



## THE MADRID SYSTEM FOR TRADEMARK REGISTRATION - TECHNOLOGY LAW UPDATE

### Overview

Prior to joining the Madrid System, an Israeli company seeking to protect its trademark internationally was required to perform numerous separate procedures in each of the countries in which it sought protection: fill in and submit multiple applications (including in different languages), pay local application fees, communicate with the local trademark office and more. Such procedures are both costly and cumbersome, as they usually require the involvement of a local trademark agent who is familiar with the specific laws and regulations of each country. This is especially true given that local trademark laws and regulations may be substantially different from one country to the other. The major novelty offered by the Madrid System is the ability to apply for trademark protection in various countries simultaneously using one central filing and registration procedure for lower costs.

If you have any questions regarding the matters in this legal update, please contact the following attorneys or call your regular Meitar contact.

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### New Procedures

The Madrid System is run by the World Intellectual Property Organization (WIPO), which serves as the intermediary between the trademark owner and the local trademark office in each country. When a trademark owner wishes to apply for international trademark protection in more than one country and in one or more classes of goods or services, using the Madrid System, it simply needs to fill in one trademark application (stating the countries in which it wishes to register its trademark) and pay one set of fees. The application is submitted to the trademark office in the applicant's country of origin (in our case, Israel) and is then transferred to WIPO. After WIPO processes the trademark application, it passes it to the local trademark offices in the countries designated in the application. Each local trademark office is then given a period of up to 18 months to perform the trademark examination process under the domestic laws and regulations. Once the examination process is completed, and provided that no objections are filed, the trademark is registered by each local trademark office, thus giving the trademark protection in each of the selected countries.

### Protection and Preliminary Requirements

Once the trademark is registered, the trademark protection has retroactive force from the date on which the international application was first submitted to the trademark office in the applicant's country of origin. In addition, the international registration of the trademark is effective for a period of 10 years, which may be renewed. Any renewal or other change to the international trademark is also performed through a central procedure offered by the Madrid System and WIPO. Nevertheless, one notable disadvantage of the System is that during the first 5 years from the registration of the international trademark, if the trademark is for any reason cancelled in the country of origin (i.e., Israel), then the international trademark is automatically cancelled in each of the selected countries. To mitigate this disadvantage, there is a mechanism that enables the owner of the international registration which was cancelled to turn it into separate local registrations.

It should be further noted that a few preliminary requirements must be met in order to use the Madrid System through the Israeli trademark office. First, the trademark owner must have a significant connection to the State of Israel, namely being an Israeli citizen or resident, or one who has an active industrial or commercial factory in Israel. Second, the trademark must be a registered trademark in Israel or at least be in the process of registration (i.e. a trademark application must be filed with the Israeli Trademark Office).

### Costs

With respect to the estimated costs of using the Madrid System, each application is subject to several

different fees. The first fee is paid to the Israeli trademark office for filing an international request. The second fee is paid to WIPO for processing the international request and managing the communication with the local trademark offices. The third fee is paid to the local trademark office in each selected country for the local trademark registration process.

It should be noted that the costs may significantly vary based on the identity of the selected countries (the fees paid to the local trademark office are set by each country and not by WIPO) and on the scope of such protection (i.e., the number of classes). Another thing worth mentioning is that the above costs are based on the assumption that the international registration process runs smoothly and does not encounter any opposition in one or more of the selected countries. Although it is hard to compare the average cost of filing a trademark application using the Madrid System to the average cost associated with filing a separate trademark application in each country, it is safe to say that in general the overall cost is significantly lower under the Madrid System (partially due to the lower ongoing administrative and legal costs and partially due to the absence of local trademark agents).

### **Summary**

In summary, among the main advantages of the Madrid System are lower costs, one single application form, one language, one set of fees, multiple classes in each application and one international registration. Another major advantage is that the involvement of a local trademark agent may only be needed if the trademark application encounters an opposition in a selected country. The Madrid System therefore offers a good solution for companies that are interested in protecting their trademarks and up until now were deterred by the high costs and the cumbersome procedures of filing trademark applications in various countries separately.

There are numerous considerations that each client must take into account in determining the most cost-effective and comprehensive trademark protection for its brands, and the decision whether or not to use the Madrid System must be analyzed on a case by case basis, as there are other available routes that may be more suitable for its needs.

Our office will be happy to assist clients wishing to consider submitting an international trademark application through the Madrid System.

*This update is provided by our firm for informational purposes only and is not intended as legal advice.*

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