



An Investigative Analysis of International Registration Systems of Intellectual Property

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ABSTRACT

This paper is about intellectual property rights (IPR), its introduction, purpose, process of international registration systems of intellectual property (IP) and its analysis, in the global context. It talks about the Madrid system for trademarks, Hague system for industrial designs and Patent cooperation treaty (PCT) for patents. It explains how IP can be effectively managed in a cross-national environment. It also mentions the emerging issues and the potential flash points in international domain, along with the criticism from sectors like public interest and free culture movement.

Keywords: Intellectual Property (IP), Patent Cooperation Treaty (PCT), Patent, Trademark, Industrial Design

1. Introduction

Intellectual property (IP) is a legal field that refers to creations of the mind such as musical, literary, and artistic works; inventions; and symbols, names, images, and designs used in commerce, including copyrights, trademarks, patents, and related rights. Under intellectual property law, the holder of one of these abstract "properties" has certain exclusive rights to the creative work, commercial symbol, or invention by which it is covered.

Intellectual property rights are a bundle of exclusive rights over creations of the mind, both artistic and commercial. The former is covered by copyright laws, which protect creative works such as books, movies, music, paintings, photographs, and software and gives the copyright holder exclusive right to control reproduction or adaptation of such works for a certain period of time.

The second category is collectively known as "industrial properties", as they are typically created and used for industrial or commercial purposes. A patent may be granted for a new, useful, and non-obvious invention, and gives the patent holder a right to prevent others from practicing the invention without a license from the inventor for a certain period of time. A trademark is a distinctive sign which is used to prevent confusion among products in the marketplace.

An industrial design right protects the form of appearance, style or design of an industrial object from infringement. A trade secret is non-public information concerning the commercial practices or proprietary knowledge of a business. Public disclosure of trade secrets may sometimes be illegal. The term "intellectual property" denotes the specific legal rights described above, and not the intellectual work itself.

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The international protection for trademarks, industrial designs and patents is carried out through three registration systems: The Madrid System for trademarks, the Hague System for industrial designs, and the Patent Cooperation Treaty (PCT) that facilitates the application for patents in different countries.

The purpose of this study is that we should critically study and analyze these international system since Intellectual property rights give creators exclusive rights to their creations, thereby providing an incentive for the author or inventor to develop and share the information rather than keep it secret. The legal protections granted by IP laws have global ramifications and are credited with significant contributions toward economic growth.

Economists estimate that two-thirds of the value of large businesses in the U.S. can be traced to intangible assets. Likewise, industries which rely on IP protections are estimated to produce 72 percent more value per added employee than non-IP industries. Additionally, a joint research project of the WIPO and the United Nations University measuring the impact of IP systems on six Asian countries and found that "a positive correlation between the strengthening of the IP system and subsequent economic growth." However, correlation does not necessarily imply causation.

2. International Registration Systems

There are actually three systems. One is known as the Madrid system, which is for the international registration of trademarks and is governed by two treaties which complement each other. They are the Madrid Agreement and the Madrid Protocol. Then there is the system of international registration or more correctly international deposit of industrial designs, which is governed by the Hague Agreement. The third is the patent cooperation treaty (PCT) system for processing the applications for the grant of patents.

2.1 Madrid System

An applicant can obtain an international trademark using the Madrid System, following the below mentioned process. The applicant files an international application with the International Bureau of World Intellectual Property Organization (WIPO) in Geneva, and in it the applicant designates the countries that are party to the treaties in which applicant wants the mark to be protected. WIPO registers the mark and then pass it on to the countries that have been designated, which then have the possibility of refusing protection. They would normally examine it as though it were an application filed with them directly and apply their normal national criteria accordingly. If they refuse it, the refusal is notified to the International Bureau of WIPO and entered against the mark for that country in the International Register. So, in other words, a person does secure international registration, but whether or not it is protected in a given country is determined by that country. The figure 1 shown below, is the flow diagram of the entire process.

