Designations (Table 4)

364,725 new designations (made in international registrations and as subsequent designations) were notified to Contracting Parties in 2006 (a 2.3% increase over 2005) (see Table 4, on page 10).

China (with 15,801 designations) continues to be the most designated country, followed by the Russian Federation, Switzerland, the United States of America and Japan.

The European Community, in its second full year as a member of the Madrid Union, became a favorite target market for designations having received 10,640 designations (+68.6%) and thus moved from the 22<sup>nd</sup> to the 6<sup>th</sup> position in the ranking of most designated members of the Madrid Union; the majority of these designations, i.e., 6,197, were made in applications or subsequent designations originating in an EC Member State.

Other countries which moved up in the ranking of most designated countries compared to 2005 are Australia (from 14<sup>th</sup> to 7<sup>th</sup> position), Norway (from 10<sup>th</sup> to 8<sup>th</sup> place), Ukraine (from 13<sup>th</sup> to 9<sup>th</sup> place) and the Republic of Korea (from 18<sup>th</sup> to 11<sup>th</sup> place).

### New, Better Services Offered to Users (Applicants and Holders)

In April 2006, WIPO introduced a new on-line international trademark renewal service enabling users to maintain their trademark rights quickly and efficiently. About 22 per cent of the renewals recorded since were requested electronically.

A number of new improvements, including new search facilities, were introduced to the ROMARIN database which contains information regarding all international marks that are currently in force in the international trademark register. As from January 1, 2007, the ROMARIN data base can be consulted free-of-charge on the WIPO website.

### Electronic Communication with the Offices of Madrid Union Members Continues to Expand

Of the total number of international applications filed in 2006, 33% were transmitted to WIPO electronically (as compared to 29.8% in 2004); the transmitting Trademark Offices were those of Australia, the Benelux, the European Community, the Republic of Korea, Switzerland and the United States of America.

Electronic communication is also used by a number of Trademark Offices for the transmission of refusals (EC, Japan and US), statements of grant of protection (EC and Japan) and modifications (Australia, Benelux, EC and US).

In 2006, the number of Offices of Madrid Members to which WIPO sends Madrid notifications electronically has increased from 39 to 43 (the four Offices that started receiving notifications electronically in 2006 were those of Bhutan, Bulgaria, Germany and Namibia).

### Fee Reduction for Applicants from LDCs

Following the decision taken by the Madrid Union Assembly in 2005, arrangements were made so as to allow applicants from least-developed countries (LDCs) to pay only 10% of the basic registration fee as from January 1, 2006.

### Membership and Legal Development of the Madrid System

In 2006, the membership of the Madrid Union expanded from 78 to 80 members, following the accessions of Botswana and Montenegro. In addition, Uzbekistan and Viet Nam, already members of the Madrid Agreement, acceded to the Protocol. With the accession of Azerbaijan to the Protocol, to become effective on April 15, 2007, the number of Madrid Union countries bound only by the Agreement will be reduced to eight.

In October 2006, the Madrid Union Assembly undertook the mandatory review of the refusal procedure established under the Madrid Protocol and adopted a minor amendment to Article 5 of the Protocol to clarify its wording. It also adopted an interpretative statement whereby the Assembly is allowed to keep under review the refusal procedure established under the Protocol.

In October 2006 the Madrid Union Assembly also adopted amendments to the Common Regulations under the Madrid Agreement and Protocol. One of the amendments, with immediate effect extended the procedure of continuation in case of State succession to rights acquired under the Protocol. Other amendments will enter into force in April 2007 and will notably introduce more liberty in the appointment of representatives before the International Bureau.

