



Evaluation of the Madrid Treaty for the Protection of Trademarks

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ABSTRACT

In recent decades, the world has globalized at a rapid pace bringing hitherto unimaginable developments to different facets of life, socially, economically and otherwise. This trend has impacted virtually all aspects of human endeavor, especially in the areas of commerce, and cross-border travels of goods and services through information technology and dissemination, and technology acquisition. Also, the movement of goods and services across international borders has been made relatively seamless through the availability of instant information courtesy of the internet. With all these developments, the need has arisen, unlike ever before, for the protection of investors' businesses and other related proprietary interests, especially in foreign countries. One of these interests, and undoubtedly, the subject of this paper, is intellectual property. Specifically, this paper discusses the issue of international trademark protection in the context of the Madrid Agreement and Protocol on the protection of trademarks. Adopting the doctrinal method of research approach, the work did a comparative analysis of the two instruments. It x-rayed the system, bringing to the fore, the enormous benefits accruing to the use of the system. Prominent among them is that an applicant under the system has the advantage of single registration in a single language. Findings revealed among other things that, though the Protocol undoubtedly complements the Agreement, there are significant differences between the two, pointing to the inference that the Protocol was made to ameliorate the difficulties encountered in trademark registration under the Agreement. Also, it is our finding that Nigeria is yet to accede to these treaties. It was accordingly recommended that the Government of Nigeria should immediately accede to the System for Nigerians to enjoy the full benefits arising from the system without more.

KEY WORDS: Protocol, Intellectual, Trademark, System, Madrid, Agreement, Registration.

1. INTRODUCTION

Before now, much less attention has been paid to trade marks, even though these intellectual property assets are more widely used by firms of all types across the whole economy. A growing empirical economic literature is now emerging that explores the expanding use of trademarks and tries to evaluate the economic role and impact of this type of intellectual property. Being a source of visible identification and reputation, trademarks has become a strategic asset to firms competing on the basis of product differentiation and customer loyalty and patronage. When successful, trademarks become associated with perceived value to users and, consequently, are a source of higher margins for the firms that use them. As one of the main forms of intellectual property rights, both innovative and non-innovative firms use trademarks.¹ The primary economic function of trademarks is not, as with patents, to give firms incentives to invest in research and development, but to signal quality and good will, to enhance efficiency by reducing consumer search costs, and to support firm branding efforts. The focus of this paper is therefore on the import of the provisions of the Madrid Treaty on Trademarks protection. The paper is organized as follows: the first part deals with the meaning of Trademark, wherein we shall do a little review of literature on the subject; the second part will focus on the importance of trademarks; while the final part will be discussing the Madrid Treaty on the protection of Trademarks, and matters related thereto. From the discussions on the above, we shall draw a conclusion and make necessary recommendations.

2. The Meaning and Scope of Trademarks.

While patents and copyrights can be described as governmental grants which give their inventor the right to exclusively use, make, or sell a product for a pre-determined time period, trademarks until very recently were merely perceived as indicators of the commercial origin of goods. Therefore, trademarks were never classified as monopolies.² But then, trademark protection entails inherent monopolistic elements. In fact, it is arguable that the monopolistic elements inherent in trademark protection are extending beyond reasonable limits.

¹ According to William Lazonick, an innovative firm is one that has implemented an innovation during the period under review. It develops productive resources to differentiate itself from its rivals, and utilizes the productive resources which it has developed to generate the higher-quality, lower-cost products that are the source of its competitive advantage. See William Lazonick, "Innovative Business Models and Varieties of Capitalism: Financialization of the U.S. Corporation", *The Business History Review* Vol. 84(4) (2010), 675-702.

² K. Borchardt, "Are Trademarks an Anti-Trust problem?" *Georgetown Law Review*, 31(3), (1943), 245.

The term trademark has several different definitions by different authors and commentators. As observed by Davis Bainbridge, a trademark is frequently defined by the courts as a mark, sign or symbol, the primary and proper function of which is, “to identify origin or ownership of the goods to which it is affixed”.³ Frank Schechter argued that based on the evidence of more than one hundred years, this definition of the function of the trademark has been in use with almost unvarying uniformity throughout the formative period of trademark law up to the present day.⁴

According to the definition from the United States Patent and Trade mark Office:

A trademark includes any word, name, symbol, or device, or any combination, used, or intended to be used, in commerce to identify and distinguish the goods of one manufacturer or seller from goods manufactured or sold by others, and to indicate the source of the goods. In short, a trademark is a brand name.⁵

From this definition, a trademark may be synonymous with a brand name even though there may, in practice, be some distinguishing features.