There are basically two substantive questions which are investigated by national offices. One is whether the mark is capable of functioning as a trademark, in other words whether it is capable of distinguishing goods and services, and the other is whether it conflicts with a mark already protected in someone else's name. And countries do actually differ very much in their approach to this examination. Some conduct a full examination and some do not.

There is one more fundamental requirement of the international system of registration. When the system started, over a hundred years ago, it was really intended to be a means of extending the protection provided by a domestic registration to the other countries of the Madrid Union. The system has become rather more sophisticated and more complex since then, but the principle continues that you must in the first instance, either have a registration in the home country of origin or, if the international application is made exclusively under the Protocol, at least have filed an application for registration in the home country.

If the national application is refused, that will of course have the corresponding effect on the international registration. There is a dependent relationship between the national protection and the international protection for a period of five years. But in the case that you mention, where the national application is refused, presumably very soon after the international registration is applied for and therefore, within the five-year period, this would result in the international registration being cancelled. If the refusal at the national level is only partial, then the cancellation would be correspondingly partial.

You can actually protect it indefinitely, but in the international system and indeed in national systems too you have to renew it from time to time. An international registration is renewed by paying the fees again every ten years, and I think ten years is becoming a standard term at the national level, but, as I say, there is no limit to the number of times that it can be renewed.

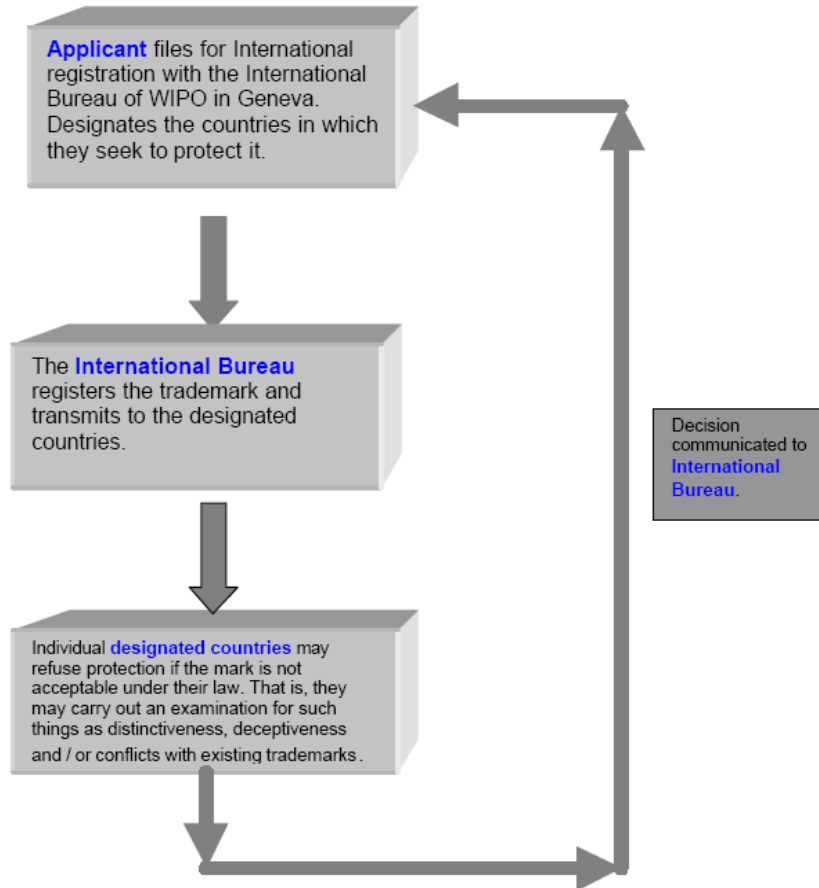


Figure 1: Process of International registration of trademarks

System of international registration of marks offers several advantages for trademark owners. After registering the mark, or filing an application for registration, with the Office of origin, a trademark owner has only to file one application, in one language, to one office, and pay fees to one office. This is done instead of filing separate applications in trademark Offices in various countries, in different languages, and instead of paying a separate fee in each Office. Similar advantages exist when the registration has to be renewed or modified.