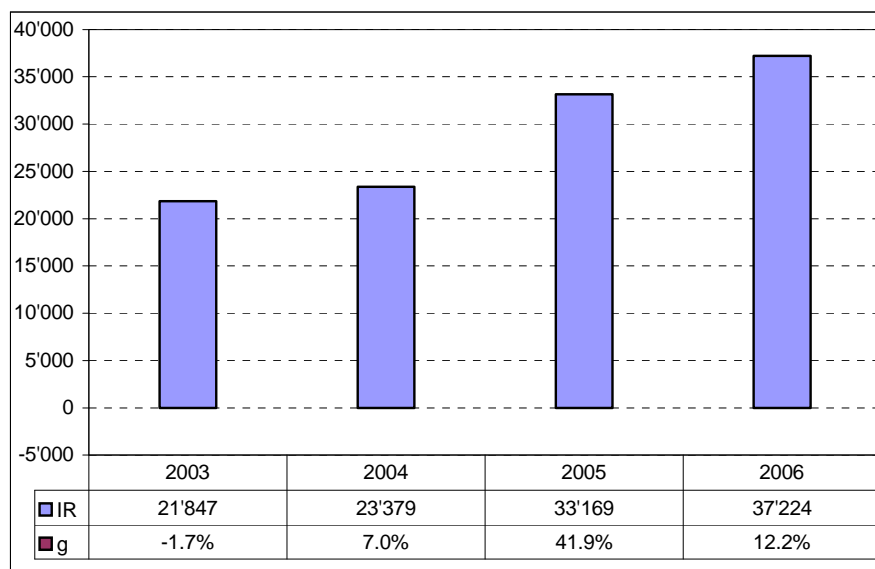
The *Ad Hoc* Working Group on the Legal Development of the Madrid System met in Geneva in January/February 2007 to consider proposals for a review of the safeguard clause under the Madrid Protocol, other possible amendments to the Common Regulations and matters concerning the future legal development of the Madrid Protocol. It agreed to meet again in May 2007 to pursue these discussions.

[Graphs and tables follow]

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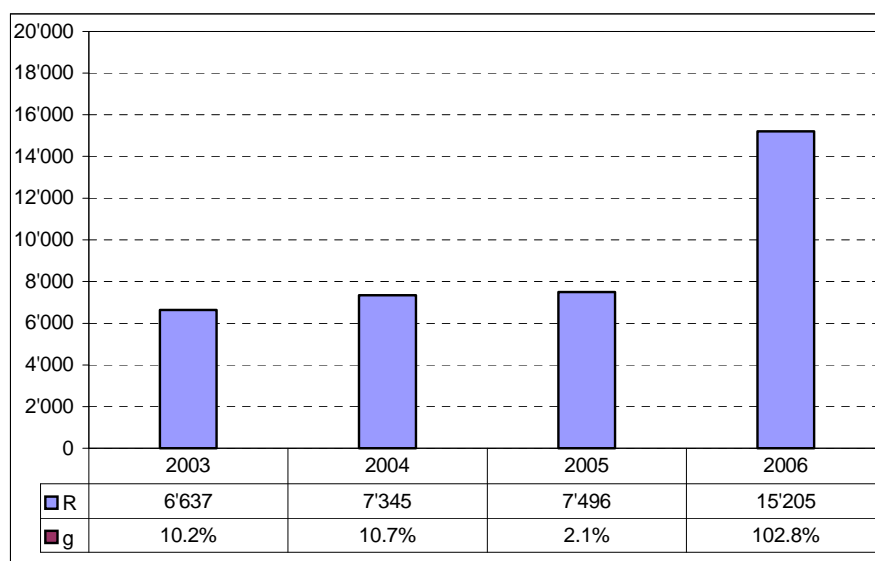
### Graph 1 - International Registrations 2003-2006