Under the provisions of European Union Trademark Law,

A trademark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.⁶

David Kitchin and others define trademark as a sign which distinguishes particular goods or services particular to one undertaking from the goods or services of other undertakings.⁷ In the same manner, section 67 of the Trade Mark Act of Nigeria,⁸ describes a trade mark as:

a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the rights either as proprietor or as registered user to use the mark...⁹

Also, according to article 15 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)¹⁰, trademarks is “Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trade mark.” Commenting on this definition, MirësiÇela, posits that there are several understandings in this definition. Firstly, a trademark is defined in substance as a sign. It can be denomination, letters, numerals, combination of colors, or any combinations of these elements. Secondly, a trademark is defined by its function. The sign must be distinctive. In its traditional understanding, the trademark protection was designed to fulfill the public policy objective of consumer protection. It prevents the public from being misled as to the origin or quality of products. Thirdly, a trademark is defined in legal terms. It is a type of industrial property. Trademark protection grants the owner the exclusive right to use the signs to identify the goods or services produced or to authorize another party to use them in return for payment.¹¹ Trademarks are defined as a combination of these different dimensions.

A trademark is defined as ‘any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings’.¹² As the definition shows, trademarks are not limited to symbols in the strict sense.

The definition of trademark is a closed and exhaustive definition in that a “sign” must satisfy certain requisite conditions before it will qualify as a trademark. The requisite conditions are:

- (i) the sign must be capable of being represented graphically; and
- (ii) the sign must be capable of distinguishing the goods or services dealt with or provided in the course of trade by a person from those provided by another person.

From the foregoing, no type of sign is automatically excluded from registration unless it is clear that the sign does not constitute a trade mark. Therefore, a trademark may be understood as any perceptible sign including words, names, letters, numerals, symbols, designs, devices, or any combination thereof, shapes of goods or of their packaging, used or intended to be used in commerce to identify and distinguish goods or services of one undertaking from those of other undertakings. But there may be additional requirements under different national laws.

There is a wide difference between what is covered by the trademark and the product itself. Generally speaking, what is covered by a trademark is extrinsic to the product itself.¹³ Therefore, the functional qualities and peculiarities of an article lie outside the boundaries of trademark protection. That

³ Davis I. Bainbridge, *Intellectual Property*, 9th Ed. (London: Pearson Education, 2012), p. 655.

⁴ Frank Schechter, *The Historical Foundations of the Law relating to Trademarks*, (New York: Columbia University Press 1925), p. 19.

⁵ United States Patent and Trademark Office, [http://www.uspto.gov/faq/trade_marks.jsp#DefineTrade mark](http://www.uspto.gov/faq/trade_marks.jsp#DefineTrade%20mark), accessed on 10th January, 2019.

⁶ Article 2 of the Trademark Directive to the European Union Trademark Law, 2015.

⁷ David Kitchin and others, *Kerly’s Law of Trade Marks and Trade Names*, 14th ed. (London: Sweet and Maxwell, 2005), p. 10.

⁸ Cap T13 LFN, 2010.

⁹ See generally the cases of *Maersk Line & Anor v. Addide Investment Limited & Anor.*, (2002) NWLR (Pt. 778), 381; *Ferodo Limited v. Ibeto Ind. Limited*, (2004), 5 NWLR (Pt. 866), 347.

¹⁰ The TRIPs Agreement, signed in 1994 as a founding element of the World Trade Organization (WTO), represents the most important attempt to establish a global harmonization of Intellectual Property protection.

¹¹ MirësiÇela, “The Importance of Trademarks and a Review of Empirical Studies”, *European Journal of Sustainable Development*, Vol. 4, Issue 3, (2015), p. 126.