2.2 Hague Agreement

The Hague System of protection deals with the international protection of industrial designs. As a general rule, industrial design protection is limited to the country where protection is sought and granted. If protection is desired in several countries, separate national applications (or 'deposits') must be made and the procedures will normally be different in each country. However the Hague agreement concerning the International Deposit of Industrial Design helps to facilitate this process.

The main aim of the Hague System is to enable protection to be obtained for one or more industrial designs in a number of countries through a single deposit filed with the International Bureau of WIPO. The office can be the International Bureau of WIPO or possibly the national office of the contracting State if such State so permits. An international deposit does not require any national deposit. Once the industrial design is the subject of such an international deposit, it enjoys the protection that would be obtained in each of the countries listed, as if the applicant had applied directly to that country, provided that particular country does not explicitly refuse protection.

The system gives the owner of an industrial design the possibility to have his design protected in several countries by simply filing one application with the International Bureau of WIPO, in one language, with one set of fees in one currency (Swiss francs).

Well, as with all industrial property rights, you acquire the exclusive right to the use of the design. In other words, the designer of the new-look corkscrew that is novel, or the creator of a new furniture style or a new range of fabrics, or garments made out of those fabrics, acquires the exclusive right to make and sell them, in just the same way as a person with a patent has the exclusive right to work that patent.

Yes, protection of industrial design lasts for a fixed period of time, but the length of the period is not yet uniform. I think the shortest period in any country is probably ten years. Periods of 15 and 20 years are common, and the new European Community Directive sets a term of 25 years, so that will become the standard term in the countries in the European Union once the Directive is implemented.

Hague system works in the same way as the Madrid system. In Madrid system, a Gazette of actions is published and in Hague system, a Bulletin of actions is published, within the respective system's procedures.

There are a few differences in the two systems. In fact, as far as the Hague Agreement is concerned, there are very few countries that actually examine applications, and consequently, very few refusals. This is in sharp contrast to the position regarding trademarks. Another difference between the protection of industrial designs under the Hague Agreement and the protection of marks under the Madrid Agreement and Protocol is that you don't need to start with protection in the country of origin. So for example a designer in France can make an international deposit and through it secure protection in France as well as in Switzerland, Italy, the Benelux countries and Spain.

2.3 Patent Cooperation Treaty (PCT)

The national patent system requires the filing of individual patent applications for each country for which patent protection is sought. In other words, the principle of territoriality will apply. In order to overcome some of these problems, the Patent Cooperation Treaty (PCT) was adopted in 1970. The PCT provides a simplified procedure for an inventor or applicant to apply for, and eventually obtain, patents in a large number of countries.

The PCT has a principal objective: to simplify, make more effective and economical, in the interests of the

users of the patent system and the Offices that have the responsibility for administering it, the previous or traditional methods of applying for patent protection for inventions in several countries.

Two points are worth mentioning here. First, it is not the PCT that grants patents; it is in fact the national offices at the end of the process, each of which, as far as it is concerned, grants a patent based on the PCT application. And secondly, there is no such thing as a worldwide patent. The PCT doesn't provide for this at all, and the result of the procedure that I mentioned earlier, will in fact be a number of regional and/or national patents. Maybe there will be only one, if the applicant completes the procedure in only one office, but there could be 10, 25, 50 or as many as the applicant eventually wishes to obtain. The figure 2 shown below, distinctly shows two phases, namely international and national.

