

THE BENEFITS OF MEXICO JOINING THE MADRID PROTOCOL

INTRODUCTION

In this highly competitive global economy, Mexico needs to take advantage of all available tools to assist trademark owners in meeting the challenge to grow not only their businesses domestically, but also to find new markets for their products and services. A key tool to spur such expansion is an international system, known as the Madrid System that greatly eases the burdens of obtaining protection of trademark rights. Mexico should further its leadership in promotion of intellectual property rights, particularly in Latin America, by enacting legislation to clear the way for joining the Madrid System.

THE MADRID SYSTEM

The Madrid System for the international registration of marks was established in 1891 and functions primarily under a revised treaty known as the Madrid Protocol. The Madrid System is administered by the International Bureau of the World Intellectual Property Organization (WIPO), which is located in Geneva, Switzerland.

Thanks to this international procedural mechanism, the Madrid System offers a trademark owner the possibility to have his trademark protected in several countries by simply filing one application directly with his own national or regional trademark office. An international mark so registered is equivalent to an application or a registration of the same mark effected directly in each of the countries designated by the applicant. If the trademark office of a designated country does not refuse protection within a specified period, the protection of the mark is the same as if it had been registered by that office. The Madrid System also greatly simplifies the subsequent management of the trademarks, e.g., recording changes, adding designated countries, and renewing the registration through a single procedural step.

The Madrid System is of pivotal importance to trademark owners entering the international commercial arena. It creates meaningful access to international trademark protection for all companies, regardless of size, by substantially reducing costs, and providing a streamlined registration process. Without the Madrid System, smaller enterprises wishing to offer their products and services on the global stage, but without the means to seek trademark protection on a country-by-country basis, face the prospect of foregoing overseas markets. Larger corporations also will benefit from Mexico's adherence to the Madrid Protocol and its ease of administration and cost savings features.

Although joining the Madrid Protocol would entail some administrative changes within Mexico's Intellectual Property Office, the minimal administrative costs will be more than offset by additional revenue from filing fees.

Importantly, membership in the Madrid Protocol will contribute to the progressive internationalization of Mexico's economy, providing additional products and services to consumers, and creating new jobs. This two-way facilitation of obtaining trademark protection helps stimulate both export of Mexican products and services and promotes foreign investment in Mexico.

BENEFITS FOR TRADEMARK OWNERS

Accession to the Madrid Protocol will permit Mexican companies to greatly reduce their administrative costs and paperwork by only having to file:

- One application;
- In one place;
- With one set of documents;
- In one language – could be in Spanish;
- With one fee
- resulting in one registration;
- With one number;
- And one renewal date;
- Covering more than one country.

The costs savings to trademark owners are significant. For example, a trademark owner wishing to register a mark in 10 different countries currently needs to file 10 separate applications. The costs of these 10 applications, which include official and attorney fees, would be exorbitant. Under the Madrid Protocol, the fee, depending on the amount that the national office has agreed with WIPO to charge, would be preset. For a basic application and based on WIPO schedule of fees 2008, it corresponds to around US \$710 (three classes) and for each designated country around US \$100 – (covers 10 years).

An even greater economic benefit would be realized after an international registration has been obtained. If a company has 1,000 trademark registrations in 10 countries and needs to make an amendment due to a simple change in address. Without the Madrid Protocol, that would require 10,000 amendment applications being filed at a cost in the thousands of dollars. Under the Protocol, only one amendment application needs to be filed with WIPO at a cost of about \$163.

STREAMLINING ADMINISTRATIVE PROCEEDINGS

INTA encourages countries to optimize their trademark office operations under the harmonized registration procedures in order to reduce costs and other burdens for both local and international trademark owners. In many countries, a registration through the national office can take up to four years, in effect denying trademark protection in this age of global communication and rapidly changing markets. Under the Madrid Protocol, an application for a registration to be extended must be examined and acted upon within 18 months.

COEXISTENCE OF TWO SYSTEMS

The procedures for registering trademarks are governed by the rules and regulations of national and regional IP Offices. Trademarks can be applied for by filing an application with the relevant national or regional IP office (s), or by filing an international application through the Madrid System. Even when countries decide to adopt this system, via the Madrid Protocol, the decision of whether or not to issue a trademark registration remains at the discretion of the competent national or regional authority, and trademark rights are limited to the jurisdiction of the authority that issues the trademark.

NEED FOR LATIN AMERICAN COUNTRIES TO PARTICIPATE

There are currently 85 Contracting Parties that are members to the Madrid System. But in Latin America only Cuba (1995) and Antigua and Barbuda (2000) have joined the Madrid Protocol.

With its growth in importance in the global trade arena, INTA's members recognize the need for greater Latin America participation in the Madrid System, and INTA is very active in helping governments to understand the importance of being a part of the Madrid System. Through seminars and workshops in the region, a dialogue between authorities and key IP stakeholders from the local private sector INTA and its partners have generated renewed interest in Mexico, Colombia, Costa Rica, Brazil, Dominican Republic, and Peru in understanding the advantages of the Protocol and in receiving assistance in preparing trademark operations to take on the additional requirements of the Madrid System.

Through these efforts it now appears that Colombia may join the Madrid Protocol in the very near future. Colombia's Congress passed Law 1455 on accession to the Madrid Protocol which was then signed by the President of Colombia, Juan Manuel Santos in June of 2011. With Colombia's Constitutional Court latest decision C-251 of March 28 2012, Colombia is close to completing its internal ratification process to join the Madrid Protocol. This will be of great significance for trademark owners in the region.

CONCLUSION

The overall effect of Mexico joining the Madrid Protocol will be most significant in cost savings for its companies with strategies to market their products and services abroad. China, the European Union, the United States, to name a few, are important trading partners for Mexico and have already joined the Madrid Protocol. Other benefits from Mexico's adherence to the Madrid Protocol include the strengthening of its intellectual property systems. With its implementation, trademark registration procedures in Mexico will be streamlined and harmonized. Trademark owners, especially those working with limited budgets, will benefit from simplified and standardized procedures.

ABOUT INTA

The International Trademark Association (INTA) is a not-for-profit membership association of more than 5,700 trade mark owners and professionals from more than 190 countries, founded in 1878 and dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. INTA members share common interests in the protection of trade marks and the development of trademark law, and they rely on INTA to represent and advocate those interests in governmental affairs and to foster them throughout the international trade mark community. INTA's diverse membership includes, among other participants in the global economy, start-up companies, major multinational corporations, intellectual property and general practice law firms, service firms, trade mark consultants and academic institutions. **At present INTA has some 88 member firms based in Mexico.** Further information about our Association can be found at www.inta.org.