¹² B. Paster, “Trademarks- Their Early History”, *Trade Mark Reporter*, 59, (1969), p. 551.

is not to say that trademarks do not convey any information about the quality and characteristics of products. Nevertheless, information about the attributes of products is gained from the consumers' experience with the products attached to the trademark, rather than from the trademark itself.¹⁴

In modern practice, words are the most common types of marks. Word marks include: coined word marks (fanciful marks) such as Kodak; random word marks which have no connection to the products to which they are attached such as Apple; or words that suggest the product function (suggestive marks) such as Klin.¹⁵ Nonetheless, business entities that adopt word marks and especially suggestive marks run a risk that these words will become generic, hence, will eventually fall into public use.¹⁶ In this case, a trademark will lose its legal protection. Supporting this, Hughes argues that it re-asserts the proposition that once re-privatized, the trademark loses its private property characteristics and becomes free to use within the public sphere.¹⁷

3. Functions/Importance of Trademarks

Trademarks have long been used by manufacturers and traders to identify the origins of their goods and services and to distinguish them from goods and services made or sold by others. This function of identifying the source of goods and services has historically been the most important element of trademarks. Trademarks play a central role in the economy and are the subject of national trademark laws in most countries of the world.

The ownership of trademarks give proprietor the legal and exclusive right to prevent all third parties from using identical or similar signs, for identical or similar goods or services, where such use would result in the likelihood of confusion.¹⁸ In the opinion of F. O. Babafemi, the major function of trademarks is to ensure that anyone who is not the proprietor or registered user of a particular mark or a licensee thereof, should not be allowed to benefit from the goodwill attaching or potentially attaching to the trade mark in question.¹⁹

According to M. P. McKenna, a historical analysis demonstrates that trademark protection was not granted primarily in the interest of consumers, but rather, in favor of producers. That is to say that, trademark law, like all unfair competition law, sought to protect producers from illegitimate diversions of their trade by competitors.²⁰ Hence, in *Sykes v. Sykes*,²¹ the Court upheld a verdict for the plaintiff against defendants who marked their shot-belts and powder-flasks with the words "Sykes Patent" in imitation of the plaintiff's use of the same mark for its shot-belts and powder-flasks. After specifically noting that the plaintiff's sales had decreased after the defendants began selling their identically labeled products, the Court concluded that the defendants had violated the plaintiff's rights by marking their goods so as to denote that they were of the genuine manufacture of the plaintiff and selling them to retail dealers, for the express purpose of being resold, as goods of the plaintiff's manufacturer.

A number of common law cases following the *Sykes* decision recognized claims in similar circumstances, imposing liability when a producer sought to pass off its goods as those of a competitor.²² These cases generally were brought as actions on the case, in the nature of deceit.²³ Despite the form of action, courts in these early cases invariably described the defendant as having practiced fraud against the plaintiff.

Apart from the legal and exclusive right enjoyed by the proprietor of a trademark, there numerous other functions of trademark protection. According to Jeremy Philips, a trademark, and of course the trademark system, have an important role in the economy, not only in relation to the origin of the goods or services, but also concerning the quality and the position of goods and services in the market place.²⁴ Thus, in its essence the trademark system is designed to perform the following functions.

a. To Identify the Actual Physical Origin of the Goods and Services

The theory that the trademark is designed to serve as a badge of origin of goods and services, is one of ancient provenances.²⁵ The trademark first presents the consumers with the initial information regarding the origin of goods and services. It tells them that the trademark is made and designed by a particular producer and by no one else. Thus, a brand itself is a seal of authenticity, a practical method for consumers to appreciate the quality of goods by viewing the mark rather than inspecting each product.²⁶

b. To Guarantee the Identity of the Origin of Goods and Services

¹³ W. Molengraff, "The Nature of Trademark", *Yale Law Journal*, 29(3), (1920), p. 303.

¹⁴ N. Economides, "The Economics of Trademarks", *Trade Mark Reporter*, 78 (1998), p. 533.

¹⁵ S. Levy and D. Rook, *Brands, Consumers, Symbols and Research* (Thousand Oaks, Calif: Sage, 1999), p. 173.

¹⁶ S. Diamond, "How to Use a Trademark Properly", *Trade Mark Reporter*, 61, (1971), p. 431-433.

¹⁷ J. Hughes, "The Philosophy of Intellectual property", *Georgetown Law Journal*, 77, (1988), p. 287.

¹⁸ V. S. Vadi, "Trade Mark Protection, Public Health and International Investment Law: Strains and Paradoxes", *The European Journal of International Law*, Vol. 20, no. 3, (2009), p. 774.

¹⁹ F. O. Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria, 1st ed.* (Ibadan: Justinian Books Limited, 2007), 187-188.

²⁰ Mark P. McKenna, "The Normative Foundations of Trade mark Law", *Notre Dame Law Review*, Vol. 82:5, (2007), p. 1841.

²¹ (1824) 3 B. & C. 541, 107 Eng. Rep. 834 (K.B.)

²² *Blofeld v. Payne*, (1833) 4 B. & Ad. 410, 411-12, 110 Eng. Rep. 509, 510 (K.B.).

²³ *Edelsten v. Edelsten*, (1863) 1 De. G.J. & S. 185, 199, 46 Eng. Rep. 72, 78 (Ch.).

²⁴ Jeremy Phillips, *Trade Mark Law: A Practical Anatomy*, (London: Oxford University Press, 2003), p. 23-28.

²⁵ *Ibid.* p. 23.

²⁶ Frederick Mostert, "Authenticity: The Timeless Quest" *Trade Mark World*, 156, (2003), p. 24.

This function of trademarks was referred to by the European Court of Justice in the case of *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*,²⁷ wherein the Court stated that:

... according to the settled case-law of the Court, (sic) the essential function of the trademark is to guarantee the identity of the origin of marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trademark to be able to fulfill its essential role in the system of undistorted competition..., it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality.²⁸

This point addresses the relationship of the trademark owner with his competitors by enabling him to keep his channel of communication to the consumer free from interference by other, unauthorized uses of the same or similar trademarks. The relationship that the law seeks to protect is one of “undistorted competition” between two or more competitors.²⁹ To that extent, this function of a trademark is concerned with and referred to in competition law more than in traditional trademark law. It should be noted that the difference between guaranteeing “the identity of the origin of goods and services” and guaranteeing the “physical origin of goods and services” itself is not always visible in most cases.

c. To guarantee the quality of goods and services

The trademark identifies a product as satisfactory and thereby stimulates further purchases by the consuming public.³⁰ A trademark serves not only as a badge of origin but also as the guaranteeing symbol of the quality and prestige of the goods and services bearing the mark. In other words, the trademark promises the consumer satisfaction and the chance of repeated satisfaction. For instance, with the trademark “Coca-Cola”, consumers will be informed not only of the origin of a famous brown colour soft-drink of an American producer but also its taste and safety.

d. To Serve as an Advertising Symbol of the Goods or Services of Producers

This theory is derived from the traditional function of trademark as an indication of the origin and the quality of goods and services. Under this view, a trademark may also be used as an advertising tool used for promoting trade in the product in the marketplace. By the Sixteenth century, as industrialization took hold, traders not only applied marks to their manufactured goods but also used their marks in connection with their advertising activities. The message hidden inside a trademark can give consumers more information about the product. It brings them the assurance of the origin and quality of goods or services and, at the same time, creates a link between the consumers and the products attracting and connecting the product to the trademarks that they were familiar with. Thus, the mark itself acquires an advertising function as a symbol rather than a signal. Reinforced by advertising, the trademark could evoke the product’s broader attributes and make it desirable to the consumer.³¹

4. The Madrid Treaty

One of the cardinal characteristics of a trademark is territorial limitation. According to this principle, a trademark will normally be registered in a certain territory or country and will only be protected by the laws of that country. Most countries base trademark protection on an act of registration. Accordingly, the protection of a trademark in one country will not extend to other countries, except in the case of international conventions containing specific provisions on international protection of intellectual property rights in general and trademarks in particular. In addition, even though trademarks are regulated by each country independently, because goods travel beyond country borderlines and bear trademarks, trademark law now has international implications and requires global protection. It is on this basis that the need to have a uniform system of international protection of trademarks arises.

As obtainable within the domestic system, the regulatory regime that governs the protection of trademarks across borders is aimed at protecting the intellectual property of registered owner of marks from infringement outside the mark’s country of origin. In this respect, the more recent rules regulating this area are intended to harmonize the process of registering and protecting trademarks against infringements across borders. This is where the relevance of the Madrid Agreement Concerning the International Registration of Marks 1891 (as variously amended) and its Protocol which was made in 1989 is anchored. For the purpose of this segment, we shall discuss these Treaties differently.

4.1 The Madrid Agreement

The Madrid Agreement relates specifically to the international registration and protection of trademarks and is meant to simplify and standardize the regime of cross border protection of trademarks. Article 1 of the Agreement establishes a Special Union (S.U.) of the members. Under the Agreement, registration is by filing the trademark in question at the International Bureau of Intellectual Property (IBIP) under the aegis of the World Intellectual Property Organization (WIPO).³² This is to be done through the intermediary of the relevant trademark office in the home country of the trademark’s origin, that is, the national office in the country where the person applying to register the mark(s) is deemed to be domiciled. It is also important to note

²⁷ Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, (1999), ETMR 1.

²⁸ See also, *Arsenal Football Club PLC. v. Matthew Read* (2002), ETMR 975, or (2003) ETMR 227 (ECJ).

²⁹ See Jeremy Philips *Op. Cit.* p. 25.

³⁰ Frank Schechter, “The Rational Basis of Trademark Protection”, *Harvard Law Review Volume*, 40, (1927), p. 813.

³¹ Catherine Seville, *EU Intellectual Property Law and Policy*, (Cheltenham, U.K.: Edward Elgar Publishing Limited 2009), p. 210.

³² See article 1(2) of the Agreement.

that under the Madrid Agreement, the indices for domicile of a person for purposes of the S.U. are virtually on all fours with those stated under the Paris Convention, including the factor where a person has investments in industrial or commercial establishment within a foreign country.³³

Article 4 of the Madrid Agreement stipulates the effect of international registration of marks. In the main, from the date of an international registration of any trade mark at the IBIP, the protection of the mark becomes effective in all contracting countries as if the mark has been registered locally in each of these countries. As an extension to this provision, article 4of the Agreement provides that where a locally registered mark is subsequently registered at the IBIP, the latter international registration shall be deemed, without prejudice to rights already acquired under the earlier local registration, to have replaced the national registration. On request by the IBIP, this development would have to be noted by the local office that registered the mark.³⁴However, it should be noted that where authorized by local legislation, a country may refuse to validate a mark within its territory if there are grounds, compatible with its local trade mark legislation that makes such marks unregistrable.³⁵It is however imperative that the local office has to notify the IBIP within one year, of its reasons for so acting, failing which it loses the right to exercise the option to decline giving effect to any such mark.

In terms of the ambit of protection in relation to protected marks, article 6(1) of the Madrid Agreement stipulates that a registered mark is valid for a term of twenty years and is renewable for another 20 years, on terms.³⁶However, it is to be noted that once a mark has been registered internationally for 5 years, it becomes independent of the mark earlier registered in the country of origin and assumes its own distinct identity as an international mark.³⁷

However, by the provision of Article 6 of the Agreement, this provision above will not be available if within five years of the international registration the local mark no longer enjoys protection within the country of original registration.³⁸ The import of this Article 6 is clearly that for a period of five years from the date of its registration, an international registration remains dependent on the mark registered or applied for in the Office of origin. If, and to the extent that, the basic registration ceases to have effect, whether through cancellation following a decision of the Office of origin or a court; through voluntary cancellation; or through non-renewal, within this five-year period, the international registration will no longer be protected. Similarly, where the international registration was based on an application in the Office of origin, it will be cancelled if, and to the extent that, that application is refused or withdrawn within the five-year period, or if, and to the extent that, the registration resulting from that application ceases to have effect within that period. After the expiry of this period of five years, the international registration becomes independent of the basic registration or basic application.

Finally, the Madrid Agreement reserves the right of the proprietor of any trade mark, at any time, to renounce the international protection for the mark in any particular country by notifying the office of origin. The local office will then communicate the renunciation to IBIP for onward communication to the countries concerned. In essence, the implication of this provision is that the proprietor of a mark could extend or limit the scope of international protection on the mark by selecting the countries within which effect are to be given to the mark in question at any particular time.

