

Client Alert

October 2019

For further information, please
contact:



Chew Kherk Ying
Partner
+603 2298 7933
kherkying.chew@wongpartners.com



Woo Wai Teng
Senior Associate
+603 2299 6508
[waiteng.woo@wongpartners.com](mailto:wai teng.woo@wongpartners.com)

Accession to the Madrid Protocol

After much anticipation, Malaysia deposited its instrument of accession to the Madrid Protocol with the World Intellectual Property Organization ("**WIPO**") on 27 September 2019.

In preparation of accession to the Madrid Protocol, the trademark laws were amended and the Trademarks Bill 2019 ("**Bill**") was passed by the Parliament on 23 July 2019. The Bill is currently pending to be gazetted. Meanwhile, the Intellectual Property Corporation of Malaysia ("**MyIPO**") has published the proposed Trademarks Regulations 2019, providing tentative details on the implementation of the Madrid Protocol in Malaysia.

The Madrid Protocol will come into force in Malaysia on 27 December 2019.

What is Madrid Protocol

The Madrid Protocol refers to the Protocol in relation to the Madrid Agreement concerning the International Registration of Marks as administered by WIPO.

At present, trademark owners in Malaysia who want to protect their trademarks in other countries would have to do so by filing national applications for their trademarks in each of these countries separately. Correspondingly, a trademark owner who wishes to protect their trademark in Malaysia would need to file a national application.

With the implementation of the Madrid Protocol, trademark owners in Malaysia will be able to file one application with a single set of fee to obtain trademark protection in over 120 countries that are part of the Madrid System. Similarly, trademark owners in a member state can designate Malaysia in an international trademark registration.

Pros and Cons

The Madrid Protocol offers a convenient and cost-effective solution for local trademark owners to expand brand protection into new markets. Trademarks can be registered and managed locally for the protection in multiple territories under the Madrid System. This will likely save time and cost of the trademark owners in managing their global portfolio.

Furthermore, there is a definite examination period of either 12 or 18 months for IP offices to raise an objection to the trademark application. In the absence of any such objection, the application will gain automatic protection.

However, the Madrid Protocol is not without its shortfalls. One disadvantage is the "central attack" where the rejection of a trademark application in the home country within 5 years of the application date will result in the rejection of all applications in other territories that are based on that application.





Another limitation of the Madrid Protocol is the inability to transfer trademark ownership to an owner who is not a resident in a member country without first withdrawing the trademarks from the Madrid System.

Conclusion

The accession to the Madrid Protocol is generally welcomed, but it may not be for everyone. Businesses should carefully weigh the pros and cons before deciding to rely on the Madrid Protocol for trademark protection in other countries.

www.wongpartners.com

Wong & Partners
Level 21
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur