

STUDY ON ACCESSION TO THE MADRID SYSTEM FOR THE INTERNATIONAL REGISTRATION OF MARKS

PREPARED FOR WIPO by Barbara Bennett
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EXECUTIVE SUMMARY

OBJECTIVES OF THE STUDY AND METHODOLOGY

The Study aims to support WIPO's objective of increasing the use of the Madrid System for the International Registration of Marks (hereinafter the 'Madrid System') by providing information relevant to policymakers contemplating accession to the System or promoting its use.

Information on accession to the Madrid System and its operation is derived primarily from experiences of five countries selected by WIPO: Mongolia, Republic of Korea, Singapore, Turkey and Viet Nam.

- Details and reflections on the many years of operation of the System in those countries were provided by people who have considerable expertise in the area (national experts).
 - The questionnaire developed for the purpose and the experts' responses are included as attachments to the main Report (Attachments 1-6).

BACKGROUND

Routes to Protect Marks in Foreign Markets

Trademark owners in countries or regions which are members of the Paris Union can use the provisions of the Paris Convention for the Protection of Industrial Property (hereinafter the 'Paris Convention') to apply for protection of their trademarks in other members of the Union. A member of the Paris Union may also accede to the Madrid System, providing its trademark owners with an additional route to follow in order to obtain protection for marks in other Contracting Parties.

- Both routes entail the applicant's mark undergoing procedures in the foreign jurisdiction equivalent to those which would apply to domestic filings originating within the country or region
- The Paris Convention:
 - necessitates separate applications to be filed in each jurisdiction of interest and separate procedures for maintaining any resulting registrations;
 - does not require any prior application for the trademark in any other jurisdiction.
- The Madrid System:
 - allows a single international application to be filed with WIPO through the local IP Office nominating any number of other Contracting Parties where protection is sought;
 - provides centralized maintenance of an international registration;
 - requires an international application to be based on an existing application or registration for the subject mark in the Office where the international application is filed and the resulting international registration remains dependent on that mark for a further five years.

PATH TOWARDS ACCESSION AND IMPLEMENTATION OF THE MADRID SYSTEM (summarized at 3.2)

The following steps were taken by Offices of the countries in the Study when moving towards accession to the Madrid System and its implementation.

- The sequence of tasks may vary and some may occur concurrently.

Analysis	<ul style="list-style-type: none"> • Assessing implications of accession; subsequently estimating resources required for tasks leading to implementation.
Consultation	<ul style="list-style-type: none"> • Preparatory discussions with stakeholders. • WIPO and Contracting Parties might provide assistance throughout.
Legislation	<ul style="list-style-type: none"> • Identifying and effecting changes to domestic law required to operate under the Madrid System.
Reviewing Office Processes and Procedures	<ul style="list-style-type: none"> • Identifying and implementing modifications/development of processes and procedures needed to enable compliance with the Madrid System. • Review may provide input to legislation and information technology (IT) developments.
Office Resources and Organization	<ul style="list-style-type: none"> • Assessing resources (staff, IT support, etc.) required to manage anticipated workload. Ensuring supporting infrastructure available when required.
Accession	<ul style="list-style-type: none"> • Completing accession requirements with WIPO.
Staff Training	<ul style="list-style-type: none"> • WIPO training available for a limited number of staff on accession. • Planning and delivery of training for examination and administrative staff in time for procedures to be performed when required.
Promotion and Public Education	<ul style="list-style-type: none"> • Holding of seminars/discussions in advance of accession may be of assistance. (WIPO involvement may be available.) • Providing detailed information on the System and operations in the Office from some time prior to implementation.
Implementation	<ul style="list-style-type: none"> • Commencement of operations and post-implementation review.

Challenges or constraints experienced in the lead-up to implementation included:

- complexity of changes to legislation and Office procedures and processes required to accord with the Madrid System and ensuring appropriate staffing levels for its operation; and
- some resistance from trademark agents and attorneys concerned that the availability of the Madrid System to foreign applicants would lessen the volume of incoming work.

OPERATING UNDER THE MADRID SYSTEM (summarized at 4.4)

Reviewing Arrangements after Implementation

Reviews of the measures adopted for operating under the System resulted in:

- additional adjustments to Office organization, procedures and IT support and amendments to domestic legislation to better meet the requirements of the System and needs of users; and
- continuing public education activities and training of staff.

Reviews of Office practice and procedure associated with the implementation of the Madrid System facilitated the streamlining of practice and the additional development of IT support related to domestic applications.

Impact of Operating under the System

Countries studied demonstrated a great range in the numbers of non-resident applications received and the proportion of those which originated through the Madrid System. Similar disparity was seen in the use which their traders made of the Madrid System when seeking protection for their marks in other jurisdictions. Such differences would be anticipated given the varied nature of countries' export markets and different trading partners.

- Some Offices demonstrated additional variation in the proportion of total non-resident applications from each Contracting Party which came through the Madrid System and/or in the proportion of applications originating in their country and seeking protection in other member countries which were filed under the System.
- There was a general increase over time in the number of designations coming under the Madrid System and that also represented an increasing proportion of non-resident applications.

Impact on IP Offices

Factors contributing to the reported increase in workload in IP Offices following accession to the Madrid System include:

- the general increase in applications received;
- additional work in fulfilling the functions of an Office of origin for international applications;
- Office processes and procedures for international registrations often being more complex than those for domestic applications (though some formal tasks associated with international applications are undertaken by WIPO).

Four of the countries studied the possibility of levying individual fees. All Offices stated that the revenue received under the System covered their operating costs.

Impact on Trademark Agents and Attorneys

A trademark owner wishing to file an application for registration directly with the Office of a foreign country would generally appoint an agent or attorney in that country to handle all procedures related to the application for and maintenance of any resulting registration. Under the Madrid System, an agent in the country of origin may file the international application; most other actions are managed through WIPO and the input of a local agent in a designated Contracting Party may be limited to responding to a notification by that Office of an intention to refuse protection to the mark.

The workload of agents after accession to the Madrid System depends on:

- overall numbers of applications into their domestic system;
- the proportion of non-resident filings which come under the Madrid System;
- the extent to which the System is adopted by local businesses to seek protection for their marks in other markets, and
- other concurrent changes affecting the profession.

In the countries covered by the Study, variations in terms of the above factors have resulted in differing impacts on the balance of work of trademark agents. In some countries, a significant increase in work has resulted in additional revenue while others report a certain decline in agents' revenue.

- Agents generally appear to have adjusted to these changes over time and see the potential for the System to be of significant benefit to trademark owners.

STAKEHOLDER'S VIEWS ON THE WAY FORWARD AND ITS CHALLENGES

Views of IP Offices on Advantages and Difficulties of using the Madrid System

Some Offices found potential benefits for users filing through the Madrid System, including:

- faster resolution of some or all Office procedures for international registrations than for applications filed directly through the domestic system;
- Madrid applicants may not always require representation by a local agent or attorney with regard to overcoming objections raised concerning the granting of protection for their marks.

Difficulties experienced by Offices when operating under the Madrid System included:

- failures by Offices or users to meet tight time-frames of the System could have major adverse impact on the international application;
- some Office procedures required under the System were found to be time-consuming;
- delays in communication between Offices and WIPO (though that has improved with recent changes in processes).

Views of Trademark Owners, Attorneys and Agents on Advantages and Difficulties of using the Madrid System

Key advantages of the Madrid System include:

- ease of filing international applications and maintaining international registrations;
- potential for reducing costs of protecting trademarks;
- users having more knowledge of when the outcome of procedures is likely to be known.

There is a view that certain potential problems linked to the Madrid System might be better dealt with by opting for the Paris Convention. . Such issues include situations where:

- the requirement to base the international application on a mark already the subject of an application or registration in the country of origin would limit the scope of protection in other countries;
- the basic mark may fail to achieve registration in the originating country or be susceptible to cancellation, thus making the international registration vulnerable; or
- protection is sought in only one or a few Contracting Parties.

Measures taken by Offices to encourage the Use of the Madrid System

Most Offices have taken steps to support and promote the Use of the System. Strategies employed include:

- continuing review and modification of Office procedures to make the System more accessible;
- providing additional information about the System and its development for the trademark community using different media, on occasions with input from WIPO and local IP organizations;
- maintaining dedicated consultancy services or helplines for users.

Stakeholder Views on increasing Use of the System

Perceived challenges to increasing use of the Madrid System include:

- the inability of trademark owners to use the Madrid System effectively if significant trading partners are not members of the Madrid Union;
- reluctance to use the System if there is a possibility that the basic mark will be vulnerable in the country of origin, or if protection is required for broader specifications of goods and services.

Proposed additional measures to encourage greater use of the System involve:

- increasing the membership of the Madrid Union;
- streamlining the procedural aspects of the System and simplifying its operation;
- reconsidering aspects of the legislative provisions with the aim of better meeting users' needs, with particular reference to the requirement for a basic mark and the dependency period.

It has been noted that some of these issues are being addressed as a part of the on-going work on the legal development of the Madrid System.

INTRODUCTION

1.1 OBJECTIVES OF THE STUDY

WIPO's strategy for the development of the Madrid System includes extending the geographical coverage of the System and increasing its use by existing Member States.² This Study on Accession to the Madrid System is intended to provide assistance in achieving these aims by making available information on the workings of the System based, to a large extent, on experiences of countries where it has been in operation for some time. The objectives identified for the Study are to:

- identify preparatory measures concerning the process of accession to the System;
- elaborate on the challenges and constraints encountered in the process of accession to the System;
- outline changes in IP acquisition activities of right holders and in IP administration by trademark offices subsequent to accession to the System; and
- provide relevant information to policymakers in an objective manner so that they will be well prepared when considering accession to the Madrid System.

It is important for policymakers in jurisdictions contemplating accession to be able to compare the System with other ways in which trademark owners are able to gain international protection for their marks.³ Policymakers must be in a position to assess any potential benefits arising from membership of the Madrid System in light of the anticipated effort and resources involved in acceding to, and operating under, the System.

This Report will discuss accession process and operations under the System, including any aspects which may presently constrain its use, and will compare the routes taken with a view to obtaining and maintaining protection for trademarks in export markets. That discussion will be based on information on the experience of five Contracting Parties selected by WIPO for the Study.

1.2 INFORMATION BASED ON EXPERIENCES OF CONTRACTING PARTIES TO THE MADRID SYSTEM

The countries selected for the study are Mongolia, Republic of Korea, Singapore, Turkey and Viet Nam, all countries where the Madrid System has been operating for a number of years. They have quite different histories, however.

Two of the countries were party to the Madrid Agreement prior to acceding to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter the 'Madrid Protocol'): Viet Nam became party to the Madrid Agreement in March 1949 and to the Protocol in July 2006; Mongolia has been a party to the Agreement since April 1985 and to the Protocol since June 2001.

The other countries included in the study have been party to the Protocol for eight years or more: the accession by Republic of Korea took effect in April 2003, Singapore in October 2000 and Turkey in January 1999.

² Medium Term Strategic Plan for WIPO, 2010 - 2015, pp 17-18, accessed at http://www.wipo.int/edocs/mdocs/govbody/en/a_48/a_48_3.pdf.

³ Throughout this Study the words "trademark" and "mark" should be taken as encompassing service marks, unless a different intention is stated.

The information on the experiences of these countries is provided by individuals with extensive backgrounds in the operation of the System in each country (national experts) and forms part of the Report. In order to have a consistent framework for the national experts to provide details on their country's experiences of the Madrid System, a questionnaire seeking both narrative and statistical information was developed. A copy of the questionnaire is contained in Annex 1 and the responses from each expert (Annexes 2 to 6) usually include the question immediately prior to the response.⁴

The following experts contributed to the Study:⁵

Mongolia: Odgerel Erdembileg (Ms.), Promotion Officer, Administrative Division, Intellectual Property Office of Mongolia (IPOM).

Republic of Korea: Lee, Inseok (Mr.), Examiner, International Trademark Examination Division, Korean Intellectual Property Office (KIPO).

Singapore: Louis Chan (Mr.), Legal Counsel, Asia Brand Equity, Procter & Gamble Asia Pte Ltd, Singapore.

Turkey: Mustafa Dalkiran (Mr.), Head of Trademark Department, Turkish Patent Institute (TPI).

Viet Nam: Vu ThiThuy Lien (Ms.), Senior Official, International Cooperation Division, National Office of Intellectual Property of Viet Nam (NOIP).

The differences in terms of the commercial activities carried out by the countries included in the Study, their varying histories of working in the Madrid System and variations in terms of the requirements of their domestic trademark systems might be expected to result in a range of views being expressed in response to the questionnaire. In addition to drawing attention to shared perspectives on the Madrid System, the Report will note (and, where possible, endeavor to explain) any marked differences in experience which are apparent. Some additional background to the comments of the national experts is provided in the following section of the Report, which gives a very brief overview of the routes available to traders wishing to obtain protection for marks in export markets. Details concerning recent use of the Madrid System, both generally and in the countries studied, are also provided.

⁴ References to the responses of national experts are contained in footnotes and given as the Annex number, the country (in brackets) and the relevant answer as 'A' before the number used in the response.

⁵ The national experts may have sought the views of others when preparing their responses to the questionnaire and may refer to said views in their comments. However, conclusions drawn from that information are those of the experts and do not necessarily reflect the views of the organizations by which they are, or have been, employed, or of any other organization.

2 BACKGROUND

2.1 ROUTES FOR PROTECTION OF MARKS IN EXPORT MARKETS – AN OVERVIEW

Individuals wishing to protect trademarks abroad may have up to three options when seeking to obtain said protection. The Paris Convention provides for a national route and, where applicable, a regional route to protection where applications may be filed directly with the IP Offices of countries or regions of interest. The option of the international route provided by the Madrid System is also available in cases in which the individual concerned is entitled to use it.

2.1.1 The Paris Convention for the Protection of Industrial Property

The Paris Convention⁶, which came into effect in 1883, requires Contracting Parties to recognize rights of protection for various forms of industrial property, including trademarks. The Contracting Parties to the Paris Convention, which numbered 174 in December 2011, are members of the International Union for the Protection of Industrial Property (Paris Union).

The Paris Convention ensures that countries party to the Convention shall grant nationals of other countries party to the Convention the protection they grant to their own nationals. This “national treatment” is also extended to those domiciled in or having a real and effective industrial or commercial establishment within Contracting Party. Owners of marks may take advantage of a right of priority provided under the Convention if they file an application in a Contracting Party within six months of the earliest filing for the same mark and goods in another member country. The later application(s) will then be taken as having been filed on the same date as the first application.⁷

Where Convention priority is not being claimed, there is no requirement for the applicant to have an earlier application or registration of the subject mark. The Convention prevents refusal of an application for registration filed by a national of another Contracting Party, or subsequent invalidation of a registration, solely because there has been no filing, registration or renewal in his own State. In addition, the validity of any registration of a mark in a Contracting Party is independent of its registration in any other country of the Union, including the country of origin.⁸

Under the broad controls set by the Convention, an application originating in another Contracting Party will progress in the same manner as the receiving Office requires for its domestic filings and, if the application is successful, all actions necessary to maintain the registration will also proceed under domestic provisions. This means that, even if applications are filed simultaneously in Offices of several Contracting Parties, they will progress in parallel and any resulting registrations for the mark will require separate management.

2.1.2 The Madrid System for the International Registration of Marks

Any State which is a party to the Paris Convention may become a party to the Madrid System, which operates under two separate but closely-related treaties: the Madrid Agreement Concerning the International Registration of Marks, dating from 1891 (the Madrid

⁶ The full text is available at <http://www.wipo.int/treaties/en/ip/paris/>.

⁷ Paris Convention, Articles 2(1) and (2), 3 and 4.

⁸ Paris Convention, Article 6.

Agreement or the Agreement), and the Protocol Relating to the Madrid Agreement (the Madrid Protocol or the Protocol), which came into operation in April 1996.⁹ It is possible to accede to both treaties; however, intergovernmental organizations may only become party to the Protocol.¹⁰ In December 2011 there were 85 members of the Madrid System, 84 being Contracting Parties to the Protocol. Of those, 55 are also party to the Agreement.¹¹ Contracting Parties to the treaties make up the Madrid Union and each is a member of its Assembly.

Under the procedures of the treaties, a natural person domiciled in, or a national of, a Contracting Party to the Madrid System or a legal entity which has a real and effective industrial or commercial establishment in a Contracting Party may be eligible to file an application for international registration. The application must be in respect of a mark which is registered or is the subject of a pending application in the Office of that Contracting Party (the Office of origin), be filed at that Office and protection requested for that mark (the basic mark) in other Contracting Parties designated in the application.¹² The scope of the goods and services of the international application must not be greater than that of those included in the basic application or registration.¹³ The treaties provide a set of procedures to be followed by the Office of origin prior to forwarding the application to the International Bureau (IB) of WIPO.¹⁴ The date the international application was filed at the Office of origin becomes the date of the international registration if the certified application is received by the IB within two months of that date.¹⁵

If the IB finds that the application meets the System's formality requirements, the mark is entered in the International Register, a certificate is sent to the holder and designated Contracting Parties are notified. Details of the mark are published in the *WIPO Gazette of International Marks* (www.wipo.int/madridgazette/en). From the time a trademark is entered in the International Register, a designated Contracting Party must treat it as equivalent to a registration or application for the same mark filed directly with its domestic system. While the processes leading to any protection being granted for the mark are generally in line with those for applications filed directly with the Office of each designated Contracting Party, the treaties impose certain controls and constraints concerning those processes.

If a designated Contracting Party does not notify the IB of a provisional refusal to extend protection to the international registration within a set period, the mark becomes protected in that country or organization. The standard period is 12 months from the date on which the Contracting Party is notified of the designation.¹⁶ However, a Contracting Party to the Protocol may declare that that limit is replaced by a period of 18 months and then opt to make a further declaration that refusal of protection based on an opposition may be notified after the expiry of the 18-month time limit (if it complies with certain conditions).¹⁷ If, within

⁹ Application of the treaties is governed by the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (the Common Regulations, or the Regulations). The text of the treaties and the Common Regulations is available at http://www.wipo.int/madrid/en/legal_texts/.

¹⁰ This requires at least one of its Member States be a party to the Paris Convention and the organization maintains a regional Office for the purposes of registering marks with effect in its territory: Protocol, Article 14(1)(b).

¹¹ Amendments to Article 9*sexies* of the Protocol, which took effect from September 1, 2008, ensure that the Protocol is the prevailing Treaty in relation to designations where both the country of origin and the designated State are party to both treaties (with two exceptions indicated in Article 9*sexies*(1)(b)). The discussion in the remainder of the Report will generally deal with the operation of the Protocol. Information on the Agreement will be included at points in the discussion where that is helpful or necessary to assist understanding.

¹² The Office of origin may nominate which of the filing languages of the Madrid System (French, English and Spanish) may be used in the international application – Rule 6(1).

¹³ More than one application or registration of the basic mark may be relied on for this purpose.

¹⁴ Rule 9.

¹⁵ If the international application is not forwarded to the IB within this time limit, the filing date will be the date it was received by the IB: Protocol, Article 3(4).

¹⁶ Protocol, Article 5(2), Agreement Article 5.

¹⁷ Articles 5(2)(b) and 5(2)(c) respectively. These declarations do not apply in relations between States party to both the Protocol and the Agreement: Article 9*sexies*(1)(b) as amended with effect from September 1, 2008.

the relevant period, all procedures before an Office are completed and there is no ground to refuse protection, the Office shall notify the IB.¹⁸

The international registration remains dependent on the basic mark for five years from the date of the international registration. Within that period, the Office of origin must notify the IB of any reduction in the scope of the basic application or basic registration and that must be reflected in the international registration. The extent of protection for the international registration in designated Contracting Parties must be limited to the same extent.¹⁹

Standard fees for filing an international application are established under the treaties.²⁰ A Contracting Party to the Protocol may opt to set fees (individual fees) for an international registration where it is designated (or where protection is being renewed).²¹ The individual fee for being designated in an application cannot be higher than the total fee for filing and registration charged by that Party to those filing directly with its national system. In relations between States party to both the Protocol and the Agreement, a declaration for individual fees has no effect and supplementary and complementary fees are payable.²² The amount raised by supplementary and complementary fees is divided among Contracting Parties which do not charge individual fees.²³

Maintenance of the international registration to the extent that it is protected in each designated Contracting Party (including its renewal and any changes to its details) is managed through the IB under the provisions of the System.²⁴

2.2 USE OF THE MADRID SYSTEM

Statistics on the use of the Madrid System and on applications filed by residents and non-residents directly with national Offices are published by WIPO.²⁵ The number of applications filed through the Madrid System continued to increase steadily from 2006 to 2008, before falling in 2009, and then rising again in the following year. Between 2006 and 2009, the proportion of all non-resident applications which were filed through the Madrid System ranged from a high of 40.2 per cent in 2006 to 36.9 per cent in 2009.²⁶

There is an enormous imbalance in the Use of the System for filing international applications. According to the list of major filing Contracting Parties for 2010, nearly 35 per cent of all international applications were filed from three Contracting Parties: the European Union (EU), Germany and the United States of America. The addition of filings through the next-highest ranked Contracting Parties, France and Switzerland, brings the proportion of applications which were filed by the top five filing Parties to a little over 50 per cent. Of the countries in the study, Turkey was ranked at 14th place with 2.2 per cent, Republic of Korea at 17 with

¹⁸ Rule 18ter which took full effect on January 1, 2011.

¹⁹ Article 6 and Rule 22. This also applies if actions commenced within the five years but finalized after that time result in cancellation or invalidation in relation to some of the goods and services of the basic mark.

²⁰ Agreement, Protocol, Article 8, Rule 34. Standard fees comprise: a basic fee of 653 Swiss francs where no reproduction of the mark is in color; 903 Swiss francs where any reproduction is in color, supplementary fees of 100 Swiss francs per class above three classes of goods and services, and complementary fees of 100 Swiss francs (based on the number of designated Contracting Parties not charging individual fees).

²¹ Protocol, Article 8(7).

²² Protocol, Article 9sexies(1)(b) as amended with effect from September 1, 2008.

²³ Protocol, Agreement, Article 8.

²⁴ Protocol, Agreement, Articles 7, 9, 9bis.

²⁵ For data on international applications, registrations, designations and administrative actions see <http://www.wipo.int/madrid/en/statistics/>. WIPO requests IP Offices to provide annual data on national systems but the availability of said data may vary from Office to Office and from year to year: <http://www.wipo.int/ipstats/en/statistics/marks/>. Many Offices publish some data on their activities on the Office's website.

²⁶ WIPO IP Facts and Figures 2011, pp 18-19 – accessed at http://www.wipo.int/ipstats/en/statistics/patents/pdf/wipo_pub_943_2011.pdf.

0.9 per cent, Singapore at 27 with 0.5 per cent and Viet Nam ranked 39th with 0.2 per cent.²⁷ Other WIPO statistics indicate Mongolia would rank equal 62nd among Offices of origin for international registrations.²⁸

The 2010 Report on the Madrid System also indicates that the average number of designations per international application in that year was seven.²⁹ There was far less disparity in the share of those designations, with the top 10 designated Contracting Parties of 2010 making up just under 40 per cent of the total. China received the highest share of designations with 5.4 per cent; the EU, the United States of America and the Russian Federation were the next highest ranked Parties, with each receiving a little under 5 per cent. The Republic of Korea ranked 8th with 2.8 per cent, Turkey 10th with 2.7 per cent, Singapore with 2.2 per cent was 12th and Viet Nam was ranked 19th with 1.5 per cent.³⁰ Mongolia's share made up approximately 0.5 per cent.³¹

3 PATH TOWARDS ACCESSION TO THE MADRID SYSTEM

There are enormous differences in the situations faced by IP Offices when preparing for accession to the Madrid System and implementing it in their territory. The circumstances in which the matter comes under consideration may greatly influence the route taken: there may initially be a need to provide advice to the national government regarding a proposal to accede, or the government may need to act on a commitment to accede to the System made as part of other inter-governmental negotiations. In addition, jurisdictions contemplating accession will differ in size, the nature of their domestic and foreign markets, the resources of their IP Offices and the levels of complexity in terms of existing legislation and Office processes.

These differences are reflected in the experiences of the countries involved in the Study and the information they have provided will be valuable in demonstrating variations and similarities in the 'steps' towards implementation.

3.1 EXPERIENCES OF COUNTRIES IN THE STUDY

3.1.1 Mongolia

3.1.1.1 *Steps towards Accession to the Agreement*

Background

In 1985, six years after joining WIPO, the Government of Mongolia (then the Mongolian People's Republic) decided to accede to the Madrid Agreement. It was hoped that accession would bring an increase in foreign trademark registrations, while the fees received would be in proportion to the number of designations of Mongolia in international registrations.

Consultation

Ministries and governmental institutions consulted concerning the proposal to accede to the Agreement gave their full support.

²⁷ Madrid System Report 2010, Table 3, p.11 accessed at

<http://wipo.int/export/sites/www/madrid/en/statistics/pdf/summary2010.pdf>.

²⁸ Two international registrations originated in the Mongolian Office in 2010. Mongolia was among 15 Offices where between one and nine international registrations originated: there were no international registrations originating from 24 Contracting Parties in 2010: http://www.wipo.int/madrid/en/statistics/annual_stats.jsp?type=EN.

²⁹ See <http://wipo.int/export/sites/www/madrid/en/statistics/pdf/summary2010.pdf>, p.2.

³⁰ <http://wipo.int/export/sites/www/madrid/en/statistics/pdf/summary2010.pdf>, Table 4, p.12.

³¹ http://www.wipo.int/madrid/en/statistics/annual_crosstable_stats.jsp?type=origin.

Consultations also took place with countries parties to the Agreement in order to learn more of their experiences and better understand the advantages of the System. There were also discussions with WIPO on the operation of the System and provision of future technical assistance.³²

Accession

Mongolia's instrument of ratification of the Agreement was deposited in January 1985 and the Agreement took effect on April 21, 1985. A declaration was made stating that the application of the Agreement would be limited to marks registered from the date the Agreement entered into force in Mongolia; however, requests could be made for the extension of protection resulting from the international registration of marks already the subject of an earlier national registration which was still in force (Art. 14 (2)(d)). Mongolia withdrew that declaration towards the end of 1995.³³

Training

WIPO organized a two-week study visit for a member of the International Trademark Division immediately after accession. Later visits to the IB by staff of the Office were organized.

WIPO also arranged for two examiners from the former Soviet Union to visit the Mongolian Office and conduct on-the-job training. The two weeks of training covered a wide range of functions associated with Office of origin actions and examination of designations.³⁴

Office Procedures

At that early stage, all operations (including searches for conflicting marks) were performed manually and on paper. The files which were created on international registrations designating Mongolia for search and documentation purposes were on cards. By 1988, an automated database of trademarks registered in Mongolia had been created for search purposes.

As a cost-saving measure, no certificates were issued attesting to the extension of protection of the international registration in Mongolia.

Legislation

In 1987, the Mongolian trademark legislation was amended to provide a period of 12 rather than six months for examination. As a Contracting Party to the Treaty, Mongolia was able to operate under the Agreement without needing specific regulations in the national legislation.

Trademark legislation enacted in 1996 included a statement to the effect that provisions of an international treaty to which Mongolia belonged would prevail in the event of any inconsistency between the treaty and domestic legislation.³⁵

3.1.1.2 Steps towards Accession to the Protocol

Background

³² Annex 3 [Mongolia] A 2, 3(1).

³³ Annex 3 [Mongolia] A 4(1).

³⁴ *Ibid.*

³⁵ Annex 3 [Mongolia] A 4(1).

It was with this background in operating under the Agreement that, late in 2000, the Mongolian Parliament decided that Mongolia would accede to the Madrid Protocol. Some of Mongolia's main trading partners such as China and the Russian Federation, which were parties to the Agreement, had already acceded to the Protocol and others such as Japan, Republic of Korea and the United States of America, which were not at that time members of the Madrid System, were contemplating joining the Protocol. Mongolia's accession to the Protocol was seen as likely to increase the numbers of applications filed from those countries. The fact that English was a working language of the Protocol (though not, at that stage, a language of the Agreement) was also seen to be of benefit to users as English is the most-spoken foreign language in Mongolia.³⁶

Consultation

A working group was set up to study the Protocol and prepare for accession. Government bodies consulted on the proposal to accede gave it full support. IP agents and trademark owners showed no resistance to the proposal. Discussions with WIPO focused on the advantages of the Protocol.³⁷

Legislation

As noted above, the wording of the trademark legislation with respect to international treaties to which Mongolia was party meant that it was not essential for any additional legislative provisions to implement the Protocol.

Accession

The Protocol entered into force in Mongolia on June 16, 2001, three months after the country deposited its instrument of ratification with WIPO.

Training

The Office provided on-the-job training for international trademark examiners following accession. International trademark examiners participate periodically in training courses and seminars run by WIPO.

Office Procedures

Mongolia does not receive individual fees when designated in international registrations. Mongolia does not issue certificates of the extension of protection of the international registration, or publish details of designations, thereby saving costs.³⁸

3.1.2 Republic of Korea

Background

A primary objective for the Republic of Korea's accession to the Madrid System was to provide its trademark owners with a simpler and more cost-effective mechanism for obtaining protection for trademarks abroad. Such a mechanism could also encourage foreigners seeking quicker and easier ways to invest in the Republic of Korea.

³⁶ Annex 3 [Mongolia] A 1.

³⁷ Annex 3 [Mongolia] A 2, 3(2).

³⁸ Annex 3 [Mongolia] A 4(2).

Another aim was to assist in efforts to modernize the Republic of Korea's trademark system and in particular to develop the quality of its trademark examination to meet international standards.³⁹

Analysis

When the Protocol entered into force in 1995, the Korean Intellectual Property Office (KIPO) organized a task force comprising representatives of various divisions of the Office to begin studying the Madrid System and consider possible accession to the Protocol. The task force investigated the extent to which the legislation would have to be revised and managed public consultation and, later on, accession procedures, training and development of supporting systems.

Consultation

Public hearings were conducted to assist trademark owners and their representatives in understanding the Protocol and with the aim of getting their support for the proposal to accede. The meetings provided an opportunity to canvas opinions. Of 224 companies surveyed, 94 per cent agreed with the proposal to accede to the Protocol.⁴⁰

Government agencies competent with regard to issues such as the amendment of legislation, changes concerning organizations and personnel and approval of additional budgetary resources, provided their support, a pre-requisite in terms of successful accession to and implementation of the Protocol.⁴¹

As part of the process of increasing public understanding of the Madrid System, KIPO organized a WIPO National Roving Seminar in association with WIPO in June 2002. Other seminars and gatherings were held for Government officials, trademark owners, agents and other IP professionals.⁴²

Many discussions were held with the IP Offices of Japan and China, as well as with WIPO, in the period leading up to accession.⁴³

Legislation

In 1998, KIPO adopted the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, in line with the Madrid System and, at the same time, introduced multi-class applications instead of the earlier single-class requirement for applications.

In 2001, the Trademarks Act and Regulations were revised to allow for compliance with the Protocol.

A fee which had been charged for applications where more than 10 items were included in a single class of goods or services was abolished and the new fee depended only on the number of classes in the application.⁴⁴

Office Procedures and Processes

³⁹ Annex 2 [Republic of Korea] A 1.

⁴⁰ Annex 2 [Republic of Korea] A 2(2).

⁴¹ Annex 2 [Republic of Korea] A 3(5).

⁴² Annex 2 [Republic of Korea] A 3(4).

⁴³ Annex 2 [Republic of Korea] A 3(5).

⁴⁴ Annex 2 [Republic of Korea] A 3(2).

Manuals and guidelines for implementation were developed and documents such as the Protocol and Common Regulations, which were required to be available in the Korean language, were translated.⁴⁵

The automated IP administration system, which had been operating for several years in the Korean Office covering all four areas of intellectual property, was enhanced to provide a sub-system to support Office procedures under the Protocol (both as Office of origin and also in dealing with international registrations). This work commenced in February 2002 and took place in two stages, the first involving information procedures and the second, which involved registration administration, being implemented a few months after accession.⁴⁶

Accession

The Republic of Korea's Instrument of Accession was deposited with WIPO on January 10, 2003 and the Protocol entered into force on April 10, 2003.

Declarations associated with the Instrument of Accession included the requirement for an individual fee for designations of the Republic of Korea (based on the number of classes in the designation) and the extension of the standard period for notifying provisional refusal to 18 months, with the possibility of notifying a provisional refusal based on opposition after that time.

The Republic of Korea also declared (under Rule 20*bis* (6)(b)) that the recording of licenses in the International Register would have no effect in the Republic of Korea: in order to have effect in the Republic of Korea, a license relating to an international registration must be recorded in the Korean national register.⁴⁷

Office Organization

In March 2003, a provisional team (an International Trademark Application and Examination team) was set up to implement the Protocol. The team was to undertake all tasks required of an Office of origin and also functions related to international registrations designating the Republic of Korea and initially comprised five examiners and five administrative staff.⁴⁸

Training

KIPO staff participated in training programs organized by WIPO.

The International Intellectual Property Training Institute (IIPTI – a KIPO body) conducted training courses for examiners and administrative staff responsible for the implementation of the System.⁴⁹

Main Challenges leading up to Accession and Implementation

The proposal to accede received a rather negative response from IP attorneys, who were concerned that their revenue would decrease. The Office emphasized the potential for development and diversification of attorneys' practices if increasing numbers of applications and international registrations were received from abroad. In addition, the Madrid System could be seen as a necessary approach to the increased need for global protection of marks.

⁴⁵ *Ibid.*

⁴⁶ Annex 2 [Republic of Korea] A 3(6).

⁴⁷ Annex 2 [Republic of Korea] A 3(8), 3(7).

⁴⁸ Annex 2 [Republic of Korea] A 3(3).

⁴⁹ Annex 2 [Republic of Korea] A 3(4), 3(5).

Extensive work was required to ensure that the Korean legislation would provide adequately for operating under the Protocol and also to adjust the existing computer system to cater for the new procedures. Concerns over the first examination action pendency period (which averaged 11.9 months in 2001) and the possibility of a fall in Office revenue under the System were addressed by decisions to make declarations opting for a period of 18 months to notify provisional refusal and requesting individual fees when the Republic of Korea was designated.

It was important for examiners and administrative staff who would be handling work under the Protocol to be proficient in English so that they could better understand the System and communicate effectively with others concerning its operations.⁵⁰

3.1.3 Singapore

Background

One aspect of the overall plan of the Singapore Government was to modernize its IP regime and ensure it was at international standards, in order to allow Singapore to become a signatory to major IP treaties. Clear benefits were seen in becoming party to the Madrid System as part of that strategy. Accession was also expected to stimulate growth in the economy by making it easier for Singaporean businesses to protect their marks in foreign markets and simplifying the procedures by which trademark owners from other jurisdictions could gain protection for their marks in Singapore.⁵¹

Analysis

In 1997 - 1998, a study of the trademark regime in Singapore was prepared which examined the adequacy of the legislation, processes, services and expertise, including those relating to options available for obtaining protection for marks outside Singapore. The work included an assessment of the Madrid System as an alternative to what was then available to Singaporean businesses.

The resulting paper was submitted to the appropriate authorities, with ratification of the Protocol being approved once the infrastructure required for operating under the System was in place.⁵²

Consultation

Informal consultation with IP lawyers to gain their views on possible accession to the Protocol was carried out in the early analysis phase.

Training

Once Government approval for the proposal to accede to the System had been received, support of WIPO was gained to assist staff of the Intellectual Property Office of Singapore (IPOS) to increase their knowledge of the Protocol with three officers receiving training at the IB. WIPO also helped arrange study tours to Offices of Contracting Parties (Switzerland and the United Kingdom) allowing staff from Singapore to develop ideas on how their Office might handle its own implementation.⁵³

⁵⁰ Annex 2 [Republic of Korea] A 2(2), 2(3).

⁵¹ Annex 4 [Singapore] A 1.

⁵² Annex 4 [Singapore] A 3(1).

⁵³ Annex 4 [Singapore] A 3(2).

Legislation

Singapore's trademark legislation up to that time had dealt only with the System for registration of marks filed directly with their Office. Although there would be no need to change the substantive law in order to operate under the Madrid System, a thorough study of the existing legislation was needed in order to assess the extent of the changes which would be required to provide appropriately for the procedures and processes of the Protocol.

For additional guidance in this work, the Singapore Office noted enactments and amendments made to the United Kingdom trademark legislation in order to implement the Protocol in that country. Amendments were made to the existing Singapore Trade Marks Acts and Trade Marks Rules and additional subordinate legislation (the Trade Marks (International Registration) Rules) was enacted to transpose Madrid Protocol procedures into Singapore's legislation.⁵⁴

Office Procedures and Practices

The introduction of new procedures, such as the issuing of notification of provisional refusal and the processing of requests for transformation or replacement, required new forms to be drafted for Office use. There was also a need for forms to allow the Office to process fees for international applications in cases in which it was the Office of origin, with fees in the form of bank drafts being accepted for forwarding to the IB.⁵⁵

The Office's IT system was modified to enable it to receive electronic batch delivery of international registrations designating Singapore and then to forward said registrations to the examiners. Further changes to the IT system were required to allow it to handle Madrid System examination procedures, while dealing with domestic trademark system procedures. One issue was the need to deal with multi-class international registrations when the domestic system still operated with single-class applications only. The IT system was developed to monitor the examination deadlines for international registrations but it was not feasible to extend electronic monitoring to opposition actions.⁵⁶

Accession

Singapore's Instrument of Accession having been deposited with WIPO on July 31, 2000, the Protocol took effect in the country on October 31, 2000. Declarations were made opting for individual fees and extending the period for notifying provisional refusal to 18 months, or after that time in cases in which provisional refusal result from an opposition action.

Promotion and Public Education

In order to increase awareness of the Madrid System prior to its introduction in Singapore, the Office organized a seminar on the Protocol involving speakers from WIPO as well as from IPOS. A dedicated hotline was set up for potential users and notices about the System were published in local newspapers and legal periodicals.⁵⁷

Office Organization and Processes

A team, separate from that dealing with domestic applications, was created to handle Madrid System work. The Madrid team included two examiners and three administrative assistants who managed the manual administrative aspects of the Madrid work. Initially, the work

⁵⁴ Annex 4 [Singapore] A 3(3), 3(4).

⁵⁵ Annex 4 [Singapore] A 3(3)(a).

⁵⁶ Annex 4 [Singapore] A 3(3)(b), (3)(c).

⁵⁷ Annex 4 [Singapore] A 3(6).

involved a large amount of paperwork and updating of data, as well as a significant amount of correspondence with the IB seeking clarification of issues.⁵⁸

Main Challenges leading up to Accession and Implementation

As there was a general lack of knowledge of the Madrid System within the Singapore Office, considerable reliance was placed on learning from the experiences of other Offices and gaining additional information from WIPO when dealing with issues arising in the course of accession. Extensive work was required with regard to the review of domestic legislation and administrative procedures and their adaptation to provide for operation of the Protocol.

Stakeholders required information about the implications of the Madrid Protocol and how they would be affected by its introduction in Singapore. While agents recognized the benefits of the System, they resented its introduction, predicting that it would reduce their work.

Additional examiners and clerical staff were required to handle the anticipated increase in the number of applications.⁵⁹

3.1.4 Turkey

Background

In 1995, Turkey reviewed and re-developed its IP system, including its legislation and infrastructure, in order to ensure that it had a contemporary and effective system prior to concluding the Customs Agreement Union with the European Union (EU). It was important to develop awareness of the value of intellectual property among Turkish traders and investors in order to improve the competitive capacity of the economy. One requirement of the Customs Union was that Turkey should be party to certain international agreements or treaties, including the Madrid Agreement or Protocol.

In 1999 the Turkish Government was providing incentives for direct foreign investment and an efficient IP regime was seen to be required to support this scheme. The Customs Union also brought rapid growth in the Turkish private sector, including major export industries. One of the main aims of accession to the Protocol was to promote both export and import trade and in particular to make it easier for small and medium-sized enterprises (SMEs) to obtain protection for their trademarks abroad when moving into foreign markets.⁶⁰

Consultation

There was strong support for accession to the Protocol among politicians and public servants owing to the fact that membership of the Madrid Union was a requirement of the Customs Union with the EU.

Consultations were carried out with attorneys occurred prior to accession. As they did not have experience of the System or sufficient information about it, they were doubtful of its advantages.⁶¹

Promotion and Public Education

⁵⁸ Annex 4 [Singapore] A 3(5).

⁵⁹ Annex 4 [Singapore] A 2, 10(b).

⁶⁰ Annex 5 [Turkey] A 1.

⁶¹ Annex 5 [Turkey] A 2.

Beginning two years before accession, the Turkish Patent Institute (TPI), with the support of WIPO, organized seminars and training programs for attorneys, SMEs and all other potential users of the Madrid System in order to assist understanding of the System and promote its acceptance and use in Turkey. Seminars continued to be held and training provided in the post-accession period. A guide to the System was prepared to provide information to users on the features of the System, its procedures and issues such as the dependency period. The guide was made available in paper format and online at the Office's website.

Legislation

In line with Turkish law on international agreements, once the translations of the Protocol and Common Regulations had been ratified by the Turkish Parliament they became directly applicable in Turkey. The only additional changes required were to the Trademark Regulations to regulate procedures under the Protocol.⁶²

Accession

Turkey's accession to the Protocol took effect on January 1, 1999. Turkey made a declaration under Article 14(5) of the Protocol which allows a Contracting Party to stipulate that protection of an international registration which came into effect before the party's accession cannot be extended to it. This can be used to shield a Contracting Party from a large influx of subsequent designations on accession.⁶³

Office Organization

A new division within the Trademarks Department was formed to handle work under the Madrid System and initially comprised two examiners and two support staff. There was no specialization among staff involved in trademark opposition and appeals or IT development.

Office Procedures

A special tracking and examination system involving use of files of a different color allowed international registrations to be managed and receive priority in terms of examination, opposition and appeals in order to comply with the time limits of the System. Procedures also differed from those used for domestic filings. As classification of goods and services and the figurative elements of marks had been performed by the IB, these procedures were not carried out within the Office.

All international registrations designating Turkey are given a national application number, which is used in conjunction with the international registration number on the Office database.

The need to comply with the time limits of the System when handling international applications as an Office of origin necessitated the use of speedier methods of communication with applicants, such as telephone, fax and e-mail.

Initially all communications from the IB were received on paper.⁶⁴

Training

⁶² Annex 5 [Turkey] A 3 and 4.

⁶³ Annex 5 [Turkey] A 3.

⁶⁴ Annex 5 [Turkey] A 3.

Both prior to and immediately following accession, considerable assistance was received from the IP Office of Germany. Examiners from Turkey visited the German Office to observe its practice and procedures for managing international applications and registrations. Study visits to the Offices of other member countries were also very useful when developing Turkey's practice under the Madrid System, although that was not the primary aim of such exercises.

Examiners from the Madrid Division were trained at WIPO prior to implementation of the System and a number of them also attended seminars run by the IB in Geneva. The Office also included general training in the Madrid System in staff training courses.⁶⁵

Major Challenges leading up to Accession and Implementation

Local attorneys were hesitant about the proposal to accede as they believed that Turkish nationals who wished to file abroad and foreign applicants wanting their marks protected in Turkey would prefer to use the Madrid System rather than filing directly with national Offices and that that would result in a decrease in the agents' revenue. This did not amount to significant resistance to the proposal; however, the concern led to accession being delayed until 1999. During that time, the IP Office arranged many seminars and symposiums for attorneys and owners of trademarks to increase understanding of the System, some of which were conducted in cooperation with WIPO.

The lack of knowledge of the Madrid System among other lawyers and users of intellectual property was also addressed to some degree by these activities.⁶⁶

3.1.5 Viet Nam

3.1.5.1 Steps towards Accession to the Protocol

Background

Having been a Contracting Party to the Agreement since March 8, 1949, Viet Nam undertook a study of the Protocol in 2004 when local businesses were expressing interest in being able to use the international system to obtain protection in countries which were not party to the Agreement, such as Japan, Republic of Korea, Singapore and the United States of America. Another potential advantage for trademark owners was that they would be able to base an international application on an application before the National Office of Intellectual Property of Viet Nam (NOIP), rather than a registration as required by the Agreement. Applicants from countries or regions party to the Protocol but not the Agreement could also benefit from Viet Nam taking this step. The possibility to opt for individual fees to be levied under the Protocol would assist the Office in its operation.⁶⁷

Analysis

A study was undertaken comparing the Protocol and the Agreement, noting advantages and disadvantages and also outlining the steps necessary to prepare for accession to the Protocol. A working group on accession to the Protocol was established.

Consultation/Promotion and Public Education

⁶⁵ *Ibid.*

⁶⁶ Annex 5 [Turkey] A 2, 3.

⁶⁷ Annex 6 [Viet Nam] A 1.

Workshops and seminars on the Protocol were held, with the participation of WIPO staff.

A draft of the proposal for Viet Nam's accession (and accompanying declarations) was prepared and comments sought from relevant State agencies/offices before the documents were finalized and submitted to the Government.

Legislation

As the IP legislation of Viet Nam provided that international applications and the processing of them must comply with relevant treaties, the primary legislation did not need to be changed to accommodate the Protocol.⁶⁸

Accession

The Instrument of Accession to the Madrid Protocol together with declarations requesting payment of individual fees when designating Viet Nam and notification of the filing languages (English or French) was deposited with WIPO on April 11, 2006. Users were notified of the date on which the Protocol would take effect in Viet Nam: July 11, 2006.

Promotion and Public Education

Viet Nam's accession to the Protocol and the associated administrative and operational arrangements were publicized widely by NOIP.⁶⁹ A Vietnamese-language applicant's guide to the Madrid System was published in paper and on the NOIP website.⁷⁰

Major Challenges leading up to Accession and Implementation

NOIP did not have an international trademarks database; IT infrastructure was therefore developed to provide a database for the administration and management of incoming trademark applications, both those filed through the Madrid System and those filed directly with the Office. The search tool used in examination was also improved.

Office staff did not have the requisite skills in relation to handling international applications and registrations and there were also some weaknesses in terms of the languages required for the work. English language courses were held for NOIP staff and advanced training was provided on the handling of international applications and designations.

Local trademark agents were concerned about the potential adverse impact on their businesses. NOIP organized a number of seminars for all stakeholders in order to introduce the System and discuss its potential benefits for users.⁷¹

3.2 PATH TOWARDS ACCESSION AND IMPLEMENTATION - SUMMARY

The routes followed by the countries in this study on their way to accession to and implementation of the Madrid System had much in common. However, as might be expected, the extent and order of activities varied in light of the differing backgrounds to their accession and wide variation in Office infrastructure. The activities or steps are summarized below but should not be seen as indicating a fixed path towards implementation. While all these activities may be included in the implementation plan for other Offices, there may be

⁶⁸ Annex 6 [Viet Nam] A 4.

⁶⁹ *Ibid.*

⁷⁰ Annex 6 [Viet Nam] A 3.

⁷¹ Annex 6 [Viet Nam] A 2.

variations in their order, some may be conducted concurrently and, as work proceeds, the outcomes of one may affect the progress of another.

Analysis

An analysis of the implications of accession for a prospective member, in particular, an assessment of anticipated costs and benefits of operating under the System, can provide useful input when contemplating accession. At that stage, or following a decision to accede, a closer analysis of the extent of changes required in the existing legislation and Office infrastructure, operations and processes will be needed to allow for implementation to be planned and resource implications to be estimated.

Consultation

The early consideration of a proposal to accede may include consultation with trademark owners and IP attorneys or agents and also other government agencies with some stake in implementation of the System. However, there may well be additional consultation with these stakeholders and with WIPO and Offices of Contracting Parties as aspects of implementation are being considered.

Legislation - Changes to Domestic Law

The extent to which domestic legislation requires amendment in order to cater for compliance with the Madrid System and to provide sufficient authority for operations under the System depends on each jurisdiction's requirements for application of the treaties to which it is party, as well as the nature and content of existing domestic trademark legislation.

Reviewing Office Processes and Procedures

Offices will need to review existing processes and procedures to assess the extent to which they would provide for operations under the Madrid System. It may be necessary to implement new processes and adjust existing practices and procedures to meet the time frames and other requirements of the Treaty. This work may need to precede detailed consideration of changes to legislation if the domestic legislation includes procedural requirements. Development and/or modification of existing information technology better to support new processes can also come from the process review.

Office Resources and Organization

Once Office procedures and processes to accommodate operations under the Madrid System have been assessed, some estimates may be made as to the resources which may be required for managing the anticipated workload as both the Office of origin and the Office of a designated Contracting Party. The capacity of an Office to provide supporting IT infrastructure and the requisite skills of staff can be important considerations in deciding initial staffing levels and organizational structure. However, Offices may need to take into account the uncertainties surrounding any initial estimate of resource requirements, as it is only with time that estimates of workload can be tested and staff become accustomed to new procedures.

Accession

The procedures to be followed when becoming a Party to the System are set down in the treaties.⁷² Three months after the deposit of the necessary documents with the Director General of WIPO, the Treaty enters into force in the Party concerned. The IB will notify users of the System of the deposit of the accession documents, as well as of any associated declarations and notifications.

As declarations on options such as additional time for notifying provisional refusal or requiring individual fees may be included with the documents required for accession, decisions on whether those options should be exercised at that time should form part of earlier consideration of changes to procedures and legislation. Most declarations may also be made subsequently, coming into effect three months after notifying the Director General of WIPO. One declaration which may only be made at accession is that contained in Article 14(5) of the Protocol, allowing a Contracting Party to stipulate that protection of an international registration which came into effect before the Party's accession cannot be extended to it. This can be used to shield a Contracting Party from a large influx of subsequent designations on accession.

Staff Training

The training requirements for staff working on international applications and registrations will depend on the extent of changes to existing legislation, procedures and systems in each Office. As the System is generally new to everyone within an Office, some outside input may be very helpful. WIPO offers training at the IB for a limited number of examiners from each newly-acceding Contracting Party and Offices in the Study found this very helpful.

Promotion and Public Education

It may be advisable to commence a program to disseminate information about the Madrid System well before accession if local businesses and others with an interest in intellectual property have limited knowledge of how the System operates or what benefits it can provide. The IB frequently provides assistance in these programs. When the System is about to become available, many forms of communication with potential users may be considered, including seminars and meetings, notices in newspapers, guides to the System (both on paper and online) and a dedicated hotline to assist with enquiries.

Implementation

As the Treaty comes into effect in a territory three months after the appropriate instruments of ratification or accession have been deposited, the Office must be prepared for implementation at that time. However, it must be anticipated that operations under the Madrid System will take time to "settle in", as is the case when significant changes are made to business processes. Post-implementation experiences of the Contracting Parties included in the Study are discussed at 4.1.

3.2.1 Challenges and Constraints experienced concerning Accession and Implementation

Offices in the Republic of Korea, Turkey and Viet Nam needed to address general resistance by local trademark agents and attorneys to the proposal to accede to the Protocol. Agents

⁷² Agreement, Protocol, Article 14.

were concerned about the potential loss of clients and of revenue if foreign applicants chose to file through the Protocol thus, unlike those filing directly with national systems, not necessarily requiring the assistance of local agents. Information sessions were held in these countries to assist agents to understand the System better and identify areas where opportunities might exist for them within the Madrid System. Turkey delayed its accession in order to address the issue better. Singapore also needed to explain the implications of the System and how it was expected to affect stakeholders.⁷³

Other challenges were faced when moving towards accession and implementation of the System. Several Offices experienced difficulties dealing with the complexities of ensuring that their legislation and administrative processes were compatible with the Protocol, including in some cases, where enhancement of the Office's IT system was necessary to provide adequate support for processing.⁷⁴ The inter-related nature of many of these tasks creates a complex environment for implementation.

The task of ensuring that sufficient staff members are available to handle the additional workload can be a difficult one when none of the staff has experience in new procedures and demand is untested. These problems may be compounded in Offices where only some staff members are proficient in the language(s) being used for Madrid System work.⁷⁵ If it is feasible to do so, it may be prudent for an Office to provide training for more than the minimum number of staff it anticipates will be needed in the earlier stages of operating under the System, so that some back-up is available if problems arise in meeting its tight time-limits.

4 OPERATING UNDER THE MADRID SYSTEM

As other jurisdictions contemplate becoming members of the Madrid System, it may be important to take into account what has occurred in Contracting Parties since their accession. This would include noting whether the steps taken in preparation for accession met the needs of their users, as well as considering the extent to which the System is utilized by local businesses seeking protection for marks in export markets and by traders from abroad and the effect of that usage on the Contracting Parties' IP Offices and local trademark agents and attorneys.

4.1 REVIEWING ARRANGEMENTS AFTER IMPLEMENTATION

After some experience operating under the Madrid System, the countries involved in the Study modified aspects of the infrastructure which had been set up for handling the work. Users can benefit from post-implementation reviews of Office structures and procedures established to allow operations under the Madrid System as would occur following other major changes to Office processes. Although it may be some time before some of the System procedures and processes have been fully tested, those which are being used may be assessed to determine whether they can be improved and increased understanding of the System within the Office may allow for further modification of legislation, or other procedures and practices, even before they have been used extensively.

⁷³ Annex 2 [Republic of Korea] A 2 (2)(b), Annex 5 [Turkey] A 2, Annex 6 [Viet Nam] 2(ii); Annex 4 [Singapore] A 2. The effect of operating under the Madrid System on agents' and attorneys' firms is discussed at [4.3 and 4.4] and views of agents after experiencing the System for some years are discussed in Part 5.

⁷⁴ Annex 2 [Republic of Korea] A 2(3), Annex 4 [Singapore] A 2, Annex 6 [Viet Nam] A 2(i).

⁷⁵ Annex 2 [Republic of Korea] A 2(3)(e), Annex 4 [Singapore] A 2, Annex 6 [Viet Nam] A 2.

4.1.1 Mongolia

Declarations

Ten years after its accession to the Agreement, Mongolia withdrew its declaration under Article 14(2)(f).⁷⁶

Legislation

New trademark legislation was enacted in 2003 to improve Mongolia's compliance with its international obligations and international norms in relation to trademarks. The legislation in question contained certain references to the international registration of trademarks and associated definitions. The amended legislation retained a general statement to the effect that provisions of an international treaty to which Mongolia is party will apply if there is any inconsistency between the rules of the treaty and the domestic legislation. No specific regulations or procedures for international applications and registrations were included. Amendment of that legislation in 2010 was carried out largely to ensure compliance with the Trademark Law Treaty and no changes were made to the substance of the provisions referring to the Madrid treaties.⁷⁷

4.1.2 Republic of Korea

Legislation

The Republic of Korea amended its legislation after operating under the Protocol. The amendments provided standards with which the Office must comply when dealing with notifications of various changes in the international registration which are received from the IB. The Korean Trademark Act included provision for protection of non-traditional signs such as holograms, color and motion marks as trademarks.⁷⁸

Office Practice and Procedures

In response to concerns expressed by holders of international registrations over the Republic of Korea's strict requirements in specifying goods and services, the Office added many broader terms to its list of acceptable indications in order to improve compliance with international standards.⁷⁹

The electronic processing sub-system developed for Protocol work has been upgraded continuously and now covers almost all aspects required for implementing and operating under the Protocol. Additionally, almost all communications (notifications and data) between WIPO and KIPO are handled electronically.⁸⁰

Office Organization

The Madrid team organized as a provisional team in 2003 was later divided. The International Application Division handles the administrative functions of the Office of origin under the Madrid System and also administration associated with the Patent Cooperation Treaty (PCT); the International Trademark Examination Division is responsible for the

⁷⁶ This declaration limits the application of the Agreement to marks entered in the International Register after the Treaty entered into force in Mongolia with the exception of marks already registered in Mongolia: see 3.1.1.1 and Annex 3 [Mongolia] A 4(1).

⁷⁷ Annex 3 [Mongolia] A 4(2).

⁷⁸ Annex 2 [Republic of Korea] A 4(1)(c).

⁷⁹ Annex 2 [Republic of Korea] A 4(1)(b).

⁸⁰ Annex 2 [Republic of Korea] A 4(3).

examination of international registrations designating the Republic of Korea. Other aspects of broad IP Office structure have been reorganized to accommodate better Madrid System activities. Moves to ensure the selection and on-going training of qualified staff for the System work have also proved to be important.⁸¹

4.1.3 Singapore

Office Practice and Procedures

There were adjustments to be made when becoming accustomed to the Madrid System. Meeting the requirement to include an extract of the governing legislation to support the grounds for issuing a provisional refusal proved to be a laborious task during the initial period of operation. In addition, some of the practices for examining domestic applications were not appropriate under the Protocol and this caused difficulties for examiners who, accustomed to the domestic system, occasionally had to re-issue refusals when originals were returned after scrutiny by the IB.⁸²

IPOS reduced the examination turnaround time to meet the Protocol deadlines. Initially, work was undertaken to clear a large backlog. However, longer-term benefits were achieved, in part by reducing the actual time taken to carry out examination processes by placing greater reliance on the earlier check of the classification of goods and services by the IB and limiting the time examiners spent on classification issues.⁸³

Office Organization

The Madrid team has grown over time and currently includes 10 examiners.⁸⁴

4.1.4 Turkey

Office Organization

About a year after implementation of the System, the number of staff employed in the Madrid Division was doubled, to four examiners and four support staff.⁸⁵

Office Practice and Procedures

Around 2005, the Office started to receive notification of designations and subsequent designations from the IB online, as well as on paper. The Office uses many methods to communicate with the IB including paper, fax and e-mail but there is continuing growth in the use of e-mail.⁸⁶

Operating under the Madrid System allowed the Turkish Office's classification system to benefit from access to the IB's expertise in terms of the classification of goods and services (Nice Classification) and figurative elements in marks (Vienna Classification) using the IB's work as a reference. This approach continues to be employed and is expected to become easier with the IB's provision of the online Goods and Services (G&S) Manager.⁸⁷

⁸¹ Annex 2 [Republic of Korea] A 4(2).

⁸² Annex 4 [Singapore] A 3 (3)(d).

⁸³ Annex 4 [Singapore] A 4(b) and (c).

⁸⁴ Annex 4 [Singapore] A 3(5).

⁸⁵ Annex 5 [Turkey] A 3.

⁸⁶ Annex 5 [Turkey] A 3.

⁸⁷ Annex 5 [Turkey] A 4.

Membership of the Madrid System has helped the Turkish Office to harmonize its interpretation of trademark law and practice with that of other Member States by allowing the Office to follow decisions of other Contracting Parties with broadly similar legislation in relation to the same international registrations.⁸⁸

Legislation

Amendments introducing new rules into the Turkish legislation dealing with the procedures to be applied to international applications and the effect of international registrations protected in Turkey have been expected for a considerable period.⁸⁹

Declarations

In 2000 (a year after accession), Turkey made a declaration to provide a period of 18 months for notifying provisional refusal, followed, in 2006, by a declaration allowing provisional refusal based on opposition to be notified outside the 18-month period. These declarations were in response to increasing numbers of international and national applications. Having made an initial decision to encourage designation of Turkey by not charging individual fees, six years after accession Turkey made the declaration under Article 8(7)(a) to establish greater equity between national and Madrid System applications.⁹⁰

Currently, Turkey proposes to withdraw its declaration under Article 14(5) as the concern felt in 1999 about dealing with large numbers of incoming subsequent designations no longer applies.⁹¹

Promotion and Public Education

The Office has continued to organize seminars on the Madrid System for its staff and also for users of the System. The IB supports these activities by providing speakers and this has also allowed for discussion of any on-going difficulties or concerns the Office has experienced in operating under the System.⁹²

4.1.5 Viet Nam

Legislation

Several legal documents regulating the filing and handling of international trademark applications came into effect in the months following accession to the Protocol and facilitated the management of the work under the System.

Office Organization

When Viet Nam acceded to the Protocol, NOIP's Trademark Division handled both domestic filings and designations under the Madrid System. Four years later (2010), NOIP set up a Division to carry out all functions related to outgoing international applications and international registrations designating Viet Nam.⁹³

⁸⁸ Annex 5 [Turkey] A 4.

⁸⁹ Annex 5 [Turkey] A 3, 4.

⁹⁰ Annex 5 [Turkey] A 3, 4 and 8.

⁹¹ Annex 5 [Turkey] A 3; see also 3.1.4.

⁹² Annex 5 [Turkey] A 3.

⁹³ Annex 6 [Viet Nam] A 4.

4.2 DERIVATIVE BENEFITS GAINED IN IP OFFICES

The broader operations of some IP Offices have been improved as a result of the need to re-consider their internal processes and procedures in order to comply with the Madrid treaties and the wider exposure to practices of other Offices and the IB gained as parties to the System.

This has been noted in particular with regard to classification of goods and services. The Korean Office became less strict on classification issues in order better to conform to other Madrid Contracting Parties and this approach carried over to changes in their list of acceptable terms. Changed practice in the Office of Turkey, which arose from reliance on the expertise of the IB in classification matters, concerning designations was also applied to domestic filings. Singapore's introduction of greatly reduced scrutiny of designations for classification issues brought about a review of checking of classification in all filings and their new system will include a tool for automating the checking process.⁹⁴

When focusing on the need to reduce examination turnaround time to comply with Protocol time limits, the Singapore Office not only reduced an existing backlog but also introduced systems to clear Office actions in a shorter time, greatly reducing turnaround time overall.⁹⁵

Enhancements of IT systems in the Singapore Office, prompted by a need to improve processing time and communication methods under the Madrid System, have had wider benefits when applied to processes and procedures concerning national filings, in particular with regard to electronic communications.⁹⁶

4.3 IMPACT OF OPERATING UNDER THE MADRID SYSTEM - EXPERIENCES OF COUNTRIES IN THE STUDY

4.3.1 Mongolia.

International Applications by Local Businesses

In the period from 1987 to 2011, Mongolian businesses filed 22 applications seeking protection for their trademarks in other countries. Of those, 21 were international applications under the Madrid System. These included just over 200 designations.⁹⁷ The businesses which have utilized the Madrid System have been large companies within the Mongolian system.⁹⁸

Designations received under the Madrid System

Mongolia received about 1,100 applications from non-residents between 1968 and 1985 and approximately 25 per cent of those were designations under the Madrid Agreement, filed in the first eight months of its operation there. During the period 1986 -1990, almost 5,600 non-resident applications were received, with 97 per cent coming under the System. Growth in domestic filings by both residents and non-residents continued in the following years, with total non-resident filings (Madrid System and directly filed) reaching around 10,000 in each five-year period since 2001. The proportion of the filings of non-residents coming through the Madrid System in these periods has not been lower than 73 per cent.⁹⁹ The majority of these

⁹⁴ Annex 2 [Republic of Korea] A 4(1)(b), Annex 5 [Turkey] A 4, Annex 4 [Singapore] A 4(c).

⁹⁵ Annex 4 [Singapore] A 4(b).

⁹⁶ Annex 2 [Republic of Korea] A 4(3), Annex 4 [Singapore] A 4(a).

⁹⁷ Annex 3 [Mongolia] A 6.

⁹⁸ Annex 3 [Mongolia] A 7.

⁹⁹ Annex 3 [Mongolia] A 5, 5(a) (and derived from figures in those answers).

marks are not as yet used in Mongolia— a trend which differs from that for directly filed applications from non-residents. So far this has not caused concern in Mongolia.¹⁰⁰ Use of the System by those seeking to protect their marks in Mongolia changed over time, with the earlier period dominated by European countries such as Germany, France, Italy and Switzerland, followed more recently by an increase in designations from China, the Russian Federation and the United States of America.¹⁰¹

Effect within the IP Office

Mongolian businesses have not filed many international applications during Mongolia's time in the System, but the Office was impacted by the significant increase in non-resident applications which came as designations in international registrations. The Office maintains separate registries and databases for national and international work, with a staff of two examiners for each field. Unlike the national examiners, the international team must be proficient in English and French, as well as being required to understand all aspects of the Madrid System.¹⁰²

Mongolia is the only country in the study which does not currently receive individual fees, or levy a handling fee for forwarding international applications to the IB. Its share of standard fees has grown steadily with the continuing increase in the number of designations it receives. The Office was self-funding from 1990 to 2008 and its revenue from the Madrid System more than covered the Office's costs in terms of operation of the System.¹⁰³

Impact on Trademark Agents and Attorneys

Applicants who file directly with the IP Office of Mongolia must have local representation and that is also a requirement when holders of international registrations designating Mongolia respond to a provisional refusal. The large increase in trademark applications filed by non-residents since the Agreement took effect in Mongolia comes primarily from filings under the Madrid System but there has also been an increase in applications filed directly with the IP Office. It is interesting to note that, when Mongolia acceded to the Agreement in 1985, there was only one practicing trademark agent. Numbers started to increase after the mid-1990s (some time after the incoming filings first increased significantly) to the extent that the country now has 33 trademark agents.¹⁰⁴ Although most agents currently practicing started out in the early 2000s, some have indicated that their business may have declined a little recently, with some clients who may previously have filed directly with the national Office now using the Madrid System.¹⁰⁵

4.3.2 Republic of Korea

International Applications by Local Businesses

In 2002, the year prior to its accession to the Protocol, almost 5,500 trademark applications originating from the Republic of Korea were filed directly with other jurisdictions, with that number peaking at over 8,200 in 2007. International applications filed under the Madrid System through the Korean Office grew from 144 in the first full year of operation to 282 in 2009, with a further increase to 406 in 2010. In 2009 this represented approximately 2,000

¹⁰⁰ Annex 3 [Mongolia] A 5(b).

¹⁰¹ Annex 3 [Mongolia] A 5(c).

¹⁰² Annex 3 [Mongolia] A 8.

¹⁰³ Annex 3 [Mongolia] A 8. Currently the revenue goes into the State budget which covers the expenditure of the Office.

¹⁰⁴ Annex 3 [Mongolia] A 10, 10(a).

¹⁰⁵ Annex 3 [Mongolia] A 10(b).

designations and over 3,300 in 2010.¹⁰⁶ The Korean Office has done some detailed work on outgoing designations classified by applicants which indicates that, since accession, 40 per cent of the designations originating from the Republic of Korea have been made by SMEs. A further 12 per cent are said to have been filed by natural persons.¹⁰⁷ The countries which have predominated in the Use of the System by Korean businesses for gaining protection for their marks are China, Japan and the United States of America.¹⁰⁸ The proportion of applications to other jurisdictions which were filed through the Protocol increased from 14.6 per cent in the year of accession to 21.5 per cent in 2009. However, it is difficult to assess the extent to which increased filings from the Republic of Korea into foreign markets may be attributed to the Madrid System. There were some significant annual increases in such filings in the years prior to accession to the Protocol and there was also a marked increase in applications filed directly with other Offices in certain years following accession.¹⁰⁹

Designations received under the Madrid System

Non-resident applications filed directly with the Korean Office from Contracting Parties to the Madrid System, as well as those coming as international registrations, continued to grow for some years following accession. Direct filings from member countries increased from 15,500 in 2003 to peak at over 19,000 in 2008, before dropping to 13,000 in 2010. Designations under the Protocol followed a somewhat similar pattern, commencing at about 1,450, peaking at 9,745 and falling to just over 8,000 in 2010.¹¹⁰ While there has been an increasing trend for the Protocol to be used by non-residents when applying for protection for their marks in the Republic of Korea, the proportion of non-resident filings received under this route is very different from the experience of some other countries in the Study. In the first full year of operation of the System, the Republic of Korea received 24 per cent of non-resident filings from other Contracting Parties under the Protocol and by 2010 the proportion was 38 per cent. Each year since its accession to the Protocol, the Republic of Korea has received between 1,000 and 1,600 applications originating from countries which are not within the Madrid System.¹¹¹ The greatest numbers of applications and designations from non-residents into the Korean Office in the period since the Republic of Korea acceded to the Protocol have been from Japan and the United States of America, although the majority of those were direct filings. In 2010, some 20-25 per cent of applications originating in the United Kingdom and the United States of America were under the Protocol, as were 17 per cent of those from Japan. By contrast, over 85 per cent of applications received in the Republic of Korea and originating in the Russian Federation were under the Madrid System as were around 60 per cent of applications received from Germany, Italy and Spain.¹¹²

Effect within the IP Office

The workload within KIPO has increased since operating under the Protocol. In part this is due to the longer lists of goods and services following the abolition of an additional fee levied when more than 10 goods and services were enumerated in a class of an application. The need for examination and administrative actions for designations under the Protocol to be conducted in English instead of Korean also imposes its own workload. Throughout this period there have also been notable increases in applications filed directly with the national system.¹¹³

¹⁰⁶ Annex 2 [Republic of Korea], A 6 and Attachment 2.

¹⁰⁷ Annex 2 [Republic of Korea] A 7.

¹⁰⁸ Annex 2 [Republic of Korea] A 6(b).

¹⁰⁹ Annex 2 [Republic of Korea] A 6(a), 6.

¹¹⁰ Annex 2 [Republic of Korea] A 5.

¹¹¹ Annex 2 [Republic of Korea] A 5(b).

¹¹² Annex 2 [Republic of Korea] A 5(c) and Attachment 1.

¹¹³ Annex 2 [Republic of Korea] A 8(1), 8(2).

The potential for Office revenue to be impacted by implementation of the Madrid System was considered prior to the Republic of Korea's accession, at which time it was decided to opt for individual fees under the Protocol.¹¹⁴ In addition, the individual fee is a single fee covering the application and registration fees. Under the national system, these fees are paid separately so, if the application does not reach registration, the registration fee is not received by the Office. While the Korean Office has not analyzed costs against revenue, it appears that the costs of operating the Madrid System would be covered by the revenue from individual fees and handling fees.¹¹⁵

Impact on Trademark Agents and Attorneys

Local agents, acting for overseas applicants who file directly with the Republic of Korea's national system, are generally involved in the entire process from providing advice prior to the filing of an application to handling registration and subsequent maintenance procedures, including renewal of registration. The main role of a local agent in relation to a designation of the Republic of Korea in an international registration would be to respond to any provisional refusal issued by the Office. Trademark agents have felt a decrease in revenue coming from fewer representations of owners from other countries although activities involving the provision of advice and representing Korean businesses concerning the filing of international applications through the Republic of Korea's Office have redressed the balance somewhat.¹¹⁶

4.3.3 Singapore

International Applications by Local Businesses

Just over 400 international applications were filed through the Singapore Office in the first full year of operation under the System and that number rose to peak at over 1,350 in 2009. Most use of the Madrid System by Singapore businesses is linked to obtaining protection in countries in the region with which there are major trading relationships, e.g. Australia, China, Japan, Republic of Korea and Viet Nam.¹¹⁷ However, the Paris route remains the preferred way for Singapore trademark owners to obtain protection abroad, with one designation under the Protocol being made for every 4-5 applications filed directly with other Offices. This may be due in part to the fact that businesses in Singapore are most likely to seek protection for their marks in other Member States of the Association of Southeast Asian Nations (ASEAN) and only a few of those States are members of the Madrid Union.¹¹⁸ However, the very small proportion of applications for protection abroad which are made under the Protocol may suggest Singapore businesses also file a significant number of the applications which they lodge with other Madrid Contracting Parties via the Paris Convention route.

Designations received under the Madrid System

In the early years of operating under the Protocol, the number of national applications filed by non-residents into the Singapore Office declined from almost 10,500 in the first full year of operation to just over 8,100 the following year. Those numbers then steadied and gradually returned to earlier levels, while designations under the Protocol grew significantly (from 6,500 in the first year to peak at over 17,400 in 2008) resulting in overall growth in applications filed by non-residents. As a result, the proportion of total filings in the Office which were made under the Protocol rose from 32 per cent in the first full year of operation

¹¹⁴ Annex 2 [Republic of Korea] A 2(3)c.

¹¹⁵ Annex 2 [Republic of Korea] A 8(2) and (3).

¹¹⁶ Annex 2 [Republic of Korea] A 10(a).

¹¹⁷ Annex 4 [Singapore] A 6(b).

¹¹⁸ Annex 4 [Singapore] A 6 and 6(a).

to peak at 51 per cent. (From the figures provided, the proportion of non-resident applications which were designations under the Protocol commenced at 38 per cent, peaked at 62 per cent and then leveled at around 53 per cent.)¹¹⁹ Most use of the System for applying for protection in Singapore is accounted for by some of the largest users of the System overall i.e. China, the EU, France, Germany, Switzerland and the United States of America.¹²⁰

Effect within the IP Office

The gradual increase in designations of Singapore under the Protocol has, over time, required an increase in staff to handle their examination, with 10 of the 20 examiners in the Office being assigned to this task. Many administrative procedures for international registrations differ from those for directly filed applications, including sending provisional refusals to the IB, formulating refusals which may be full or partial and giving effect to official amendment of goods and services without the customary Office forms. The functions carried out by an Office as an Office of origin for international applications are different from its other roles. These differences make it difficult for national examiners not trained in Madrid procedures to clear any backlog related to that work.

All fees charged by the Singapore Office, including those for actions under the Protocol, are set on a cost-recovery basis. The individual fee for designations under the Protocol charged by IPOS is based on the number of classes in the international registration. A handling fee is imposed for international applications being filed through the Office. The level of these fees appears to cover the costs of operations.¹²¹

Impact on Trademark Agents and Attorneys

Singapore does not require applicants to have a local representative before the Office but an address for service in Singapore is required. However, many applicants filing directly with the national system use the services of a local agent, who handles all matters related to the application including the initial filing. The holder of an international registration designating Singapore may engage a local agent when responding to an official action or a provisional refusal. If no provisional refusal is issued there may be no need for any involvement of local agents in any procedures leading to protection of the trademark.¹²²

In the last few years, designations in international registrations have made up 40-50 per cent of all applications received at the Singapore Office. Of those, the proportion requiring representation by an agent is not high and the number of international applications originating from Singapore remains modest. This period has also coincided with an increase in the number of local practitioners. It appears that these influences have had a combined effect of reducing the revenue of individual agents.¹²³

4.3.4 Turkey

International Applications by Local Businesses

¹¹⁹ Annex 4 [Singapore] A 5, 5(a). To allow comparison over time, figures provided on Singapore trademark applications are based on numbers of classes as Singapore had a single-class filing system until 2007.

¹²⁰ Annex 4 [Singapore] A 5(c).

¹²¹ Annex 4 [Singapore] A 8.

¹²² Annex 4 [Singapore] A 10.

¹²³ Annex 4 [Singapore] A 10(a).

Statistics and anecdotal evidence indicate that, in the years since its accession to the Madrid System, there has been a very significant increase in applications originating in Turkey seeking protection in other Contracting Parties and also in other foreign jurisdictions. Some of that increase has been attributed to growing awareness of the need to protect marks in an increasingly globalized market, as well as the notable growth in the Turkish economy including its export trade, particularly following completion of the EU-Turkey Customs Union.

Statistics on international registrations originating in Turkey show numbers increasing from 71 in 1999 to around 800 in 2008 - 2010. These may approximate to an increase in the number of designations from 890 to a range of 9,000 -13,000.¹²⁴ Marked increases in filings with major trading partners occurred following Turkey's accession or, in later years, following the accession of those trading partners.¹²⁵ EU countries and states neighboring Turkey are the main export markets for Turkish businesses and predominate in the designations originating in Turkey. These include Azerbaijan, Iran and the Russian Federation.¹²⁶ In the period 1999 - 2010, applications seeking protection in many other Contracting Parties were most likely to be filed through the Madrid System – over 95 per cent for several European countries. However, for some jurisdictions the proportion was not nearly as high: international applications designating the EU from the time of accession in 2005 made up only 24 per cent of the total applications to the EU originating in Turkey. It appears that the increased number of applications from Turkey into other markets filed under the Madrid System may indicate that the System has encouraged applicants to designate certain markets where there is little likelihood that the mark will be used.¹²⁷ However, information provided by agents and firms in Turkey indicates that there has been a significant increase in filings for international protection from SMEs since accession, with SMEs benefiting from raised awareness of the need to protect marks appropriately in other jurisdictions.¹²⁸

Designations received under the Madrid System

Turkey experienced an initial drop in directly filed non-resident applications immediately after accession, going from over 5,150 directly filed non-resident applications in 1998 to around 3,650 in 1999. However, the high level of designations under the Protocol in 1999 resulted in an increase in the overall numbers to just over 6,050. Since that time there has been an increase in the number of foreign applications, both from other Contracting Parties and from jurisdictions outside the Madrid Union. There were 5,100 designations received in 2000 and over 9,800 in 2008, with an increasing trend for the Protocol to be used by non-residents when applying for protection for their marks in Turkey. In its first year of operation under the System, Turkey received 42 per cent of total non-resident filings under the System and this grew to 72 per cent in the third year.¹²⁹ The highest numbers of designations of Turkey are received from France, Germany, Switzerland and the United States of America.¹³⁰ Applicants from some Contracting Parties are far more likely than those from other member countries to use the System when protecting their marks in Turkey. Generally those making the greatest use of the System are from continental European countries like France, Germany, Italy, Switzerland and the Russian Federation, while applicants from Contracting Parties such as Japan, Republic of Korea, the United Kingdom and the United States of America have a greater proportion of directly filed applications.¹³¹

¹²⁴ Figures on International registrations by Office of origin and 'Designations in international registrations by country of holder' obtained through <http://www.wipo.int/madrid/en/statistics/>.

¹²⁵ Annex 5 [Turkey] A 6.

¹²⁶ Annex 5 [Turkey] A 6(b).

¹²⁷ Annex 5 [Turkey] A 6 and 6(a) and Attachment 2.

¹²⁸ Annex 5 [Turkey] A 7, 7(a).

¹²⁹ Annex 5 [Turkey] A 5, 5(a), Attachment 5.

¹³⁰ Annex 5 [Turkey] A 5(c).

¹³¹ Annex 5 [Turkey] A 5(a) and Attachment 1. In 2010, 96 per cent of applications received in Turkey originating in the Russian Federation were filed under the Madrid System, as were more than 80 per cent of applications originating in China, France, Italy and Switzerland. Forty per cent of applications originating in the Republic of Korea, Japan and the United Kingdom and 31 per cent of applications originating in the United States of America were under the Madrid System.

Effect within the IP Office

The considerable increase in the work of the IP Office following accession to the Madrid System necessitated an increase in the original staff numbers of two examiners and two support staff in the Madrid Division to 10 staff members, half of whom were support staff. The Division provides information on the Madrid System and performs all the functions of an Office of origin as well as examining and giving effect to maintenance actions concerning designated international registrations. The large number of international applications filed through the Office brings a significant workload in itself. While the process of examining designations is similar in nature to that of examining domestic filings, there are some differences in the processes involved. Designations are given priority and classification and fee matters are handled differently. The current level of seven staff is due to a general deficiency in terms of staffing in the Office. Alongside other duties, IT personnel must perform tasks related to the Madrid System.¹³²

Turkey applies a handling fee for international applications, subsequent designations and other requests and changes, including transformations and replacements. Turkey's review of its earlier decision, resulting in the choice in 2006 to levy individual fees in line with the domestic application fee,¹³³ made a very marked difference to the System-related revenue received by the Turkish Office. Between 2001 and 2005, there was a slight increase in fees from 473,934 Swiss francs to 631,570 Swiss francs. However, payment of individual fees brought about an increase to 5,192,393 Swiss francs in 2006, although that declined a little in the following years when the number designations fell. Costs of operating the System appear to be covered by the individual fee, together with the other fees charged by the Office.¹³⁴

Impact on Trademark Agents and Attorneys

The Turkish Office requires an applicant filing into the national system to have a local representative if it has no domicile in Turkey. It would be expected that a local agent acting for an overseas applicant would be responsible for all procedures until registration was concluded. Holders of international registrations designating Turkey are not required to have a local representative unless they are responding to a provisional refusal, including one arising from opposition. Then the role is confined to filing an appeal or responding to the opposition or official action and, once that is concluded, correspondence will again be between the holder and the IB.¹³⁵

General economic growth in Turkey may well have contributed to the significant increase in trademark work which has occurred there in the period since the country's implementation of the Madrid System. Although there was a slight drop in non-resident direct filings following implementation of the Protocol, designations under the Madrid System have continued to grow and there are many international applications being filed through the Turkish Office. The opinion of Turkey's agents is that there has been a significant increase in work overall and some that the work of representing holders following a provisional refusal brings with it additional complexity.¹³⁶

4.3.5 Viet Nam

¹³² Annex 5 [Turkey] A8, 8(a).

¹³³ See 4.1.4.

¹³⁴ Annex 5 [Turkey] A 8.

¹³⁵ Annex 5 [Turkey] A 10.

¹³⁶ Annex 5 [Turkey] A 10(a).

International Applications by Local Businesses

International applications under the Madrid System originating in Viet Nam increased in the years following accession to the Protocol. However, use of the System has remained slight with the 62 filings of international applications for 2010 being the highest number recorded. This may, in large part, be due to the nature of Vietnamese export trade. Many businesses are SMEs, with undiversified products and services and, if exporting, may focus on a single market, placing greater reliance on the Paris Convention route to protection.¹³⁷ However, it appears SMEs in Viet Nam have benefited from the availability of the simpler procedures of the System when filing for protection of their marks abroad.¹³⁸

Designations received under the Madrid System

Between 1998 and 2002, designations of Viet Nam under the Agreement dropped from 2,800 to 1,950, with numbers returning to around 2,500 a year in the years immediately prior to the country's accession to the Protocol. The numbers increased by almost 30 per cent immediately following that accession and continued to grow to 4,750 in 2008, before reflecting the world trend of lower filings in 2009.¹³⁹ The major increase in numbers of designations of Viet Nam in recent years has involved countries which are members of the Protocol i.e. the EU, Japan, Republic of Korea and the United States of America.¹⁴⁰ However, in the period 1998 - 2010 there was greater growth in the numbers of applications filed by non-residents directly with the Vietnamese national system (2,000 in 1998; 6,700 in 2010). As a result, the proportion of non-resident filings coming through the Madrid System dropped somewhat, before settling at around 40 per cent in the years since accession to the Protocol.¹⁴¹ Some of the increase in directly filed applications after 2000 originated from countries which are not members of the Madrid Union such as Canada, India, Malaysia and Thailand.¹⁴²

Effect within the IP Office

The time constraints of the Madrid System, together with the need to communicate in writing with the IB on international registrations designating Viet Nam, significantly increased the workload within NOIP. In order to tackle this issue, the Office invested in improved infrastructure and equipment and examined the possibility of developing a means of electronic communications with the IB. The computer system used for administration of intellectual property does not cater adequately for designations under the System and investigations are underway concerning modifications to meet the new requirements. In addition to providing training on technical aspects of handling international applications and registrations, extra courses were required to enhance the English language skills of staff.

The Office charges a fee for handling international applications and found that requesting individual fees when acceding to the Protocol brought a significant increase in revenue received under the System: individual fees amounted to almost 52,800 Swiss francs in the first year and peaked at 490,000 Swiss francs in 2008. The revenue received under the System covers the costs of its operation in Viet Nam.¹⁴³

Impact on Trademark Agents and Attorneys

¹³⁷ Annex 6 [Viet Nam] A 6.

¹³⁸ Annex 6 [Viet Nam] A 7.

¹³⁹ Annex 6 [Viet Nam] A 5(a).

¹⁴⁰ Annex 6 [Viet Nam] A 5(c).

¹⁴¹ Derived from figures given in Annex 6 [Viet Nam] A 5(a).

¹⁴² Annex 6 [Viet Nam] A 5(b).

¹⁴³ Annex 6 [Viet Nam] A 8.

Foreign applicants who do not reside in Viet Nam, and do not have a commercial or industrial establishment there, must use a lawful representative in Viet Nam when filing directly with the national trademark system. A local representative is required when responding to provisional refusals issued concerning designations under the System.

Having long been party to the Agreement, Viet Nam's later accession to the Protocol did not markedly affect the roles of local trademark agents. Their overall workload and revenue was also said to have changed little.¹⁴⁴ However, it must be noted that, while the number of international registrations designating Viet Nam has risen significantly over time, so has the number of applications filed with the domestic system by residents and non-residents. In recent years, filings under the Madrid System have formed only around 40 per cent of total non-resident filings and 15 per cent of total applications.¹⁴⁵

4.4 IMPACT OF THE SYSTEM ON IP OFFICES, AGENTS AND ATTORNEYS - SUMMARY

The experiences of the countries studied provided examples of the range of organizational and procedural issues which might need to be addressed following implementation of the System. It is only to be expected that some decisions made before there is any practical experience of the Madrid System in the specific context of a Contracting Party's legislative and procedural framework may have unanticipated effects, or may not have the desired result. In addition, as the level of work increases and Offices become more experienced in the operation of the System, arrangements which initially appeared satisfactory may need to be altered. This means that there are potentially significant advantages to Offices if they develop their operational structures for the Madrid System, including legislation and Office practice and procedures, to be as simple and flexible as possible in light of their domestic trademark systems.

The IP Offices of countries involved in the Study demonstrated very different levels of use as Offices of origin, both in terms of the number of international applications filed with them and in the proportion of the total applications from their country to other jurisdictions. All countries in the study experienced generally steady increases in non-resident filings in the period following accession to the Madrid System, though several were affected by the drop in filings experienced across the IP system in 2009. However, the proportion of non-resident applications received in those countries which were made under the Madrid System varied a great deal. All the Offices experienced a significant increase in workload after implementation of the Madrid System. Part of the additional work is the result of the new functions involved in dealing with international applications as Offices of origin as; even where the number of international applications filed through the Office is not large, these functions are additional to those previously performed and it may take some time for staff to become familiar with the procedures. There is also a significant increase in terms of workload as receiving Offices for growing numbers of designated international registrations.

While the requirements for extending protection to an international registration would be equivalent to those for domestic registrations, most Offices apply these requirements within an administrative framework significantly different from that established for directly filed applications. Some of the increased work within Offices is seen to come from the need to utilize different procedures and processes to carry out the functions under the System. Such differences may also mean that there is less flexibility for allocating staff within an Office and that limitation may be particularly apparent if staff members working on international

¹⁴⁴ Annex 6 [Viet Nam] A 10(a).

¹⁴⁵ Derived from figures provided Annex 6 [Viet Nam] A 5(a).

applications and registrations are required to be proficient in languages other than the language(s) generally used in the Office.

All the countries other than Mongolia levy individual fees, although this was a fairly recent change in terms of operations in Turkey. The Offices which indicated the proportion of staff handling their work under the Madrid System, reported figures of around 50 per cent of examination staff, however, in all cases the revenue from the fees received (including handling fees) was said to cover the costs of operating the System.

Following implementation of the Madrid System, any change in the balance of work of trademark agents in a Contracting Party will depend on: the extent to which local businesses seek advice on filing in other countries and opt to use the Madrid System; changes in the overall number of applications by non-residents, the proportion of applications which come via the Madrid System and the number of designations which require the services of a local agent.

Under the Madrid System, an agent in the applicant's State may assist with the filing of an international application and, generally, the applicant or holder of the international registration will not need an agent in designated Contracting Parties unless there is a requirement for representation when responding to a provisional refusal or taking other specified actions before the relevant Office. The holder or the holder's representative in the country of origin can request the IB to renew the international registration or amend its details. As a result, for many international registrations there may be no need for the holder to appoint an agent in designated Contracting Parties. In contrast, a local agent acting for overseas applicants filing directly with the national system would typically be responsible for an application from the time advice may be sought prior to filing until the registration process is completed and may retain responsibility for post-registration actions. This difference in the roles played by local agents under the different routes for filing applications in other Contracting Parties has been identified as an element that has significantly altered the nature of the work of attorneys in the Republic of Korea, Singapore and Turkey since accession to the System.

Concurrent changes in the IP environment, including any changes in levels of filings with the national system, may modify the impact on local agents of accession to the System. These influences have been reflected in relation to the work of agents in the countries of the Study, with agents in Mongolia, Turkey and Viet Nam benefiting from the overall increasing use of the trademark system, while in the Republic of Korea and Singapore the impact on the revenue of agents resulting from the change in roles has been felt more keenly.

These outcomes have, to differing degrees, borne out some predictions of trademark agents and attorneys in the Republic of Korea, Singapore, Turkey and Viet Nam who, before accession, expressed concern about its likely effect on their businesses, while also acknowledging its potential benefits for trademark owners.¹⁴⁶ While agents in the Republic of Korea do not believe that their perceptions of the Madrid System have altered in the period of operating under the System, it appears that, over time, agents in Singapore and Viet Nam have adjusted to any changes in their work which accession has brought.¹⁴⁷ Some agents in Turkey do not believe there has been significant change in perceptions there but others feel prevailing support for the System has come about because it is seen as contributing to general economic growth and the expected fall in work has not materialized.¹⁴⁸

¹⁴⁶ See 3.2.1.

¹⁴⁷ Annex 2 [Republic of Korea], A 10(b), Annex 6 [Viet Nam] A 10(b), Annex 4 [Singapore] A 10(b).

¹⁴⁸ Annex 5 [Turkey] A 10(b).

5 STAKEHOLDERS' VIEWS ON THE WAY FORWARD AND ITS CHALLENGES

In assessing the extent to which the Madrid System is meeting the needs of its users, it is important to appreciate stakeholders' perceptions of the benefits or disadvantages in using the System as opposed to obtaining protection for trademarks by filing applications for registration directly with the IP Offices in countries of interest. Such views, together with comments on any constraints to encouraging use of the System and suggestions concerning development, provide useful information in the context of WIPO's objective of increased use of the Madrid System.

5.1 VIEWS OF IP OFFICES ON ADVANTAGES AND DIFFICULTIES OF USING THE MADRID SYSTEM

5.1.1 Potential Benefits of Filing through the Madrid System

Experts of several countries in the Study emphasized that many of the procedures put in place within their IP Offices to deal with designations coming through the IB differed significantly from those for handling directly filed applications.¹⁴⁹ A few of the changed procedures are seen as providing a more efficient service for holders of international registrations than if they had filed directly. In some instances, the time taken for particular procedures may be less than for comparable actions concerning domestic applications. The Mongolian Office provides a faster service examining international registrations partly because it does not request supporting documentation as frequently as it does for national filings.¹⁵⁰ The need for the Vietnamese Office to comply with its Madrid timelines influenced the procedures developed for designations.¹⁵¹ The Office of Turkey complies with the time restrictions of the Protocol primarily by giving Madrid designations priority in processing over applications which are directly filed. As the bulk of their procedures are the same for applications coming via both routes, finalization generally takes less time for those under the Madrid System.¹⁵² As noted earlier, the check of classification and terms used in specifying goods and services performed by the IB has been utilized by Offices in Singapore and Turkey to reduce the time taken concerning those aspects of examination.¹⁵³

Examples are given of other aspects of operations in Offices which may be of significant assistance to some users. Some Offices require applicants using their domestic system to have local representation when responding to Office actions but holders of international registrations may be able to overcome a provisional refusal from the Office by requesting a limitation of goods and services through the IB.¹⁵⁴ Foreign holders and agents may be helped by being able to communicate in familiar languages such as English or French when prosecuting international registrations designating Viet Nam.¹⁵⁵

5.1.2 Difficulties in Operating the Madrid System

Other procedures under the Madrid System can cause difficulties and result in inefficiencies for Offices. The need for examiners to perform tasks using languages in which they are not fluent adds to the complexities of the work and, as noted in relation to the Republic of

¹⁴⁹ See 4.3.

¹⁵⁰ Annex 3 [Mongolia] A 8(c).

¹⁵¹ Annex 6 [Viet Nam] A 8(c): Viet Nam has a time limit of 12 months for notifying provisional refusal.

¹⁵² Annex 5 [Turkey] A 8(c).

¹⁵³ See 4.1.3 and 4.1.4.

¹⁵⁴ Annex 2 [Republic of Korea] A 8(c).

¹⁵⁵ Annex 6 [Viet Nam] A 8(c).

Korea's Office, may lead to communication problems with foreign applicants.¹⁵⁶ Another aspect of such problems is demonstrated by the many irregularity letters the IB has issued to the Office of Turkey, often because of incorrect translation of specifications of goods and services into English.¹⁵⁷

Communication between Offices and the IB can result in problems for Offices and also trademark owners and agents. Sending paper copies of documents can incur a heavy workload and, if the Office is in danger of failing to meet the time limits of the System, there are potentially very significant effects for the international applicant or holders of international registrations (such as a later date of international registration if the international application is not received by the IB within two months of its filing with the Office of origin).¹⁵⁸ Any delays occurring in the IB's handling of requests for changes to the details of international registrations can cause inefficiencies in Offices and affect the outcomes for holders if the requests have not been put into effect and relevant Offices not notified in time to be taken into account within the time frames of procedures in the designated Contracting Parties.¹⁵⁹

Offices which have the capacity to implement electronic monitoring may undertake complex programming better to safeguard against the potential for clients to suffer the adverse impact of an Office failure to meet the deadlines of the System.¹⁶⁰ Overall, the timeframes of the System are inflexible and this can limit the capacity of Offices in Contracting Parties to provide additional time for actions, although that may be possible under their domestic systems.¹⁶¹ Significant adverse effects may result from failure by users of the System to meet particular time limits; e.g. it may not be possible to extend time limits for commencing opposition actions if that would result in a provisional refusal being issued after the relevant time limit.

The procedures necessary to meet the requirements associated with the dependency provisions of the Madrid System can prove to be very time-consuming.¹⁶² An Office of origin must monitor basic marks for five years from the date of the related international registration and notify the IB of any reduction in the scope of the protection if it affects the international registration. This may require looking at all marks where such changes occur to see if they are basic marks within the dependency period and then considering whether the changed scope affects the international registration. Even if part of the task can be automated, the relevance of any partial cancellation to the international registration will have to be considered. Similarly, an Office must compare any notification of partial cancellation of an international registration with the current scope of protection in that country and give effect to any relevant change.

Handling of notifications of corrections to international registrations received from the IB can cause particular concerns for Offices. Such items generally arise from requests to rectify errors in previous communications and may involve corrections which affect the scope of the protection, such as notifying omissions to the specification of goods and services or changing the description or representation of the mark. If notifications arrive late in the processes of the Office, or after the international registration has become protected, it may not be possible for some Offices to deal appropriately with the requested change, in particular if the rights of third parties could be affected.¹⁶³

¹⁵⁶ Annex 3 [Mongolia] A 8(a), Annex 2 [Republic of Korea] A 8(a) c.

¹⁵⁷ Annex 5 [Turkey] A 8(a) where work of the IB in developing electronic tools to assist classification and descriptors is noted.

¹⁵⁸ Annex 6 [Viet Nam] A 8(a).

¹⁵⁹ Annex 2 [Republic of Korea] A 8(a)a. The expert from Singapore notes recent significant improvement in time taken by the IB when responding to enquiries of Offices: Annex 4, A 3 3e.

¹⁶⁰ Annex 4 [Singapore] A 3 3c.

¹⁶¹ This may be compared with Article 14 of the Singapore Treaty which allows Offices to provide relief measures in case of failure to comply with time limits.

¹⁶² Annex 2 [Republic of Korea] A 8(a)b.

¹⁶³ Annex 4 [Singapore] A 8(a).

5.2 VIEWS OF TRADEMARK OWNERS, AGENTS AND ATTORNEYS ON ADVANTAGES AND DIFFICULTIES OF THE SYSTEM¹⁶⁴

5.2.1 Advantages of the Madrid System

The responses provided by the national experts when asked whether owners of trademarks and their agents perceived any key advantages to using the Madrid System fit into a number of categories.

Ease of Filing and Simple Formalities

One application in one language and with payment of fees in a single currency can obtain protection of a mark in many countries, whereas filing under the Paris Convention requires that separate applications be made to each country of interest and that the varied national requirements concerning language and fee payment be met.¹⁶⁵ The online database of the IB is of assistance with regard to certain aspects of filing¹⁶⁶ and the potential for varying translations in different countries is reduced.¹⁶⁷ There are similar benefits when extending the protection for marks into additional territories in a subsequent designation.

Easier Maintenance of International Registrations

Centralized management of international registrations through the IB allows holders to renew the registrations for designated Contracting Parties by making a single request and paying a single fee. If the owner needs to make changes to the details of the international registration, this can be done through a single request, with the IB notifying Offices of the relevant Contracting Parties.¹⁶⁸ Such an approach allows for easier tracking of international registrations and management of portfolios.

Possibility of Reduced Costs in terms of Protection

Although it is not always the case, owners utilizing the Madrid System may benefit from lower costs of obtaining and maintaining protection for their marks in other countries than would have applied to non-resident direct filings.¹⁶⁹ The potential for reduced costs arises from many aspects of the System including the fact that:

- many maintenance actions are subject to a single fee payable to the IB rather than a fee for each country where the particular change to the details is required;¹⁷⁰
- a local representative is often not required in designated countries and such a requirement may arise only where it is necessary to respond to a provisional refusal;¹⁷¹
- translation costs are eliminated;¹⁷²
- there is no need to have the documents supporting the application notarized, legalized or translated.¹⁷³

Greater Knowledge of Time Frames of Procedures/Processes

¹⁶⁴ As the experience of trademark owners and agents in Mongolia in seeking protection of marks abroad has been slight and almost exclusively using the Madrid System, they are not well placed to compare the System with filing directly into national Offices: Annex 3 [Mongolia] A 9.

¹⁶⁵ Annex 2 [Republic of Korea] A 9(a), Annex 4 [Singapore] A 9, Annex 5 [Turkey] A 9, Annex 6 [Viet Nam] A 9.

¹⁶⁶ Annex 5 [Turkey] A 9.

¹⁶⁷ Annex 2 [Republic of Korea] A 9(g).

¹⁶⁸ Annex 2 [Republic of Korea] A 9(b), Annex 4 [Singapore] A 9, Annex 5 [Turkey] A 9.

¹⁶⁹ Annex 6 [Viet Nam] A 9, Annex 5 [Turkey] A 9.

¹⁷⁰ Annex 4 [Singapore] A 9, Annex 5 [Turkey] A 9.

¹⁷¹ Annex 2 [Republic of Korea] A 9(c), Annex 5 [Turkey] A 9.

¹⁷² Annex 5 [Turkey] A 9.

¹⁷³ Annex 4 [Singapore] A 9.

The limited time allowed for a designated Contracting Party to notify provisional refusal of protection for an international registration means that the holder will know within 12 or 18 months of the date of the international registration whether the mark has met objections to protection in that Party, or whether objections could still result from a later-filed opposition. Relatively recent amendments to the Common Regulations have made it compulsory for a designated Contracting Party to issue a statement of grant of protection where no notification of provisional refusal has been issued within the period relevant for that Party.¹⁷⁴ These provisions mean that the holder will be made aware much further in advance of when outcomes of procedures will be known than is often possible in the case of applications filed directly with national systems.¹⁷⁵ The time limit with which Offices must comply also means that there are some jurisdictions where utilization of the Madrid System will lead to a speedier outcome than direct filing.¹⁷⁶

5.2.2 Problems Experienced when using the Madrid System

National experts were also asked whether trademark agents or owners had experienced any problems when using the Madrid System which would not be anticipated if applications had been filed directly with the national systems of the countries concerned.¹⁷⁷

Although in general the time frames may be regarded as a favorable feature of the Madrid System, there may be negative outcomes for applicants, holders and third parties if particular time limits are not met by Offices of Contracting Parties, as discussed in 5.1.2. Adverse effects may also result from delays from other causes, such as late notification of the second part fee for a country which requires one¹⁷⁸, or if notification of provisional refusal based on opposition is not received in sufficient time for it to be appropriately defended.¹⁷⁹

Holders of international registrations may be able to reduce the costs of obtaining protection for their marks if there is no requirement for them to have a local representative in designated countries. However, that saving might mean they are not in as strong a position to deal with any issues which arise when using the Madrid System as would be anticipated if a local agent had been involved (as is generally the case with national filings). This may be most likely to occur where particular Contracting Parties have requirements which differ from those of most other countries, particularly if only a relatively short time is allowed to reply to a provisional refusal.¹⁸⁰

Some Contracting Parties do not issue certificates to the holders of marks indicating that protection of the international registration extends to their territory. Authorities in certain jurisdictions require such evidence from the trademark registry if the holder wishes to enforce the rights attained there through the Madrid System. It may take some time to acquire such documents and the holder may incur additional costs.¹⁸¹ Potential international applicants may be less likely to utilize the Madrid System to seek protection in countries where this issue can arise. Indeed, while the Office of Mongolia made a decision not to issue certificates in order to simplify their workload, experience shows that this approach does not

¹⁷⁴ The obligation to provide a statement under Rule 18ter(1) came into effect on January 1, 2011 (Rule 40(5)).

¹⁷⁵ Annex 2 [Republic of Korea] A 9(e), Annex 6 [Viet Nam] A 9.

¹⁷⁶ Annex 2 [Republic of Korea] A 9(f).

¹⁷⁷ Responses to a further query as to whether there were particular circumstances where agents and owners would think it preferable to file applications directly with the IP Office rather than utilize the Madrid System are discussed at 5.2.3).

¹⁷⁸ Cuba, Ghana and Japan have made declarations under Rule 34(3) requesting their individual fees be paid in two parts, the first when filing the international application and the second at a later date set by each country.

¹⁷⁹ Annex 5 [Turkey] A 9(a), Annex 6 [Viet Nam] A 9(a).

¹⁸⁰ Annex 5 [Turkey] A 9(a), Annex 2 [Republic of Korea] A 9(a) a and e, Annex 6 [Viet Nam] A 9(a).

¹⁸¹ Annex 5 [Turkey] A 9(a).

meet the needs of some holders and the Office is considering possible ways to overcome the problem.¹⁸²

Some of the issues associated with the dependence on a basic mark may be anticipated by international applicants; however applicants may not be aware that additional costs may be involved in some Contracting Parties if it is necessary to rely on provisions for transformation following cancellation of the basic mark.¹⁸³

5.2.3 Circumstances when Filing Directly with National Systems is preferable to the Madrid System

Owners of trademarks and their agents have noted that the Madrid System offers many potential advantages when it comes to obtaining protection for their marks in other Contracting Parties.¹⁸⁴ However, a significant proportion of applications originating in members of the Madrid Union are filed directly with Offices of some other Contracting Parties¹⁸⁵ and it is important to understand the circumstances under which this becomes the preferred business decision.¹⁸⁶

Potential Limitations and Vulnerability due to Dependence on the Basic Mark

When filing directly with Offices in the countries or regions of interest, there is no requirement for an earlier application or registration of the mark in the country of origin.¹⁸⁷ That route may be preferred by an applicant if the requirement of the Madrid System to base the international application on a mark which is registered, or which is the subject of a pending application in the Office of the country of origin, will restrict the scope of the protection in other jurisdictions or will leave the international registration vulnerable to cancellation.¹⁸⁸

If the owner of a trademark intends to use it in foreign markets in relation to a range of goods which is wider than that specified in the country of origin, the Madrid System may not be appropriate to his needs. It is not unusual for a marketing strategy to entail the use of a mark with slight variations in different markets but the mark of an international application must be identical with that used in the country of origin.¹⁸⁹ A particular example of this arises when applicants wish to obtain protection for language variations of the same mark as appropriate to the different countries of interest; e.g. when the mark in the country of origin is in English and used in English-speaking markets but the applicant wishes to have Japanese and Korean equivalents of the English mark protected in those countries.¹⁹⁰

It is also necessary to assess the likelihood that a registration of the mark in the country of origin may be susceptible to “central attack”, or that a pending application used as a basic mark may not actually proceed to registration in the country of origin for all the goods and services which have been specified. If either of these situations occurs within the dependency period, the international registration would be cancelled to the extent that the protection of the basic mark is reduced. Although work within the IB indicates that the rate of

¹⁸² Annex 3 [Mongolia] A 9(a).

¹⁸³ Annex 2 [Republic of Korea] A 9(a) b.

¹⁸⁴ See 5.2.1.

¹⁸⁵ See 4.3.

¹⁸⁶ Mongolia's national expert noted that as Mongolian trademark owners and agents had so little experience of filing into national systems they were not in a position to comment on this issue: Annex 3 [Mongolia] A 9(b).

¹⁸⁷ See 2.1.1.

¹⁸⁸ See 2.1.2.

¹⁸⁹ Annex 2 [Republic of Korea] A 9(b), Annex 5 [Turkey] A 9(b).

¹⁹⁰ Annex 4 [Singapore] A 9(a) and (b).

successful central attack is low,¹⁹¹ the fact that it is a possibility can be a significant deterrent to using the Madrid System.¹⁹²

Number of Markets of Interest in Contracting Parties

Some international applicants prefer to use direct filing when seeking protection in only one or a few Contracting Parties.¹⁹³ This situation may well arise where any cost advantages from using the System are seen as minimal, such as when there is little difference in fees and there is potential benefit from appointing an attorney at the outset of proceedings in the target jurisdictions.¹⁹⁴

Potential for Divisional Application may assist Applicant

The Madrid System does not allow for the division of an international registration.¹⁹⁵ If preliminary research indicates to the potential applicant that the likely outcome of examination in a particular Contracting Party is a partial refusal, the applicant may prefer to use the national system so that any provisions in that jurisdiction for divisional applications would be available.¹⁹⁶ Division of an application allows that application to proceed promptly for the goods and services for which protection has not been refused. The goods and services to which the partial refusal relates may become the subject of a separate application, which retains the same filing date as the original and the case may then be argued further.¹⁹⁷

Other Differences leading to Use of National Systems

In Contracting Parties with speedy finalization of registration procedures in their domestic systems, applicants may gain a faster resolution than by filing under the Madrid System which can have some slow phases (such as the time from filing in the Office of origin until the moment when the Offices of the Contracting Parties concerned are notified of the international registration).¹⁹⁸ Time to finalization together with certainty about receiving a certificate of registration may be crucial to decisions if the applicant is in urgent need of a registration certificate in a particular country or region.¹⁹⁹

If applicants become concerned that the Office of origin which they use may not always meet the time limits for the Madrid System and so ensure the earliest possible filing date for the international registration, they may prefer to retain greater control over the filing by lodging applications directly with the Offices in countries of interest.²⁰⁰

5.3 MEASURES TAKEN BY IP OFFICES TO ENCOURAGE USE OF THE MADRID SYSTEM

¹⁹¹ See WIPO document MM/LD/WG/9/3, *Information concerning Ceasing of Effect and Transformation* dated June 29, 2011, discussing the outcomes of a six-month study.

¹⁹² Annex 2 [Republic of Korea] A 9(b), 11(a), Annex 5 [Turkey] A 9(b), 11(a), Annex 4 [Singapore] A 9(a) and (b), Annex 6 [Viet Nam] A 9(b).

¹⁹³ Annex 2 [Republic of Korea] A 9(b), Annex 6 [Viet Nam] A 9(b).

¹⁹⁴ It must also be noted that more than 60 per cent of the registrations received by WIPO in 2010 sought protection in five or fewer export markets: *Madrid System Report 2010* accessible at <http://www.wipo.int/madrid/en/statistics/>.

¹⁹⁵ This has been a subject of discussion at recent meetings of the Working Group on the Legal Development of the Madrid System – see WIPO document MM/LD/WG/9/2, dated June 29, 2011, *Division of the International Registration*.

¹⁹⁶ Annex 2 [Republic of Korea] A 9(b), Annex 4 [Singapore] A 9(a) and (b).

¹⁹⁷ Article 7 of the Trademark Law Treaty and Article 7 of the Singapore Treaty on the Law of Trademarks require provision to be made for divisional applications.

¹⁹⁸ Annex 2 [Republic of Korea] A 9(b), Annex 5 [Turkey] A 9(b).

¹⁹⁹ Annex 5 [Turkey] A 9(b).

²⁰⁰ *Ibid.*

The Offices of most of the countries taking part in this study have taken steps to promote or support the use of the Madrid System by domestic businesses and in particular to generate wider understanding of the way the System operates.

These actions have included the publication of information on the System, including guides as to its use to assist applicants, some being in the language(s) generally used by those involved in local businesses.²⁰¹ Talks, seminars and training courses on the Madrid System have been held, some on a very regular basis and many in co-operation with other agencies and organizations, such as WIPO and the country's IP attorney organizations.²⁰² Additional courses have built the capacity of Office staff to deal with Madrid System work.²⁰³

The Office of Turkey provides a free consultancy service on the Madrid System and this appears to have been important in promoting the System there. It further encouraged use of the System by reducing its handling fee for international applications and continued its use of telephone and electronic communications with applicants to help it meet time limits for actions as an Office of origin.²⁰⁴

Mongolia's main exports are raw materials. No steps have been taken by that Office to provide particular support for use of the System but (as noted at 4.3.1) virtually all of the rare applications which Mongolian businesses have filed seeking protection in other countries have been under the Madrid System.²⁰⁵

5.4 STAKEHOLDER VIEWS ON INCREASING USE OF THE MADRID SYSTEM

5.4.1 Challenges and Constraints to increasing the Use of the System

The national experts acknowledge that there are challenges involved in encouraging trademark owners to make greater use of the Madrid System.

Important in these are some matters mentioned as circumstances when filing directly with national systems may be preferred to using the Madrid System (see 5.2.3). Those issues identified as being sufficiently significant to limit the use made of the Madrid System are:

- the requirement for a basic mark, which impacts by:
 - o limiting the scope of the protection sought under the System,
 - o imposing a five-year period where the international registration is dependent on the basic mark; and
- the view that filing applications directly with national systems may be more convenient if the applicant is requesting protection in very few Contracting Parties.

In some jurisdictions, applicants may be particularly concerned over dependency issues if they want to file an application in other countries but the mark which would provide the basis of a Madrid filing is still not registered in the country of origin. The ratio of ceasing of effect in Turkey emphasizes that this is an important consideration.²⁰⁶

²⁰¹ Annex 4 [Singapore] A 11, Annex 6 [Viet Nam] A 11.

²⁰² Annex 2 [Republic of Korea] A 11 a and b, Annex 5 [Turkey] A 11, Annex 4 [Singapore] A 11, Annex 6 [Viet Nam] A 11.

²⁰³ Annex 6 [Viet Nam] A 11, Annex 2 [Republic of Korea] A 11 a.

²⁰⁴ Annex 5 [Turkey] A 11.

²⁰⁵ Annex 3 [Mongolia] A 11.

²⁰⁶ Annex 2 [Republic of Korea] A 11(a) a and b, Annex 5 [Turkey] A 11(a).

Most enterprises in Mongolia and Viet Nam are SMEs and, if they are involved in the export trade, volumes may be low and there is often limited appreciation of benefits of protecting marks abroad, or of any need for a longer-term business strategy to cater for this. While using the Madrid System may be less costly than filing directly with the Offices of some other countries, the costs, particularly if seeking protection in a Contracting Party bound only by the Protocol and requiring individual fees, may still be a burden for small businesses and may discourage filing of applications.²⁰⁷

There may be reluctance to use the Madrid System if a number of the jurisdictions of interest to the prospective applicant are not Contracting Parties. Currently, many businesses in some of the countries covered by this Study cannot use the System exclusively to gain protection for their marks in other countries of their own region and so the potential benefits to the applicant of the simplified application and maintenance procedures possible under the Madrid System are reduced.²⁰⁸

5.4.2 Increasing Use by securing Additional Members of the Madrid Union

A broader geographic coverage of the Madrid System would be expected to increase significantly use of the System by local businesses in the countries of the Study. National experts were asked to identify any countries whose accession would be particularly significant for their domestic businesses and major trading partners were mentioned.

Singapore and Viet Nam emphasize the importance to their traders of accession by other ASEAN countries which is anticipated by 2015. The Republic of Korea also lists a number of ASEAN countries.²⁰⁹ All countries in the Study express interest in India joining the System and several mention Canada. Users in Turkey also put forward several Middle Eastern countries, including Iraq, Kuwait, Qatar and the United Arab Emirates and some Latin American countries, such as Argentina, Brazil and Mexico.²¹⁰

It should be noted that, in September 2011, the Director General advised the WIPO Assemblies that legislation to facilitate India's accession to the Protocol had been approved, ASEAN countries not yet members were preparing to join, as was New Zealand, and preparations for accession by Tunisia and several Latin American countries were well advanced.²¹¹

5.4.3 Enhancing the Operation of the System better to meet Users' Needs

Proposals for other ways to encourage more use of the Madrid System focus on improving the way the System functions and particularly on ways in which simplified and more efficient procedures might allow for faster finalization and provide for increased confidence in any resulting grant of protection.

Streamlining Madrid System Processes

²⁰⁷ Annex 3 [Mongolia] A 11(a), Annex 6 [Viet Nam] A 11(a). As Mongolia and Viet Nam are bound by both the Agreement and the Protocol, international applicants from those countries would not be subject to individual fees when designating countries also bound by both treaties – see 2.1.2.

²⁰⁸ Annex 4 [Singapore] A 11(a).

²⁰⁹ Annex 4 [Singapore] A 11(b), Annex 6 [Viet Nam] A 11(b), Annex 2 [Republic of Korea] A 11(b).

²¹⁰ Annex 5 [Turkey] A 11(b) and all other responses at A 11(b).

²¹¹ Report of the Director General, WIPO Assemblies 2011, [10], accessed at http://www.wipo.int/about-wipo/en/dgo/pdf/dg_report_a49.pdf.

It was noted that the development and availability of the online Goods and Services Manager (G&S Manager) is likely to be of great help to applicants. Problems with the translation of terms and correct classification should be greatly reduced, making filing simpler for applicants and assisting processing in Offices of origin by facilitating the checking of applications and also reducing the number of irregularity letters. Provision of the service in languages additional to the official languages of the System will be very valuable and further development of the facility would assist users.²¹²

Improving communications between IP Offices and the IB was also suggested as likely to reduce the time taken in various procedures, particularly if mechanisms for more direct contact between IB personnel and staff in Offices of Contracting Parties were to become available.²¹³ The IB's intention to introduce and encourage use of electronic communication between IP Offices and teams within the IB was outlined during 2011 and may facilitate the achievement of these aims.²¹⁴

Users saw a need for easier and speedier communication between the IB and international applicants, in particular to assist in the resolution of any irregularities in international applications and so reduce delays concerning the recording of applications on the Register and the notification of designated Contracting Parties.²¹⁵ Such developments could build on the use of electronic communications between many IP Offices and their clients. These proposals were made in advance of the IB's extension of the electronic notification service, which has recently been made available and which includes communication on irregularities as well as other notices,²¹⁶ potentially an important step towards improved efficiency in terms of these processes.

Potential for Change to Legal Requirements of the System

Mongolia has been considering mechanisms which might address concerns that the costs of using the Madrid System may be too high for SMEs in that country.²¹⁷ The IP Office suggests that a reduction in fees for SMEs of developing countries would increase use of the System but notes that the Mongolian Government may contemplate providing financial assistance to SMEs to facilitate use of the Madrid System.²¹⁸

It was noted above that a factor limiting use of the Madrid System in some countries in the Study is the requirement to base an international application on an existing application or registration of the mark in the country of origin and the five-year period during which the international registration is dependent on the basic mark.²¹⁹ Removing the requirement for a basic mark is seen as a way to increase use of the System and it would also obviate the need for some cumbersome processes in the Office of origin.²²⁰ Discussion of a proposal along these lines and the associated reconsideration of the regime allowing for central

²¹² Annex 5 [Turkey] A 8(b) i. The IB anticipates having the G&S Manager available in 11 languages: WIPO document MM/A/44/3, *Madrid System Goods and Services Database: Progress Report*, dated July 26, 2011, [61].

²¹³ Annex 3 [Mongolia] A 8(b), Annex 5 [Turkey] A 8(b) ii.

²¹⁴ See *Operational and Procedural Simplification of the Madrid System*, presentation prepared for the Ninth Session of the Working Group, July 4-8, 2011, accessible at http://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_9/mm_ld_wg_9_www_176996.pdf.

²¹⁵ Annex 5 [Turkey] A 8(b) ii and iii, Annex 6 [Viet Nam] A 8(b), Annex 2 [Republic of Korea] A 11(a)a.

²¹⁶ See *Electronic communication between the International Bureau of the World Intellectual Property Organization (WIPO) and holders of international registrations*, WIPO Madrid Information Notice 36/2011, October 17, 2011 and the list of documents for which the electronic notification service may be used at http://www.wipo.int/madrid/en/services/electronic_notification.html.

²¹⁷ As discussed at 5.4.1.

²¹⁸ Annex 3 [Mongolia] A 8(b). The Madrid System currently makes provision for reduced fees for applicants from Least Developed Countries (LDCs) who pay 10 per cent of the amount of the basic fee. The United Nations maintains a list of LDCs.

²¹⁹ See 5.2.3 and 5.4.1.

²²⁰ Annex 2 [Republic of Korea] A 8(b) a, Annex 4 [Singapore] A 8(b).

attack has continued over many meetings of the Working Group on the Legal Development of the Madrid System for the International Registration of Marks.²²¹

It appears that work already underway within the IB, and consideration by the Working Group of other issues dealing with the development of the System, may result in considerable improvements in the way the Madrid System functions. However, it must be noted that some of the matters before the Working Group may yet take some time to reach finalization and may not be concluded in ways which achieve the effects suggested by the countries in the Study.²²²

6 CONCLUSION

The countries involved in this Study acknowledged that, when considering accession to the Madrid System, they benefited from learning of the ways other Offices had approached accession and from opportunities to observe their operations. A range of experiences is reflected in the information provided by the national experts (included in the Annexes which follow) and brought together in the Report. This may well provide a good starting point for countries which are contemplating acceding to the System in order to gain similar assistance.

These countries undertook very similar tasks or steps as they moved towards accession and when commencing operations under the System. This was the case even for the two countries which were Contracting Parties to the Madrid Agreement before acceding to the Protocol. The circumstances surrounding the decision to accede to the System and the administrative framework of the jurisdiction concerned would influence the order and extent of these “steps”, but the commonality of activities in the countries studied would indicate that those outlined here could well be included in any accession plan.

Administrators contemplating accession to the System may be well advised to consider available data on the use of the System in countries with trading patterns and relationships broadly similar to their own in addition to noting the data available through WIPO relating to the System as a whole. There is considerable variation in the extent to which the Madrid System has been used in countries of the Study, both by traders from other jurisdictions wanting protection for trademarks and by their domestic businesses seeking to protect their marks in export markets. All the countries reported generally increasing numbers of designations coming under the Madrid System and for most that also represented an increasing proportion of their applications from non-residents. Similarly, an increasing number of applications originating in these countries and filed abroad have been filed under the Madrid System. These figures must depend to a considerable degree on how many of a country’s major trading partners are members of the Madrid Union and the extent to which those countries or regions utilize the System.

The extent to which the System is used by exporters from a Contracting Party will also depend on individual business decisions as to whether to obtain protection for marks in foreign markets by using the Madrid System, or by filing applications directly with the Office of the country or region of interest. Differences in the requirements may mean applicants prefer not to use the Madrid System in some circumstances, one concern often mentioned in the Study being the constraints imposed by the need for a basic mark under the Madrid System and the period of reliance on that mark. However, users perceive many advantages in the Madrid System, particularly with regard to the relative simplicity of its filing procedures,

²²¹ The meeting in July 2011 requested additional information on ceasing of effect, central attack and transformation in preparation for later meetings, see WIPO document MM/LD/WG/9/6 *Summary by the Chair*, dated July 8, 2011, [12]-[19].

²²² Annex 4 [Singapore] A 8(b).

potential for reducing costs of trademark protection and the ease with which marks can be maintained on the international register.

Experiencing the potential for their clients to be assisted by the advantages of the Madrid System and the capacity of the System to encourage increased use of intellectual property in the increasingly globalized market appears to have brought about more general support for the System from some trademark agents who were initially concerned about the prospect of accession by their countries.

Information from the national experts shows that IP Offices of Contracting Parties and trademark owners and their agents have suggestions for encouraging increased use of the Madrid System. These include working towards expanding membership of the System to include more trading partners of the countries studied. Other proposals focused on simplifying the System, facilitating easier communication between the IB, IP Offices and owners of trademarks and their agents and also overcoming legislative issues perceived as limiting use of the System. Recent years have seen changes in Madrid System processes and procedures within the IB, including many which take advantage of advances in information technology. Other proposals for improving the operations of the System are under consideration by the Working Group on the Legal Development of the Madrid System, which reports annually to the Madrid Union Assembly and which has promoted some significant changes to the System in recent years. It is important that IP Offices of countries considering accession appreciate that the work on the development of the Madrid System is on-going. Managing activities leading to implementation of the Madrid System in ways which will minimize the effort required to adopt later changes will enable users to gain maximum benefit from future improvements.

WIPO STUDY ON ACCESSION TO THE MADRID SYSTEM

QUESTIONNAIRE FOR NATIONAL EXPERTS

1. What outcomes was your country aiming to achieve by its decision to accede to the Madrid System? If your country was previously a Contracting Party to the Madrid Agreement, what were the most important reasons for acceding to the Protocol?

2. Were any major challenges experienced leading up to accession and implementation of the Madrid System? Was there any opposition or resistance to the proposal to join the System? Please outline any issues you identify and note any measures taken to address them.

3. Could you outline the steps taken to prepare for accession and operation under the Madrid System and note the key decisions or outcomes for each?

Matters to consider would include (but should not be limited to):

- consultation with trademark owners, agents and other IP professionals;
- any review of, and changes to:
 - o operations of the national Office to ensure it would be in a position to comply with the Madrid System (e.g. reducing the pendency period),
 - o domestic legislation,
 - o organization of the Office and administrative procedures/processes to operate under the Madrid System including finance arrangements,
 - o examination and opposition processes and procedures,
 - o Office resources including staffing, supporting IT infrastructure or other information systems;
- communication with the International Bureau (IB) in relation to international applications and registrations;
- decisions on declarations and notifications under the Madrid System;
- dissemination of information and/or training provided for trademark owners, IP professionals, IP Office personnel;
- any support or assistance sought from, or given by, the IB, other IP Offices, user groups.

4. Has experience in operating under the Madrid System brought about any modification of legislative provisions, administrative or operational arrangements or processes put in place at the time the System was introduced in your country?

5. Has there been an increase in the number of applications/designations received from other Contracting Parties since implementing the Madrid System in your country? (Please include any details of changes which may have come as a result of later accession to the Protocol.)

(a) Has there been any change over time in the proportions which are designations under the Madrid System?

- (b) Does any increase of these filings differ from any trend in applications filed from countries which are not within the Madrid System?
- (c) Have there been any originating countries or regions for which an increase in applications/designations has been particularly marked?
6. Has there been any increase in applications and designations originating from your country and seeking protection for trademarks in other jurisdictions since your country's accession to the Madrid System? (It would be helpful to note any impact of a later accession to the Protocol on the number of filings.) To what extent, if any, do you think this could be attributed to the Madrid System?
- (a) Of these filings, have the proportions which are designations under the Madrid System changed over time?
- (b) Do any countries or regions predominate among those in which traders from your country use the Madrid System for gaining protection for marks?
7. Since your country's accession, has there been an increase in filings by SMEs from your country seeking international protection for their marks? What proportion of those were designations made under the Madrid System and has that changed over time?
- (a) Are there other indications as to whether accession to the Madrid System has benefited SMEs?
8. Has the operation of the Madrid System in your country had any effect on the amount of work within the IP Office? Has there been any change in the nature of the work, the balance of functions or to Office revenue? Can you provide any information on whether the costs of operating under the Madrid System are covered by the revenue (including any handling fees or other fees)?
- (a) Have any aspects of the Madrid System resulted in cumbersome procedures or complexities in communication for the IP Office?
- (b) Can the Office suggest any ways in which the operation of the Madrid System could be simplified and thus benefit users?
- (c) Are there any Office processes or procedures for handling designations in international registrations which may provide a more efficient service for holders than if they filed directly into your national system?
9. Do trademark owners or their agents and attorneys identify any key advantages in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries?
- (a) What problems, if any, have been experienced by trademark owners and their representatives when using the Madrid System for protection of their trademarks which would not have been anticipated if the application had been filed directly into national systems of the countries concerned?

(b) Are there particular circumstances under which owners, agents or attorneys believe it would be preferable to file applications seeking protection for a trademark directly into national systems rather than utilize the Madrid System?

10. Is there any requirement for local representation before the Office? Do trademark agents or attorneys find any aspects of that role significantly different from acting for overseas applicants who file directly into the national system?

(a) Has the overall workload of agents and attorneys changed since the Madrid System was introduced in your country? Has there been a change in the nature or balance of their roles and/or functions and has that affected their revenue or the make-up of their client base?

(b) Could you compare the perceptions of the Madrid System which were held by agents and attorneys prior to your country's accession with the views they hold now?

11. Since the Madrid System was introduced in your country, has the IP Office or any other body or group taken steps to promote use of the System? If so, could you describe these briefly and note whether there is any indication of the measures having any impact?

(a) Are there any particular challenges in encouraging trademark owners in your country to use the Madrid System if they want to protect their marks in other Contracting Parties?

(b) Are there specific countries whose accession in the future would be expected to significantly increase use of the Madrid System by businesses in your country?

12. Are there any additional points which you feel are important to assist others in understanding the impact in your country of accession and operation under the Madrid System?

WIPO STUDY ON ACCESSION TO THE MADRID SYSTEM

QUESTIONNAIRE FOR NATIONAL EXPERTS

REPUBLIC OF KOREA**1. What outcomes was your country aiming to achieve by its decision to accede to the Madrid System? If your country was previously a Contracting Party to the Madrid Agreement, what were the most important reasons for acceding to the Protocol?**

(1) The outcomes KIPO aimed to achieve by acceding to the Madrid System:

- The first aim was to offer the convenience to trademark holders and applicants. Through the use of the Madrid System, we expected that trademark holders and applicants could benefit from the simplified, cost-saving procedures in obtaining trademark protection abroad.
- Our second aim was to internationalize and harmonize our trademark registration system. In an effort to achieve modernization and internationalization of its domestic systems, the Republic of Korea has been trying to cope with changes in international IPR standards.
- Also, we aimed to encourage foreigners to invest in the Republic of Korea more effectively. As trademarks are important factors for investment, a convenient way of protecting trademarks may help make quicker and easier foreign investment in the Republic of Korea.
- In addition, we aimed to enhance the Korean trademark registration system and to raise the quality of examinations. Being a member of the Madrid Union means that many international standards could be applied easily to our trademark protection system.

(2) The major reasons for acceding to the Protocol (instead of the Madrid Agreement):

- Language: English is included as an official language. (At the time we acceded to the Protocol, the official language of the Madrid Agreement was French only.)
- The refusal period (18 months): Any Contracting Party may declare that the time limit of one year to notify a provisional refusal has been replaced by 18 months.
- The basic requirement: An international application may be based on a “basic application” as well as a basic registration. (a “priority claim” is possible).
- Possibility of transformation in case of central attack.
- Individual fee: Any Contracting Party may declare that it wants to receive the individual fee.

2. Were any major challenges experienced leading up to accession and implementation of the Madrid System? Was there any opposition or resistance to the proposal to join the System? Please outline any issues you identify and note any measures taken to address them.

(1) Major challenges experienced leading up to accession and implementation of the Madrid System:

Please refer to the answer to QUESTION 1.

(2) Opposition or resistance to the proposal to join the System:

- No severe opposition or resistance from the general public:

- o A survey showed that 94 per cent of 224 companies agreed to the accession to the Protocol.
- However, IP attorneys were negative:
 - o Most of the IP attorneys in the Republic of Korea were somewhat negative about acceding to the Protocol for fear that their revenue would be decreased. (Under the Madrid System, the applicant doesn't have to appoint representatives to act before the Office of a designated Contracting Party unless the Office issues a provisional refusal.)
 - o To persuade them, KIPO emphasized that the Madrid System had many advantages for them as well as for the applicants, and they had to adapt to new international circumstances where joining the Madrid System was an inevitable choice in the field of global trademark protection. Furthermore, joining the Madrid System could offer IP attorneys new opportunities to develop and diversify their practice by increasing applications from abroad.

(3) Issues and measures taken to address them:

- Some aspects of domestic legislation at that time did not fit the Protocol. *(Measures) Please refer to Part (2) of the answer to QUESTION 3.*
- The burden of speedy examinations:
 - o It was a further challenge for KIPO to complete examinations within 18 months.
 - o In 2001, the first action pendency period averaged 11.9 months. However, 18 months is not sufficient for examiners considering that, in some cases, provisional refusals may be issued 2 ~3 times and, in case of a trial, could be issued even after the final refusal.
 - o *(Measures)* KIPO declared that the time limit of one year to notify a provisional refusal was replaced by 18 months, and a provisional refusal resulting from an opposition may be notified after the expiry of the 18-month time limit. When revising relevant rules and regulations measures for speedy examination were important considerations.
- Reduction of fee revenue is possible: *(Measures)* Declaration of an individual fee settled the problem.
- Our electronic processing system had to be adjusted to cope with the new procedures. *(Measures) Please refer to Answer (6) to QUESTION 3.*
- Language difficulties:
 - o For better understanding of the Madrid System and for better communication and examination, we needed to ensure that our international trademark examiners and administrative staffs were proficient in English.
- Imbalance between incoming and outgoing applications:
 - o Incoming applications were almost four times higher than outgoing applications.
 - o It would result in an imbalance of benefit between foreigners and Koreans.

3. Could you outline the steps taken to prepare for accession and operation under the Madrid System and note the key decisions or outcomes for each?

Matters to consider would include (but should not be limited to):

- **consultation with trademark owners, agents and other IP professionals;**
- **any review of, and changes to:**
 - **operations of the national Office to ensure it would be in a position to comply with the Madrid System (e.g. reducing the pendency period),**
 - **domestic legislation,**
 - **organization of the Office and administrative procedures/processes to operate under the Madrid System including finance arrangements,**
 - **examination and opposition processes and procedures,**
 - **Office resources including staffing, supporting IT infrastructure or other information systems;**
- **communication with the International Bureau (IB) in relation to international applications and registrations;**
- **decisions on declarations and notifications under the Madrid System;**
- **dissemination of information and/or training provided for trademark owners, IP professionals, IP Office personnel;**
- **any support or assistance sought from, or given by, the IB, other IP Offices, user groups.**

Chronology of Preparation for Accession

1995: Setting up a task force to study the Madrid System and planning for accession.

1998: Adoption of the Nice Classification and multi-class applications.

2001: Revision of trademark legislation.

2002: Organization of the Madrid team.

2003: Accession to the Protocol.

(1) Initial projects to introduce the Madrid System

- Studying the Madrid System:
 - In 1995 when the Protocol entered into force, KIPO organized a task force to begin studying the Madrid System, taking account of the accession to the Protocol. The task force was made up of specialists from relevant divisions such as the Trademark Policy Planning Division and the International Cooperation Division.
 - The task force studied the Madrid System, examined the requirements for the revision of the legislation, surveyed public opinion, performed the accession procedures, trained the staff and controlled the development of the electronic processing system.
- Holding public hearings to collect opinions, and to secure the understanding and support of applicants and representatives in adopting the Protocol:
- Carrying out a survey among companies that had filed many trademark applications:
 - The survey revealed that 94 per cent of 224 companies agreed to the accession to the Protocol.

(2) Legal preparation (Domestic legislation)

- Adoption of the Nice Classification and multi-class application (1998):
 - KIPO adopted the Nice Classification in compliance with the requirements of the Madrid System on the basis of the traditional Korean classification of goods

and services. (The traditional Korean classification has still been used in deciding the scope of similarity of goods/services.)

- o At the same time, KIPO introduced a "multi-class in one-application" system replacing the previous "one-class in one-application" system.
- Revision of the Trademark Act and relevant regulations to comply with the Protocol (2001):
- Production of manuals and guidelines for implementing the Protocol and translation of relevant materials into Korean:
- Change of application fee system:
 - o KIPO abolished the additional-fee (which had been imposed on trademark applications if the number of goods/services exceeded 10 in each class), and charged the fee according to the number of classes only.
 - o Under the Madrid System, it is not appropriate to impose this kind of additional fee for several reasons. (For example, it is not always possible to count the number of goods/services indicated in the list of goods/services in the international application. Moreover, even if the number of goods/services is increased by limitation which is required by WIPO, it is not possible for KIPO to collect the additional fee.)

(3) Setting up the organization

- Organizing a task force for accession to the Madrid System (1995):
- Organizing a Madrid team (March, 2003):
 - o A provisional team, the International Trademark Application and Examination team (Madrid team) was formed under Examination Bureau 1, for implementing the Madrid Protocol in KIPO.
 - o The team was to take charge of tasks as the Office of origin and the Office of designation.
 - o Initially, the team consisted of five examiners and five administrative staff members.

(4) Consultation, Education and Training

- Holding seminars to enhance public understanding:
 - o In June 2002, KIPO held a National Roving Seminar on the Madrid System in cooperation with WIPO.
 - o KIPO arranged other seminars and public gatherings to ensure the support and understanding of government officials, trademark owners, agents and other IP professionals.
- Training the examiners and administrative staff in charge of implementing the Madrid System:
 - o Training courses conducted by the IIPTI in the Republic of Korea.
 - o Seminars held by WIPO

(5) Support given from outside

- Support given by the IB, other IP Offices:
 - o In June 2002, KIPO held a National Roving Seminar on the Madrid System in cooperation with WIPO.

- o KIPO had many discussions with the Japanese Patent Office, Chinese Trademark Office and WIPO and dispatched staffs to participate in WIPO programs.
- Support of government agencies concerned:
 - o Accession to the Madrid System required the amendment of domestic laws and regulations, new organization and personnel and additional budget approval. 1
 - o Therefore, it was indispensable to secure the support of the government agencies concerned, such as the Ministry of Government Legislation, the Ministry of Public Administration and Security, the Ministry of Planning and Budget.

(6) The development of an electronic processing system

- Several years before its accession to the Protocol, KIPO had developed and operated an IP automation system, the KIPOnet system:
- The main features of the KIPOnet system are:
 - o E-filing system not through an exclusive line but through the Internet.
 - o An integrated system covering the four areas (patents, utility models, designs and trademarks) of IPR administration.
 - o Characterizing the digital data circulation from the receipt of applications to the publication of gazettes.
- On the basis of the KIPOnet system, KIPO developed the Madrid Protocol supporting system as the sub-system of KIPOnet from February 2002 to September 2003.
- During this period, the system was upgraded in two basic stages and reflected all the procedures for the work of both the Office of origin and the Office of designation. The first step involved the development of information procedures, and the second step, which was implemented after accession, involved registration administration and trial administration.

(7) Decisions on declarations and notifications under the Madrid System:

- Article 5(2) (b) and(c); Extension of the time limit for notifying provisional refusal:
 - o KIPO declared that the time limit of one year to notify a provisional refusal was replaced by 18 months, and a provisional refusal resulting from an opposition might be notified after the expiry of the 18-month time limit.
- Article 8(7)(a); Individual fees:
 - o KIPO declared that it wanted to receive an individual fee in connection with each international registration in which the Republic of Korea was designated and in connection with the renewal of such registration.
 - o The designation fee is 327 Swiss francs for one class of goods/services and 310 Swiss francs for each additional class. (At present, it is 233 Swiss francs for the first class and for each additional class.)
 - o The renewal fee is 374 Swiss francs for one class of goods/services and 362 Swiss francs for each additional class. (At present, it is 266 Swiss francs for the first class and for each additional class.)
- Rule 6(1); English as the language of international applications:
 - o KIPO, as the Office of origin, declared that international applications should be in English in the official form provided by the International Bureau.

- Rule 20bis (6)(b); Recording of licenses in the international register has no effect:
 - o KIPO also declared that the recording of licenses in the international register would have no effect in the Republic of Korea. As a result, a license relating to the international registration of a mark must, in order to have effect in the Republic of Korea, be recorded in the national register of KIPO.

(8) Accession to the Protocol

On January 10, 2003, our Government deposited an Instrument of Accession to the Protocol with WIPO, which entered into force on April 10, 2003.

4. Has experience in operating under the Madrid System brought about any modification of legislative provisions, administrative or operational arrangements or processes put in place at the time the System was introduced in your country?

(1) Modification of legislative provisions:

- Protection of non-traditional marks such as color, hologram and motion marks (2007):
 - o The Republic of Korea could be designated in international applications under the Madrid System to protect non-traditional marks:
 - o KIPO therefore included "color, hologram and motion marks" in the definition of trademarks to be protected under the Korean Trademark Act.
 - o Easing the rigidity as to the indication of goods/services:
 - o To deal with complaints from abroad that KIPO's standard for the indication of goods/services was too strict (the rate of provisional refusal issued for the reason of "unacceptable indication of goods/services" was too high), and to conform to international standards.
 - o KIP has added 294 broad indications (including most of the class headings in the Nice Classification) to the list of acceptable indication of goods/services on two occasions since 2007.
- Enactment and amendments to provide standards for processing notifications from WIPO, such as;
 - o Management of limitation, renunciation, cancellation, correction and change in e ownership which is notified to KIPO under various circumstances.
 - o Requirements for declaring that "limitation" or "change in ownership" has no effect.

(2) Modifications of administrative or operational arrangements or processes:

- Reorganization of the Madrid team:
 - o The Madrid team (the International Trademark Application and Examination team), which was set up in 2003 as the provisional team to implement the Protocol, was divided into an International Application Division and an International Trademark Examination Division.
 - o The International Application Division was to take charge of administrative works as an Office of origin under the Madrid System together with administrative works under the PCT, and the International Trademark Examination Division was to take charge of international trademark examination as an Office of designation.
- Coordination of KIPO's internal functions:

- o The adoption of the Madrid System had an effect on KIPO's structure such as the Application Division, Examination Division, Registration Division and Judgment Division, etc. We had to re-organize relevant internal structures in a mutually understandable way.
- o In addition, it is necessary to select qualified personnel, offer on-going training and deploy them appropriately.

(3) Upgrade of the electronic processing system

- KIPO's electronic Protocol-processing system, which was developed before our accession to the Protocol as the sub-system of the KIPOnet system, has been upgraded continuously to meet with the diversified needs in implementing the Protocol.
- At present, this system covers almost all aspects of implementing the Protocol. Likewise, almost all communications (notifications and data) between KIPO and WIPO are carried out by electronic means.

5. Has there been an increase in the number of applications/designations received from other Contracting Parties since implementing the Madrid System in your country? (Please include any details of changes which may have come as a result of later accession to the Protocol.)

Incoming Applications/Designations received from Contracting Parties
since the Republic of Korea's Accession to the Madrid System in 2003

	2003	2004	2005	2006	2007	2008	2009	2010
Applications received from Contracting Parties under the Paris Route	15,513	15,301	15,113	15,502	18,616	19,027	16,932	13,004
Designations under the Protocol	1,467	4,958	6,699	8,483	9,072	9,745	7,824	8,017
Total (Rate of Increase(%))	16,980	20,259 (19.3)	21,812 (7.7)	23,985 (10.0)	27,688 (15.4)	28,772 (3.9)	24,756 (-14.0)	21,021 (-15.1)

- Up to 2008, there had been a steady increase every year in the number of applications/designations received from Contracting Parties since our implementation of the Madrid System in 2003.
- In 2009 and 2010, however, it decreased.
- From 2004 to 2010, the average rate of increase of applications/designations filed from Contracting Parties was 3.89 per cent per year.

Has there been any change over time in the proportions which are designations under the Madrid System?

Proportion of Designations under the Madrid System

	2003	2004	2005	2006	2007	2008	2009	2010
Applications under the Paris Route received	15,513	15,301	15,113	15,502	18,616	19,027	16,932	13,004

from other Contracting Parties								
Designations under the Protocol	1,467	4,958	6,699	8,483	9,072	9,745	7,824	8,017
Total	16,980	20,259	21,812	23,985	27,688	28,772	24,756	21,021
Proportion of Designations (%)	8.6	24.5	30.7	35.4	32.8	33.9	31.6	38.1

- The proportion of designations under the Madrid System has increased even though the tendency is erratic.
- The proportion of designations in 2010 (38.1 per cent) increased from 2004 (24.5 per cent) by 55.5 per cent.

(a) Does any increase of these filings differ from any trend in applications filed from countries which are not within the Madrid System?

Incoming Applications/Designations filed from Contracting Parties and Applications filed from Non-Contracting Parties

	2003	2004	2005	2006	2007	2008	2009	2010
Applications/Designations filed from Contracting Parties (Rate of Increase (%))	16,980	20,259 (19.3)	21,812 (7.7)	23,985 (10.0)	27,688 (15.4)	28,772 (3.9)	24,756 (-14.0)	21,021 (-15.1)
Applications filed from Non-Contracting Parties (Rate of Increase (%))	1,173	1,307 (11.4)	1,402 (7.3)	1,452 (3.6)	1,596 (9.9)	1,543 (-3.3)	1,432 (-7.2)	1,225 (-14.5)

- Up to 2007, there had been an increase every year in the number of applications filed from non-Contracting Parties. But the rate of increase was much lower than that of applications/designations filed from other Contracting Parties.
- From 2008 to 2010, the number of applications filed from non-Contracting Parties decreased.
- From 2004 to 2010, the average rate of increase of applications filed from non-Contracting Parties was 1.03 per cent per year, which was lower than that (3.89 per cent per year) of applications/designations filed from Contracting Parties.

(b) Have there been any originating countries or regions for which an increase in applications/designations has been particularly marked?

- Originating countries/regions for which an increase in applications/designations has been particularly marked: China, OHIM.
- The top 10 countries/regions in the number of designations/applications from 2003 to 2010: the US (58,046), Japan (39,915), Germany (16,389), France (12,113), Switzerland (9,774), Italy (8,259), UK (7,804), China (7,022), OHIM (3,893) and Taiwan (2,846).
(Please refer to Attachment 1.)

6. Has there been any increase in applications and designations originating from your country and seeking protection for trademarks in other jurisdictions since your country's accession to the Madrid System? (It would be helpful to note any impact of a later accession to the Protocol on the number of filings.) To what extent, if any, do you think this could be attributed to the Madrid System?

Outgoing Applications/Designations originating from the Republic of Korea

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
*Applications													
Paris Route (Rate of Increase (%))		3,157	4,260 (34.9)	4,416 (3.7)	5,487 (24.3)	4,506 (-17.9)	5,419 (20.3)	6,918 (27.7)	7,436 (7.5)	8,267 (11.2)	7,671 (-7.2)	7,446 (-2.9)	?
Internat. Applics. Protocol	Filed (Rate of Increase (%))					105	144 (37.1)	154 (6.9)	208 (35.1)	283 (36.1)	216 (-23.7)	282 (30.6)	406 (44.0)
	**Designated Countries (Rate of Increase (%))					770	968 (25.7)	1,211 (25.1)	1,346 (11.1)	1,543 (14.6)	1,851 (20.0)	2,043 (10.4)	3,309 (62.0)
Total (* + **) (Rate of Increase (%))		3,157	4,260 (34.9)	4,416 (3.7)	5,487 (24.3)	5,276 (-3.8)	6,387 (21.1)	8,129 (27.3)	8,782 (8.0)	9,810 (11.7)	9,522 (-2.9)	9,489 (-0.3)	?

- Outgoing applications originating from the Republic of Korea under the Paris route:
 - o Up to 2007, there had been a steady increase every year in the number of outgoing applications since our accession to the Madrid Protocol in 2003.
 - o In 2008 and 2009, however, it decreased.
 - o From 2003 to 2009, the average rate of increase was 9.4 per cent per year.
- International applications originating from the Republic of Korea under the Protocol:
 - o There have been steady increases in the number of designations.
 - o The average rate of increase from 2004 to 2010 was 24.1 per cent per year, which peaked at 62 per cent in 2010.
 - o The number of designations in 2010 was 3.4 times higher than in 2004.
- Total outgoing applications and designations:
 - o Up to 2007, there had been a steady increase every year since our accession to the Madrid Protocol in 2003.
 - o In 2008 and 2009, however, it decreased slightly.
 - o From 2003 to 2009, the average rate of increase was 10.8 per cent per year.
 - o We have no information about the attribution of the Madrid System in this regard, considering there had also been increases before 2003 when KIPO acceded to the Madrid System.

(a) Of these filings, has the proportion which represents designations under the Madrid System changed over time?

Proportion of Designations under the Madrid System among Outgoing Applications

	2003	2004	2005	2006	2007	2008	2009	2010
Applications under the Paris Route	4,506	5,419	6,918	7,436	8,267	7,671	7,446	
Designations under the Madrid System	770	968	1,211	1,346	1,543	1,851	2,043	3,309
Total	5,276	6,387	8,129	8,782	9,810	9,522	9,489	
Proportion of Designations under the Madrid System (%)	14.6	15.2	14.9	15.3	15.7	19.4	21.5	

- The proportion of designations under the Madrid System has increased steadily every year since our accession to the Madrid Protocol in 2003 with the exception of 2005.

(b) Do any countries or regions predominate among those in which traders from your country use the Madrid System for gaining protection for marks?

The major Contracting Parties designated by applicants in the Republic of Korea are China (1,208), the US (1,076), Japan (1,063), OHIM (511), the Russian Federation (471), Australia (426), Singapore (422), etc.

(Please refer to Attachment 2.)

(c) Since your country's accession, has there been an increase in filings by SMEs from your country seeking international protection for their marks? What proportion of those were designations made under the Madrid System and has that changed over time?

Outgoing Designations Classified by Applicants/Proportion of Designations by SMEs since the Republic of Korea's Accession to the Madrid System in 2003

	2003	2004	2005	2006	2007	2008	2009	2010	Total
Natural Persons	94	153	107	186	190	140	327	405	1,602
Large Enterprises	277	234	555	276	553	1,126	841	1,838	5,700
SMEs (Proportion (%))	399 (51.8)	514 (53.1)	452 (37.3)	858 (63.7)	737 (47.8)	578 (31.2)	731 (35.8)	895 (27.0)	5164 (39.6)
Other Legal Entity		67	97	26	63	7	144	171	575
Total	770	968	1,211	1,346	1,543	1,851	2,043	3,309	13,041

- Outgoing applications filed by SMEs from the Republic of Korea under the Paris route:
 - o There are no statistics regarding these.
- International applications filed by SMEs from the Republic of Korea under the Protocol:
 - o The number of international applications filed by SMEs from the Republic of Korea under the Protocol has been somewhat increased, but the tendency is erratic.
- The proportion of international applications filed by SMEs from the Republic of Korea under the Protocol has somewhat decreased, but the tendency is erratic.
 - o The proportion of international applications filed by SMEs from the Republic of Korea under the Protocol from 2003 to 2010 was 39.6 per cent (51.8 per cent in 2003, 27 per cent in 2010).

7. Are there other indications as to whether accession to the Madrid System has benefited SMEs?

The statistics set out above do not give any indication as to whether accession to the Madrid System has benefited SMEs.

8. Has the operation of the Madrid System in your country had any effect on the amount of work within the IP Office? Has there been any change in the nature of the work, the balance of functions or to Office revenue? Can you provide any information on whether the costs of operating under the Madrid System are covered by the revenue (including any handling fees or other fees)?

(1) The amount of work within KIPO has been increased because;

- The number of designated goods/services in most of the trademark applications has increased notably since KIPO abolished the additional-fee (which had been imposed on trademark applications if the number of goods/services totaled more than 10 per class).
- The management (including substantial examination and registration) of International trademarks has to be done mainly in English instead of Korean.

(2) Office revenue is not overly affected:

- Office revenue has not reduced through KIPO's decision to charge the individual fee.
- Instead, it is expected that KIPO's revenue may be somewhat increased as the individual fee includes the registration fee as well as the application fee.

(3) It is obvious that the operation of the Madrid System resulted in an increase in workload and numbers of staff, while Office revenue has not increased in proportion to that.

- However, my personal and overall opinion is that the costs for KIPO to operate under the Madrid System may be covered by revenue (including handling fees), considering the fact that its overall income is not lower than its overall expenses in recent years.
- It is not easy to conclude or to provide certified information as to whether the costs of operating under the Madrid System are covered by revenue, because this needs a scientific cost-benefit analysis. KIPO is not run for profit.

(a) Have any aspects of the Madrid System resulted in cumbersome procedures or complexities in communication for the IP Office?

- Problems arising from the long pendency time in WIPO:
 - o Generally, it takes several months or more for WIPO in processing (i.e. examining and translating) various notifications such as limitation, renunciation, cancellation, correction or change in ownership.
 - o For example, even though applicants have submitted an MM6 to WIPO within the time limit in compliance with KIPO's provisional refusal, KIPO examiners may issue a final refusal if they have not been notified by WIPO (nor found any records on MAPS) concerning the limitation.
 - o There may be some cases where it is not easy to decide on the final list of goods/services if an international application is limited by two different channels (namely, for instance, it is limited by both the Request for Amendment which is

- submitted directly to KIPO and the limitation which is submitted to WIPO) and if there is a discrepancy between them.
- o There may be other cases when an examiner has to withdraw his final decision if KIPO is notified from WIPO of changes (such as limitation, correction, cancellation or change in ownership) in an international registration after the final decision.
- Cumbersome procedures resulted from central attack:
 - o The Office of origin must not omit to notify WIPO of the refusal or invalidation of basic applications and registrations. To do so, the Office has to check every refused or invalidated application and registration to confirm whether it concerns the basic mark under the Protocol or not.
 - o The Office of designation, upon notification from WIPO of partial cancellation resulting from central attack, has to compare the initial list of goods/services with the partial cancellation to figure out the remaining list of goods/services, even after the amendment or limitation of the goods/services, and even after the final decision.
 - Problems arising from language difficulties:
 - o Not all the international trademark examiners and administrative staff in KIPO are fluent in English.
 - o Foreign applicants may have difficulty in communicating with KIPO examiners in English.

(b) Can the Office suggest any ways in which the operation of the Madrid System could be simplified and so benefit users?

- Abolition of the requirement of the basic application/registration:
 - o One of the biggest barriers for applicants in the Republic of Korea in using the Madrid System is the requirement of basic application/registration.
 - o Therefore, to encourage Korean applicants to use the Madrid System and to remove the cumbersome procedure for IP Offices, the abolition of this requirement of basic application or basic registration is very important and urgent.
 - o There is no valid reason for maintaining the requirement for basic application/registration.
- Introduction of a procedure to permit the division of an international application.
 - o In the case of a partial provisional refusal, it is necessary to permit the applicant to divide his application into two, namely, the parent application (for the goods/services in which there are no grounds for refusal) and child application (for the goods/services which does have grounds for refusal).
 - o By doing so, the applicant may have his parent application protected first, and after that, he may respond to the provisional refusal for the child application.

(c) Are there any Office processes or procedures for handling designations in international registrations which may provide a more efficient service for holders than if they filed directly into your national system?

- Use of Limitation
 - If applicants file directly into our national system, they have to respond to our Office's action through representatives domiciled in the Republic of Korea.
 - However, under the Protocol, the applicant may respond to our provisional refusal by requesting a limitation from WIPO, without appointing such representatives.

9. Do trademark owners or their agents and attorneys identify any key advantages in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries?

- Simple procedure in obtaining trademark protection:
 - Trademark owners can protect their trademarks in many countries through a single application in a single language. (There is no need to file multiple applications in multiple languages.)
 - Single payment of fees.
- Centralized management of International registration:
 - Renewals and various changes (such as change in ownership), which have effect in many countries, can be recorded through a single request.
- National representation in the country of designation is not required.
 - Cost-saving is possible.
- Territorial extension is possible through subsequent designations.
 - It is possible to expect the time of grant of protection due to the time limit to notify a provisional refusal.
 - To protect trademarks in countries where it takes a long time to reach the final decision (such as China), it is faster to use the Madrid System than direct filing.
 - Removes the problem of errors in translation which could occur by national representatives in case of direct filing to an individual country.

(a) What problems, if any, have been experienced by trademark owners and their representatives when using the Madrid System for protection of their trademarks which would not have been anticipated if the application had been filed directly into national systems of the countries concerned?

- When using the Madrid System, it is not always easy for trademark owners and representatives to check the status of their international registrations. (In case of direct filing, a timely check is possible through national representatives in the country concerned.)
 - It is not easy to contact examiners in WIPO and in the Office of the designated Contracting Party. (No reply from WIPO examiners to e-mail inquiries.)
 - WIPO does not notify holders/representatives of their receipt of documents submitted to the former by the latter.
- As a result of a central attack, the applicant has to pay for additional expenses for national representatives and registration fees.

- Division of international registrations is not possible:
 - Even in case of a partial provisional refusal, a final rejection will be made for all goods (or the grant of protection will be delayed for a long time) if the applicant disputes the reason for refusal.
- Some IP Offices issue provisional refusals in languages other than English.
- The rate of refusal in international applications is higher than that in direct filing.
 - That is because, in case of direct filing, national representatives can check the acceptability of the list of goods beforehand.

(b) Are there particular circumstances under which owners, agents or attorneys believe it would be preferable to file applications seeking protection for a trademark directly into national systems rather than utilize the Madrid System?

Owners, agents or attorneys would prefer to file applications directly into national systems:

- If the number of target countries is limited or is only one;
- If the target country is rapid in deciding the registrability;
- If applicants worry about the refusal or invalidation of the basic application/registration (central attack);
- If there is a possibility of a partial refusal (applicants may want to divide their applications to respond to a partial refusal);
- If their trademark strategy (such as in marks or list of goods) in foreign markets does not correspond to that of the domestic market.

10. Is there any requirement for local representation before the Office? Do trademark agents or attorneys find any aspects of that role significantly different from acting for overseas applicants who file directly into the national system?

(1) Requirement for local representation (under the Protocol) before the Office:

- Licensed IP attorneys or lawyers who have residences or business addresses in Republic of Korea.

(2) The role of trademark agents/attorneys for local representation (under the Protocol) which is significantly different from acting for overseas applicants who file directly into the national system:

- The role of trademark agents/attorneys for local representation (under the Protocol) is different from acting for overseas applicants (who file directly into the national system) for the following reasons:
 - Generally, overseas applicants who file directly into the national system appoint Korean IP attorneys to represent the overall process for protecting their marks in the Republic of Korea. On the other hand, overseas applicants under the Protocol mostly appoint Korean representatives only after receiving provisional refusals issued by KIPO.
 - Under our domestic system, registration of trademarks can be made only when a registration fee has been paid after the issuance of a Decision of Grant of Protection. Under the Protocol, however, as the registration fee is included in the

- individual fee, the registration is made automatically at the time when the Decision of Grant of Protection is issued.
- o Under the Protocol, international registration may be renewed by the payment of a renewal fee to WIPO.
 - Consequently, the role of IP attorneys for local representation (under the Protocol) is different from the role for overseas applicants who file directly into the national system in the following aspects:
 - o Local representatives (under the Protocol) seldom take pre-filing steps such as searching of prior marks or checking and translating the list of goods/services before filing.
 - o They do not carry out a filing process.
 - o They do not carry out a registration process such as payment of registration fees.
 - o They do not carry out a renewal process.
 - o Their main role is to respond to the provisional refusal.

(a) Has the overall workload of agents and attorneys changed since the Madrid System was introduced in your country? Has there been a change in the nature or balance of their roles and/or functions and has that affected their revenue or the make-up of their client base?

(1) Change in workload

- Incoming: decreased:
 - o The number of representations and amount of work has decreased for the reason mentioned in *Part (2) of the answer to QUESTION 10*.
- Outgoing: increased slightly:
 - o For applicants who want to protect their trademarks abroad, additional explanation about international application under the Protocol is required.
 - o Korean IP attorneys may represent clients before WIPO in international applications.

(2) Reduction in revenues:

- As a result of the overall decrease in the number of representations and workload, revenue has decreased considerably. (*Please refer to Part (2) b. of the answer to QUESTION 10.*)
- Competition among IP attorneys is becoming fiercer.

(b) Could you compare the perceptions of the Madrid System which were held by agents and attorneys prior to your country's accession with the views they hold now?

According to survey reports answered by agents/attorneys here, their perceptions of the Madrid System have not changed much.

11. Since the Madrid System was introduced in your country, has the IP Office or any other body or group taken steps to promote use of the System? If so, could you describe these briefly and note whether there is any indication of the measures having any impact?

- Since the Madrid System was introduced in our country, KIPO has taken various steps to promote use of the System:
 - o Holding seminars on the Madrid System almost every year aimed at the IP-related public. (Some of them were held jointly with WIPO.)
 - o Annual meeting with IP lawyers to discuss problems and seek improvements in implementing the Protocol.
 - o Subjects relating to the Madrid System are included in the regular training courses, which are conducted twice a year by our IP training institute (IIPTI) aiming at KIPO examiners and administrative staff as well as the IP-related public.
- Indication of impact:
 - o Interest and understanding among IP-related persons have been growing.
 - o The number of international applications originating from the Republic of Korea under the Protocol has been increasing steadily.

(a) Are there any particular challenges in encouraging trademark owners in your country to use the Madrid System if they want to protect their marks in other Contracting Parties?

- If the number of target countries is just one or a few, direct filing under the Paris route may be more convenient and speedy.
- Requirement of basic application/registration:
 - o The risk of central attack.
 - o Where the mark or the list of goods that applicants want to protect abroad does not strictly correspond to, or is not included in the basic application/registration.
- Other: *(Please refer to Part (2) b. of the answer to QUESTIONS 9(a), 9(b).)*

(b) Are there specific countries whose accession in the future would be expected to significantly increase use of the Madrid System by businesses in your country?

Please refer to extracts from survey reports as follows:

- *Canada* (Mock, Sun Young - IP Lawyer, Y. P. Lee, Mock & Partners)
- *Southeast Asian countries such as Indonesia* (Yi, Ji-Yeong - IP Lawyer, Shin & Kim)
- *Hong Kong, India, Malaysia, Thailand, Indonesia, the Philippines* (Wang, Young-Seong - Manager, Kim & Chang)
- *India, Indonesia, South Africa* (Park, Ji Young - You Me Patent & Law Firm)

12. Are there any additional points which you feel are important to assist others in understanding the impact in your country of accession and operation under the Madrid System?

- Korean applicants are benefiting from the convenience and cost-saving of the Madrid System.
- Our trademark protection system has been modernized and globalized.
- KIPO's electronic processing system has been upgraded and improved.
- d. In the future, we may be able to conform to the new trend more easily in our international trademark protecting system.

Attachments: Statistics on

1. Incoming Applications and Designations (Trademarks)
2. Outgoing Designations under the Protocol (Trademarks)

Reference Materials

- ① *Madrid Agreement · Protocol(2001)* by Moon, Sam Sup (KIPO)
- ② *Joining the Madrid System for the International Registration of Marks & Administering it at the National Level - The Experience of the Republic of Korea (2003)* by Park, Joo-Yun (KIPO)
- ③ *Measures to be considered by Governments and IP Offices in Joining the Madrid Protocol: The Korean Experience (2011.4)* by Kim, Shi Hyeong (KIPO)
- ④ *Statistics (2011.6)* b Kim, HyungOok (IP Information Statistics Team, KIPO)
- ⑤ *Survey Report (2011.6)* replies from;
 - Mock, Sun Young (IP Lawyer, Y. P. Lee, Mock & Partners)
 - Yi, Ji-Yeong (IP Lawyer, Shin & Kim)
 - Wang, Young-Seong (Manager, Kim & Chang)
 - Park, Ji Young (You Me Patent & Law Firm)

Attachment 1: Incoming Applications and :Designations Trademarks)***Members of the Madrid Union**

Item		2003		2004		2005		2006		2007		2008		2009		2010		Total	
Country Name	Code	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid
*Albania	AL						1											0	1
*Antigua and Barbuda	AG	1		2										1				4	0
*Armenia	AM						1		2		2							0	5
*Australia	AU	155	25	146	86	158	142	173	151	190	140	184	215	151	173	135	167	1,292	1,099
*Austria	AT	35	14	50	65	30	88	48	119	44	120	48	119	35	90	32	77	322	692
*Belarus	BY				1		3				1		5				4	0	14
*Belgium	BE	58		33		50		39	1	59		78		41		27		385	1
*Benelux	BX		136		331		374		449		368		405		346		334	0	2,743
*Botswana	BW																1	0	1
*Bulgaria	BG	2	1		9	9	13	3	13	3	14		16	3	10	2	13	22	89
*China	CN	216	13	202	260	192	475	347	667	419	704	524	762	493	529	585	664	2,978	4,074
*Croatia	HR						1		7		9		4		3		2	0	26
*Cuba	CU	4	1		1	2		6	1	7		16		26	1	4	1	65	5
*Cyprus	CY	20		12		14		11	6	3	4	26	5	14	1	10	6	110	22
*Czech Republic	CZ	2		4	7	7	6	1	19	6	14	8	23	14	16	6	14	48	99
*Denmark	DK	67	20	57	77	86	100	51	77	82	95	71	115	71	93	50	60	535	637
*Egypt	EG					2		1		4		4		1		1	1	13	1
*Estonia	EE					1	2		2		1		4		2		2	1	13
*Finland	FI	43	11	27	30	48	29	28	39	37	43	50	51	34	31	25	46	292	280
*France	FR	873	238	864	593	1,009	718	749	703	844	830	929	810	916	671	601	765	6,785	5,328
*Georgia	GE						1		3						2			0	6
*Germany	DE	995	360	853	1,136	825	1,062	859	1,336	1,293	1,366	1,116	1,524	1,094	1,171	526	871	7,561	8,826
*(West Germany)	DT		19		72		69		66		83		66		45		59	0	479
*Ghana	GH					1												1	0

Item		2003		2004		2005		2006		2007		2008		2009		2010		Total	
Country Name	Code	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid
*Greece	GR	7	1		8	3	6	10	5	13	15	21	9	2	3		2	56	49
*Hungary	HU	4	1	1	3	3	6	10	6	5	11	21	15	25	14	2	4	71	60
*Iceland	IS	1			8		4	1	6	2	35	2	106	4	5		6	10	170
*Iran (Islamic Republic of)	IR	1					12	2	5	3	4	1	16	1	3	2	12	10	52
*Ireland	IE	35	5	83	10	51	17	46	21	71	5	81	17	59	7	44	12	470	94
*Israel	IL	27		43		58		61		65		60		40		20	4	374	4
*Italy	IT	425	106	392	517	323	619	358	855	640	827	623	715	449	582	306	522	3,516	4,743
*Japan	JP	4,489	79	4,922	283	4,403	461	4,290	546	4,681	585	4,572	712	4,450	715	3,936	791	35,743	4,172
*Kazakhstan	KZ					1				1								2	0
*Kenya	KE	2		4			1		4								1	6	6
*Latvia	LV				2		7		2		2		8		4		5	0	30
*Liberia	LR					2												2	0
*Liechtenstein	LI	21	15	21	17	10	17	8	38	14	44	14	75	34	42	13	25	135	273
*Lithuania	LT								1			1	4		1			1	6
*Luxembourg	LU	61		43		63		71		118		165		80		103		704	0
*Monaco	MC	10	1	11	6	19	6	30	5	12	15	12	13	20	8	27	4	141	58
*Mongolia	MN	1		2			2				1		2	4	1	4	2	11	8
*Montenegro	ME																1	0	1
*Morocco	MA	2	1	1	1		3		1		1		2		1		5	3	15
*Mozambique	MZ												1					0	1
*Netherlands	NL	314		326		326		278	2	438		469		333		194		2,678	2
*Netherlands Antilles	AN	1		3		1		13	5	5	10	3	5	9	9	8	8	43	37
*Norway	NO	26	7	15	16	21	24	30	47	15	52	16	50	28	60	16	55	167	311
*OHIM	EM				11		268		523		748		808		713		822	0	3,893
*Oman	OM							1		2		2						5	0
*Poland	PL	2	4	11	14	3	16	5	19	7	23	3	23	10	32	5	19	46	150
*Portugal	PT	16	2	10	6	11	13	15	29	20	19	17	22	12	12	16	22	117	125
*Republic of	MD				1		1		2		2		5		2			0	13

Item		2003		2004		2005		2006		2007		2008		2009		2010		Total	
Country Name	Code	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid
Moldova																			
*Russian Federation	RU	5	8	2	47	6	73	6	74	3	89	19	106	3	76	10	68	54	541
*San Marino	SM					5		4		2		3	4		3		3	14	10
*Serbia	RS												1		1		1	0	3
*Serbia and Montenegro	YU	1				1	2											2	2
*Singapore	SG	131	6	123	33	105	42	129	74	175	52	133	69	134	75	124	66	1,054	417
*Slovakia	SK						4		8	1	11	1	4	1	4	1	3	4	34
*Slovenia	SI				3	1	3	2	6		6	1	5		9	2	1	6	33
*Spain	ES	93	17	52	85	84	120	77	136	110	118	150	185	81	120	57	88	704	869
*Swaziland	SZ					2				1								3	0
*Sweden	SE	134	23	123	77	139	78	120	98	133	88	123	86	149	63	76	53	997	566
*Switzerland	CH	686	273	413	453	428	563	578	663	785	711	857	759	824	586	484	711	5,055	4,719
*Syrian Arab Republic	SY									1	1		1	2	2	1		4	4
*Turkey	TR	5	14	6	41	11	56	21	88	10	80	9	107	14	89	3	65	79	540
*Ukraine	UA				6		3		3		15	6	5		10	2	14	8	56
*United Kingdom	GB	663	60	744	192	877	252	673	311	833	259	902	312	743	216	569	198	6,004	1,800
*United States of America	US	5,866	3	5,685	445	5,702	929	6,334	1,229	7,454	1,438	7,674	1,344	6,512	1,153	4,962	1,316	50,189	7,857
*Uzbekistan	UZ									1						1		2	0
*Viet Nam	VN	11		11		18		12		2	6	8	19	6	17	3	17	71	59
*Yugoslavia	CS								3				1				2	0	6
*Others	DD		1		2	1		1					1		1		1	2	6
	SU												1					0	1
	99		1		1					2		4		9		9		24	2
*Total (Contracting Parties)		15,513	1,467	15,301	4,958	15,113	6,699	15,502	8,483	18,616	9,072	19,027	9,745	16,932	7,824	13,004	8,017	129,008	56,265

Item		2003		2004		2005		2006		2007		2008		2009		2010		Total	
Country Name	Code	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid
Andorra	AD							1		1						2		4	0
Argentina	AR	10		10		12		14		16		19		30		8		119	0
Aruba	AW							3		1								4	0
Bahamas	BS	3		4		9		3		17		16		2		8		62	0
Bangladesh	BD			3				2				1						6	0
Barbados	BB	6		2		3		9		16		9		12		17		74	0
Belize	BZ									2		4						6	0
Bermuda	BM	16		20		49		42		40		26		42		38		273	0
Bolivia	BO															1		1	0
Brazil	BR	29		20		36		25		22		56		24		47		259	0
Brunei Darussalam	BN			1						1		2		1				5	0
Cambodia	KH									1								1	0
Canada	CA	199		228		204		230		223		277		205		230		1,796	0
Cayman Islands	KY	10		17		10		19		64		34		184		37		375	0
Chile	CL	20		47		42		41		57		46		60		61		374	0
Colombia	CO	2		8		5		14		4		5		7		1		46	0
Cook Islands	CK									1								1	0
Costa Rica	CR			1		2												3	0
Dominica	DM							1				1						2	0
Dominican Republic	DO	1				1										1		3	0
Ecuador	EC					1												1	0
Equatorial Guinea	GQ															1		1	0
Fiji	FJ	1						2		2								5	0

Item		2003		2004		2005		2006		2007		2008		2009		2010		Total	
Country Name	Code	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid
Gibraltar	GI	1		2		6				1		5		5				20	0
Guatemala	GT			2								1				3		6	0
Guyana	GY					1												1	0
India	IN	30		29		20		26		22		40		8		73		248	0
Indonesia	ID	16		20		38		25		26		35		45		16		221	0
Jamaica	JM	2		1										3				6	0
Jersey(UK)	JE					3				2				1				6	0
Jordan	JO							2				1		2				5	0
Kuwait	KW							3		5		10		2				20	0
Lebanon	LB			2				1		1		1		1		1		7	0
Macao	MO			4		4		3		1		3		3		3		21	0
Malaysia	MY	33		21		30		52		44		65		46		37		328	0
Malta	MT			1						9		11		1		8		30	0
Marshall Islands	MH									1						2		3	0
Mauritius	MU	2		5		10		1		9		2		18		8		55	0
Mexico	MX	36		36		75		40		64		28		21		20		320	0
Myanmar	MM			1														1	0
Nepal	NP					1						1		2				4	0
New Zealand	NZ	52		37		69		60		94		63		61		53		489	0
Nigeria	NG	1										1		1				3	0
Pakistan	PK			2				2		7		1		2		2		16	0
Panama	PA	4		6		8		4		7		6		5		12		52	0
Papua New Guinea	PG					2				2						1		5	0
Paraguay	PY							2						1				3	0
Peru	PE	1						1		3				1		2		8	0
Philippines	PH	10		41		21		17		22		27		10		6		154	0
Qatar	QA			5				2				1		1		2		11	0
Saint Lucia	LC									1		1		3				5	0

Item		2003		2004		2005		2006		2007		2008		2009		2010		Total	
Country Name	Code	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid
Samoa	WS					1		1				2						4	0
Saudi Arabia	SA	5		2		4		21		37		25		39		23		156	0
Seychelles	SC			2		5		6		3		4						20	0
South Africa	ZA	27		6		10		22		22		31		12		13		143	0
Sri Lanka	LK					8		2		1		6		2				19	0
Taiwan, Province of China	TW	269		372		331		369		434		386		368		317		2,846	0
Thailand	TH	47		45		44		33		50		45		45		41		350	0
The Hong Kong Special Administrative Region	HK	205		200		193		180		102		91		79		57		1,107	0
People's Republic of China																			
Trinidad and Tobago	TT	1										1						2	0
Tunisia	TN	2		1						2						2		7	0
Turks and Caicos Islands	TC									1		1						2	0
United Arab Emirates	AE	8		14		16		34		39		31		12		19		173	0
Uruguay	UY	1		1				2		2				2		3		11	0
Vanuatu	VU							3										3	0
Venezuela	VE	40		5		7		1		3						1		57	0

Item		2003		2004		2005		2006		2007		2008		2009		2010		Total	
Country Name	Code	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid	Paris	Madrid
Virgin Islands (British)	VG	71		82		117		125		102		110		55		45		707	0
Yemen	YE					1		1		1		1						4	0
Others	55	1		1		1						1						4	0
	56	9						4		5		7				2		27	0
	61									1				1				2	0
	66													2				2	0
	68	1																1	0
	76	1																1	0
	XD											2				1		3	0
	XH													3				3	0
	XI					1		1		2				2				6	0
	XL					1												1	0
Total (Non-Contracting Parties)		1,173	0	1,307	0	1,402	0	1,452	0	1,596	0	1,543	0	1,432	0	1,225	0	11,130	0
Grand Total		16,686	1,467	16,608	4,958	16,515	6,699	16,954	8,483	20,212	9,072	20,570	9,745	18,364	7,824	14,229	8,017	140,138	56,265

Attachment 2: Outgoing Designations under the Protocol

Country Name	Code	2003	2004	2005	2006	2007	2008	2009	2010	Total
Albania	AL	1		6	6	2	16	8	17	56
Antigua and Barbuda	AG	1	2	3	3	1	13	7	19	49
Armenia	AM	18	1	9	8	3	19	12	19	89
Australia	AU	19	36	43	47	49	48	73	111	426
Austria	AT	13	16	16	14	15	16	14	22	126
Azerbaijan	AZ					1	17	10	19	47
Bahrain	BH				7	3	19	8	27	64
Belarus	BY	6	3	10	10	5	21	32	37	124
Benelux	BX	15	18	26	21	29	26	21	31	187
Bhutan	BT	1		5	3		15	7	3	34
Bonaire, Saint Eustatius and Saba	BQ								1	1
Bosnia and Herzegovina	BA							26	34	60
Botswana	BW					1	14	6	20	41
Bulgaria	BG	13	9	13	11	8	11	9	18	92
China	CN	66	94	88	125	198	146	210	281	1,208
Croatia	HR		1	9	9	7	18	30	45	119
Cuba	CU	3		10	6	3	14	9	22	67
Curaçao	CW								1	1
Cyprus	CY		3	7	6	7	10	4	17	54
Czech Republic	CZ	15	10	14	13	10	17	16	28	123
Democratic People's Republic of Korea	KP	2	8	11	4	4	2	3	2	36
Denmark	DK	13	20	20	13	15	15	12	20	128
Egypt	EG							6	42	48
Estonia	EE	5	3	12	9	6	11	5	15	66
Finland	FI	14	23	19	16	15	17	13	19	136
France	FR	43	56	39	47	49	40	37	51	362
Georgia	GE	5	2	12	10	3	19	12	19	82
Germany	DE	50	53	41	42	54	46	43	66	395
Ghana	GH						10	8	21	39
Greece	GR	13	19	19	14	15	13	13	24	130
Hungary	HU	16	9	16	10	9	12	13	18	103

Country Name	Code	2003	2004	2005	2006	2007	2008	2009	2010	Total
Iceland	IS	6	6	7	8	6	14	16	15	78
Iran (Islamic Republic of)	IR		7	14	17	21	22	44	60	185
Ireland	IE	4	12	12	10	12	11	11	18	90
Israel	IL								6	6
Italy	IT	40	49	36	43	48	31	31	48	326
Japan	JP	62	86	83	140	171	127	158	236	1,063
Kenya	KE	3	2	11	7	6	17	25	44	115
Kyrgyzstan	KG			4	3	2	19	13	18	59
Latvia	LV	8	6	10	6	4	14	6	14	68
Lesotho	LS	1		3	3	1	10	8	3	29
Liberia	LR								19	19
Liechtenstein	LI	2	1	5	7	4	10	7	21	57
Lithuania	LT	5	6	10	6	6	12	3	14	62
Madagascar	MG						10	7	19	36
Monaco	MC	3		4	6	6	14	8	19	60
Mongolia	MN		6	10	11	10	11	10	31	89
Montenegro	ME					2	16	7	17	42
Morocco	MA	7	3	11	7	4	20	12	38	102
Mozambique	MZ	3	1	8	5	2	13	7	20	59
Namibia	NA			6	3	1	10	6	19	45
Netherlands Antilles	AN		7	3	6	6	11	9	19	61
Norway	NO	16	18	24	22	16	29	28	34	187
Office for Harmonization in the Internal Market (OHIM)	EM		6	29	49	97	68	104	158	511
Oman	OM						17	30	44	91
Poland	PL	18	15	23	11	19	16	18	23	143
Portugal	PT	10	14	18	12	12	18	16	20	120
Republic of Korea	KR				1					1
Republic of Moldova	MD	7	4	6	4	3	21	10	22	77
Romania	RO	10	9	14	12	11	13	14	18	101
Russian Federation	RU	23	45	40	52	63	54	76	118	471
San Marino	SM						8	9	3	20
Sao Tome and Principe	ST							7	3	10
Serbia	RS				1	6	18	29	37	91

Country Name	Code	2003	2004	2005	2006	2007	2008	2009	2010	Total
Serbia and Montenegro	YU	6	1	9	8		1	2		27
Sierra Leone	SL	2		3	3	3	10	6	19	46
Singapore	SG	18	32	41	41	42	52	76	120	422
Slovakia	SK	5	4	8	11	10	12	11	20	81
Slovenia	SI	5	4	8	6	7	9	7	17	63
Spain	ES	37	41	30	33	33	28	22	49	273
Sudan	SD								26	26
Swaziland	SZ	4	1	6	9	5	11	8	21	65
Sweden	SE	12	22	22	16	20	23	18	23	156
Switzerland	CH	17	20	30	21	18	34	53	66	259
Syrian Arab Republic	SY		1	8	4	6	15	14	28	76
The former Yugoslav Republic of Macedonia	MK	6	2	6	9	7	16	8	19	73
Turkey	TR	17	17	23	35	39	43	55	82	311
Turkmenistan	TM	4	2	6	4	4	17	13	20	70
Ukraine	UA	19	9	19	18	24	41	39	59	228
United Kingdom	GB	42	49	44	49	53	45	35	61	378
United States of America	US	9	69	99	144	170	134	192	259	1,076
Uzbekistan	UZ					5	22	15	32	74
Viet Nam	VN	1			22	42	48	65	121	299
Zambia	ZM	5	4	7	4	2	11	7	19	59
Others	99	1	1	3	3	2	0	1	1	12
Total		770	968	1,211	1,346	1,543	1,851	2,043	3,309	13,041

WIPO STUDY ON ACCESSION TO THE MADRID SYSTEM

QUESTIONNAIRE FOR NATIONAL EXPERTS

MONGOLIA**1. What outcomes was your country aiming to achieve by its decision to accede to the Madrid System? If your country was previously a Contracting Party to the Madrid Agreement, what were the most important reasons for acceding to the Protocol?**

(1) Madrid Agreement

Mongolia became a member of WIPO on February 28, 1979. During that time, the Department of Inventions of the State Committee for Science and Technology (SCST) was in charge of registration of inventions, innovations and trademarks- Six years later, by Resolution No. 246, 1985, of the Political Bureau of the Central Committee of the Mongolian People's Revolutionary Party, Mongolia decided to accede to the Madrid Agreement and on April 21, 1985, the accession entered into force.

The main reasons as well as outcomes Mongolia aimed to achieve by this decision were:

- Membership fees were not required.
- Increase in number of foreign trademark registrations.
- Receipt of fees in proportion to designations.

(2) Madrid Protocol

Mongolia decided to accede to the Madrid Protocol by the Law on Accession enacted by the Parliament of Mongolia on November 2, 2000. The law entered into force on June 16, 2001. The preparatory work to accede to the Protocol was done by the Intellectual Property Office, an Implementing Agency of the Government of Mongolia, which was established in 1996, through a merger of two offices: the Patent and Trademark Office (est. in 1990) and the Copyright Office (est. in 1994).

The main reasons for acceding to the Madrid Protocol as well as outcomes to be achieved were:

- Mongolia's main trading partners such as China and the Russian Federation, already parties to the Agreement, acceded to the Protocol and other important trading partners, non-members of the Agreement, such as Japan, Republic of Korea and the US, were considering joining the Protocol.
- The potential increase in the number of internationally filed trademarks from Japan, Republic of Korea and the US.
- English (the most widely spoken foreign language in Mongolia) became one of the working languages of the Protocol.

2. Were any major challenges experienced leading up to accession and implementation of the Madrid System? Was there any opposition or resistance to the proposal to join the System? Please outline any issues you identify and note any measures taken to address them.

There was no opposition or resistance to the proposal to accede to the Madrid System on the part of ministries and State committees, which were consulted in the course of deliberations. In fact, many were in favor, for instance the Ministry of Finance. As far as the advantages of joining the Madrid System were outlined and explained, the decision-making process was smooth and did not take much time and persuasion.²²³

Likewise, with the Protocol, the working group, established for the purpose of studying and preparing for accession to the Protocol, experienced neither opposition nor resistance on the part of government institutions, IP agents or trademark owners.

3. Could you outline the steps taken to prepare for accession and operation under the Madrid System and note the key decisions or outcomes for each?

(1) Madrid Agreement

- Consultations with relevant ministries and government institutions of Mongolia: no opposition, in fact full support.
- Consultations with relevant member countries of the System: explanation of advantages and sharing of experience.
- Consultations with WIPO: explanation of advantages, including future technical assistance.

(2) Madrid Protocol

- Consultations with relevant ministries and government institutions of Mongolia: no opposition, in fact full support.
- Consultations with IP agents: no opposition.
- Consultations with WIPO: explanation of advantages.

4. Has experience in operating under the Madrid System brought about any modification of legislative provisions, administrative or operational arrangements or processes put in place at the time the System was introduced in your country?

(1) Madrid Agreement

Accession and Declaration.

The Government of Mongolia (then the Mongolian People's Republic) deposited its instrument of ratification of the Madrid Agreement on January 16, 1985, and declared that the application of the Madrid Agreement, as revised, should be limited to marks registered from the date on which the said Agreement entered into force with respect to the Mongolian People's Republic; however, the interested parties were able to make requests for extension of the protection resulting from the international registration of marks which had already been the subject of an earlier national procedures still in force in the Mongolian People's Republic. This declaration was subsequently withdrawn on November 16, 1995.

Training and Study Visit.

²²³ Interview with Mr. Tsog Gonchig, former Director of the Cooperation Department of the State Committee for Science and Technology of Mongolia, who was personally involved in the decision-making process on the issue of accession to the Agreement.

Upon the accession of Mongolia to the Agreement, the International Bureau of WIPO organized a two-week study visit for a representative of the Department of Inventions of the SCST, Mr. Damdinsuren Demberel,²²⁴ to the International Trademark Registration Division. It was the first study visit on the subject matter of international registration of trademarks organized by WIPO at its headquarters for Mongolian trainees.

Organizational Reforms and Training.

Later when trademark operations were transferred from the Department of Inventions of the SCST to the Patent Information Section of the

Center for Scientific and Technological Information (CSTI) due to budgetary constraints imposed on the SCST, two more study visits were organized by WIPO for two employees of the CSTI, who were put in charge of international trademarks, namely Ms.

Odgerel Erdembileg,²²⁵ a lawyer with knowledge of English and French, and Ms. Sandagdulam, a translator working in French. Moreover, two trademark examiners from the former Soviet Union with knowledge of French, upon request from WIPO, conducted two weeks on-the-job training for Mongolian trademark examiners at the premises of the CSTI on the following main issues:

- Receiving and handling mail with international trademark registrations.
- Effecting and maintaining a registry of international trademark registrations designating Mongolia (named the International Registry *vis-à-vis* the existing National State Registry). Creating files (cards) with international trademark registrations designating Mongolia for documentation and search purposes.
- Recording *changes* in names and addresses, limitations in classes, territorial extensions, renouncement, renewals, rectifications, etc.
- Conducting search and examination.
- Sending preliminary and final refusal reports in French on WIPO forms.

(a) Are there particular challenges in encouraging trademark owners in your country to use the Madrid System if they want to protect their marks in other Contracting Parties?

Since the majority of Mongolian companies are SMEs, the financial issue is the main challenge, because they don't see spending foreign currency (quite burdensome in the case of the Madrid Protocol) to protect their trademarks in foreign countries as a business necessity, even if they do export their goods or services. It could also be explained by the low volume of their exports as well as by limited awareness of the benefits of the Madrid System.

(b) Are there specific countries whose accession in the future would be expected to significantly increase use of the Madrid System by businesses in your country?

Accession of Mongolia's important trading and business partners, i.e. Canada, India and Malaysia to the Madrid System would prove to be beneficial not only for Mongolian businesses but also for the relevant businesses in those countries.

It should be noted that at that time, all operations, including searches, were initially

²²⁴ Later in 1990, Mr. Demberel became a first Director General of the newly established Patent and Trademark Office of Mongolia.

²²⁵ National expert worked in CSTI as a trademark examiner (national and international registration) from 1986 to 1990.

performed on paper and manually. Only later, in 1988, was a first attempt at creating an automated database of trademarks registered in Mongolia for search purposes set up.

In 1990, after government reorganizational reforms, a Patent and Trademarks Office was established under the new governmental body, namely the National Development Board of Mongolia. The Patent and Trademark Office integrated two existing structural units: the Inventions Department of the SCST and a trademark unit of the Patent Information Section of the CSTI. Trademark operations were included in the Examination Division of the new Office and one more trademark examiner, solely in charge of national trademarks, was appointed. Only two trademark examiners were and are now in charge of international trademarks.

Legislation.

Mongolia's first legal Act on trademarks, namely the Statute on Trademarks and Appellations of Origin, which closely followed a similar legal act of the former Soviet

Union, was introduced in 1967, later amended in 1987, after the accession of Mongolia to the Agreement. The main amendment introduced was an extension of the period of examination from six months to 12 months. No other by-laws, including procedural, were introduced. Mongolia as a member-country followed the Madrid Agreement and its Regulations without passing any specific national regulations. No certificates were granted or publications issued related to international trademarks registered in Mongolia. This type of arrangement saved additional costs for the Office in charge of international trademarks.

In 1996, a Law on Trademarks and Trade Names was enacted. That Law did not have any specific provisions dealing with international trademark registration. Article 2.2 of this Law stated that "where an international treaty to which Mongolia is party, contains provisions differing from those specified in the legislation of Mongolia on trademarks or trade names, the provisions of the international treaty shall prevail", which further reinstated and gave a legal basis for not introducing specific regulations or procedures related to international trademarks.

(2) Madrid Protocol

Accession.

The Government of Mongolia deposited its instrument of ratification of the Madrid Protocol on March 16, 2001, and the Protocol (1989) entered into force, with respect to Mongolia, on June 16, 2001.

On-the-Job-Training and Participation in Training Courses.

Upon the accession of Mongolia to the Protocol, the on-the-job-training for international trademark examiners was conducted by using our own human resources. Furthermore, international trademark examiners periodically participate in training courses and seminars organized by WIPO in the field of trademarks.²²⁶

Legislation.

In 2003, a Law on Trademarks and Geographical Indications was enacted with the aim of improving compliance with Mongolia's international obligations and international norms in the field of trademarks.²²⁷ This Law, in comparison with the former one, contained a separate chapter, namely the International Registration of Trademarks, consisting of Articles

²²⁶ If required, a list of training courses and seminars on the subject matter of international trademarks where Mongolian examiners participated will be provided.

²²⁷ Replaced the Law on Trademarks and Trade Names of 1996.

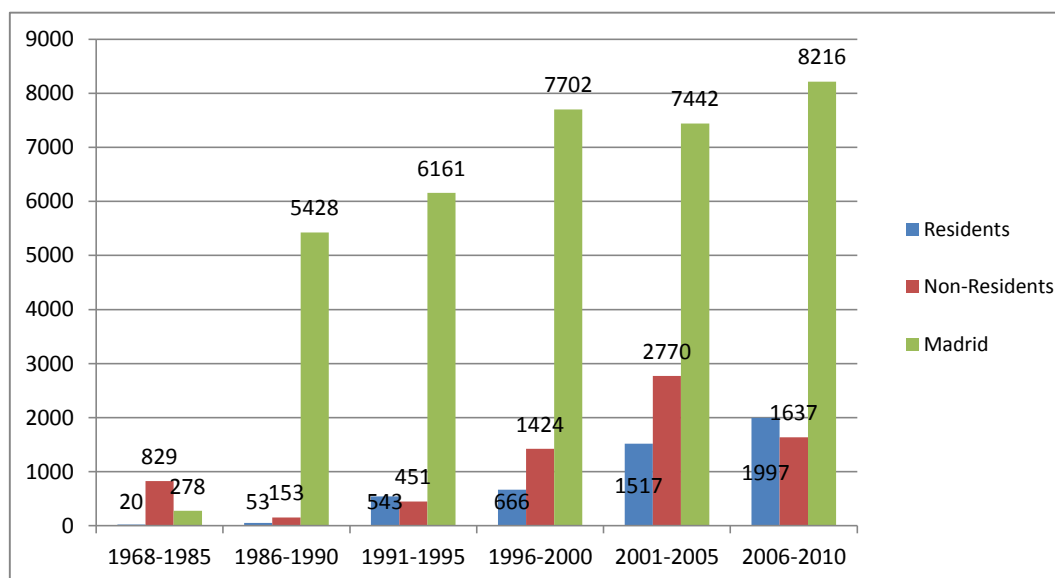
26 and 27. In Article 3, definitions were given for the international registration of trademarks, the Madrid Agreement, the Madrid Protocol and Regulations under the Madrid Agreement and Madrid Protocol.²²⁸ The examination period was further extended to 18 months to accommodate the Protocol's relevant provision (Article 8.4). Still Article 2.2 of this Law provided that "...if an international treaty to which Mongolia is party provides rules different from those laid down in this law, the provisions of the international treaty shall be applicable", which once again gave a legal basis for not introducing specific regulations or procedures related to international trademarks.

In 2010, a revised edition of the Law of 2003, with the same name, was enacted with the aim of further improving compliance with Mongolia's international obligations.²²⁹ The provisions related to international trademarks remained the same but were incorporated in the relevant Articles, rather than forming a separate chapter.²³⁰

Currently, Mongolia does not apply national fees to international designations. For cost saving purposes, Mongolia neither issues certificates of international registration nor publishes registered international trademarks designating Mongolia.

5. Has there been an increase in the number of applications/designations received from other Contracting Parties since implementing the Madrid System in your country?

Graph 1. Number of Applications filed in Mongolia directly and via the Madrid Route



Source: Based on statistics from the Intellectual Property Office of Mongolia

In 1985 alone (from April 21, 1985) or within the first half year of accession to the Agreement, Mongolia received 278 international applications/designations which accounted for around 33 per cent of the total direct non-resident filings in Mongolia in 1968-1985.

²²⁸ The English translation of the Law on Trademarks and Geographical Indications of 2003 is attached for the information of the International Consultant.

²²⁹ To comply with the TLT (Mongolia ratified the Treaty in 2010).

²³⁰ There is not yet any official English translation of the Law of 2010.

(a) Has there been any change over time in the proportion of designations under the Madrid System?

Following the year of accession to the Madrid System, the proportion of Madrid designations in comparison with direct filing by non-residents, has changed drastically as can be seen from Graph 1 above.

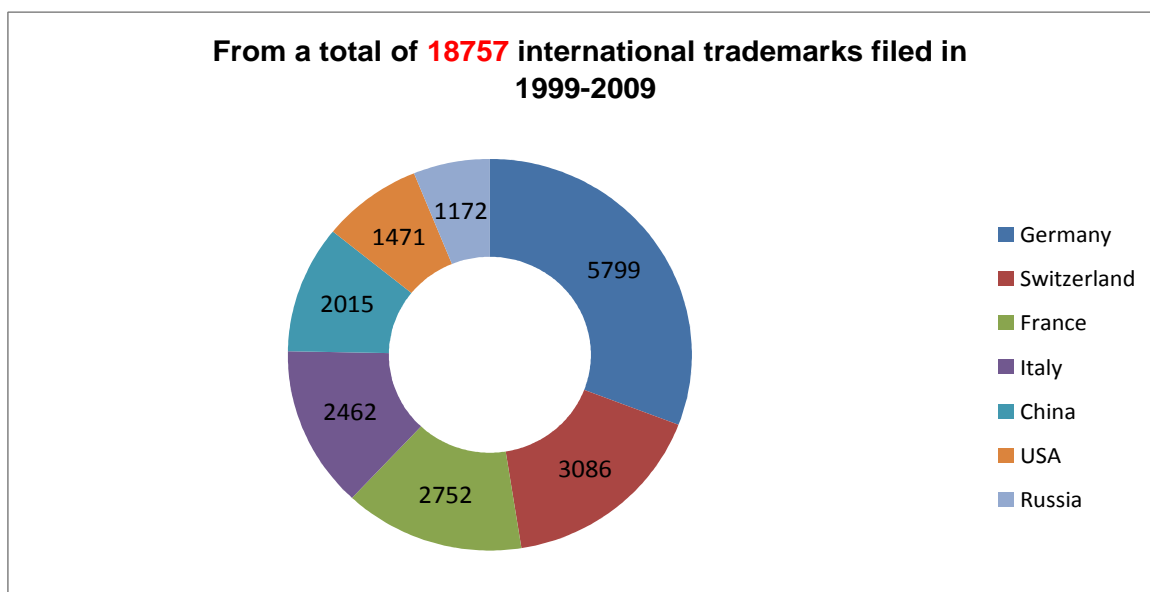
(b) Does any increase of these filings differ from any trend in applications filed from countries which are not within the Madrid System?

Applications filed directly from countries outside the Madrid System tend to be from companies which already do or foresee doing business there in the near future. But the trend with international filings is different in the sense that companies of member countries even if they do not export or do not intend to export goods or services to Mongolia, still designate Mongolia since the designation fee per additional country is not onerous. For Mongolia, this brings additional revenue in the form of its share of distribution fees. The majority of those international trademarks are not used, and so far we have not encountered any problems nor have any concerns been expressed about this situation. This could be explained by several factors, including (i) the availability of the non-use provisions in our legislation; (ii) the advantages of the Madrid System which overall outweigh any uncertainties; (iii) last but not least, insufficient legal knowledge and experience of local users and lack of interest on the part of foreign companies.

(c) Have there been any originating countries or regions for which an increase in applications/designations has been particularly marked?

From the very beginning, the European countries, in particular, France, Germany, Italy and Switzerland were the most active and remain so. Lately, from the late 1990s, an increase in designations in 1999-2009 from China (2015), the US (1471) and the Russian Federation (1172) was noted.²³¹

Graph 2. Number of International Applications by Countries of Origin with Most Designations



Source: Based on WIPO Statistics

²³¹ Source: WIPO statistics.

6. Has there been any increase in applications and designations originating from your country and seeking protection for trademarks in other jurisdictions since your country's accession to the Madrid System? To what extent, if any, do you think this could be attributed to the Madrid System?

The first Mongolian trademarks ever filed abroad used the Madrid System; 21 Mongolian trademarks from a total of 22 filed abroad, were filed via the Madrid route, which could be explained by the simplicity and cost-effectiveness of the Madrid System.

Table 1. Mongolian Trademarks Filed via the Madrid Route

Office of Origin: Mongolia	1987	1988	1990	1995	2004	2006	2008	2010	2011	Total
Applications	1	1	2	1	2	1	5	2	6	21
Designations	9	20	11	25	17	7	35	18	60	202

Source: Based on WIPO Statistics

7. Since your country's accession, has there been an increase in filings by SMEs from your country seeking international protection for their marks? What proportion of those were designations made under the Madrid System and has that changed over time?

All 21 Mongolian trademarks (see the above answer to question 6 and Table 1) which were filed via the international route were/are exporting companies, large in size in terms of the Mongolian economy.

(a) Are there other indications as to whether accession to the Madrid System has benefited SMEs?

Not applicable.

8. Has the operation of the Madrid System in your country had any effect on the amount of work within the IP Office? Has there been any change in the nature of the work, the balance of functions or to Office revenue? Can you provide any information on whether the costs of operating under the Madrid System are covered by the revenue (including any handling fees or other fees)?

The number of trademark applications received by the Office has increased dramatically as shown in Graph 1. The Office maintains two separate registries as well as two databases for search purposes: (i) national and (ii) international. Currently there are four trademark examiners: two in each registry. The nature of their work differs. The work of the international trademark examiners requires knowledge of French and English as well as knowledge of the Agreement, Protocol and Common Regulations. On the other hand, there are additional functions, which national trademark examiners perform, such as creating a data base (using ROMARIN and State Register information), preparing data for publications and certificates.

Revenues collected have been increasing steadily. The Office, from 1990 to 2008, was self-financing, and the revenues collected from the use of the Madrid System not only wholly covered the operating costs directly related to the Madrid System but other costs as well.

Currently, the majority of the revenue goes directly to the State budget, and the Office's expenditure is covered from the State budget on an annual basis.

(a) Have any aspects of the Madrid System resulted in cumbersome procedures or complexities in communication for the IP Office?

Becoming familiar with the various WIPO forms and regulations, as well as using French as a means of communication, posed considerable difficulties for international trademark examiners. With English introduced after accession to the Protocol, communication became easier.

At the beginning, when the Office used to receive two copies of the Gazette, there was a problem with additional space and shelves. Also there was a requirement to make cards for manual searching. But with ROMARIN and the Gazettes available online and the Office having a server and Internet connection, the handling of international applications does not pose significant problems.

(b) Can the Office suggest any ways in which the operation of the Madrid System could be simplified and so benefit users?

The IPOM makes the following suggestions:

- The possibility of communicating with WIPO's International Registration Division on-line.
- The possibility of reducing fees for SMEs of developing countries to widen the scope of applications.

The Government may contemplate the possibility of providing some financial assistance to SMEs to facilitate the use of the Madrid System.

(c) Are there any Office processes or procedures for handling designations in international registrations which may provide a more efficient service for holders than if they filed directly into your national system?

The IPOM provides a faster service in examining international applications and requires fewer additional documents and materials, which could be explained by online availability of automated data bases on WIPO's website.

9. Do trademark owners or their agents and attorneys identify any key advantages in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries?

Although the overall number of domestic trademarks filed internationally is still very low, those companies, which approached the Office, found the procedure of filing one application in one language and paying one single fee very rewarding.

(a) What problems, if any, have been experienced by trademark owners and their representatives when using the Madrid System for protection of their trademarks which would not have been anticipated if the application had been filed directly into national systems of the countries concerned?

The IPOM neither issues a certificate of registration to trademark owners nor publishes to this effect in the case of the Madrid System, which simplifies the workload of the Office, but fails to meet the needs of trademark owners. It is expected that a procedure on issuing a certificate of international registration to interested owners upon request will be adopted.

(b) Are there particular circumstances under which owners, agents or attorneys believe it would be preferable to file applications seeking protection for a trademark directly into national systems rather than utilize the Madrid System?

Since Mongolian owners, attorneys or agents have little experience with filing trademarks in foreign countries, it is difficult, at this moment, to answer that question.

10. Is there any requirement for local representation before the Office? Do trademark agents or attorneys find any aspects of that role significantly different from acting for overseas applicants who file directly into the national system?

There are no further or additional requirements for local representation before the IPOM, in a legal sense, in the Madrid situation and insufficient practical experience has been accumulated.

(a) Has the overall workload of agents and attorneys changed since the Madrid System was introduced in your country? Has there been a change in the nature or balance of their roles and/or functions and has that affected their revenue or the make-up of their client base?

When the Madrid System was introduced in Mongolia in 1985, there was only one trademark agent in the country, namely the Patent and Trademark Bureau of the Mongolian Chamber of Commerce and Industry. From the mid-1990s, the number of trademark agents has been increasing steadily to reach a total of 33 at present. With the increase in trademark applications filed directly with the Office by non-residents, it is safe to assume that the accession of Mongolia to the Madrid System has not affected the nature or balance of their functions or their revenues.

(b) Could you compare the perceptions of the Madrid System which were held by agents and attorneys prior to your country's accession with the views they hold now?

The majority of existing trademark agents became active from the early 2000s, after accession to the Madrid System. Interviews with some of them showed that it is difficult for them to compare the situation before and after accession. But some still feel that lately they have started to lose their clients, who prefer to file internationally, leaving minor issues, such as inquiring about procedures or requesting the issue of some kind of certificate of international registration, to be dealt directly.

11. Since the Madrid System was introduced in your country, has the IP Office or any other body or group taken steps to promote use of the System? If so, could you describe these briefly and note whether there is any indication of the measures having any impact?

Since Mongolia exports mainly raw materials (cashmere, wool, minerals) there was and still is little need and interest in using the Madrid System. This fact explains why Mongolia is mainly a country of designation rather than a country of origin. This also helps to understand, to a certain extent, why neither the IPOM nor business associations have yet taken any steps to promote the use of the Madrid System or provided specific support measures.

(a) Are there any particular challenges in encouraging trademark owners in your country to use the Madrid System if they want to protect their marks in other Contracting Parties?

Since the majority of Mongolian companies are SMEs, the financial issue is the main challenge because they don't see spending foreign currency (quite burdensome in the case of the Madrid Protocol) to protect their trademarks in foreign countries as a business necessity, even if they do export their goods or services. It could also be explained by the low volume of their exports as well as limited awareness of the benefits of the Madrid System.

(b) Are there any specific countries whose accession in the future would be expected to significantly increase use of the Madrid System by businesses in your country?

Accession of Mongolia's important trading and business partners, i.e. Canada, India and Malaysia to the Madrid System would prove to be beneficial not only for Mongolian businesses but also for the relevant businesses in these countries.

WIPO STUDY ON ACCESSION TO THE MADRID SYSTEM

QUESTIONNAIRE FOR NATIONAL EXPERTS

SINGAPORE**1. What outcomes was your country aiming to achieve by its decision to accede to the Madrid System? If your country was previously a Contracting Party to the Madrid Agreement, what were the most important reasons for acceding to the Protocol?**

Accession to the Madrid Protocol was the Singapore Government's overall plan to modernize its IP regime and raise it to international standards. The Singapore Government wanted to ensure that Singapore is signatory to all of the major IP treaties currently in force. With regard to trademarks, there were clear benefits of importing the Madrid regime into Singapore, e.g. encouraging foreign entities to protect their trademarks in Singapore while making it easier for trademark proprietors in Singapore to protect their trademarks in foreign markets through a simpler application process and at lower cost. At the same time, it will encourage and simplify the process for foreign proprietors to protect their marks in Singapore. Overall, it will stimulate the Singapore economy and propel growth.

2. Were any major challenges experienced leading up to accession and implementation of the Madrid System? Was there any opposition or resistance to the proposal to join the System? Please outline any issues you identify and note any measures taken to address them.

Major challenges experienced leading up to accession and implementation of the Madrid System:

- Expertise – The Intellectual Property Office of Singapore (IPOS) did not have any prior experience of handling trademark applications filed through the Madrid Protocol, whether as an Office of origin or designated Office. IPOS sought assistance from WIPO for training and to embark on a study trip to the UK Patent Office (now UKIPO) and the Swiss Intellectual Property Institute in Berne to study their prior experience of accession and how they dealt with the problems faced.
- Manpower – More officers needed to process the increased number of applications, from examiners to examine the applications and clerical officers to attend to the other ancillary matters, e.g. extensions of time, amendments, limitations, cancellations, etc.
- Education – There was a need to explain to stakeholders the implications of the new system and how it would affect players in the market.
- Legislative and administrative review and compatibility – The Madrid System had to be reviewed, and reconciled with existing national legislation. Existing processes and systems had to be adapted to accommodate the anticipated surge in applications.

These challenges will be expanded and elaborated under 3.

3. Could you outline the steps taken to prepare for accession and operation under the Madrid System and note the key decisions or outcomes for each?

- In 1997-98, a study paper was first prepared to identify the existing trademark scenario in Singapore. This covered the current regime for registration of trademark rights in

Singapore, the state of the law, including seeking protection outside Singapore, and whether the existing processes, services and expertise were adequate. Against this background, the Madrid regime was considered and assessed as an additional alternative to what was currently available in Singapore. There was also some informal consultation with IP lawyers in Singapore to get their opinion on the desirability of introducing the System in Singapore. The paper was submitted to the Permanent Secretary of the Minister of Law and, thereafter, the Minister of Law. At both levels, approval was obtained to proceed to ratify the Madrid Protocol once all the necessary infrastructure was put in place.

- Once the approval to go ahead was obtained, we informed WIPO of our intentions and sought their support for information and training to begin the preparation process to join the Madrid Protocol. The IPOS team consisting of three officers was trained at the International Bureau in Geneva. WIPO also assisted in arranging for the IPOS team to visit the UK Patent Office in Wales and the Swiss Federal Institute of Intellectual Property in Berne, to study their experience of preparation for accession to the Madrid Protocol. This study trip and training were very important as they gave IPOS first-hand experience of the operations of two IP Offices already operating the Madrid System and gave IPOS ideas on how it could similarly implement the same in their home Office.
- A thorough study of existing trademark legislation was undertaken. To date, the legislation only accommodated the domestic registration system. Although the Madrid Protocol is procedural in nature and did not affect the substantive trademark law that was already in place, its procedure did not accord with domestic procedures. Adopting the Madrid processes meant changes had to be implemented and legislative enactments had to be made. For example:
 - o New forms and templates had to be drafted for the new procedures, e.g. transformation and replacement requests, provisional refusals, and collection and payment of fees for international applications where Singapore is the Office of origin. In order to avoid the problems involved in collecting cash, IPOS opted for all payments for international applications filed with IPOS where Singapore was the Office of origin, to be made by bank draft and IPOS would then transmit the bank drafts to WIPO by courier. Accepting cash would be cumbersome and also subject the Office to foreign exchange fluctuations and bank charges.

New work processes had to be implemented, e.g. issuance of provisional refusals, whether full or partial, statements of grant of protection, and the myriad of standard form communications to the IB. Also, the in-house computer system had to be restructured to generate the jobs for the examiners when the IB transmitted the periodic batches of international registrations designating Singapore electronically.

- o The existing computerized system for processing, examining and approving applications had to be adjusted to accommodate a Madrid examination procedure that would operate simultaneously with the national examination procedure. This presented initial problems, e.g. the registration system then accepted only single-class applications while the Madrid System permitted multi-class applications. In the end, if an international registration contained more than one class of goods and/or services, each class was accorded a separate national trademark application number, although all of these applications would be linked to the main international registration number. Another teething problem was the creation of an in-built monitoring system to ensure that all international applications were examined within the non-extendible 18-month period. It was not feasible for deadlines pertaining to provisional refusals based on oppositions to be tracked electronically. These, being fewer in number, were manually tracked and this is

admittedly not an ideal arrangement.

- o The issuance of provisional refusals, whether based on *ex officio* examination or opposition, proved laborious, since objections raised had to be supported by an extract of the supporting statutory legislation. National examiners were fond of asking for evidence of use of the mark to evaluate how the mark was used in commerce. This was no longer possible under the Madrid System since there is no corresponding statutory legislation to support such a request by the Registrar. Also, examiners were aware that their provisional refusals were actually scrutinized by the IB and sometimes, a provisional refusal was returned to the Office for lack of clarity of an objection or the missing supporting legislation. A provisional refusal had to be reissued.

The IB was the final arbiter in all matters pertaining to classification of goods and services. This was distinct from national applications where our legislation specifically states that the Registrar has the final say on all such matters. While WIPO is supposed to be the expert in classification matters, there are times when IPOS' examiners spotted errors in classification or description of specific items in international registrations. Some IP Offices would raise these errors in classification in a provisional refusal and put the onus on the holder to seek clarification with WIPO. However, IPOS would instead seek clarification from WIPO, who in most cases agreed with our assessment by issuing a notification to correct the error. Such processes are lengthy as WIPO had previously taken inordinate periods of time to respond on even simple matters. The response time for such correspondence has improved tremendously in recent years.

- Eventually, suitable amendments were put in place in the existing Trade Marks Acts and Trade Marks Rules. However, an additional piece of subsidiary legislation, the Trade Marks (International Registration) Rules, was enacted to import the Madrid procedures into domestic law. Singapore's trademark legislation was modeled on the equivalent UK trademark legislation, with minor modifications. In this regard, IPOS looked to the UK's model of legislative amendments and enactment during this exercise.
- We also had to create a Madrid examination team, separate from the national team, to handle Madrid applications. For economies of scale, it was more efficient to divide the entire team of examiners into two groups, *viz.* Madrid and national, and allow each group to focus on its respective portfolios. We also had three administrative assistants to assist us in the manual administrative aspects of the Madrid processes. In the early years, there was a lot of paper work, verification and updating. We also had a lot of correspondence with WIPO for clarification on various issues. There was an initial steep learning curve. However, over the years and with more experience, the team became more familiar and skillful in handling the correspondence and various processes. The team has now grown from just two examiners in 2000 to 10 examiners.
- In order to disseminate information pertaining to the Madrid Protocol, IPOS organized a seminar on the Protocol, with speakers from WIPO and IPOS, maintained a dedicated hotline for potential users, published notices in local newspapers and legal periodicals. This helped to increase awareness of the new trademark system soon to be in force in Singapore.

4. Has experience in operating under the Madrid System brought about any modification of legislative provisions, administrative or operational arrangements or processes put in place at the time the System was introduced in your country?

Yes, I can think of three areas.

- A move towards electronic communication. Our communications with external users had always been on paper. After we became part of the Madrid System, we began to receive periodic electronic communications from WIPO in the form of notifications of designation. Over time, this set us thinking about going paperless as part of our on-going renewal process to revitalize the Registry's operations. To date, we are receiving more forms of communication from WIPO via e-mail. IPOS has already installed electronic communications with the agents for trademark prosecution work. In the new revamped harmonized computerized system to be in place by 2013, almost all communications to users will be via electronic means, including communications with WIPO.
- A move towards a shorter turnaround time for the examination of applications. Under the Madrid System, an Office needs to issue a provisional refusal, if it so wishes, within 12 months (or 18 months if an election has been made). Initially, the registry had a huge backlog but due to the Madrid timeline, a taskforce was set up to clear it. At the same time, systems were put in place to clear Office actions within a shorter period of time. Eventually, the turnaround time was reduced to two months and to date, it has been reduced to two weeks.
- Less time in verifying the accuracy of the classification of goods and services. Since the IB would already have conducted their internal checks for ICGS compliance, our examiners, who previously spent an inordinate amount of time on this, no longer needed to re-examine in detail the specifications for ICGS compliance. The examiners simply make a brief scrutiny of the goods and services and raise objections with WIPO only if there are irregularities. This time saving has also prompted the registry to look into better ways to reduce the time taken for ICGS checks. In IPOS' new system, automated verification of goods and services against an in-house approved list will drastically reduce examination time. IPOS had also been working with WIPO on the validation of a master list of goods and services for use within the Madrid System.

5. Has there been an increase in the number of applications/designations received from other Contracting Parties since implementing the Madrid System in your country? (Please include any details of changes which may have come as a result of later accession to the Protocol.)

(By the term, "applications", I am assuming that these refer to nationally filed applications, as opposed to "designations" which I will take as referring to international registrations designating Singapore.) Yes, since Singapore became a member of the Madrid Protocol in 2000, the total number of applications (nationally filed and via the Madrid Protocol) has risen steadily throughout the years, peaking in 2008. In 2009, the number of applications fell by about 20 per cent due to the global economic downturn but picked up slightly in 2010. See Attachment B for a breakdown of the filing figures.

(a) Has there been any change over time in the proportion which are designations under the Madrid System?

Breakdown of Number of Singapore Trademark Applications filed via the Madrid Protocol, Nationally by Residents and Nationally by Non-Residents

Year	Total Number of Applications by Class (Madrid and National) (A+B+C)	Designated via the Madrid Protocol (A)		National Applications filed by Residents (B)		National Applications filed by Non-Residents (C)	
		No.	%	No.	%	No.	%

2010	30,481	13,035	43	6,407	21	11,039	36
2009	28,262	13,207	47	6,048	21	9,007	32
2008	34,210	17,422	51	6,049	18	10,739	31
2007	32,160	15,600	48	5,411	17	11,149	35
2006	29,216	14,095	48	4,852	17	10,269	35
2005	26,986	12,036	45	5,067	19	9,883	36
2004	23,248	9,160	39	4,839	21	9,249	40
2003	21,286	8,471	40	4,254	20	8,561	40
2002	20,075	8,452	42	3,343	17	8,109	40
2001	20,273	6,524	32	3,281	16	10,468	52

I have chosen to use the statistics based on the number of classes filed rather than the number of applications filed, because of the pre-2007 applications that were based on a single-class filing system. Using a class-based calculation will give a more accurate reflection of the filing patterns and will allow us to make a more accurate comparison and assessment.

Based on the above statistics, the percentage of non-residents choosing to file national applications in Singapore has fallen from the time Singapore acceded to the Madrid Protocol. It was 52 per cent in 2001 and this figure has since fallen but has remained somewhat stable in the range of 30-plus per cent against the total number of applications. On the other hand, the number of applications filed via the Madrid Protocol has increased since 2001. The figure peaked at 51 per cent but fell in 2008 and 2009, probably as a result of the economic conditions. Based on previous trends, this figure should return to normalcy once economic conditions improve. I believe that this trend in Singapore is quite typical of most countries, i.e. after the accession to the Madrid Protocol, most of the trademark applications handled by IPOS were through the Madrid route and not the national route.

(b) Does any increase of these filings differ from any trend in applications filed from countries which are not within the Madrid System?

Year	Percentage Change in Number of Applications	
	Designated via Madrid Protocol	Nationally Filed
2010	-1%	+16%
2009	-22%	-10%
2008	+12%	+1%
2007	+11%	+10%
2006	+17%	+1%
2005	+31%	+6%
2004	+8%	+10%
2003	0%	+10%
2002	+30%	-15%
2001	+5,429%	-38%

The above table charts the percentage change in the number of applications filed in each given year, and shows the comparison between applications filed nationally and applications designated via the Madrid Protocol. Generally, the latter grew more steadily compared with nationally filed applications. However, applications designated via the Madrid Protocol also fell more sharply compared with nationally filed applications. For example, during the

financial crisis, applications designated via the Madrid Protocol fell by 22 per cent while nationally filed applications fell by 10 per cent only in 2009. Applications designated via the Madrid Protocol saw wide fluctuations, while nationally filed applications witnessed more regular-paced fluctuations, usually within 10-16 per cent.

(c) Have there been any originating countries or regions for which an increase in applications/designations has been particularly marked?

The table below, obtained from WIPO's website, shows the top 10 countries which have designated Singapore in international registrations.

Designated contracting party: Singapore

CP	Country of holder	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
US	United States of America	0	0	0	12	386	834	939	974	1015	829	945
CH	Switzerland	63	571	577	510	454	565	592	683	721	585	702
DE	Germany	34	747	855	916	897	931	960	938	1117	775	668
FR	France	13	504	530	574	544	652	676	663	647	573	640
EM	European Union	0	0	0	0	11	269	374	578	545	490	597
CN	China	0	100	57	182	318	449	510	580	577	405	553
JP	Japan	4	82	86	119	175	297	348	329	446	419	443
IT	Italy	0	242	332	391	454	502	594	567	492	355	369
BX	Benelux	3	263	310	257	300	379	333	269	355	268	275
AU	Australia	0	11	108	114	168	271	276	281	300	265	271
Total		117	2520	2855	3075	3707	5149	5602	5862	6215	4964	5463

In most of these countries, the number of designations has increased quite remarkably over the years, with a slight drop in designations in 2009 due to the recession in 2008.

6. Has there been any increase in applications and designations originating from your country and seeking protection for trademarks in other jurisdictions since your country's accession to the Madrid System? (It would be helpful to note any impact of a later accession to the Protocol on the number of filings.) To what extent, if any, do you think this could be attributed to the Madrid System?

Please see Attachment A for the graph detailing the number of international applications originating from Singapore.

The relevant statistics that we need here are the number of international applications originating from Singapore and the breakdown of Contracting Parties designated within these international applications originating from Singapore. The purpose is to obtain an indication of how useful local businesses are finding Madrid and how many potential direct filings are *not* occurring under the Paris route. If so, and in order to make such a comparison, we should be focusing only on Madrid countries. For example, the number of international applications originating from Singapore and designating Japan increasing or decreasing over the years may be a useful observation as would be the case for other Madrid countries. That may be an indication of how attractive the Madrid System may be for Singapore users.

I obtained the figures giving the breakdown of the number and specificity of designated countries for international applications originating in Singapore and subsequent designations shown in Attachment C from WIPO's database.

From the statistics, it can be observed that the Madrid route has become increasingly popular among holders of Singapore origin seeking trademark protection outside Singapore. Popular designations include China, Japan, Republic of Korea, the US and Viet Nam. Certainly, the Madrid option has encouraged more trademark activities by holders of Singapore origin. However, the figures are not startling; after more than 10 years of accession, the highest figure recorded was 1367 in 2009.

(a) Of these filings, have the proportions which are designations under the Madrid System changed over time?

I have used the figures available from WIPO's website pertaining to holders of Singapore origin. I did some recalculation and came up with the table below.

Origin of Holder = Singapore

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total number of trademark applications filed in Singapore, and overseas via Madrid and Paris = A+B+C	6,126	3,566	4,764	7,367	7,352	8,250	8,424	10,413	10,017	9,107	11,477
(A) Total number of trademark applications filed in Singapore	5,187 (85%)	3,281	3,343 (70%)	4,254 (58%)	4,839 (66%)	5,067 (61%)	4,852 (57%)	5,383 (52%)	4,197 (42%)	4,105 (45%)	4,331 (38%)
(B) Total number of designations filed via Madrid Protocol	4 (0.1%)	426	263 (6%)	457 (6%)	586 (8%)	772 (9%)	1,054 (13%)	1,100 (11%)	1,089 (11%)	1,367 (15%)	1,164 (10%)
(C) Total number of trademark applications filed overseas via Paris	935 (15%)	-141	1,158 (24%)	2,641 (36%)	2,825 (38%)	2,585 (31%)	2,518 (30%)	3,934 (38%)	4,731 (47%)	3,635 (40%)	5,982 (52%)

The applications under (C) were filed directly with foreign trademark offices and not through IPOS or WIPO. The accuracy of WIPO's figures is therefore dependent on each trademark office providing accurate statistics of the profile of its applicants. I believe that there is some shortfall in the figures for 2001 but the rest appear largely correct.

Looking at the statistics, it is quite clear that for holders of Singapore origin who seek trademark protection outside Singapore, the preferred route is still the Paris route rather than

Madrid. In terms of proportion, generally to date, about one Madrid designation is made for about every 4-5 applications via Paris. While the total number of Singapore holders seeking trademark protection overseas has increased steadily since 2000, the reliance on Madrid appears dismal. This revelation should not appear surprising since most Singapore businesses will probably wish to seek protection within ASEAN and Asia, which does not have a high membership in the Madrid Protocol. For example, within ASEAN, only Singapore and Viet Nam are signatories to the Madrid Protocol.

(b) Do any countries or regions predominate among those in which traders from your country use the Madrid System for gaining protection for marks?

See the chart below. The top countries designated by Singapore holders are Australia, China, Japan, Republic of Korea and Viet Nam, which are the only other countries in the region, besides Singapore, who are members of the Madrid Protocol. Clearly, holders from Singapore who use the Madrid System are primarily interested in protecting their marks in the region.

Country of holder: Singapore

CP	Designated contracting party	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
CN	China	1	36	31	47	61	98	105	106	116	157	112
VN	Viet Nam	0	0	0	0	0	0	8	43	57	89	80
JP	Japan	0	27	17	22	41	65	84	73	70	87	76
KR	Republic of Korea	0	0	0	7	32	46	73	51	70	74	71
US	United States of America	0	0	0	1	29	77	90	62	67	109	68
AU	Australia	0	9	15	23	36	55	90	77	81	96	63
EM	European Union	0	0	0	0	0	32	41	44	43	60	46
RU	Russian Federation	0	11	4	11	16	32	46	28	35	56	38
EG	Egypt	0	0	0	0	0	0	0	0	0	2	34
CH	Switzerland	0	15	9	6	15	30	35	19	26	23	33
	Total	1	98	76	117	230	435	572	503	565	753	621

7. Since your country's accession, has there been an increase in filings by SMEs from your country seeking international protection for their marks? What proportion of those were designations made under the Madrid System and has that changed over time?

The SME classification is not a category of applicant that is tracked by the IP Office. Further, it is unclear what would constitute an SME in order to answer this question.

(a) Are there other indications as to whether accession to the Madrid System has benefited SMEs?

Unable to answer this question as IPOS does not track applications based on whether they are SMEs or not.

8. Has the operation of the Madrid System in your country had any effect on the amount of work within the IP Office? Has there been any change in the nature of the work, the balance of functions or to Office revenue? Can you provide any information

on whether the costs of operating under the Madrid System are covered by the revenue (including any handling fees or other fees)?

With the gradual increase of designations received via the Madrid Protocol over the years, the number of examiners handling Madrid applications has also increased over the years, peaking at 10 out of the 20 examiners in total. Madrid applications entail a different set of administrative procedures, for example,

- issuance of provisional refusals that are sent to WIPO and not the local address for service;
- official amendment of goods and services carried out free-of-charge without the need for lodging any forms, unlike national applications;
- the concept of full and partial refusals which is alien to national applications;
- different timelines imposed by the Madrid System;
- different considerations when examining and verifying international applications with Singapore as the Office of origin, with a fee calculation and verification exercise.

In IPOS, Madrid examiners were first trained as national examiners before progressing to become Madrid examiners. Hence, national examiners are not able to assist the Madrid examiners if the number of applications increases. Should this happen, the pool of Madrid examiners would have to work doubly hard to clear whatever backlog of files that existed. However, the converse is possible – Madrid examiners are able to assist the national examiners at any time.

In IPOS, all fees, whether in respect of national or Madrid applications, are fixed on a cost recovery basis. As a government agency offering a public service, IPOS does not profit from the various fees imposed. The costs of operating under the Madrid System are covered by fees imposed for the various forms that are filed. For example, the handling and examination of the MM2E is covered by the handling fee of 250 Singapore dollars. The per-class individual fee charged for each International registration designating Singapore would have covered the examination, raising of objections (if any), publication of the trademark and issuance of final refusal or statement of grant. I am not aware of any situation where the costs of operation have overshadowed the revenue received for those Madrid processes.

(a) Have any aspects of the Madrid System resulted in cumbersome procedures or complexities in communication for the IP Office?

Correction notifications pose the highest number of problems for IPOS. These notifications can arrive at any time and affect all procedures at all stages in the lifecycle of a trademark under the Madrid System. Generally, these notifications seek to correct a mistake in an earlier communication, e.g. the specification of goods/services, the name of the holder, description of the mark, or its representation. The problems arise when these corrections arrive too late in the lifecycle of the trademark process. Once the mark is protected in Singapore, it becomes difficult to correct the register as third party rights would have been affected. Further, if a mark is granted protection, the Registrar has no statutory or inherent powers to rescind the protection given and revert the status of the application to pending. In the situations where IPOS did do so at the bidding of WIPO, it was actually acting *ultra vires*.

(b) Can the Office suggest any ways in which the operation of the Madrid System could be simplified and so benefit users?

The proposals to simplify the Madrid System are not new and have been canvassed previously at Madrid Working Group Meetings. The key areas relate to the deletion of the

basic mark requirement, a reconsideration of the central attack regime, the possibility of self-designation as in the Hague Agreement Concerning the International Registration of Industrial Designs, and the option of division of an international registration. From a users' perspective, the existing features of the Madrid System may not fully serve their needs. These proposals, most of which originate from the Norwegian delegation, may be a good way forward to reform the System for the benefit of users. However, in light of the current global outlook, I believe that there will be caution in moving towards major changes in the existing infrastructure.

(c) Are there any Office processes or procedures for handling designations in international registrations which may provide a more efficient service for holders than if they filed directly into your national system?

Not applicable.

9. Do trademark owners or their agents and attorneys identify any key advantages in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries?

Certainly, they are key advantages in using the Madrid System and proprietors and agents/attorneys have recognized the following benefits:-

- ease of filing - completion of one form in one language, with one fee in one currency;
- absence of cumbersome and expensive notarization, legalizations and translations;
- ease of renewal with just one renewal form and one fee in one currency.

(a) What problems, if any, have been experienced by trademark owners and their representatives when using the Madrid System for protection of their trademarks which would not have been anticipated if the application had been filed directly into national systems of the countries concerned?

- The requirement of the basic mark may at times make the protection of language variations of the basic mark via the Madrid System impossible. For example, the basic mark may have been filed in English and used in English-speaking markets. However, specific Japanese and Korean equivalents cannot be filed via the Madrid mark since they do not correspond to the basic mark in English.
- The fear of a central attack on an international registration may become a psychological deterrent even though WIPO's statistics have shown that the rate of successful central attacks is very low. While there is an option of transformation should central attack occur, some have questioned the rationale behind transformation fees which add to their overall branding costs.
- The non-availability of division of an application during examination or opposition stages may hold up the acceptability of the non-objectionable or non-opposed portions of the international registration, unlike in some countries where division of an application is allowed.

(b) Are there particular circumstances under which owners, agents or attorneys believe it would be preferable to file applications seeking protection for a trademark directly into national systems rather than utilize the Madrid System?

See 9(a).

10. Is there any requirement for local representation before the Office? Do trademark agents or attorneys find any aspects of that role significantly different from acting for overseas applicants who file directly into the national system?

No, there is no requirement for local representation before the Office. However, the Office will only send physical correspondence to all applications and matters to an address for service in Singapore provided by the applicant. Hence, there is a requirement for a Singapore address for service only.

Certainly, for all international registrations designating Singapore, the agents may only assist, if they have been engaged by the holder to pursue an Office action issued or opposition lodged. They are no longer involved in the initial filing, which for decades had represented a most lucrative source of income for trademark agents. If the international registration designating Singapore is free from objections and opposition, the agents may never be involved in the filing and eventual protection of that mark in Singapore, since the Madrid System does not require a local agent to prosecute an application.

(a) Has the overall workload of agents and attorneys changed since the Madrid System was introduced in your country? Has there been a change in the nature or balance of their roles and/or functions and has that affected their revenue or the make-up of their client base?

Certainly, their workload has changed. The lawyers have lost a large chunk of their revenue since applicants file through the Madrid Protocol. In fact, according to IPOS filing statistics, about half of the total number of filings per year were filed through the Madrid Protocol, while the other half were filed nationally, mostly through agents. Certainly, for the Madrid applications, the lawyers only enter the equation where there are provisional refusals to be dealt with or oppositions to defend. I was told that the number of pre-filing searches did not correspondingly increase with the rise of filings via the Madrid System, neither did the number of oppositions/invalidations/cancellations rise dramatically over the years to support a flourishing business. The fact that there are smaller players who have entered the IP market has not been helpful.

(b) Could you compare the perceptions of the Madrid System which were held by agents and attorneys prior to your country's accession with the views they hold now?

Prior to the accession by Singapore, while the agents recognized the benefits, many were actually resentful of the Madrid System because applicants seeking trademark protection through that System no longer needed to seek the assistance of Singapore agents. While it is not mandatory, most applicants or foreign agents will still approach Singapore agents to assist them with national trademark filings. At a workshop organized by IPOS and WIPO, before Singapore joined the Madrid Protocol in 2000, lawyers spoke very strongly against the System and how it would affect their business. Some also spoke of how the System is likely to benefit proprietors seeking protection in Singapore, more than local proprietors who were seeking protection outside Singapore. However, these sectorial interests had to give way to national interests in embracing the Madrid Protocol.

After Singapore joined the Madrid Protocol, many agents saw a drop in their revenue from first filings. They were still approached by foreign applicants, but only for responding to Office actions and dealing with oppositions. It is fair to say that the resentment towards the

System has eased over the years, but their overall revenue has fallen and has not risen to pre-Madrid Protocol days. This fall in revenue cannot be fully blamed on the Madrid System, since many new, smaller players have entered the market and as a result, the average share of the revenue has also shrunk. Many have come to be content with the diminished revenue. Perhaps the lawyers have begun to realize that the IP regime exists primarily for the benefit of the IP rights holders; the lawyers are merely ancillary players who assist others to obtain IP protection.

11. Since the Madrid System was introduced in your country, has the IP Office or any other body or group taken steps to promote use of the System? If so, could you describe these briefly and note whether there is any indication of the measures having any impact?

Since joining the Madrid Protocol in October 2000, the IP Office has only conducted two talks giving practical tips and information on seeking protection via the Madrid Protocol. The MM2E remains a complicated form to complete, despite a comprehensive guide that IPOS has prepared to assist applicants. The number of international applications with Singapore as an Office of origin has grown very minimally, never rising beyond 200 applications per year. However, no amount of promotion will increase the number of such filings if users are not able to get trademark protection in their countries of interest through the Madrid System. Most are interested in trademark protection in the region which is not possible given that only Singapore and Viet Nam are members of the Madrid Protocol to date.

(a) Are there any particular challenges in encouraging trademark owners in your country to use the Madrid System if they want to protect their marks in other Contracting Parties?

Most of the domestic Madrid users in Singapore are businesses who wish to first seek trademark protection in the region. However, apart from Viet Nam, no other ASEAN country is a member. Hence, the Madrid System is not a filing option that they can use exclusively.

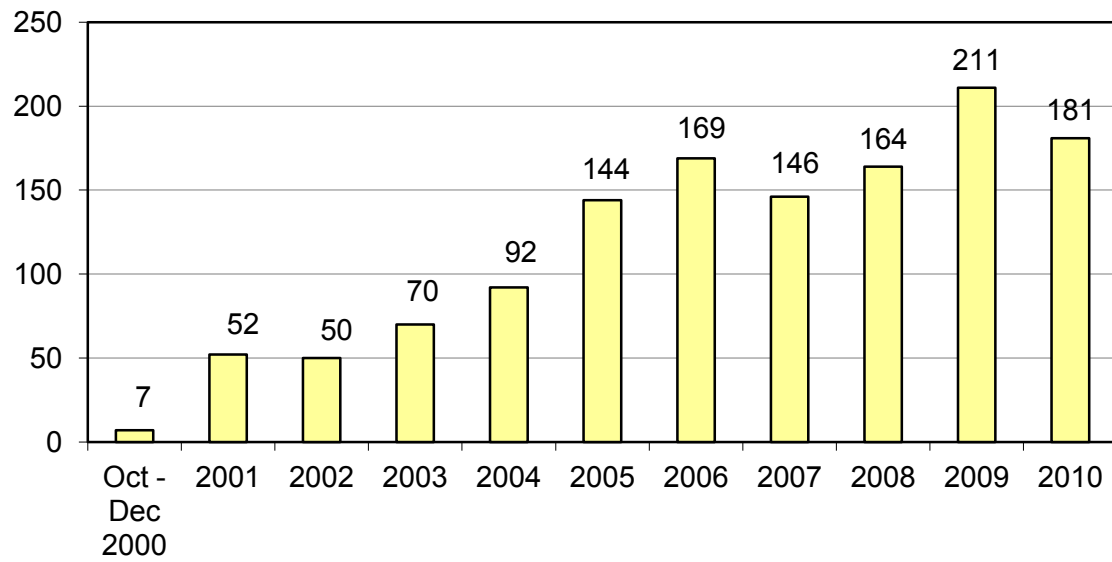
(b) Are there specific countries whose accession in the future would be expected to significantly increase use of the Madrid System by businesses in your country?

The ratification of the Madrid Protocol by the remainder of the ASEAN partners who are non-members is likely to increase the use of the Madrid System by businesses in Singapore. The joining by India is also expected to give an additional boost. According to existing MoU among ASEAN members, they are all expected to join the Madrid Protocol by 2014, but it remains to be seen if this happens by the deadline.

12. Are there any additional points which you feel are important to assist others in understanding the impact in your country of accession and operation under the Madrid System?

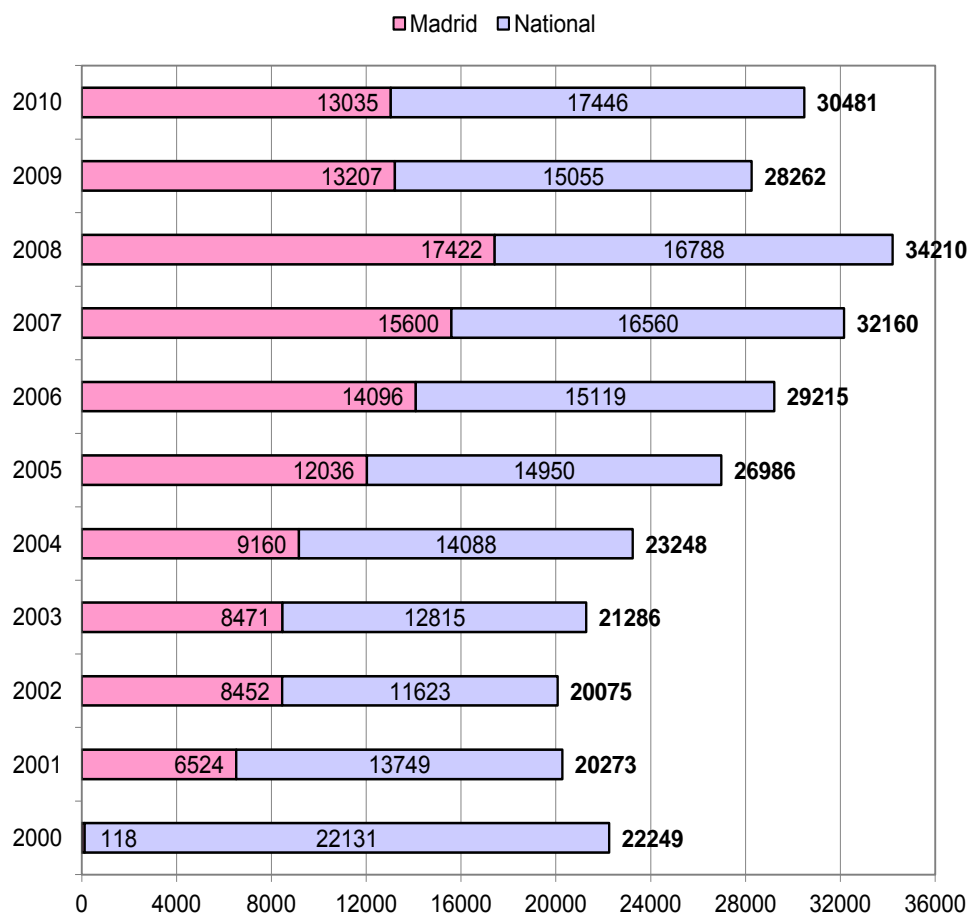
Not applicable.

Attachment A
Number of International Applications filed through Singapore as the Office of Origin
2000 to 2010



Attachment B

**Total Number of Trademark Applications filed Nationally and via the Madrid Protocol
2000 to 2010 (by the Number of Classes of Goods/Services)**



Attachment C

Breakdown of Number and Specificity of Designated Countries for International Applications originating from Singapore and Subsequent Designations.

Designated Contracting Party	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Albania	0	0	0	0	2	1	6	7	7	13	5
Algeria	0	0	0	0	0	0	0	0	0	0	0
Antigua and Barbuda	0	2	0	1	1	0	0	3	4	2	4
Armenia	0	2	3	10	3	3	7	6	5	11	6
Australia	0	9	15	23	36	55	90	77	81	96	63
Austria	0	14	5	11	9	6	7	10	7	5	5
Azerbaijan	0	0	0	0	0	0	0	5	6	6	5
Bahrain	0	0	0	0	0	0	6	12	10	20	15
Belarus	0	0	2	9	4	5	3	7	10	11	7
Benelux	0	18	11	13	12	12	11	19	11	17	4
Bhutan	0	2	0	2	1	0	7	3	4	2	5
Bonaire, Saint Eustatius and Saba	0	0	0	0	0	0	0	0	0	0	0
Bosnia and Herzegovina	0	0	0	0	0	0	0	0	0	10	9
Botswana	0	0	0	0	0	0	0	4	4	3	7
Bulgaria	0	0	0	6	5	6	9	7	12	5	5
China	1	36	31	47	61	98	105	106	116	157	112
Croatia	0	0	0	0	3	3	11	10	11	15	15
Cuba	0	2	0	1	2	3	2	5	7	7	6
Curaçao	0	0	0	0	0	0	0	0	0	0	1
Cyprus	0	0	0	0	5	1	5	8	3	2	7
Czech Republic	0	2	3	10	5	2	5	10	8	3	6
Czechoslovakia	0	0	0	0	0	0	0	0	0	0	0
Democratic People's Republic of Korea	0	6	9	10	2	7	20	13	7	3	5
Denmark	0	16	7	9	11	8	11	10	6	7	4
Egypt	0	0	0	0	0	0	0	0	0	2	34
Estonia	0	2	3	7	5	1	1	8	4	3	4
European Union	0	0	0	0	0	32	41	44	43	60	46
Finland	0	12	6	7	11	3	6	7	6	2	3
France	0	25	14	16	18	28	17	25	21	20	12
Georgia	0	3	3	10	6	4	7	8	7	11	7
Germany	1	25	19	14	21	25	25	24	20	17	11
Germany	0	0	0	0	0	0	0	0	0	0	0

Designated Contracting Party	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
(Democratic Republic of)											
Germany (Federal Republic of)	0	0	0	0	0	0	0	0	0	0	0
Ghana	0	0	0	0	0	0	0	0	1	6	9
Greece	0	17	9	5	11	4	6	11	4	7	6
Hungary	0	3	5	6	7	3	2	10	7	4	3
Iceland	0	3	0	3	2	4	9	5	8	13	12
Iran (Islamic Republic of)	0	0	0	0	9	11	6	12	12	14	13
Ireland	0	0	3	6	11	2	3	7	4	4	4
Israel	0	0	0	0	0	0	0	0	0	0	0
Italy	1	29	10	13	18	19	14	24	13	14	10
Japan	0	27	17	22	41	65	84	73	70	87	76
Kazakhstan	0	0	0	0	0	0	0	0	0	0	0
Kenya	0	3	2	3	6	4	7	7	8	13	16
Kyrgyzstan	0	0	0	0	1	4	9	7	6	9	4
Latvia	0	3	3	7	6	2	2	9	5	5	4
Lesotho	0	2	0	1	1	0	0	3	3	2	3
Liberia	0	0	0	0	0	0	0	0	0	0	1
Liechtenstein	0	2	0	2	2	5	7	8	4	4	5
Lithuania	0	3	3	6	7	2	3	8	7	3	4
Madagascar	0	0	0	0	0	0	0	0	1	6	6
Monaco	0	3	1	3	1	4	11	8	4	7	13
Mongolia	0	0	2	6	4	3	5	6	7	6	6
Montenegro	0	0	0	0	0	0	0	4	10	14	8
Morocco	0	2	1	3	3	9	13	10	10	20	20
Mozambique	0	2	0	1	4	4	2	8	6	4	6
Namibia	0	0	0	0	1	3	6	7	5	3	8
Netherlands Antilles	0	0	0	1	2	2	1	6	3	3	4
Norway	0	5	5	8	8	16	26	19	23	18	19
Oman	0	0	0	0	0	0	0	1	9	17	16
Poland	0	3	8	8	8	5	5	15	10	3	6
Portugal	0	12	5	7	10	5	4	10	6	6	3
Republic of Korea	0	0	0	7	32	46	73	51	70	74	71
Republic of Moldova	0	2	1	8	2	3	4	6	6	12	5
Romania	0	5	4	8	7	5	17	5	14	5	7
Russian Federation	0	11	4	11	16	32	46	28	35	56	38
Saint-Martin	0	0	0	0	0	0	0	0	0	0	0
San Marino	0	0	0	0	0	0	0	1	3	3	4
Sao Tome and Principe	0	0	0	0	0	0	0	0	0	1	3

Designated Contracting Party	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Serbia	0	0	0	0	0	0	9	6	9	16	11
Sierra Leone	0	2	0	1	2	2	3	5	3	4	4
Singapore	0	0	0	0	0	0	0	0	0	1	0
Slovakia	0	3	2	7	6	0	2	9	5	1	2
Slovenia	0	2	0	8	6	0	3	8	6	2	2
Soviet Union	0	0	0	0	0	0	0	0	0	0	0
Spain	0	24	8	12	19	19	11	21	13	17	11
Sudan	0	0	0	0	0	0	0	0	0	0	6
Swaziland	0	2	0	1	4	1	0	3	4	2	3
Sweden	0	18	6	10	10	7	10	13	8	8	2
Switzerland	0	15	9	6	15	30	35	19	26	23	33
Syrian Arab Republic	0	0	0	0	0	3	10	7	6	15	16
Tajikistan	0	0	0	0	0	0	0	0	0	0	0
The former Yugoslav Republic of Macedonia	0	0	0	1	3	1	8	9	7	9	8
Turkey	0	8	4	7	7	14	24	20	19	30	28
Turkmenistan	0	2	2	9	7	4	4	6	6	6	6
Ukraine	0	2	1	11	8	6	16	19	10	31	18
UK	1	32	16	25	20	37	49	31	38	38	29
US	0	0	0	1	29	77	90	62	67	109	68
Uzbekistan	0	0	0	0	0	0	0	6	7	10	5
Viet Nam	0	0	0	0	0	0	8	43	57	89	80
WIPO	0	0	0	0	0	0	0	0	0	0	0
Yugoslavia	0	3	1	6	3	3	0	0	0	0	0
Zambia	0	0	0	1	4	3	5	6	4	3	6
{Other Countries} No longer members	0	0	0	0	0	0	0	0	0	0	0
Total	4	426	263	457	586	772	1,054	1,100	1,089	1,367	1,164

WIPO STUDY ON ACCESSION TO THE MADRID SYSTEM**QUESTIONNAIRE FOR NATIONAL EXPERTS****TURKEY****1. *What outcomes was your country aiming to achieve by its decision to accede to the Madrid System? If your country was previously a Contracting Party to the Madrid Agreement, what were the most important reasons for acceding to the Protocol?***

Turkey acceded to the Madrid Protocol on January 1, 1999. It was not party to the Agreement in 1999 and it is still not party to the Agreement.

One of the main aims of Turkey acceding to the Madrid Protocol was to promote its import and export regime and to make it more affordable, mainly for SMEs, to obtain protection abroad and to penetrate foreign markets.

In 1999 Turkey was at an important stage to open its free market to the EU. Turkey has concluded a customs agreement with the European Union resulting in a Customs Union. The agreement provides for the removal of customs duties, tariffs, quotas and similar restrictions and measures to enhance political and economic cooperation and dialogue. Turkey has also agreed to adopt the product-related legislation of the EU in order to ensure the free movement of goods.

During 1999 the inflation rate was estimated at 65 per cent and the unemployment rate at 5.9 per cent. To attract foreign direct investment, the Turkish Government provides investment incentives, which include customs duties and fund exemptions, investment allowances, subsidized credits, VAT exemptions and refunds as well as land allocation. Turkish IP policy has also been affected by this liberal approach. A strong and efficient IP system is seen as a requirement of a liberal economy and to draw foreign investment in Turkey by creating an attractive and safe Turkish market for foreign investors and traders.

The Turkish private sector was dynamic, strong and growing rapidly due to the effects of the Customs Union; textiles and clothing were the most important export industries and were almost entirely in private hands. Besides textile industries, food processing, automobiles, mining (coal, chromite, copper, boron), steel, petroleum, construction, lumber and paper were some of the main industries leading the Turkish private sector. Agricultural products included tobacco, cotton, leather wear, grain, olives, sugar beets, citrus fruits and livestock. The annual export value reached 27 billion US dollars in 1999. Turkey's main foreign trading partners were France, Germany, Italy, Japan, the Netherlands, Saudi Arabia, the UK and the US.

The Madrid System is seen as an effective tool for Turkish importers to protect their trademarks in exporting countries. Before concluding the Customs Union with the European Union In 1996, Turkey also restructured its IP system including its legislation and infrastructure. It has reviewed and developed a contemporary form of IP legislation and practice as a requirement of the Customs Union to provide an up-to-date and effective IP system in Turkey. An awareness of intellectual property among Turkish investors and traders so as to improve the competitive capacity of the Turkish economy and encourage the importance end role of branding and all IP rights on domestic and global competition has been developed.

Being party to certain international agreements including the Madrid Agreement or Protocol was also a requirement of the Customs Union.

2. Were any major challenges experienced leading up to accession and implementation of the Madrid System? Was there any opposition or resistance to the proposal to join the System? Please outline any issues you identify and note any measures taken to address them.

As mentioned above, acceding to the Protocol was a requirement of Customs Union with the EU. Therefore it was strongly supported by politicians and administrators.

On the other hand some of the attorneys were hesitant about Turkey's accession to the Protocol. They were hesitant because international applicants (Turkish trademark owners and foreign companies) would prefer to apply via the Protocol instead of making a national application to the Office by attorneys; resulting in a loss of clients for the latter.

As a measure of these reservations Turkey preferred to delay accession to 1999. During this period information and awareness-building activities such as seminars and symposiums aimed at users, such as attorneys and rights holders to explain the System with its pros and cons, were organized by the Turkish Office in cooperation with WIPO.

Although rights holders, academics and the judiciary were not well-informed about the Madrid System at the time, such activities improved their awareness and no real resistance was received from them.

3. Could you outline the steps taken to prepare for accession and operation under the Madrid System and note the key decisions or outcomes for each?

Matters to consider would include (but should not be limited to):

- **consultation with trademark owners, agents and other IP professionals:**

Before accession to the Protocol a consultation procedure with attorneys was organized. However, it should be mentioned that users and other IP professionals were not really aware of the System. Though attorneys had some doubts on the advantages of the System they did not resist strongly to accession. Notwithstanding, there was little real support or resistance on the accession process.

- **any review of, and changes to:**

- o **operations of the national Office to ensure it would be in a position to comply with the Madrid System (e.g. reducing the pendency period):**

- First of all, it would be helpful to mention that the Turkish Patent Institute (TPI) was a new Office, established in 1994, but which had not completed its establishment. However, there was a new vision for IP rights and a desire to establish an efficient and effective IP system in Turkey.
- There were several training programs on the Madrid System organized for all trademark department staff.
- Also some seminars and training programs were organized for the users of the System, namely attorneys, SMEs and all potential users of the System.
- A guideline explaining the main facts and procedures of the Madrid System was prepared for users. It includes the aims, basic features and advantages of the Madrid System, examination and opposition procedures, dependency period, subsequent designations, changes, renewals, fees, countries and forms.

- o **domestic legislation:**
 - First the Madrid Protocol and Common Regulations were ratified by parliament after translation into Turkish.
 - There was no change needed on the Trademark Law but two articles regulating the procedures under the Protocol were added to the Trademark Regulations.
 - However, there is a section with three articles on the procedures to be applied to international applications and effects of international registrations in Turkey which has been added to the draft of the new Trademark Law but which has not yet been ratified by parliament.
- o **organization of the Office and administrative procedures/processes to operate under the Madrid System including finance arrangements:**
 - To comply with the Madrid System a new division was established under the trademark department. At the start there were two trademark examiners and two support staff working in the division. Before the start of implementation in Turkey the examiners were trained at WIPO.
 - Concerning Office operations, a special tracking and examination system for the management of international applications was developed. International applications are placed in folders with a color different from the national ones. Priority is given to the examination of international applications at every stage including oppositions and appeals to comply with the time periods.
 - In view of the fact that the TPI is an Office of origin, different and quicker ways of communication such as telephone, facsimile and e-mail were preferred in order to comply with the time periods.
- o **examination and opposition processes and procedures:**
 - A special system for all procedures of international applications has been developed. As the formal examination and classification of goods and services and figurative elements of the marks is made by the International Bureau, these stages are passed over by the TPI.
 - Exact time limits for examination including opposition and appeal on international applications are determined and applied to comply with the time limits of the Protocol.
- o **Office resources including staffing, supporting IT infrastructure or other information systems:**
 - A Madrid Division has been established under the trademark department. At the start there were two examiners and two support staff. Two more examiners and two more support staff joined the Division about a year later.
 - There were no special examiners or members appointed for opposition and appeals on international registrations. International applications are examined at that time by the same team and priority is given to them in order to comply with time limits.
 - There are no IT department staff assigned to the Madrid System although some Madrid-specific functions on trademark software and databases have been developed. All IT operations on international marks are carried out by the staff of the Turkish Patent Institute.

- A national application number is given to each international application, as is the case for national applications. However, the international registration number is also entered into the database and used jointly.
- **communication with the International Bureau (IB) in relation to international applications and registrations:**
 - o At the outset, designations and all other notifications from the International Bureau were received only on paper. However, around 2005 the TPI started to receive designations and subsequent designations online as well as on paper.

The TPI uses all means of communication with the International Bureau including paper, facsimile and e-mail. However, it is worth mentioning that the volume of e-mail communication is increasing over time.
- **decisions on declarations and notifications under the Madrid System:**
 - o Turkey made a declaration in accordance with Article 5(2)(b) and (c) of the Protocol that the time limit to notify a refusal of protection shall be 18 months and that, where a refusal of protection results from an opposition to the granting of protection, such refusal may be notified after the expiry of the 18-month time limit. At the outset, when Turkey first acceded to the Protocol in January 1999, it did not make such a declaration as to time limits and, for around a year, applied the standard 12-month limit for declarations. However, in time, the increasing number of international and national applications caused Turkey to make a declaration under Article 5(2)(b) in 2000 and under Article 5(2)(c) in 2006 to be able to meet these time limits.
 - o In accordance with Article 8(7)(a) of the Protocol, Turkey has declared that, in connection with each request for territorial extension to Turkey of the protection of an international registration and the renewal of any such international registration, it charges an individual fee instead of a share in the revenue produced by the supplementary and complementary fee. This declaration was made in 2005 and applied immediately. Turkey did not make this declaration during the first seven years of membership and applied standard fees to encourage foreign applicants to use the Madrid System instead of the national route in order to establish a healthy and effective Madrid System. However, after seven years' experience and integration of Turkey into the System, a declaration under Article 8(7)(a) of the Protocol was made. This time the main motivation was to provide a similar fee for both national and international applications and to avoid any unfair bias in favor of international applications.
 - o Another declaration Turkey has made was under Article 14(5) of the Protocol. By this declaration, protection resulting from any international registration effected under the Protocol before the date of entry into force of the Protocol with respect to Turkey could not be extended. The main reason for this declaration at the outset was a concern about too many designations when Turkey first acceded to the Protocol. As there is now no problem with this issue, Turkey is planning to remove this declaration.
- **dissemination of information and/or training provided for trademark owners, IP professionals, IP Office personnel:**
 - o Both before and after accession to the Protocol, the TPI gave a high priority to providing correct and sufficient information on the Madrid System, for it to be understood with its all advantages and risks. For this purpose it has organized training programs for its own staff, IP professionals (attorneys, judges and

academics) and trademark owners. It has used every opportunity and situation for this purpose. First, TPI examiners working on the issue were trained at the IB at WIPO and also attended the seminars on the Madrid System which have been organized every year at WIPO. It has also organized Madrid System seminars in Turkey aimed at trademark owners, agents and IP professionals. Moreover, the Madrid System is included in almost all TPI training programs which are given frequently in Turkey to different groups, mainly to trademark owners, attorneys, academics or students.

- Besides seminars and training programs, a guideline on the Madrid System has been prepared by the TPI, uploaded on its website and distributed in hard copy to users free of charge. It explains the main features of the Madrid System, namely its aims, advantages, examination and opposition procedures, the dependency period and subsequent designations.
- The TPI website is also used as an important tool to disseminate information on the Madrid System, giving the main features and application procedures.
- **any support or assistance sought from, or given by, the IB, other IP Offices, user groups:**
 - Starting from the pre-accession period, the TPI has sought assistance and support from the IB for the training of its examiners, followed by seminars and other training programs in Turkey for users of the System. The TPI has organized several seminars in Turkey in cooperation with the IB during this period. The first seminar was organized two years before accession to promote the System in Turkey and raise awareness among users. This has continued for a wider public since accession. There have been various seminars, symposiums and training programs organized in cooperation with the IB during this 11-year membership period. The IB supported the TPI mainly by providing experienced experts and lawyers as speakers and trainers. The last such program was on April 26, 2011, World IP Day. The IB supported a seminar on trademarks given by a senior expert on the Madrid System. At such times, IB experts do not only give seminars but the TPI also organizes special meetings with trademark examiners to discuss the problems they meet and any other complicated matters and questions. When we consider the ambiguities, controversial issues and different practices among the Member States in the Madrid System, this type of activity is very fruitful for effective and correct implementation of the System by the Office, as well as finding solutions on the problematic and vague issues raised at that time.
 - Important support came from the German Office during an IP-supporting project between 1998 and 1999. Throughout the project TPI examiners had an opportunity to visit the German Office and to examine the German system and practice on international registration of marks. Study visits to Offices like Finland, Sweden and the UK were also useful for the implementation of the Madrid System, although those study-visits did not only concentrate on the international registration of marks.

4. Has experience in operating under the Madrid System brought about any modification of legislative provisions, administrative or operational arrangements or processes put in place at the time the System was introduced in your country?

- Under Turkish Law, international agreements which are ratified by parliament are directly applicable in Turkey. Since the Protocol and Common Regulations have both been ratified by parliament they also have this status and because of this general rule they are directly applicable in Turkey. On the other hand, as the modification of an Act of Parliament takes a long time, no modification to the Turkish trademark law has yet been made. However, some modifications relating to the Madrid System on the draft trademark law have been made but not yet adopted. On the other hand, there are

two articles in the Turkish Trademark Regulations which are easier to adopt without ratification by parliament. Those rules are on the practice and procedure of the Madrid System in Turkey; one concerns international registrations designating Turkey and the other international applications originating from Turkey.

- Another important effect of the Madrid System is on the interpretation of trademark criteria on absolute and relative grounds which the TPI applies for trademark applications. Through the Madrid System, as for all other Offices, TPI examiners have also had an opportunity to follow the decisions of other countries on the same international registrations. Considering that almost identical laws on trademarks are applicable throughout the world, at least between Turkey and the EU, the Turkish interpretation of trademark law is affected by other countries through the Madrid System. It may be assumed that the Madrid System has also had the effect of harmonizing both practice and interpretation of trademark law throughout Member States.
- The Turkish classification system is also affected by the Madrid System both for goods and services (Nice Classification) and figurative elements (Vienna Classification). As the IB is seen as an expert source on these fields, in case of doubt or ambiguity TPI experts apply to the Madrid System for classification of new and vague terms and use the IB classification as a reference. It has been easier and more useful with the Goods and Services Manager System developed by the IB and Turkey is planning to be party to the system as soon as possible.
- One clear example concerning the effect of the Madrid System on the classification of goods and services is the change in the TPI's practice on retail services in Class 35. Although specialized terms with regard to goods or sectors were unacceptable for the TPI before and subject to an irregularity letter for classification, the procedure has changed in the interests of parallel implementation with international registrations.
- Moreover, experience in operating under the Madrid System has caused Turkey to make some new declarations. For example, in the case of the time limit for provisional refusal, the requirement was not initially realized. But in other cases such as individual fees, Turkey has applied a conscious policy, giving priority to the development of an effective and healthy system to encourage use of the Madrid System and setting up a fair fee policy between national and international applications. Detailed information on declarations is given under Question 3.

5. *Has there been an increase in the number of applications/designations received from other Contracting Parties since implementing the Madrid System in your country? (Please include any details of changes which may have come as a result of later accession to the Protocol.)*

Since implementing the Madrid System in Turkey on January 1, 1999, there has been a big increase in the number of foreign applications received from other countries; both members and non-members of the Madrid System. However, when we compare the total foreign applications with the applications/designations from the Contracting Parties to the Madrid Protocol it is clear that the increase mainly derived from Madrid System countries.

It is important to mention that immediately after acceding to the Madrid System applications received from other countries *nationally* decreased from 5,158 in 1998 to 3,659 in 1999, a 29 per cent decrease. On the other hand, the total applications received from other countries (both party and non-party to the Madrid System) increased from 5,158 in 1998 to 6,055 in 1999, with an immediate 17 per cent increase in total foreign applications in the first year of membership. This increase was more clearly seen in the second and third years of membership. It was 8,195 in 2000 with a 59 per cent increase in two years and 8,816 in 2001 with a 70 per cent increase in three years. (*Attachment 1*)

(a) *Has there been any change over time in the proportions which are designations under the Madrid System?*

The number and proportion of designations under the Madrid System increased over time both in total foreign applications and applications via the Madrid System. In 1999, the first year of accession to the Protocol, 42 per cent of the total foreign applications were made via the Madrid System: 2,686 applications. This amounted to 61 per cent (5,104 in 2000) in the second year of membership and 72 per cent (6,201 in 2001) in the third year. During the first three years of membership the proportions of designations under the Madrid System over total applications were 11 per cent in 1999 (2,686 over 24,332), 17 per cent in 2000 (5,104 over 29,383) and 21 per cent in 2001 (6,201 over 29,105). However, the number of designations under the Madrid System decreased in 2002 to 5,458. This decrease may be considered as a result of the Turkish economic crisis in 2001. However, when we consider that the total applications in Turkey were still increasing, it would be more reasonable to conclude that this 12 per cent decrease represented a balance after the huge increase in the first three years of membership.

It can easily be concluded from the statistics that the Madrid System has had a tremendous positive impact on both foreign and the total number of applications in Turkey: the proportion of designations under the Madrid System increased over the total foreign applications and the total of all applications. It is interesting to see that while some countries prefer to use the Madrid System (mostly European countries like Austria, France, Germany, Italy, the Russian Federation and Switzerland) others choose the national route (Japan, Republic of Korea, the UK and the US).

(Attachment 1)

(b) Does any increase of these filings differ from any trend in applications filed from countries which are not within the Madrid System?

The increase in the designations under the Madrid System is clearly different from applications filed from countries which are not within the Madrid System, as less of an increase is seen from those countries. For example, in years in question, we did not see an increase from countries like Canada, Republic of Korea and the US, which are interested in trademark applications in Turkey but not party to the Madrid System. On the other hand, there was a huge increase from countries such as China, France, Germany, Italy, the Netherlands, Switzerland and the UK which were already party to the Madrid System.

Therefore, we can conclude that the increase in the number of applications/designations from Madrid System members differs from other non-member countries and this is mainly a result of the positive effect of the Madrid System on Turkey's membership. *(Attachments 1 and 2)*

(c) Have there been any originating countries or regions for which an increase in applications/designations has been particularly marked?

The US,, Germany, Switzerland, France, Italy, China, the UK, the Netherlands, Japan and Austria are the top 10 foreign countries making trademark applications to Turkey. In the first-three years after acceding to the Protocol a remarkable increase in trademark applications via the Madrid System was seen for almost all those countries, with the exception of the US where an increase was observed after 2003 through its accession to the Protocol in that year. *(Attachment 1)*

6. Has there been any increase in applications and designations originating from your country and seeking protection for trademarks in other jurisdictions since your country's accession to the Madrid System? (It would be helpful to note any impact of

a later accession to the Protocol on the number of filings.) To what extent, if any, do you think this could be attributed to the Madrid System?

One of Turkey's main aims in acceding to the Protocol was to enable Turkish enterprises to register their trademarks abroad more easily and more cheaply. From the comments from agents and business, both SMEs and corporations approve the statistics which show a considerable increase in applications and designations of trademarks originating from Turkey in other jurisdictions and Contracting Parties of the Madrid System. (*Attachment 2*) This effect can be seen in the statistics for Turkey's main trade partners and exporters. When we consider the top 10 designated countries originating from Turkey via the Madrid System the increase is clear by acceding to the System of Turkey or the Member. The Russian Federation, Iran, Azerbaijan, Syrian Arab Republic, Germany, Ukraine, Egypt, Romania, France and Greece are the top ten countries designated by Turkish originated applications. Since acceding to the Protocol in 1999 there has been a tremendous increase in trademark applications in those countries. For some, we can see this increase by their accession to the Madrid System because of the cost, time and procedural advantages provided by the System. (for Iran after 2004, for Azerbaijan after 2007, for Ukraine after 2001 and for Egypt after 2009). (*Attachment 3*)

This increase in the number of applications and designations has two main reasons. First, the effect of the Madrid System is clear as there was a large increase immediately after accession. Second, the growing Turkish economy and a major increase in Turkish exports has occurred regularly in the years following the accession of Turkey to the System.

A further element was the setting up of the Customs Union between Turkey and the EU which was completed in 1996, three years before Turkey's accession to the System. This has a two-edged effect on trademark applications mainly because of increasing competition for Turkish enterprises. One aspect was the opportunity for some Turkish enterprises with competitive capacity in the EU to start exporting to this market through the Customs Union and they thereby needed to register their trademarks in this market. The other aspect was the reverse: some Turkish enterprises which were not sufficiently competitive in the EU were obliged to seek new markets such as Asia, the Middle East and the Russian Federation and needed to register their trademarks in those countries. When we consider the top 10 designated countries we can more easily see the effect.

Moreover, some of those increases may also be attributed to raising awareness among Turkish enterprises about branding and protection of their trademark rights with globalization and competition with global enterprises.

(a) Of these filings, have the proportions which are designations under the Madrid System changed over time?

Beside the tremendous increase in the total number of applications originating from Turkey in other jurisdictions, a very high percentage was made via the Madrid System. As mentioned above, we believe that this is mainly because of the cost and procedural advantages provided by the Madrid System. These advantages encourage applicants to designate all potential markets through a simple check on the list of countries even if the likelihood of trade in those markets is very low. That is why the proportions of designations under the Madrid System seem so high. (*Attachment 2*)

(b) Do any countries or regions predominate among those in which traders from your country use the Madrid System for gaining protection for marks?

As mentioned above, there are some countries and regions with which Turkey has close trade relations, particularly main exporting countries which are EU members and some neighboring countries. The Russian Federation which is one of Turkey's main trading partners with 448 designations under the Madrid System was the country most designated in 2010 followed by Iran (366), Azerbaijan (349), Syrian Arab Republic (329), Germany (301), Ukraine (297), Egypt (265), Romania (261), France (232) and Greece (226). (*Attachments 4 and 5*)

7. Since your country's accession, has there been an increase in filings by SMEs from your country seeking international protection for their marks? What proportion of those were designations made under the Madrid System and has that changed over time?

Even though exact data could not be provided about the number of applications originating from Turkey in the pre-accession period, the number of applications after accession to the Protocol and from comments and information gathered from agents and firms, it appears that there has been a considerable increase in filings by Turkish SMEs.

(a) Are there other indications as to whether accession to the Madrid System has benefited SMEs?

Beside the increase in the number of filings, one of the most important benefits for SMEs from the Madrid System has been the raised awareness on branding and trademark protection. This has mostly been through the work of Turkish attorneys. Turkey's accession to the Madrid System coincided with a new vision, breakthroughs and modernization of its IP system. Raising awareness on intellectual property was an important consideration of this new vision and aim of the TPI. Therefore Turkey gave priority to public information and awareness raising, particularly for traders. However, new attorneys have played a more effective role than the TPI in increasing filings for international registrations, being motivated by increased earnings. This may have had some adverse effects but it should be noted that they also promoted the Madrid System in Turkey rapidly and well, resulting in increased information, awareness and the number of filings from Turkey.

The Madrid System has also allowed SMEs and Turkish attorneys to follow international registrations through the Madrid System Database (ROMARIN). With this tool, they have been able not only to follow their own international designations but also other registrations and to make pre-searches in the countries they wish to designate. Although the international registry is not a 100 per cent viable indicator on trademarks in member countries it can provide a significant overview of identical or similar marks worldwide as most international trademarks are registered via the Madrid System.

Another important benefit for SMEs, and maybe more for attorneys, has been the opportunity to follow the criteria of the member countries on interpretation of absolute and relative grounds, goods and services and certain procedural matters.

8. Has the operation of the Madrid System in your country had any effect on the amount of work within the IP Office? Has there been any change in the nature of the work, the balance of functions or to Office revenue? Can you provide any information on whether the costs of operating under the Madrid System are covered by the revenue (including any handling fees or other fees)?

The Madrid System has caused a considerable increase in the workload of the Turkish Patent Institute. As mentioned earlier, two examiners and two support staff members, who represented 10 per cent of all staff at the time, were assigned to the Madrid section at the

start. Later, the total staff in the Madrid Division increased to 10 with five examiners and five support staff members. They dealt with all issues on international registrations. Examination of the designations in Turkey, examination of the filings originating from Turkey, all changes, corrections, cancellations, transformations and replacements are dealt with by this team in the Madrid Division. As of today there are seven staff members working for the Division due to an overall lack of staff at the Office.

Although the Madrid System did not change the nature of the work for national applications, different procedures are applied for international registrations throughout the examination process at the Office. First, those applications were examined as a priority to comply with time constraints. The data for designations are not entered by TPI staff but transferred electronically from the IB database. Classifications made by the IB for goods and services and figurative elements are approved by the TPI and no re-classification is made. Also, unlike national applications, no extra fee is charged for registration of the international applications.

In the IT department no extra staff have been employed for Madrid matters and the permanent staff deal with these issues combined with their other duties.

Up to January 2006, Turkey applied standard fees and started to apply individual fees after that date. As mentioned under Question 3 the main reason behind this change was to apply the same fee for national and international registrations and not to create unfair competition on this issue. Moreover, Turkey applies a handling fee for applications, subsequent designations, any other requests and changes including transformations and replacements. Thus, it can be concluded that all Office costs in operating under the Madrid System are covered by the revenue together with the handling fees. Regarding the revenue from international applications, between the years 2001-2005, a slight increase was seen from 473.934 Swiss francs to 631.570 Swiss francs, with some changes over that period. However, by 2006 there had been a large increase in revenue as Turkey started to apply individual fees for international registrations. Between 2005 and 2006 there was around a six-fold increase in revenue from 631.570 Swiss francs to 5.192,393 Swiss francs. This increase continued over the following two years (2007, 2008) with 5.685,647 Swiss francs and 5.797,024 Swiss francs respectively and then fell to 5.070,230 and 4,237.291 respectively. (*Attachment 6*)

(a) Have any aspects of the Madrid System resulted in cumbersome procedures or complexities in communication for the IP Office?

There is always a considerable amount of telephone traffic from attorneys and applicants because of insufficiency of information. Therefore the TPI staff, especially the Madrid Division examiners take the role of consultants and have a very important and vital duty to meet the requests for information concerning the application and implementation procedures of the Madrid System. The TPI provides this free of charge but the process is very time-consuming. This shows that after more than 10 years' experience there is still not enough knowledge of the System on the user's side and more information activities are needed for this purpose.

Another important challenge relates to the international applications originating from Turkey and particularly the incorrect translation of goods and services into English. Even with the first formal examination being made by the TPI, this still results in many irregularity letters from the IB. The TPI is intending to take part in the Good and Service Manager (G&S Manager) project and expects that this will enable the errors to decrease.

(b) Can the Office suggest any ways in which the operation of the Madrid System could be simplified and so benefit users?

1) Goods and Services:

One of the main challenges with the operation of the Madrid System stems from the irregularities in the goods and services, with fees based on the wrong classification. This causes problems for all parties using the System, namely users/attorneys, national Offices and the IB. First users experience difficulties in correct translation and classification of the goods and services. Therefore quite a large number of international applications result in an irregularity letter both from the national Office on the initial formal examination and from the IB during the formal examination and classification. We believe the G&S Manager project will contribute much to solving the problems on this issue as far as its application is extended to different languages. Therefore, we suggest the IB should promote the project vigorously and extend it as much and as quickly as possible.

2) Better and Quicker Communication with the National Offices and Users:

Another important challenge of the Madrid System is the time period needed for international registrations until their registration in the designated countries. The examination in three different stages (namely at the Office of origin, IB and designated Office - TRIO) is lengthy and applicants do not wish to wait. That is why some of them prefer national instead of international applications even considering the clear advantages the latter provides. Therefore it is vitally important to find a solution for shortening the period taken for international applications to result in registration in the designated countries.

We believe direct and rapid communication between the three main parts of the System throughout the process of registration would facilitate shortening this period. Rather than a lengthy exchange of letters, direct e-communication among the TRIO would contribute much to this end, especially in the case of irregularities.

3) Online-Application Under the Parallel Control of the Office of Origin and the IB:

Today there are many Offices receiving online applications for national trademark applications and also operate online for them. Online application can provide for an automatic formal examination and classification so it is time- and cost saving. The IB could develop such a software/interface for international applications to be received online and confirmation by national Offices and the IB could also be made online and instantly notified to the designated countries as well. The system could make an automatic check of goods and services with reference to the G&S Manager, on the fees to the designated countries and the number of classes. The only task for the national Office would be the e-approval of the application for the basic mark and for the IB the task would be less onerous.

Such a system would enable international applications to reach the designated countries in several days without unnecessary and lengthy correspondence. Certainly the infrastructure in the national Offices should be prepared for that. We believe the IB and many of the Contracting Parties, particularly heavy users, could set up such a system.

(c) Are there any Office processes or procedures for handling designations in international registrations which may provide a more efficient service for holders than if they filed directly into your national system?

As mentioned above, the TPI normally handles international registrations without delay. All pre- and post-examination procedures applying for international registration are given priority in order for them to comply with time restrictions. Also, no formal examination for designations in international registrations is made.

On the other hand, the criteria for extensive examinations and the publication period are identical for international and national applications. Therefore, it can be seen that upon receipt by the Office, the procedure for international applications in the TPI is concluded much faster than for national applications.

9. Do trademark owners or their agents and attorneys identify any key advantages in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries?

Trademark owners or their agents and attorneys identify several key advantages in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries. The main advantages mentioned by the trademark owners and attorneys are as follows:

- A centralized and single application, subsequent designation, a renewal, recordable and amendment system with a single form, in one language and 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. All of this helps simple tracking and management of the international portfolios of the clients.
- The streamlined process of international trademark registration and renewal further eliminates administrative burdens. For example, the assignment of trademark rights may be recorded with just one agency for all the countries where protection is desired rather than on a country-by-country basis.
- Relatively uncomplicated procedures, in a relatively short period of time.
- A comparatively cost-effective procedure, even may not all the cases all the time. The owners and agents in particular are able to reduce their fees for filing their applications under the Madrid System.
- No need for local representation.
- Translation costs are eliminated through the Madrid System, which is quite important if the application covers many countries each having its own national language.
- Secure international priority date. International applications need to provide only the name of the national or regional Office in which the earlier application was filed together with the date of filing and (where available) the number of the application. No certification is necessary to establish a priority date in a designated country.
- online and accessible database, easy filing.

(a) What problems, if any, have been experienced by trademark owners and their representatives when using the Madrid System for protection of their trademarks which would not have been anticipated if the application had been filed directly into national systems of the countries concerned?

Some problems have been experienced by trademark owners and their representatives when using the Madrid System for protection of their trademarks which would not have been anticipated if the application had been filed directly into the national systems of the countries concerned. The main problems put forward by the attorneys and users are:

- The trademark owner does not receive a Certificate of Registration from the Contracting Parties. In enforcing an international registration in designated jurisdictions, local authorities sometimes require proof of registration issued by the trademark registry of that jurisdiction. To obtain proof of registration is a further cost and time-consuming process.
- Almost all attorneys and users complain of the procedure applied by the USPTO, which examines applications as to specification of goods/services, and issues rejections. Therefore, applications designating the US in particular, together with other members, need to have a precise specification of the goods/services.

- Another complaint about the USPTO is the requirement to file a declaration of use between the fifth and sixth years. If the applicant is not aware of the requirement and is not reminded by the national Office or the IB he may lose the right.
- China is another Office about which many complaints are made. The appeal term for provisional refusals issued by China is too short for finding a local representative, obtaining advice, deciding, preparing and filing an appeal.
- The Notice for the Second Part of an Individual Fee for Cuba is sometimes received after the expiry of the term for payment of that fee.
- Some complain about the different kinds of irregularities regarding lists of goods from different countries mentioning each country's exercise of its own regulations which cause anomalies. They suggest the IB's criteria should be acceptable for all Contracting States.
- In cases where the examination of the application is not completed by the national Office within the prescribed period of two months and the application not notified to WIPO, the date of application is amended to the date on which the application is notified to WIPO. This is particularly problematic for applications with no priority claim.
- In case of opposition the applicant may not have an opportunity to defend as no local agent is appointed (unless a response to a provisional refusal is to be filed) and the national Offices do not directly notify the foreign applicant. Therefore the applicant may receive a refusal after all procedures before the designated Office are exhausted and the only action left for the applicant is to file a civil lawsuit against the administrative decision.
- Dependence on the basic mark limits the scope of the goods/services and rights both during the filing and for the five-year dependency period for the use of certain rights. This also causes ambiguity and carries risks for the mark during the dependency period.

(b) Are there particular circumstances under which owners, agents or attorneys believe it would be preferable to file applications seeking protection for a trademark directly into national systems rather than utilize the Madrid System?

There are some circumstances in which owners, agents or attorneys believe that it is preferable to file applications directly into the national system. Some of the main factors are:

- When the US is a market of interest rather than designating that country in an international application.
- Concern over the dependency on the basic mark in case there is a need for additional goods or services, or change in the sample of the trademark, or there is no way to register the trademark in the Office of origin for some reason which may be due to a prior mark or lack of distinctiveness in the country of origin.
- Should the applicant urgently need the registration certificate, he would prefer to make a direct national application rather than use the Madrid System.
- For some countries, i.e. the US, the applicant might prefer to file nationally in order not to deal with Office actions, since applicants always receive Office actions from USPTO due to the good/services claimed during the application.
- Because of the long and slow procedures and long timescale of the Madrid System some, particularly consumer product sectors, might prefer national filing so as to obtain the filing date and number faster.
- Since electronic filing is not yet possible, applicants may prefer to initiate national filing before the national trademark Office online.
- Another interesting element is based on strategic reasons. Sometimes a filing and re-filing of the same application might be needed for strategic reasons (while fighting a prior registration in court for example). In such a case national filing would be recommended as re-designation of an international registration is not possible before the final refusal of the prior one. On the other hand, a national application can be filed at any time and has no prerequisite to meet.

- Sometimes national filing might be preferred in order to follow the national requirements of the local, experienced attorneys in some Offices.
- To overcome the risk of the Office of origin not sending the application to the IB within the two-month time period whereby the international applicant would lose the application or priority date at the Office of origin.

10. Is there any requirement for local representation before the Office? Do trademark agents or attorneys find any aspects of that role significantly different from acting for overseas applicants who file directly into the national system?

For national applications in Turkey, no matter whether the applicant has Turkish nationality or just a domicile in Turkey, no local representation before the Office is required. However, if the applicant does not have a domicile in Turkey, local representation by a competent attorney is needed no matter whether or not he has Turkish nationality.

For international applications, there is no requirement for local representation for the Turkish designations filed through WIPO. However, local representation is required if the designation is subject to a provisional refusal or third party opposition. The role of the trademark agent in such cases would be limited to filing the appeal or responding to the opposition/Office action. Once the appeal or opposition has been concluded, WIPO would correspond with the applicant and the role of the agent would end there. However, when acting for overseas applicants who file directly into the Turkish system, the agent would be responsible for all aspects of the application.

Though many attorneys see no significant difference in their role in Turkey and for overseas applicants, some have found it simpler to be appointed as an attorney in Turkey and some European and North American countries such as the UK and the US; it can be cumbersome and costly in other countries especially in Iran and certain Arabic-speaking countries.

(a) Has the overall workload of agents and attorneys changed since the Madrid System was introduced in your country? Has there been a change in the nature or balance of their roles and/or functions and has that affected their revenue or the make-up of their client base?

Some of the attorneys who specialize in dealing with foreign trademark holders find that although there has been no significant change or only a slight decrease in the number of national trademark filings for foreigners, the number of objections against provisional refusals of international designations as well as oppositions has increased. However, there is a consensus that the overall workload of agents and attorneys has dramatically increased since the Madrid System was introduced in Turkey. The majority of these increases may be due to economic growth and more attractive conditions for foreign investors.

One agent explains that the nature of the workload has changed from the relatively simple task of preparing an application to a more complex task of preparing and filing a response to a provisional refusal. Therefore, there has been a change in the balance of the work of agents and attorneys who are involved more in conflict and contentious matters rather than prosecution.

To sum up, attorneys all agree that as a result of the System there has been a considerable increase in their overall workload and revenue.

(b) Could you compare the perceptions of the Madrid System which were held by agents and attorneys prior to your country's accession with the views they hold now?

Most of the agents and attorneys in Turkey believe that perceptions have not changed much since Turkey's accession to the Madrid System. They knew the System had certain advantages, however they have lost work from some foreign clients due to central filing with the Madrid System.

On the other hand, some believe that most of the agents and attorneys were against the Madrid System prior to Turkey's accession, due to their expectation that the workload would decrease. However, today most of the agents and attorneys support and promote the System since they have not experienced any decrease in workload and in their view the System has contributed to economic growth.

Some of them also say that the Madrid System has saved time and provided an opportunity to search and contact overseas IP associates, thereby saving extra professional fees. They also believe that the System is accelerating to meet changing conditions and opportunities.

11. Since the Madrid System was introduced in your country, has the IP Office or any other body or group taken steps to promote use of the System? If so, could you describe these briefly and note whether there is any indication of the measures having any impact?

Most of the agents and attorneys mentioned the Turkish Patent Institute and Association of Trademark and Patent Attorneys having organized some training courses or seminars on the Madrid System to promote it. Some of the seminars and training programs organized by the TPI were in collaboration with WIPO. Those activities were mainly for training purposes and were held by the examiners of the Turkish Patent Institute or a trademark agent experienced in the field of international filings. These activities increased awareness regarding the System and encouraged clients to use it.

Another issue brought up by agents and attorneys was the reduction in handling fees. This fee advantage was seen by attorneys as a way of promoting the System. Moreover, the TPI's flexible and helpful approach to Madrid System issues was also praised by the attorneys. For example, the TPI uses e-communications or telephone contact in order to transmit the application in the two-month time period.

It is also important to note the free consultancy service which the TPI provides for international trademark applicants and all types of users of the System. We believe this function has a very important role in the effective promotion and working of the System in Turkey.

(a) Are there any particular challenges in encouraging trademark owners in your country to use the Madrid System if they want to protect their marks in other Contracting Parties?

No particular challenges in encouraging trademark owners to use the Madrid System have been mentioned by the agents, attorneys or users. However, we have noticed some challenges from general remarks and from experience.

One of the most important challenges is the requirement for registration of a basic mark at the Office of origin. This is an important challenge for several reasons. First, the applicant may not have a registered trademark in Turkey when he needs to register his trademark abroad. In such a case, if he prefers to use the System through a national application instead of a registration he runs an important risk because of his dependency on the national application and the five-year principle of central attack. The ratio of ceasing effects from

Turkey proves that this is an important risk for international applications originating from Turkey.

Another challenge stems from the lengthy examination procedures at different stages, first at the Office of origin, then at the IB and lastly in the designated country, as mentioned above. The TPI receives such complaints from time to time. In particular, the examination period before the IB may be lengthy and this would encourage applicants to file directly into national Offices, especially when they need an urgent registration or certificate in those countries.

Complex national procedures and unmanageable irregularity letters from some countries, most prominent of which is the US, may also cause applicants to prefer national applications through an experienced local attorney instead of using the Madrid System as it would be more costly and time-consuming to overcome any irregularity letters and post registration procedures.

The risk of missing the two-month time limit and certain priority dates stemming from the procedures in the Office of origin may also be seen as a challenge by some applicants who prefer the international over the national route to register their trademark abroad.

(b) Are there specific countries whose accession in the future would be expected to significantly increase use of the Madrid System by businesses in your country?

Middle Eastern countries namely Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates; Canada, India, South Africa; Latin American countries such as Argentina, Brazil and Mexico are some of the countries that are mentioned by users of the Madrid System to increase its use by businesses in Turkey.

12. Are there any additional points which you feel are important to assist others in understanding the impact in your country of accession and operation under the Madrid System?

ATTACHMENT 1

Trademark Applications in Turkey (Top-14)

Rank	Country/Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	US – US	976	1386	1342	1304	1293	1341	958	1018	878	1054	1669	1901	1968	2200	1825	2095
						0	0	0	0	5	216 (%20)	452 (%27)	507 (%27)	583 (%29)	604 (%27)	490 (%27)	661 (%31)
2	DE - Germany	653	805	894	958	1590	2311	2523	2008	2385	2226	2482	2579	2893	2946	2306	1956
						1056 (%66)	2013 (%87)	2131 (%84)	1848 (%92)	2169 (%90)	1900 (%85)	2301 (%92)	2194 (%85)	2128 (%74)	2312 (%78)	1643 (%71)	1404 (%71)
3	CH - Switzerland	225	390	368	426	447	659	899	803	642	674	828	861	1048	1148	1024	1094
						266 (%59)	526 (%80)	758 (%84)	658 (%82)	529 (%82)	566 (%84)	682 (%82)	745 (%86)	824 (%78)	855 (%74)	785 (%77)	899 (%82)
4	FR - France	331	488	481	548	780	887	846	754	790	870	1007	933	1137	976	951	861
						546 (%70)	764 (%86)	755 (%89)	652 (%86)	726 (%92)	720 (%82)	828 (%82)	830 (%89)	851 (%75)	776 (%79)	783 (%82)	704 (%82)
5	IT - Italy	177	314	318	302	245	282	703	626	651	768	1012	1046	1213	1105	820	809
						0	142 (%50)	602 (%86)	551 (%88)	572 (%88)	659 (%86)	891 (%88)	995 (%95)	915 (%75)	861 (%78)	647 (%79)	674 (%83)
6	CN - Chine	19	55	47	51	58	87	112	87	202	315	472	563	584	689	510	625
						11 (%19)	53 (%61)	71 (%63)	49 (%56)	139 (%69)	258 (%82)	450 (%95)	472 (%84)	469 (%80)	542 (%78)	400 (%78)	533 (%85)
7	GB –Great Britain	232	258	317	267	252	429	362	351	340	354	508	627	670	622	519	563
						81 (%32)	205 (%48)	214 (%59)	207 (%59)	185 (%54)	213 (%60)	265 (%52)	275 (%44)	246 (%37)	292 (%47)	245 (%47)	224 (%40)

8	JP - Japan	104	121	170	149	138	153	182	172	178	295	314	301	407	522	365	395
						0	37 (%24)	74 (%40)	43 (%25)	66 (%37)	107 (%36)	156 (%49)	174 (%58)	134 (%33)	191 (%36)	128 (%35)	153 (%40)
9	AT - Austria	30	38	33	36	71	201	212	200	118	175	247	235	315	305	255	255
						69 (%98)	187 (%93)	208 (%98)	194 (%97)	107 (%90)	173 (%99)	243 (%98)	206 (%88)	239 (%76)	209 (%68)	221 (%87)	171 (%67)
10	ES - Spain	45	107	117	117	172	211	256	210	255	230	328	308	287	312	230	205
						91 (%53)	163 (%77)	230 (%90)	166 (%79)	208 (%82)	210 (%91)	228 (%70)	202 (%66)	170 (%59)	191 (%61)	138 (%60)	135 (%66)
11	SE - Sweden	44	72	78	88	70	118	162	69	113	105	122	148	165	208	144	169
						21 (%30)	73 (%62)	78 (%48)	57 (%82)	82 (%73)	79 (%75)	79 (%65)	96 (%65)	85 (%51)	137 (%66)	53 (%37)	45 (%26)
13	KR – Rep. of Korea	53	47	69	34	39	31	37	48	45	34	76	70	104	116	155	165
						0	0	0	0	6 (%13)	8 (%23)	23 (%30)	24 (%34)	39 (%38)	41 (%35)	53 (%34)	66 (%40)
14	RU - Russian Fed.	4	9	13	20	20	33	41	56	74	114	170	165	164	215	180	150
						15 (%75)	30 (%90)	39 (%95)	56 (%96)	69 (%93)	92 (%80)	160 (%94)	150 (%90)	153 (%93)	206 (%96)	168 (%93)	144 (%96)

1st Line: Total Applications in Turkey

2nd Line: International Applications via the Madrid Protocol in Turkey

ATTACHMENT 2

Trademark Applications Originating from Turkey

CP	Designated Contracting Party	1999-2010		Total
		National	International	
DE	Germany	310	3197 (%91)	3507
UA	Ukraine	508	2940 (%85)	3448
BG	Bulgaria	512	2363 (%82)	2875
PL	Poland	210	2601 (%92)	2811
ES	Spain	37	2249 (%98)	2286
HU	Hungary	67	2198 (%97)	2265
CZ	Czech Republic	62	2109 (%97)	2171
GE	Georgia	619	1460 (%70)	2079
MD	Rep. of Moldova	162	1414 (%90)	1559
EM	European Union (2005-2010)	1187	369 (%24)	1556
MA	Morocco	151	1346 (%90)	1497
CH	Switzerland	55	1316 (%96)	1371
SE	Sweden	16	1272 (%99)	1288
DK	Denmark	13	1275 (%99)	1288
FI	Finland	10	1089 (%99)	1099

ATTACHMENT 3

International Registrations Originating in Turkey – Top 10 Designated Contracting Parties

Designated Contracting Party	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Russian Federation	41	111	146	314	308	299	481	529	458	547	445	448
Iran (Islamic Republic of)	0	0	0	0	0	97	277	303	312	320	288	366
Azerbaijan	0	0	0	0	0	0	0	0	61	316	286	349
Syrian Arab Republic	0	0	0	0	0	11	155	242	237	271	254	329
Germany	41	107	128	249	261	259	412	389	353	398	299	301
Ukraine	0	0	77	239	271	220	366	403	361	408	298	297
Egypt	0	0	0	0	0	0	0	0	0	0	25	265
Romania	49	112	96	247	258	221	358	376	338	402	302	261
France	38	99	102	209	237	229	379	345	270	344	253	232
Greece	0	8	83	175	209	222	317	319	281	340	239	226
Total	169	437	632	1,433	1,544	1,558	2,745	2,906	2,671	3346	2,689	3,074

ATTACHMENT 4

Designations of Turkey in International Registrations – Top 10 Originating Contracting Parties

Country of Holder	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Germany	2013	2131	1848	2169	1900	2301	2194	2128	2312	1643	1404
EU	0	0	0	0	13	420	589	845	913	811	1034
Switzerland	526	758	658	529	566	682	745	824	855	785	899
France	764	755	652	726	720	828	830	851	776	783	704
Italy	142	602	551	572	659	891	995	915	861	647	674
US	0	0	0	5	216	452	507	583	604	490	661
China	53	71	49	139	258	450	472	469	542	400	533
Benelux	625	626	498	491	450	565	581	553	551	450	445
UK	205	214	207	185	213	265	275	246	292	245	224
Austria	187	208	194	107	173	243	206	239	209	221	171
Total	4,515	5,365	4,657	4,923	5,168	7,097	7,394	7,653	7,915	6,475	6,749

ATTACHMENT 5

Designations of Turkey in International Registrations – All Contracting Parties

CP	Country of Holder	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
AL	Albania	0	0	0	0	0	7	0	0	0	0	0
DZ	Algeria	0	0	0	0	0	0	0	0	0	0	0
AG	Antigua and Barbuda	0	0	0	0	0	0	0	0	0	0	0
AM	Armenia	0	0	0	0	1	1	0	1	1	1	1
AU	Australia	0	3	30	34	28	47	55	54	72	39	41
AT	Austria	187	208	194	107	173	243	206	239	209	221	171
AZ	Azerbaijan	0	0	0	0	0	0	0	1	3	1	3
BH	Bahrain	0	0	0	0	0	0	0	0	0	0	0
BY	Belarus	0	0	1	1	6	1	2	9	3	8	13
BX	Benelux	625	626	498	491	450	565	581	553	551	450	445
BT	Bhutan	0	0	0	0	0	0	0	0	0	0	0
BQ	Bonaire, Saint Eustatius and Saba	0	0	0	0	0	0	0	0	0	0	0
BA	Bosnia and Herzegovina	0	0	0	0	0	0	0	0	0	0	0
BW	Botswana	0	0	0	0	0	0	0	0	0	0	1
BG	Bulgaria	0	2	44	57	77	125	99	89	86	60	70
CN	China	53	71	49	139	258	450	472	469	542	400	533
HR	Croatia	0	0	0	0	4	4	7	9	0	15	11
CU	Cuba	0	2	2	4	2	1	0	0	2	0	1
CW	Curaçao	0	0	0	0	0	0	0	0	0	0	1
CY	Cyprus	0	0	0	0	0	1	3	3	2	1	9
CZ	Czech Republic	18	42	67	62	78	87	85	184	122	93	75
CS	Czechoslovakia	0	0	0	0	0	0	0	0	0	0	0
KP	Democratic People's Republic of Korea	0	0	0	0	0	0	0	0	0	0	0
DK	Denmark	62	107	62	49	96	92	68	95	112	107	69
EG	Egypt	0	0	0	0	0	0	0	0	0	0	13
EE	Estonia	4	5	4	4	3	3	5	5	9	2	4
EM	EU	0	0	0	0	13	420	589	845	913	811	1034
FI	Finland	52	59	55	44	22	16	39	46	45	56	41

CP	Country of Holder	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FR	France	764	755	652	726	720	828	830	851	776	783	704
GE	Georgia	0	0	0	0	0	5	4	0	1	3	4
DE	Germany	2013	2131	1848	2169	1900	2301	2194	2128	2312	1643	1404
DD	Germany (Democratic Republic of)	0	0	0	0	0	0	0	0	0	0	0
DT	Germany (Federal Republic of)	0	0	0	0	0	0	0	0	0	0	0
GH	Ghana	0	0	0	0	0	0	0	0	0	0	0
GR	Greece	0	5	6	22	27	16	30	28	33	21	23
HU	Hungary	13	18	14	26	24	42	36	39	97	93	71
IS	Iceland	4	1	0	0	5	10	9	49	77	3	3
IR	Iran (Islamic Republic of)	0	0	0	0	0	14	15	8	17	12	22
IE	Ireland	0	2	9	6	12	16	21	8	17	10	20
IL	Israel	0	0	0	0	0	0	0	0	0	0	0
IT	Italy	142	602	551	572	659	891	995	915	861	647	674
JP	Japan	37	74	43	66	107	156	174	134	191	128	153
KZ	Kazakhstan	0	0	0	0	0	0	0	0	0	0	0
KE	Kenya	0	0	0	0	0	1	4	0	0	0	0
KG	Kyrgyzstan	0	0	0	0	0	0	0	0	0	0	0
LV	Latvia	4	5	0	5	3	15	6	4	2	7	12
LS	Lesotho	0	0	0	0	0	0	0	0	0	0	0
LR	Liberia	0	0	0	0	0	0	0	0	0	0	0
LI	Liechtenstein	32	29	36	30	29	38	51	54	79	39	30
LT	Lithuania	0	2	2	4	5	4	11	6	6	2	2
MG	Madagascar	0	0	0	0	0	0	0	0	0	0	0
MC	Monaco	11	8	8	9	5	9	4	28	12	7	6
MN	Mongolia	0	0	0	0	0	0	0	0	0	0	0
ME	Montenegro	0	0	0	0	0	0	0	0	0	0	2
MA	Morocco	0	6	5	5	10	25	19	7	17	10	10
MZ	Mozambique	0	0	0	0	0	0	0	0	0	0	0
NA	Namibia	0	0	0	0	0	0	0	0	0	0	0
AN	Netherlands Antilles	0	0	0	0	0	0	9	10	6	10	7
NO	Norway	22	23	17	13	16	12	32	48	28	46	43
OM	Oman	0	0	0	0	0	0	0	0	0	0	0
PL	Poland	19	56	26	43	64	69	57	62	70	62	89
PT	Portugal	19	13	23	7	19	32	40	36	38	22	27

CP	Country of Holder	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
KR	Republic of Korea	0	0	0	6	8	23	24	39	41	53	66
MD	Republic of Moldova	1	0	5	6	4	14	7	7	9	4	4
RO	Romania	5	3	27	6	9	27	29	36	23	16	13
RU	Russian Federation	30	39	56	69	92	160	150	153	206	168	144
SX	Saint-Martin	0	0	0	0	0	0	0	0	0	0	0
SM	San Marino	0	0	0	0	0	0	1	0	8	4	2
ST	Sao Tome and Principe	0	0	0	0	0	0	0	0	0	0	0
RS	Serbia	0	0	0	0	0	0	30	41	13	32	30
SL	Sierra Leone	0	0	0	0	0	0	0	0	0	0	0
SG	Singapore	0	8	4	7	7	14	24	20	19	30	28
SK	Slovakia	13	4	9	29	10	17	22	40	22	22	13
SI	Slovenia	7	6	12	20	15	40	39	40	52	56	40
SU	Soviet Union	0	0	0	0	0	0	0	0	0	0	0
ES	Spain	163	230	166	208	210	228	202	170	191	138	135
SD	Sudan	0	0	0	0	0	0	0	0	0	0	0
SZ	Swaziland	0	0	0	0	0	0	0	0	0	0	0
SE	Sweden	73	78	57	82	79	79	96	85	137	53	45
CH	Switzerland	526	758	658	529	566	682	745	824	855	785	899
SY	Syrian Arab Republic	0	0	0	0	0	1	1	6	7	1	6
TJ	Tajikistan	0	0	0	0	0	0	0	0	0	0	0
MK	FYROM	0	0	0	1	1	5	5	3	3	1	4
TR	Turkey	0	0	0	0	0	0	0	1	0	0	1
TM	Turkmenistan	0	0	0	0	0	0	0	0	0	0	0
UA	Ukraine	0	3	2	13	20	28	49	62	44	26	43
GB	UK	205	214	207	185	213	265	275	246	292	245	224
US	US	0	0	0	5	216	452	507	583	604	490	661
UZ	Uzbekistan	0	0	0	0	0	0	0	0	0	0	0
VN	Viet Nam	0	0	0	0	0	0	0	4	6	5	10
WO	WIPO	0	0	0	0	0	0	0	0	0	0	0
YU	Yugoslavia	0	3	9	17	6	20	0	0	0	0	0
ZM	Zambia	0	0	0	0	0	0	0	0	0	0	0
ZZ	{Other Countries} no longer members	0	0	0	0	0	0	0	0	0	0	0
	Total	5,104	6,201	5,458	5,878	6,272	8,602	8,958	9,377	9,844	7,942	8,210

ATTACHMENT 6

Turkish Patent Institute
Revenue from i
International Applications under the Madrid Protocol (2001-2010)

Year	Swiss francs
2001	473.934,10
2002	571.999,74
2003	507.206,05
2004	540.551,02
2005	631.570,28
2006	5.192.393,46
2007	5.685.647,08
2008	5.797.024,31
2009	5.070.230,00
2010	4.237.291,00
2011	2.599.791,00
Total	31.307.638,04

WIPO STUDY ON ACCESSION TO THE MADRID SYSTEM

QUESTIONNAIRE FOR NATIONAL EXPERTS

VIET NAM**1. What outcomes was your country aiming to achieve by its decision to accede to the Madrid System? If your country was previously a Contracting Party to the Madrid Agreement, what were the most important reasons for acceding to the Protocol?**

Viet Nam acceded to the Madrid Agreement Concerning International Registration of Marks in 1949.

Viet Nam undertook studies on features of the Madrid Protocol in 2004 and carried out necessary steps for accession to this Treaty thereafter.

The most important reasons Viet Nam considered for acceding to the Protocol were:

- For Vietnamese applicants: the Protocol facilitated obtaining protection abroad as at that moment, there were demands for filing trademark applications abroad to non-members of the Agreement, such as Japan, Republic of Korea and the US, etc. In addition, Vietnamese applicants could file international trademark applications immediately after filing national trademark applications at the National Office of Intellectual Property of Viet Nam (NOIP) rather than waiting until the issuance of the trademark registration certificates and they could select languages other than French when using the Madrid System.
- For foreign applicants: the Protocol facilitated applications from non-member countries of the Agreement for trademark protection in Viet Nam.
- NOIP could gain more benefits from the Protocol than the Agreement because of the regulations on opposition procedures and individual fees.

2. Were any major challenges experienced leading up to accession and implementation of the Madrid System? Was there any opposition or resistance to the proposal to join the System? Please outline any issues you identify and note any measures taken to address them.

Major challenges/Identified issues:

- For NOIP:
 - o IT infrastructure/harmonization of trademark databases (as at that time Viet Nam hadn't yet set up a database on international trademarks).
 - o Lack of manuals/guidelines for examiners on handling of international trademark applications under the Madrid System.
 - o Weakness of foreign language skills as well as skills in handling international trademark applications.
- For trademark agents: Threat of losing work.

Measures taken:

- o Improving a harmonized trademark database for administration and management of trademark applications (both direct and indirect via the Madrid System).
- o Improving trademark search tools for search and examination purposes;

- o Conducting advanced training courses for trademark examiners relating to the Madrid System and handling of international trademark applications;
- o Conducting English language courses for NOIP's staff;
- o Organizing seminars/workshops for stakeholders, including trademark agents to introduce the Madrid Protocol as well as the benefits of this System.

3. Could you outline the steps taken to prepare for accession and operation under the Madrid System and note the key decisions or outcomes for each?

Matters to consider would include (but should not be limited to):

- ***consultation with trademark owners, agents and other IP professionals;***
- ***any review of, and changes to:***
 - o ***operations of the national Office to ensure it would be in a position to comply with the Madrid System (e.g. reducing the pendency period),***
 - o ***domestic legislation,***
 - o ***organization of the Office and administrative procedures/processes to operate under the Madrid System including finance arrangements,***
 - o ***examination and opposition processes and procedures,***
 - o ***Office resources including staffing, supporting IT infrastructure or other information systems;***
- ***communication with the International Bureau (IB) in relation to international applications and registrations;***
- ***decisions on declarations and notifications under the Madrid System;***
- ***dissemination of information and/or training provided for trademark owners, IP professionals, IP Office personnel;***
- ***any support or assistance sought from, or given by, the IB, other IP Offices, user groups.***

Our whole process includes the following:

- Studying the contents of the Madrid Protocol and making a comparison between this Treaty and the Madrid Agreement, identifying any advantages, disadvantages and proposing necessary preparations for accession to the Madrid Protocol;
- Setting up a working group on Viet Nam's accession to the Madrid Protocol;
- Organizing workshops and seminars on the Madrid Protocol with the participation of WIPO experts for various types of user;
- Drafting proposals for Viet Nam's accession to the Madrid Protocol and related declarations; seeking opinions on these drafts from relevant State offices/agencies;
- Improving such proposals and declarations and submitting them to the Government;
- Sending Viet Nam's Instrument of Accession to the Madrid Protocol and related Declarations on language and on individual fees to the International Bureau of WIPO;
- Notifying the date of the Madrid Protocol coming into effect in Viet Nam after receiving confirmation from WIPO;
- Publication of a Guideline on using the Madrid System for applicants (in Vietnamese) in both paper form and on NOIP's website;

4. Has experience in operating under the Madrid System brought about any modification of legislative provisions, administrative or operational arrangements or processes put in place at the time the System was introduced in your country?

Viet Nam needed to change few of its legislative provisions as it had already been a member of the Madrid System in the past.

On the other hand, in accordance with Article 120, paragraph 2, Intellectual Property Law 2005 (IP Law), “international applications and processing thereof shall comply with the relevant treaties”, Viet Nam’s legal system did need not to be changed in order to adopt the Madrid System.

In order to facilitate international trademark applications, under IP law, the filing and handling of these applications were also regulated by several legal documents, such as Government Decree No. 103/2006/ND-CP dated September 22, 2006 on Industrial Property Rights and Circular No. 01/2007/TT-BKHHCN dated February 14, 2007 from the Ministry of Science and Technology guiding the implementation of Government Decree No.103/ND-CP dated September 22, 2006.

Regarding the administrative and operational arrangements, Viet Nam’s accession to the Madrid Protocol was widely announced to the public by NOIP. At the time of accession, NOIP’s trademark division dealt with handling both domestic and international trademark applications via the Madrid System. In 2010, NOIP established a new division for carrying out the international trademark applications originating from or designated by Viet Nam.

5. Has there been an increase in the number of applications/designations received from other Contracting Parties since implementing the Madrid System in your country? (Please include any details of changes which may have come as a result of later accession to the Protocol.)

(a) Has there been any change over time in the proportions which are designations under the Madrid System?

The table below indicates the number of international registrations with Viet Nam as designated/subsequent designated country in the period 1998-2010 (Source: NOIP’s database)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2,808	2,342	2,427	2,275	1,952	2,241	2,529	2,523	3,248	4,577	4,748	4,048	4,374

z`

As Viet Nam became a member of the Madrid Protocol on July 11, 2006, the number of international registrations designating/subsequently designating Viet Nam has significantly increased from 2,523 in 2005 to 3,248 in 2006 (28.74 per cent) and has grown continuously over the following years.

For an overall picture, please see below statistics of national trademark applications filed directly with NOIP in the period 1998-2010. (Source: NOIP’s Annual Report 2010)

Year	Applications filed by Vietnamese	Applications filed by Foreigners	Total
1998	1,614	2,028	3,642
1999	2,380	1,786	4,166
2000	3,483	2,399	5,882
2001	3,095	3,250	6,345
2002	6,560	2,258	8,818
2003	8,599	3,536	12,135

2004	10,641	4,275	14,916
2005	12,884	5,134	18,018
2006	16,071	6,987	23,058
2007	19,653	7,457	27,110
2008	20,831	6,882	27,713
2009	22,378	6,299	28,677
2010	21,204	6,719	27,923

(b) Does any increase of these filings differ from any trend in applications filed from countries which are not within the Madrid System?

There has been an increase in filings to Viet Nam from some countries that are not members of the Madrid System, such as Canada, India, Malaysia and Thailand. The details are indicated below for the period 2000 to 2010 (Source: NOIP's database):

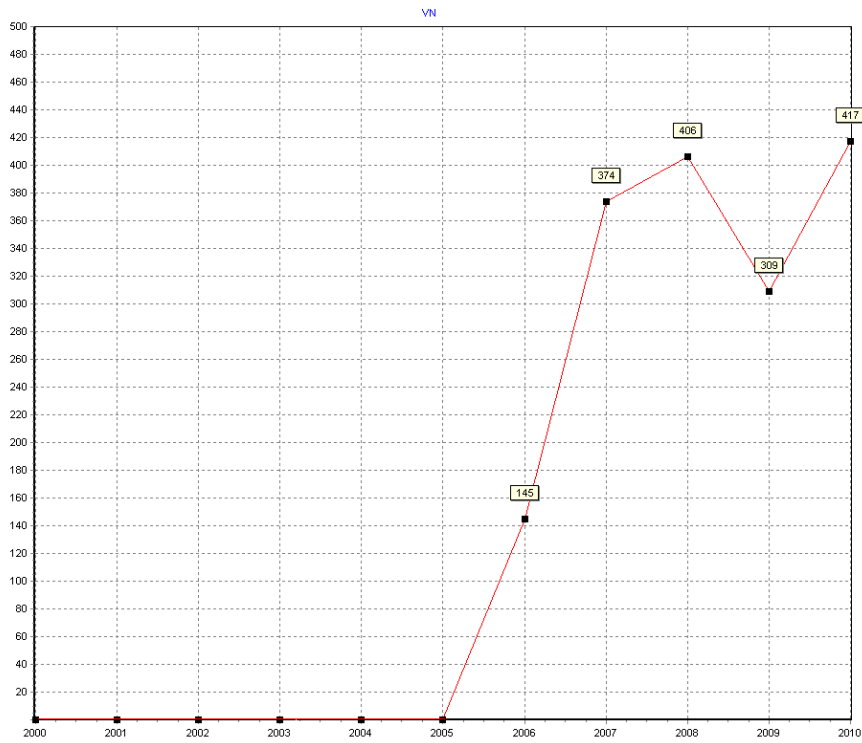
	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	Canada	18	19	34	26	48	45	90	65	91	99	50
2	India	89	112	77	328	494	609	1027	895	1004	864	870
3	Malaysia	26	38	620	94	119	147	167	201	191	240	174
4	Thailand	62	115	130	136	221	226	254	308	241	241	188

(c) Have there been any originating countries or regions for which an increase in applications/designations has been particularly marked?

The tables below indicate the number of international registrations originating from the US, Japan, the European Union and Republic of Korea and designating/subsequently designating Viet Nam in the period 2000-2010 (Source: NOIP's website) (NB: these countries are members of the Madrid Protocol only):

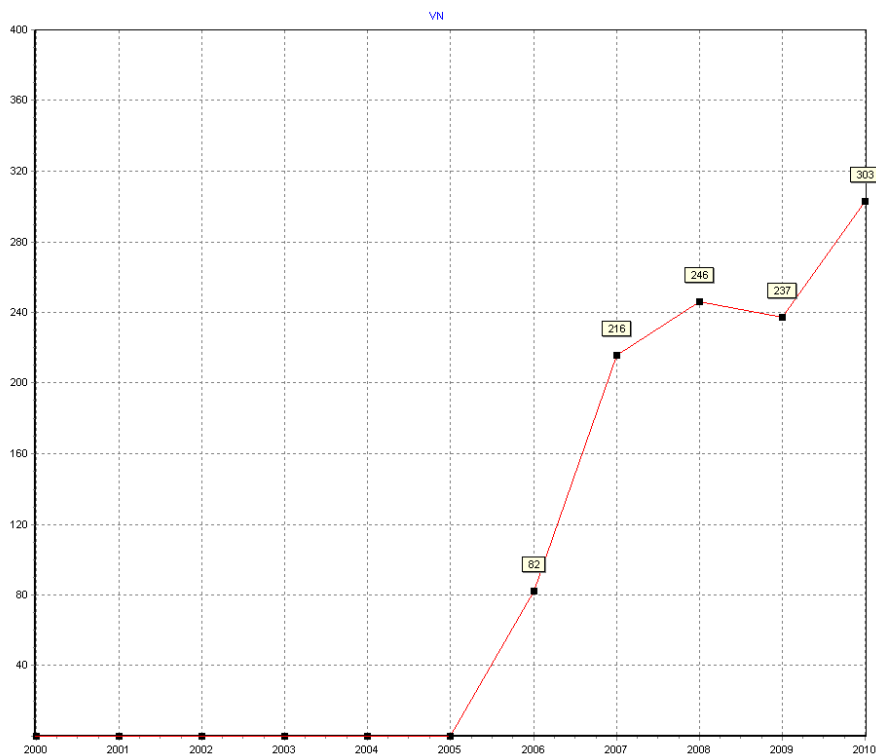
- From the US

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
0	0	0	0	0	0	145	374	406	309	417	1,651



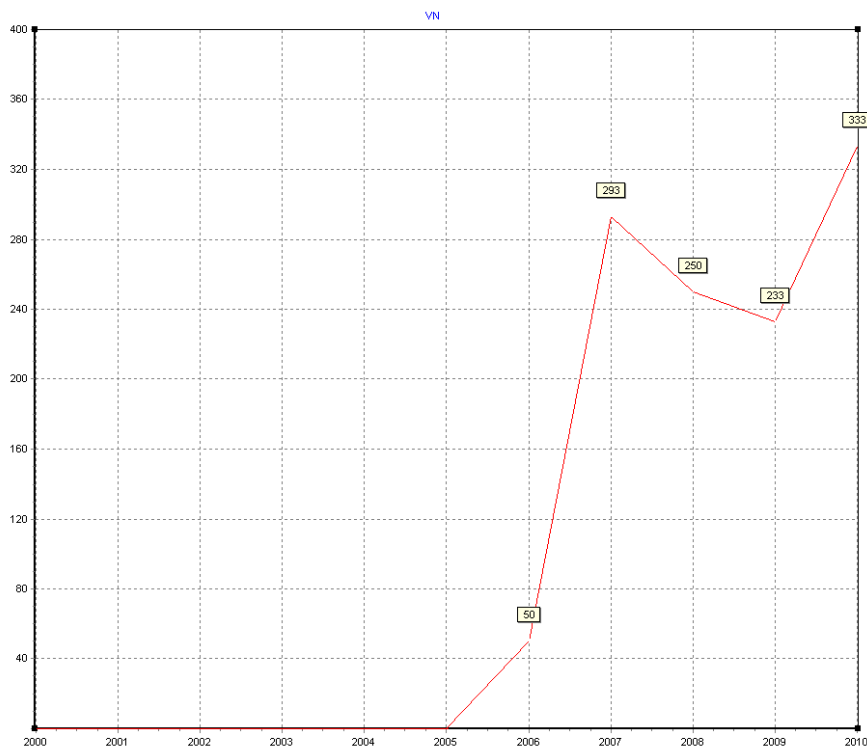
- From Japan

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
0	0	0	0	0	0	82	216	246	237	303	1,084



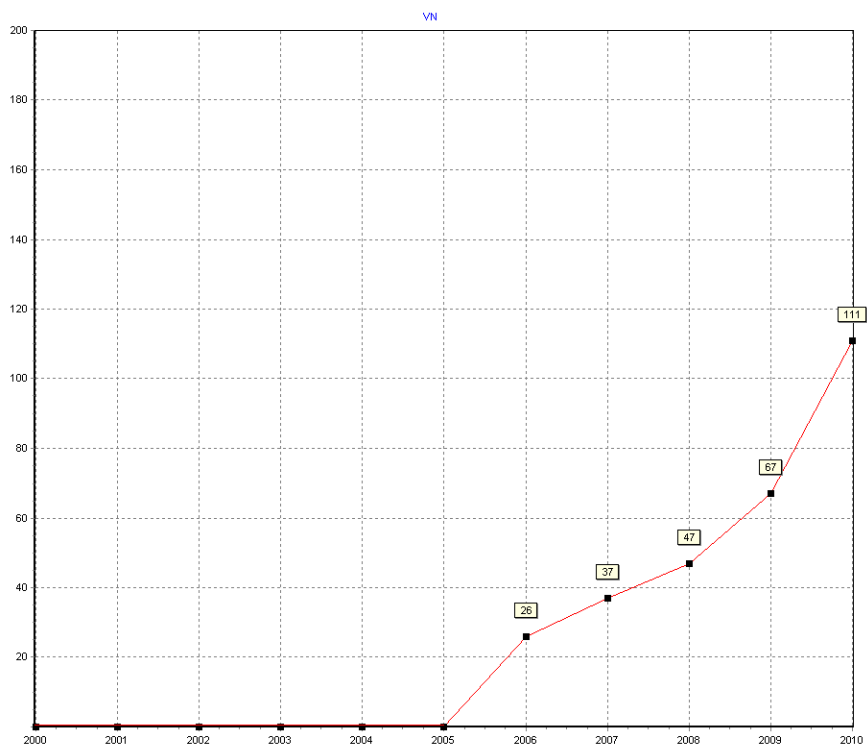
- From the European Union

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
0	0	0	0	0	0	50	293	250	233	333	1,159



- From Republic of Korea

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
0	0	0	0	0	0	26	37	47	67	111	288



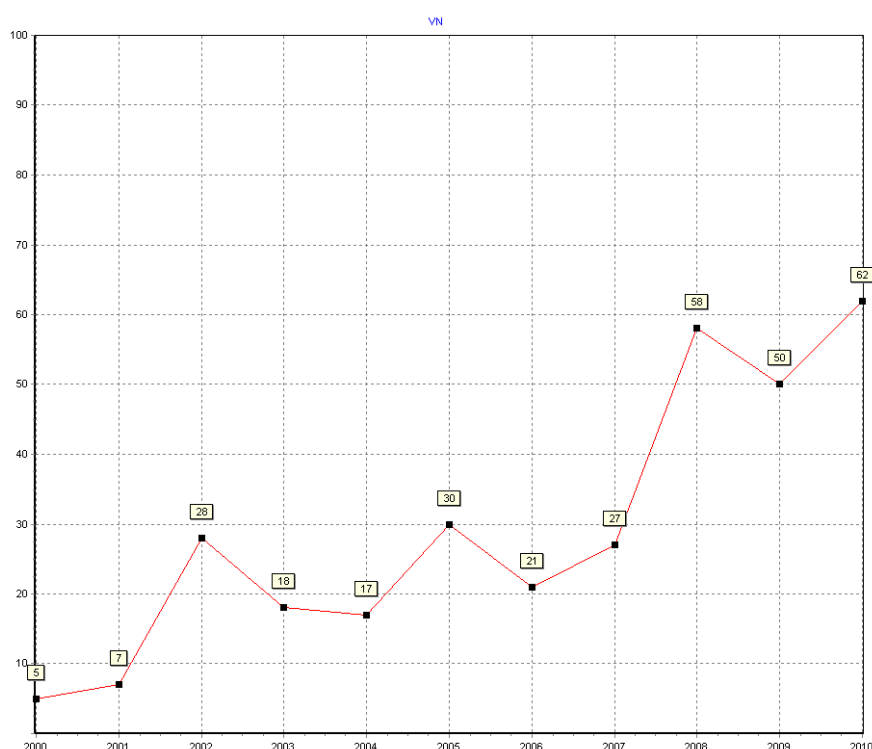
6. Has there been any increase in applications and designations originating from your country and seeking protection for trademarks in other jurisdictions since your country's accession to the Madrid System? (It would be helpful to note any impact of a later accession to the Protocol on the number of filings.) To what extent, if any, do you think this could be attributed to the Madrid System?

(a) Of these filings, have the proportions which are designations under the Madrid System changed over time?

(b) Do any countries or regions predominate among those in which traders from your country use the Madrid System for gaining protection for marks?

Applications originating from Viet Nam in the period from 2000 to 2010:

CP	Country of Holder	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
VN	Viet Nam	05	07	28	18	17	30	21	27	58	50	62



As statistics have shown, since joining the Madrid Protocol, the number of applications originating from Viet Nam has increased, but only slightly due to several factors, including:

- Vietnamese businesses are often SMEs offering undiversified products/services.
- The market for Vietnamese businesses is limited due to their low competitive capacity.
- Vietnamese businesses consider registration of their marks in a country when they find an export counterpart. On the other hand, each Vietnamese business usually only has certain key commodities for export to another country. Therefore, if we compare advantages between direct application and international application, the former is usually quicker, cheaper and more convenient than an application filing under Madrid System.

However, with the development of the country, more Vietnamese businesses have become aware of the importance of IP assets such as brand, so in the near future, there will be more Vietnamese businesses exploiting the advantages of the Madrid System to register their trademarks internationally.

7. Since your country's accession, has there been an increase in filings by SMEs from your country seeking international protection for their marks? What proportion of those were designations made under the Madrid System and has that changed over time?

(a) Are there other indications as to whether accession to the Madrid System has benefited SMEs?

By acceding to the Madrid System, Vietnamese SMEs have been able to enjoy the following benefits:

- Cost saving (a very important issue for Vietnamese SMEs): under the Madrid System the filing fee for an international trademark application with at least two designated countries is lower than the cost of direct filing.
- Simple procedures: In Viet Nam: there is limited knowledge of intellectual property in general and trademarks in particular as well as the foreign language barrier. These are important challenges for most SMEs on filing for trademark protection abroad. Therefore, by using the Madrid System, Vietnamese SMEs have a better chance of protecting their trademarks internationally.
- Quick turnaround for handling applications: in several countries, it sometimes takes two to three years to handle a domestic trademark application. Vietnamese SMEs highly appreciate the strict time limit prescribed by the Madrid System.
- Through Viet Nam's accession to the Madrid Protocol in 2006, Vietnamese SMEs have been able to protect their marks in countries/territories that were not members of the Madrid Agreement, such as Japan and the US.
- Good opportunity to advertise: by filing international trademark applications via the Madrid System: the companies names are published in WIPO's Trademark Gazette and its international trademark database, which is an excellent opportunity to include pictorial images of their products.

8. Has the operation of the Madrid System in your country had any effect on the amount of work within the IP Office? Has there been any change in the nature of the work, the balance of functions or to Office revenue? Can you provide any information on whether the costs of operating under the Madrid System are covered by the revenue (including any handling fees or other fees)?

Viet Nam's accession to the Madrid Protocol has made little change in the nature of the work of NOIP, with the exception of the following issues:

- NOIP's workload regarding trademarks has significantly increased, as NOIP handles international trademark applications designating Viet Nam and as domestic applications and communications between NOIP and the International Bureau are in writing, although there is a time limit for all international trademark applications. In order to resolve this problem, NOIP has invested significantly to improve its infrastructure, equipment and human resources as well as considering setting up an electronic channel for communications with WIPO on international trademark applications.
- The current IPAS (Industrial Property Administration System) at NOIP has not specifically covered issues of international trademarks. It deals with international trademark applications in the same way as national ones and that has created problems for examiners in searching and examining international trademark applications. NOIP employees have now taken courses and set up this system in order to meet new requirements.

- Weakness in foreign language skills as well as lack of experience in handling international trademark applications by NOIP's trademark examiners: in order to resolve this problem, several training courses in English at different levels as well as on trademark examination (including international trademark examination) have been given by NOIP and in collaboration with others.

However, through accession to the Madrid Protocol, the State's revenue has also increased significantly. The following figures represent the individual fees collected by the IB on behalf of NOIP from 2006 to 2010 (source: WIPO, unit: Swiss franc - CHF):

2006	2007	2008	2009	2010
52,790	363,886	489,919	355,019	325,373

The cost of handling international trademark applications is covered by revenue.

(a) Have any aspects of the Madrid System resulted in cumbersome procedures or complexities in communication for the IP Office?

As already indicated, as all communications between NOIP and the International Bureau are in hard copy only via the postal service, NOIP has to deal with two main issues:

- difficulties on legal status of international applications caused by postal delays passing the prescribed time limit;
- heavy workload required for printing, packing and posting.

(b) Can the Office suggest any ways in which the operation of the Madrid System could be simplified and so benefit users?

For international trademark applications originating from Viet Nam, in order to help Vietnamese applicants to have more time to correct their applications to suit WIPO's requirements, it would be greatly appreciated if WIPO could send its correction request to applicants in both electronic and hard copies instead of purely in hard copy as at present.

(c) Are there any Office processes or procedures for handling designations in international registrations which may provide a more efficient service for holders than if they filed directly into your national system?

In comparison with direct applications, international trademark applications designating Viet Nam under the Madrid System enjoy the following advantages:

- Choice of language (English or French);
- Single payment to WIPO;
- Be "on time" procedures, always.

9. Do trademark owners or their agents and attorneys identify any key advantages in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries?

Simple formalities, low cost and the time limit of 12 months are key advantages which trademark owners and their agents and attorneys identify in being able to utilize the Madrid System to gain and maintain protection for their marks in other countries.

(a) What problems, if any, have been experienced by trademark owners and their representatives when using the Madrid System for protection of their

trademarks which would not have been anticipated if the application had been filed directly into national systems of the countries concerned?

The problems that have been experienced by trademark owners and their representatives when using the Madrid System for protection of their trademarks which would not have been anticipated if the application had been filed directly into national systems of the countries concerned are (i) attorneys' fees for representation on appeal against refusal are high; (ii) appeal procedures normally vary between countries, (iii) deadlines may be missed.

(b) Are there particular circumstances under which owners, agents or attorneys believe it would be preferable to file applications seeking protection for a trademark directly into national systems rather than utilize the Madrid System?

The particular circumstances under which owners, agents or attorneys believe it would be preferable to file applications seeking protection for a trademark directly into national systems rather than utilize the Madrid System are: (i) when filing in one or several countries, (ii) when the basic national registration/application may face cancellation.

10. Is there any requirement for local representation before the Office? Do trademark agents or attorneys find any aspects of that role significantly different from acting for overseas applicants who file directly into the national system?

The requirements for local representation before the Office:

- Organizations, Vietnamese nationals, foreign individuals permanently residing in Viet Nam and foreign organizations having an industrial or commercial establishment in Viet Nam may file applications for establishment of industrial property rights either directly or through a lawful representative in Viet Nam.
- Foreign individuals not permanently residing in Viet Nam, foreign organizations having no industrial or commercial establishment in Viet Nam can file applications for establishment of IPRs through a legal representative in Viet Nam.

There is no difference between representation in international registrations and acting for overseas applicants who file directly into the national system.

(a) Has the overall workload of agents and attorneys changed since the Madrid System was introduced in your country? Has there been a change in the nature or balance of their roles and/or functions and has that affected their revenue or the make-up of their client base?

The overall workload of agents and attorneys has changed slightly since the Madrid System was introduced in our country. There has been no change in the nature or balance of their roles and/or functions and it has had little effect on their revenue or the make-up of their client base.

(b) Could you compare the perceptions of the Madrid System which were held by agents and attorneys prior to your country's accession with the views they hold now?

The perceptions of the Madrid System by agents and attorneys are clearer and more practical than those held by them prior to our country's accession

11. Since the Madrid System was introduced in your country, has the IP Office or any other body or group taken steps to promote use of the System? If so, could you describe these briefly and note whether there is any indication of the measures having any impact?

The following measures have been implemented in Viet Nam in order to promote the effective use of the Madrid System:

- Improvement of public awareness of the Madrid System: NOIP has organized, in cooperation with several agencies and organizations such as the Viet Nam Intellectual Property Association (VIPA), Viet Nam Intellectual Property Research Institute (VIPRI), Viet Nam Chamber of Commerce and Industry (VCCI), etc., seminars, symposia, conferences, business supporting programs to provide information on the Madrid System, especially on its advantages. In addition, NOIP has issued several publications in Vietnamese in both paper and electronic forms, such as International treaties on intellectual property rights, Guidelines on international registration of trademarks under the Madrid System.
- Capacity building for NOIP's staff, especially for international trademark examiners.

(a) Are there any particular challenges in encouraging trademark owners in your country to use the Madrid System if they want to protect their marks in other Contracting Parties?

Currently, in Viet Nam, individuals, organizations and local enterprises are aware of protection of their IPRs not only nationally but also overseas, by the need to develop their own businesses. However, they have to face several challenges when registering their trademarks in foreign countries, such as:

- Weaknesses in foreign language skills.
- High cost of registering trademarks in foreign countries: If registered directly in each individual country, Vietnamese enterprises have to pay not only the registration fees required by that country but also attorneys' fees.
- Limited awareness of registration of business trademarks abroad, especially in potential investment and export markets.
- Lack of long-term business strategy as most Vietnamese enterprises are SMEs. They therefore lack long-term investment and business strategies for trading internationally.

(b) Are there specific countries whose accession in the future would be expected to significantly increase use of the Madrid System by businesses in your country?

ASEAN countries (excluding Singapore which is already a member of the System) and India.

12. Are there any additional points which you feel are important to assist others in understanding the impact in your country of accession and operation under the Madrid System?

- For NOIP: During the process of evaluating international trademark applications, examiners can refer to the evaluations of colleagues from other branches of the System to provide consistent conclusions on the protect ability of a specific trademark as well as being able to learn about trademark laws and practices in those countries;
- For Vietnamese enterprises: The registration of trademarks of Vietnamese enterprises abroad via the Madrid System offers a good opportunity to advertise as users of products and services worldwide can access WIPO's electronic database to search basic information concerning those trademarks.

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