4.1.1 Shortcomings of the Madrid Agreement.

One of the major disadvantages of the Madrid Treaty is in the area of application for international registration by mark owners. Under the Madrid Agreement,an international application must be based on a registration in the Office of origin. It follows that the owner first of all complete registration requirements in the Office of origin before proceeding to international registration. It has been argued that this requirement under the Agreement is capable of occasioning double expenses.

Also, under the Agreement, where an international registration is cancelled at the request of the Office of origin, possibly because of refusal of the Office of origin to register the mark or invalidation of the basic registration within five years from the date of the international registration, such decision leads to the non-use of the trademark. It is for these reasons and many more that the Madrid Protocol was made to, among other things, ameliorate these disadvantages of the Madrid Agreement. This will be discussed more when we shall do a highlights of the comparison between the Agreement and the Protocol.

4.2 The Madrid Protocol

Allied to the Madrid Agreement on trademarks is the Madrid Protocol. It was in a bid to improve on the Madrid Agreement that the Protocol was made. As an international instrument on trademarks, the Madrid Protocol represents a more modern addition that complements the Madrid Agreement in the area of international trademark protection. The Protocol was first adopted in 1989 and amended in 2006, 2007 and 2008. As explained above, the Madrid Agreement and the Protocol have some identical provisions, while, comparatively, some of their provisions seem contradictory.

³³ See Article 2 of the Agreement.

³⁴ See Article 4(2)bisof the Agreement.

³⁵ See Articles 5(1)(2) of the Agreement. The local office so doing will communicate its decision and the grounds for such decision to the IBIP.

³⁶ See Articles 6(1) and 7 of the Agreement.

³⁷ See Article 6(2) of the Agreement.

³⁸ See Article 6(3) of the Agreement.

4.3 Comparison between the Agreement and the Protocol

We have noted earlier that the Protocol complements the Madrid Agreement in several respects. Article 1 of the Protocol provides that Contracting parties to the Protocol, whether they are existing members of the Madrid Agreement or not, shall be members of the same Union to which the members of the Madrid Agreement belong. The provisions in the Madrid Agreement relating to the effect and modalities for international registration of trademarks and the right of a Contracting Party to decline to give effect to a registered mark within its territory are, to a large extent, replicated in the Protocol.³⁹

The above notwithstanding, as noted earlier, there are some provisions in the Madrid Agreement and the Protocol that appear to contradict one another. A few examples will be given for the present purpose.

Article 6(1) of the Madrid Agreement stipulates a term of twenty years for registered marks, while article 7 provides for a renewal term of another twenty years. In contrast to these provisions, Article 6(1) of the Protocol provides for a validity period of ten years for registered marks, while article 7(1) of the Protocol also provides for a renewal period of ten years. From the above provisions, it is uncertain how these seemingly inconsistent provisions will be applied. It is arguable, however, that the provisions of the Madrid Agreement would trump those of the Protocol being that the Protocol is deemed to have derived its existence from the Agreement. Prior to 2008 amendment to the Protocol, the position was supported by Article 9 of the Protocol captioned 'Safeguard of the Madrid (Stockholm) Agreement, which, in brief, provides that with respect to an international application or registration where the office of origin is in a state that is a party to the Madrid Agreement and Protocol, then the provisions of the Protocol shall have no effect in any other country that is also a party to both of these instruments. That is to say that the Contracting party will be bound by the provisions of the Agreement.

However, it should be noted that though both instruments are complementary to each other in certain aspects, the Madrid Agreement and the Madrid Protocol are independent treaties with separate, but overlapping memberships. It follows that, as long as all countries party to the Madrid Agreement have not joined the Protocol, there will be three groups of members of the Madrid Union: States party only to the Madrid Agreement, States and organizations party only to the Protocol, and States party to both the Madrid Agreement and the Protocol. The question that arises now is, which of these treaties will be binding on States party to both the Agreement and the Protocol?