Growth rate over the previous year



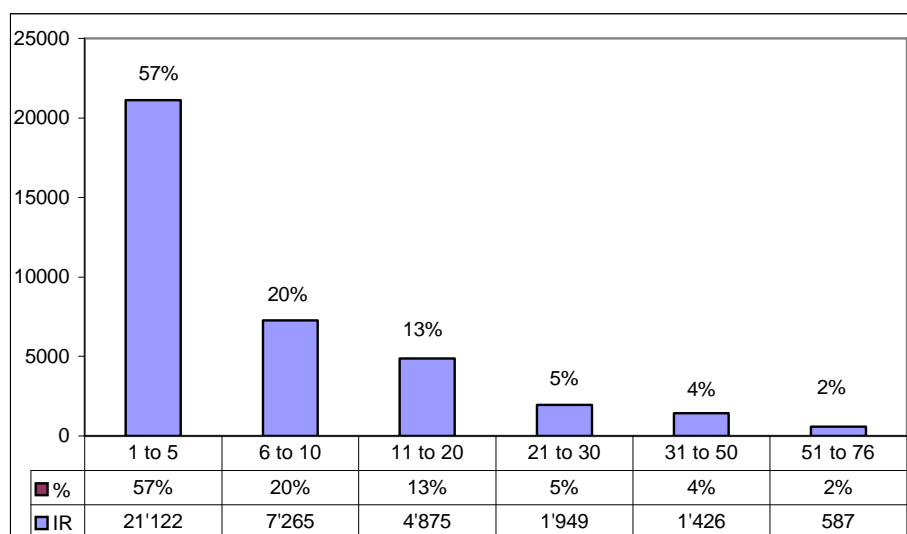
### Graph 2 - Renewals 2003-2006

Growth rate over the previous year

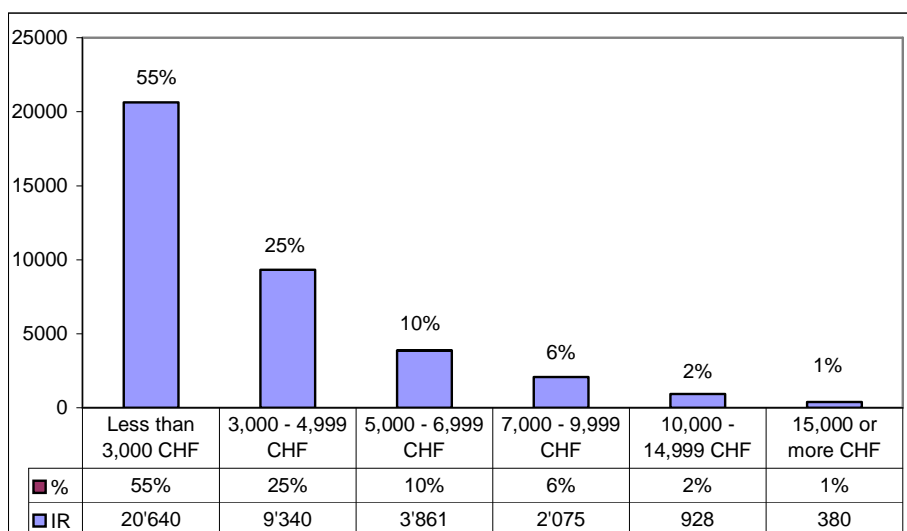


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**Graph 3 - Number of Designations per International Registration (2006)**



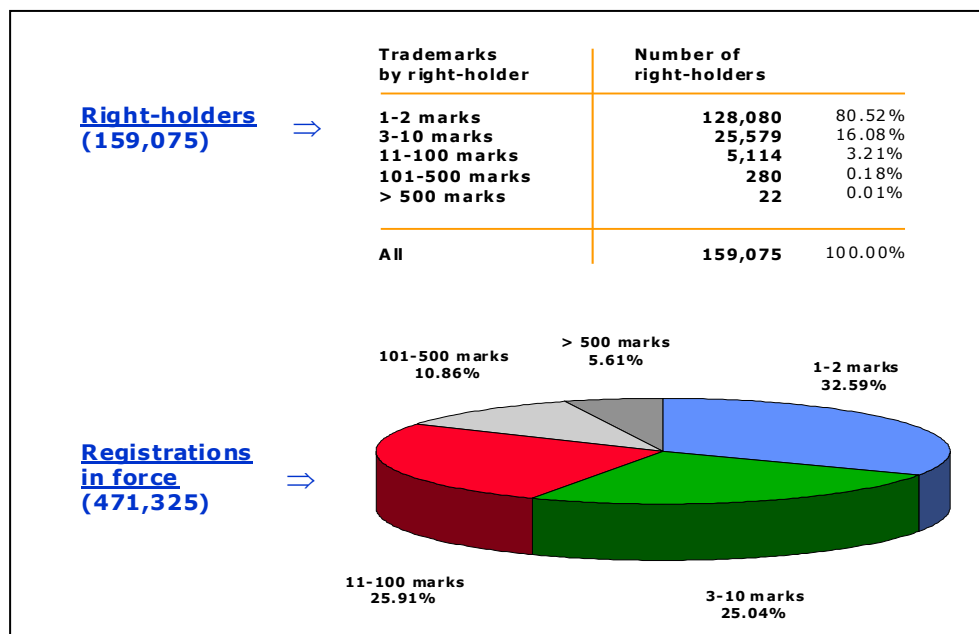
**Graph 4 - Amounts of Fees paid per International Registration (2006)**