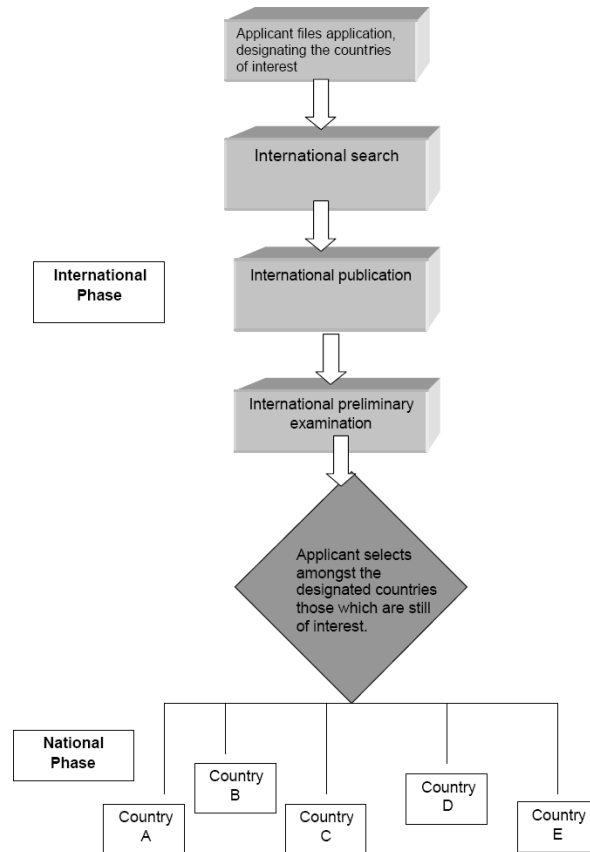


Figure 2: The process involved when an applicant uses PCT

The main advantage for the applicant is that, by filing one application at one patent office, which will in most cases be his home patent office, he will obtain an international filing date for his application, and that filing date will have the effect of a regular national filing in every country he has designated. So the mandatory requirements that the applicant has to comply with are very few – such as making a specific request for the filing of a PCT application, stating his nationality or residence, so as to confirm that he is eligible to file such an application, and filing of description and claims.

Another advantage certainly worth mentioning is that the applicant, by filing his application, basically gains time, indeed quite a lot of time, before he has to decide whether to go ahead with his application. The time gained by this process could be about a year and a half, which is what making use of the entire PCT procedure to the fullest extent possible would allow.

In addition, there are advantages for the national patent Offices. Namely, Patent Offices can handle more patent applications since those via the PCT are easier to process due, in particular, to the fact that verification as to compliance with formal requirements has generally been checked already during the international phase. Patent Offices can save certain publishing costs. If the international application has been published in the official language of a country, it can forego publication altogether. Countries having a different official language may limit themselves to publishing only a translation of the abstract, which accompanies international applications. Copies of the full text of the international application could be supplied upon request to interested parties. The PCT does not affect the revenue of designated Offices unless they decide voluntarily to give a rebate on national fees in view of the savings they make through the PCT and in order to make the use of the international application route more attractive to the applicant. Annual or renewal fees, the most profitable source of revenue for most Offices, are not affected by the PCT.

Examining the patent office benefits, in respect of most applications originating from abroad, from an international search report and an international preliminary examination report. Non-examining Offices receive applications already examined as to form, accompanied by international search reports and generally by international preliminary examination reports. This will put an Office, and the national industry affected by a patent and/or interested in licensing, in a much better position compared to the traditional system of filing national or regional applications.

3. Criticism

Some critics of intellectual property, such as those in the free culture movement, characterize it as intellectual protectionism or intellectual monopoly, and argue the public interest is harmed by protectionist legislation such as copyright extension, software patents and business method patents. Although the term is in wide use, some critics reject the term "intellectual property" altogether. Stallman (2008) argues that it "systematically distorts and confuses these issues, and its use was and is promoted by those who gain from this confusion." He suggests the term "operates as a catch-all to lump together disparate laws [which] originated separately, evolved differently, cover different activities, have different rules, and raise different public policy issues." These critics advocate referring to copyrights, patents and trademarks in the singular, and warn against abstracting disparate laws into a collective term.

4. Enforcing Intellectual Property Rights (IPR)

Because IPR are private rights, it is the responsibility of the right holder to protect them. However, governmental authorities also play a role in ensuring that the infringing activity is stopped and that piracy and counterfeiting on a commercial scale are effectively deterred. E-governance can play a vital role in this context.

4.1 Monitoring the Market for IPR Infringement

In order to stop infringements that could damage your business's reputation and undermine the value of your IPRs, you must actively monitor the marketplace for unauthorized uses of your trademarks, copyrights, or patents. Examples of monitoring activities include:

- Putting in place your own program or hiring a service that monitors the market for infringement through techniques such as conducting wholesale, retail, and Internet buys; technical and physical surveillance; undercover operations; and market analyses

- Hiring a trademark watch service to monitor official publications showing applications or registrations for trademarks in various countries in the world
- If you become aware of any infringements of your IPRs, you should confer with your attorney about whether to communicate your rights to the infringer and, if necessary, defend your rights through legal action. The remainder of this module provides information about legal remedies and procedures available to address infringements of IPRs.

4.2 Addressing Online Copyright infringement

Another easy and relatively inexpensive IP enforcement mechanism, known as "notice and takedown," addresses infringement of copyrighted material online. This enforcement mechanism allows a copyright owner to get infringing material taken off a U.S.-owned Web site quickly and easily. The procedure works like this:

- *Step One:* If you come across material on a third-party Web site that infringes your copyright, you can send a letter to the Internet service provider (ISP) that is hosting the Web site (e.g., AOL, Comcast). You must send the letter to the ISP's designated agent and must include certain information and statements required under the law.
- *Step Two:* If the letter contains all of the required information and statements, the ISP must "take down" (remove or disable access to) the online content in question and must provide notice to the party who posted the content on the Web that it has done so.
- *Step Three:* If the party posting the content feels that it was taken down unfairly, he or she may submit a counter-notice to the ISP ("the put back").
- *Step Four:* If the ISP receives a proper counter-notice, it must:
 - Notify you that the material will be restored in 10 business days
 - Restore the content between 10 and 14 business days from the date of receipt of the counter-notice, unless the ISP first receives notice from you that you have filed a lawsuit against the party who posted the content on the Web.

Note that any party who misrepresents a claim regarding infringing material could become liable to the ISP for any damages that resulted from the improper removal of the material. Also note that these procedures apply to U.S. disputes; procedures for addressing online infringement by foreign persons or entities may differ, and many countries do not have comparable notice-and-takedown procedures.

4.3 Addressing domain name disputes

The explosion of the Internet in the mid-1990s and the race to acquire domain names created some thorny problems for trademark owners around the world. Disputes quickly arose among legitimate trademark owners and between legitimate trademark owners and cyber squatters.

In order to facilitate the resolution of domain name disputes around the world, a dispute resolution procedure called the Uniform Domain Name Dispute Resolution Policy (UDRP) was adopted by the Internet Corporation for Assigned Names and Numbers (ICANN). A number of organizations have been approved by ICANN to hear and resolve disputes under the UDRP. Information about the UDRP and the approved dispute resolution service providers may be found through the ICANN Web site at www.icann.org/udrp.

5. Emerging Issues

Some of the emerging issues in IP domain are E-commerce programs and activities, internet domain names dispute resolution, IP in small and medium enterprises, genetic resources, traditional knowledge and folklore.

6. Concluding Remarks

This paper introduced the concept of IPR, its purpose, an investigative analysis of international registration systems of intellectual property (IP) in the global context. It brought out the importance of IP in international environment and can be effectively managed and add value to the tangible/intangible assets of the enterprise. It also mentions the emerging issues and the potential flash points in cross-national domain, along with the criticism that comes from sectors like public interest and free culture movement. and some issues related to enforcing of IPR in foreign markets. Some other issues which have not been dealt with are Cease and Desist letters, methods of addressing IP infringement without litigation, civil and administrative proceedings and criminal proceedings. Addressing these issues will enhance the quality of life of a citizen in the global context. Also, the scope of e-governance can be enhanced and respective governments can move and collaborate across national boundaries. All these put together will go a long way to create a fair and equitable society, and take us all to a better tomorrow.

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