Currently, as at 2008, the situation regarding the mutual relations of Contracting Parties bound by both treaties is regulated by a new paragraph (1)(a) of Article 9 *sexies* of the Protocol. Under this provision, where, with regard to a given international application or registration, the Office of origin, or the Office of the Contracting Party of the holder, is the Office of a State party to both the Agreement and the Protocol, then the designation of a Contracting Party also bound by both treaties will be governed not by the Agreement, but by the Protocol, which is the reverse of the situation under the amended Article 9 of the Protocol. In effect, therefore, in the case of an international application where the Office of origin, or in the case of an international registration where the Office of the Contracting Party of the holder, is the Office of a Contracting Party bound by both treaties, a designation of a Contracting Party bound only by the Protocol will, of course, continue to be governed by the Protocol, a designation of a Contracting Party bound only by the Agreement will, likewise continue to be governed by the Agreement, and now, by virtue of new Article 9 *sexies*(1)(a), a designation of a Contracting Party bound by both treaties will, instead of being governed by the Agreement, be governed by the Protocol.

As point out earlier, the Madrid Protocol was adopted in order to introduce certain new features into the system of the international registration of marks, with the aim of removing the difficulties preventing certain countries from adhering to the Madrid Agreement. As compared with the Madrid Agreement, the Protocol introduced the following main improvements among others:

- a. Applicant may base his application for international registration on an application filed with the Office of origin; under the Agreement, an international application must be based on a registration in the Office of origin;
- b. Each Contracting Party in which the applicant seeks protection may elect for a period of 18 months (instead of one year), and an even longer period in the case of opposition, within which to declare that protection cannot be granted to the mark in its territory;
- c. The Office of each Contracting Party may receive higher fees than under the Madrid Agreement;
- d. An international registration which is cancelled, at the request of the Office of origin, for example because the basic application has been refused or the basic registration has been invalidated within five years from the date of the international registration, may be transformed into national (or regional) applications in the respective Contracting Parties in which the international registration had effect, each benefiting from the date of the international registration and, where applicable, its priority date. This possibility does not exist under the Madrid Agreement.

The above buttresses the point that the Madrid Protocol was adopted in order to introduce certain new features into the system of the international registration of marks, with the aim of removing the difficulties preventing certain countries from adhering to the Madrid Agreement.

A major advantage of the Madrid System is that after registering the mark, or filing an application for registration, with the Office of origin, an applicant or the owner of the trademark has only to file one application, in one language, and pay one fee instead of filing separately in the Trademark Offices of the various Contracting Parties in different languages and paying a separate fee in each Office. Moreover, the holder does not have to wait for the Office of each Contracting Party in which protection is sought to take a positive decision to register the mark; if no refusal is notified by an Office within the applicable time limit, the mark is protected in the Contracting Party concerned. In some cases, the holder does not even have to wait

³⁹ See Articles 2 to 5 of the Protocol.

the expiry of this time limit in order to know whether the mark is protected in a Contracting Party, since he may, before the expiry of the time limit, receive a statement of grant of protection from the Office of that Contracting Party.

A further important advantage is that changes subsequent to registration, such as a change in the name or address of the holder, or a change (total or partial) in the ownership or a limitation of the list of goods and services may be recorded with effect for several designated Contracting Parties through a single simple procedural step and the payment of a single fee. Besides, there is only one expiry date and only one registration to renew.

5. Conclusion

We have x-rayed the intendment of the Madrid Treaty as well as the Protocol. It is clear that these instruments greatly simplify the processes for registering trademarks across several States' borders. They ensure a single registration for all purposes with the possibility for adding future territories to the registration. There is also the possibility to discontinue the applicability of the registered mark in any jurisdiction any time after registration. Overall, the instruments dispense with the need for independent or fresh applications in different countries each time an applicant desires to protect a particular mark in such countries.

However, it is noteworthy that Nigeria is not a party to the Madrid Agreement or the Protocol since it has not acceded to either the Madrid Agreement or the Protocol, and it is unclear why this has been the case in the present globalized commercial environment. This notwithstanding, Nigerians can still have access to and benefit from the Madrid System by virtue of article 2 of the Madrid Agreement which has adopted members of countries that are parties to the Paris Convention,⁴⁰ which Nigeria is a member, if they are within the territories of the Special Union and fulfill the conditions stipulated under article 3 of the Paris Convention. It is our opinion that this process is avoidable hardship and retards the benefits emanating from one of the most progressive intellectual property regimes of this century. It is now left for entrepreneurs and relevant rights holders in Nigeria to make use of such a system, while the Government of Nigeria should as soon as possible accede to the System for Nigerians to enjoy the full benefits arising from the system without more.

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⁴⁰ Paris Convention for the Protection of Industrial Property, 1883.