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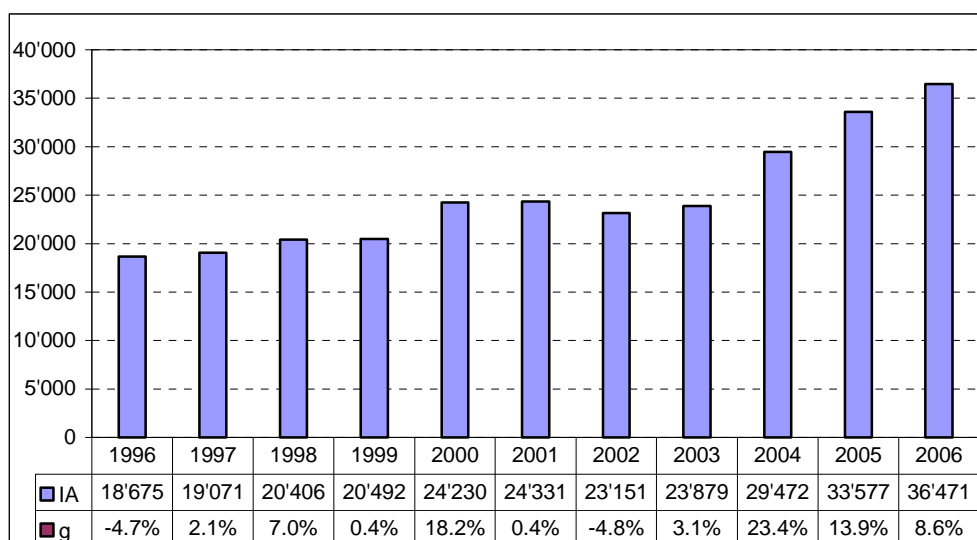
### Graph 5 - Trademarks in Force in the International Register

On December 31, 2006



### Graph 6 - International Applications 1996-2006

Annual growth rates





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**Table 3**

**Major Filer Countries**

**Number of Applications filed by Country of Origin**

Shares within total filings in 2006 and growth rates as compared to 2005

<u>Country of Origin*</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Share</u>	<u>Growth</u>
1. Germany (DE)	5'126	5'559	5'499	6'496	6'552	18.0%	0.9%
2. France (FR)	3'609	3'331	3'544	3'652	3'896	10.7%	6.7%
3. United States of America (US)	-	139	1'737	2'849	3'148	8.6%	10.5%
4. Italy (IT)	1'800	1'915	2'519	2'458	3'086	8.5%	25.5%
5. Benelux (BX)	2'467	2'189	2'504	2'563	2'784	7.6%	8.6%
6. Switzerland (CH)	2'531	2'189	2'133	2'235	2'468	6.8%	10.4%
7. United Kingdom (GB)	670	674	986	1'336	1'489	4.1%	11.5%
8. China (CN)	241	472	1'015	1'334	1'328	3.6%	-0.4%
9. Spain (ES)	853	980	912	1'037	1'215	3.3%	17.2%
10. Austria (AT)	982	861	1'194	1'240	1'197	3.3%	-3.5%
11. Australia (AU)	222	340	683	852	1'100	3.0%	29.1%
12. Japan (JP)	242	394	692	893	847	2.3%	-5.2%
13. Turkey (TR)	456	442	593	787	733	2.0%	-6.9%
14. Russian Federation (RU)	276	502	575	604	622	1.7%	3.0%
15. Czech Republic (CZ)	519	493	617	549	569	1.6%	3.6%
16. Denmark (DK)	380	374	450	538	540	1.5%	0.4%
17. Sweden (SE)	360	377	478	484	540	1.5%	11.6%
18. Bulgaria (BG)	87	183	334	391	426	1.2%	9.0%
19. Poland (PL)	238	314	344	338	347	1.0%	2.7%
20. Norway (NO)	195	168	218	235	312	0.9%	32.8%
21. Finland (FI)	267	228	208	226	296	0.8%	31.0%
22. Portugal (PT)	211	158	179	274	295	0.8%	7.7%
23. Slovakia (SK)	164	195	249	215	241	0.7%	12.1%
24. Hungary (HU)	169	156	231	162	226	0.6%	39.5%
25. Republic of Korea (KR)	-	68	127	148	190	0.5%	28.4%
26. Slovenia (SI)	154	122	201	181	179	0.5%	-1.1%
27. Singapore (SG)	41	74	93	138	161	0.4%	16.7%
28. Serbia (RS)	85	97	86	107	157	0.4%	46.7%
29. Croatia (HR)	210	117	135	79	150	0.4%	89.9%
30. Ukraine (UA)	29	52	78	105	133	0.4%	26.7%
31. Liechtenstein (LI)	126	90	89	96	129	0.4%	34.4%
32. Morocco (MA)	31	48	57	66	119	0.3%	80.3%
33. Latvia (LV)	43	67	109	81	104	0.3%	28.4%
34. Estonia (EE)	42	72	75	72	97	0.3%	34.7%
35. Romania (RO)	68	42	58	101	97	0.3%	-4.0%
36. Greece (GR)	17	44	54	77	94	0.3%	22.1%
37. Iceland (IS)	4	7	33	39	92	0.3%	135.9%
38. Lithuania (LT)	58	80	63	102	84	0.2%	-17.6%
39. Ireland (IE)	20	10	54	70	55	0.2%	-21.4%
40. Moldova (MD)	30	47	46	77	49	0.1%	-36.4%
Other countries	128	209	220	290	324	0.9%	11.7%
<b>Total</b>	<b>23'151</b>	<b>23'879</b>	<b>29'472</b>	<b>33'577</b>	<b>36'471</b>	<b>100%</b>	<b>8.6%</b>

\* For applicants from the European Community, as from 2004, the figures comprise both the filings made through the national trademark office and the filings made through the regional office (OHIM) in Alicante.

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**Table 4**

**Most Designated Contracting Parties (2006)**

**Number of Designations by Designated Contracting Party  
(includes designations in new registrations and subsequent designations)**

Growth rates as compared to 2005

<u>Designated Country/Organization</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Growth</u>
1. China (CN)	6'684	7'106	9'265	13'575	15'801	16.4%
2. Russian Federation (RU)	8'312	9'006	9'940	12'813	14'432	12.6%
3. Switzerland (CH)	10'577	10'174	10'137	13'197	14'260	8.1%
4. United States of America (US)	-	238	7'109	11'863	13'994	18.0%
5. Japan (JP)	5'323	5'359	7'071	10'104	11'844	17.2%
6. European Community (EM)	-	-	114	6'309	10'640	68.6%
7. Australia (AU)	3'905	4'683	5'617	7'989	9'115	14.1%
8. Norway (NO)	6'967	6'582	6'821	8'443	9'102	7.8%
9. Ukraine (UA)	5'280	6'262	6'361	8'271	9'057	9.5%
10. Turkey (TR)	5'458	5'878	6'272	8'602	8'958	4.1%
11. Republic of Korea (KR)	-	1'694	4'852	7'160	8'334	16.4%
12. Germany (DE)	9'220	8'394	8'275	9'150	8'147	-11.0%
13. Romania (RO)	5'525	6'192	6'125	7'766	8'103	4.3%
14. France (FR)	9'286	8'679	8'094	8'587	7'495	-12.7%
15. United Kingdom (GB)	8'455	7'917	7'720	8'288	7'482	-9.7%
16. Italy (IT)	9'370	8'656	7'945	8'817	7'374	-16.4%
17. Spain (ES)	9'174	8'756	7'922	8'329	7'231	-13.2%
18. Croatia (HR)	4'743	5'054	5'298	6'716	6'970	3.8%
19. Bulgaria (BG)	4'688	5'450	5'407	6'596	6'903	4.7%
20. Benelux (BX)	8'903	8'391	7'697	7'922	6'800	-14.2%
21. Singapore (SG)	3'547	3'708	4'451	6'127	6'717	9.6%
22. Austria (AT)	8'905	8'453	7'487	7'638	6'564	-14.1%
23. Poland (PL)	9'368	9'415	7'598	6'825	6'092	-10.7%
24. Belarus (BY)	3'699	4'328	4'382	5'401	5'818	7.7%
25. Serbia (RS)	-	-	-	-	5'644	-
26. Czech Republic (CZ)	7'940	8'199	6'633	6'018	5'161	-14.2%
27. Hungary (HU)	7'903	8'009	6'508	5'914	5'039	-14.8%
28. Portugal (PT)	6'702	6'330	5'609	5'695	4'839	-15.0%
29. Slovakia (SK)	6'292	6'810	5'628	5'113	4'367	-14.6%
30. The former YR of Macedonia (MK)	2'913	3'344	3'342	4'337	4'261	-1.8%
31. Morocco (MA)	2'846	2'861	3'091	3'992	4'229	5.9%
32. Sweden (SE)	5'968	5'480	5'127	4'903	4'175	-14.8%
33. Greece (GR)	4'928	5'171	5'039	5'020	4'100	-18.3%
34. Denmark (DK)	5'746	5'408	4'943	4'719	4'053	-14.1%
35. Slovenia (SI)	5'824	6'382	5'260	4'641	3'990	-14.0%
36. Lithuania (LT)	4'721	5'837	4'744	4'041	3'903	-3.4%
37. Liechtenstein (LI)	3'658	3'316	3'247	3'886	3'898	0.3%
38. Monaco (MC)	3'533	3'149	2'987	3'792	3'876	2.2%
39. Bosnia and Herzegovina (BA)	3'278	3'462	3'282	3'797	3'798	0.0%
40. Moldova (MD)	2'404	2'835	2'836	3'500	3'793	8.4%
Other countries	61'320	63'902	67'964	80'683	78'366	-2.9%
<b>Total</b>	<b>283'365</b>	<b>290'870</b>	<b>298'200</b>	<b>356'539</b>	<b>364'725</b>	<b>2.3%</b>

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### List of Members of the Madrid Union (80)

Albania (A&P)	Iran (Islamic Republic of) (A&P)	Singapore (P)
Algeria (A)	Ireland (P)	Slovakia (A&P)
Antigua and Barbuda (P)	Italy (A&P)	Slovenia (A&P)
Armenia (A&P)	Japan (P)	Spain (A&P)
Australia (P)	Kazakhstan (A)	Sudan (A)
Austria (A&P)	Kenya (A&P)	Swaziland (A&P)
Azerbaijan*** (A&P)	Kyrgyzstan (A&P)	Sweden (P)
Bahrain (P)	Latvia (A&P)	Switzerland (A&P)
Belarus (A&P)	Lesotho (A&P)	Syrian Arab Republic (A&P)
Belgium* (A&P)	Liberia (A)	Tajikistan (A)
Bhutan (A&P)	Liechtenstein (A&P)	The former Yugoslav Republic of Macedonia (A&P)
Bosnia and Herzegovina (A)	Lithuania (P)	Turkey (P)
Botswana (P)	Luxembourg* (A&P)	Turkmenistan (P)
Bulgaria (A&P)	Moldova (A&P)	Ukraine (A&P)
China (A&P)	Monaco (A&P)	United Kingdom (P)
Croatia (A&P)	Mongolia (A&P)	United States of America (P)
Cuba (A&P)	Montenegro (A&P)	Uzbekistan (A&P)
Cyprus (A&P)	Morocco (A&P)	Viet Nam (A&P)
Czech Republic (A&P)	Mozambique (A&P)	Zambia (P)
Democratic People's Republic of Korea (A&P)	Namibia (A&P)	
Denmark (P)	Netherlands:	
Egypt (A)	– Territory in Europe* (A&P)	
Estonia (P)	– Antilles** (P)	
European Community (P)	Norway (P)	
Finland (P)	Poland (A&P)	
France (A&P)	Portugal (A&P)	
Georgia (P)	Republic of Korea (P)	
Germany (A&P)	Romania (A&P)	
Greece (P)	Russian Federation (A&P)	
Hungary (A&P)	San Marino (A)	
Iceland (P)	Serbia (A&P)	
	Sierra Leone (A&P)	

(A): indicates a party to the Agreement (57)

(P): indicates a party to the Protocol (72)

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\* Belgium, Luxembourg and the territory of the Kingdom of the Netherlands in Europe have a unified legislation on trademarks and a common Office for the registration of trademarks under that legislation (Benelux Office). Under the Madrid System, protection shall be requested as if they were one country (Benelux). Their designation shall be subject to payment of a single complementary or individual fee.

\*\* The Netherlands Antilles is a territory of the Kingdom of the Netherlands to which Benelux Trademark law does not apply, but which has its own trademark law and its own Office for the registration of trademarks under that law. Protection in respect of the Netherlands Antilles shall be requested through a specific designation under the Protocol, distinct from that of the Benelux.

\*\*\* The accession of Azerbaijan to the Protocol will become effective on April 15, 2007.

[End of Summary Report]