Information on provisional refusals

Madrid Working Group Roundtable

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<table>
<thead>
<tr>
<th>Year</th>
<th>Designations</th>
<th>Refusals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>322,772</td>
<td>75,379</td>
</tr>
<tr>
<td>2007</td>
<td>325,142</td>
<td>78,489</td>
</tr>
<tr>
<td>2008</td>
<td>334,599</td>
<td>77,088</td>
</tr>
<tr>
<td>2009</td>
<td>267,331</td>
<td>79,336</td>
</tr>
<tr>
<td>2010</td>
<td>261,105</td>
<td>75,798</td>
</tr>
<tr>
<td>2011</td>
<td>323,855</td>
<td>73,051</td>
</tr>
<tr>
<td>2012</td>
<td>328,019</td>
<td>77,725</td>
</tr>
<tr>
<td>2013</td>
<td>351,526</td>
<td>84,757</td>
</tr>
</tbody>
</table>

**Estimated Refusal rate**

- 2006: 23.35%
- 2007: 24.14%
- 2008: 23.04%
- 2009: 29.68%
- 2010: 29.03%
- 2011: 22.56%
- 2012: 23.70%
- 2013: 24.11%
### Refusals by designated Contracting Party

<table>
<thead>
<tr>
<th>Contracting party</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>13,902</td>
<td>13,648</td>
<td>14,959</td>
<td>14,938</td>
<td>17,629</td>
</tr>
<tr>
<td>Japan</td>
<td>7,890</td>
<td>9,059</td>
<td>5,936</td>
<td>7,724</td>
<td>7,890</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>6,319</td>
<td>6,216</td>
<td>5,671</td>
<td>5,649</td>
<td>6,765</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>5,728</td>
<td>5,164</td>
<td>7,475</td>
<td>5,996</td>
<td>6,478</td>
</tr>
<tr>
<td>China</td>
<td>7,532</td>
<td>8,846</td>
<td>7,613</td>
<td>8,894</td>
<td>6,435</td>
</tr>
<tr>
<td>Australia</td>
<td>2,154</td>
<td>2,472</td>
<td>3,290</td>
<td>3,028</td>
<td>3,455</td>
</tr>
<tr>
<td>Singapore</td>
<td>2,198</td>
<td>2,446</td>
<td>2,424</td>
<td>3,760</td>
<td>3,143</td>
</tr>
<tr>
<td>Turkey</td>
<td>1,712</td>
<td>1,710</td>
<td>1,162</td>
<td>1,105</td>
<td>2,393</td>
</tr>
<tr>
<td>European Union</td>
<td>1,697</td>
<td>1,703</td>
<td>1,876</td>
<td>2,189</td>
<td>2,340</td>
</tr>
<tr>
<td>Norway</td>
<td>2,365</td>
<td>1,904</td>
<td>2,062</td>
<td>2,370</td>
<td>2,170</td>
</tr>
<tr>
<td>Others</td>
<td>27,839</td>
<td>22,630</td>
<td>20,583</td>
<td>22,072</td>
<td>26,059</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>79,336</td>
<td>75,798</td>
<td>73,051</td>
<td>77,725</td>
<td>84,757</td>
</tr>
</tbody>
</table>
Background

- The IB often receives complaints from users of the Madrid System concerning provisional refusals (PRs) from the Offices of the designated Contracting Parties (DCPs).
- The users complain about difficulties in understanding PRs.
- Offices provide for different time limits to respond.
  - Some Offices provide only for short time limits.
  - Offices calculate the time limits differently.
- The IB prepared a questionnaire on PRs, submitted to the Contracting Parties on April 15, 2014.
- 66 CPs replied to the questionnaire.
- The IB has prepared a document presenting the findings resulting from those replies.
Information extracted from the replies to the questionnaire
Grounds for provisional refusal (1)

All 66 CPs perform an *ex officio* examination

PRs based on examination - I.1(a)

- 21 CPs: On absolute or relative grounds
- 18 CPs: On absolute or relative grounds + Further specification of G&S
- 3 CPs: Only on absolute grounds
- 2 CPs: Only on absolute grounds + Further specification of G&S
- 2 CPs: Only further specification of G&S
Grounds for provisional refusal (2)

Provisional refusals based on oppositions

PRs following an opposition procedure - 1.1(b)

- Filed based on absolute or relative grounds
- Filed based only on relative grounds
Time limit for provisional refusal, Rule 17(2)

Rule 17(2) “A notification of provisional refusal shall contain or indicate:

(vii) the time limit, reasonable under the circumstances, for filing a request for review of, or appeal against, the ex officio provisional refusal or the provisional refusal based on an opposition, preferably with an indication of the date on which the said time limit expires, and the authority with which such request for review, appeal or response should be filed, with the indication, where applicable, that the request for review, the appeal or the response has to be filed through the intermediary of a representative whose address is within the territory of the Contracting Party whose Office has pronounced the refusal”
Time limit to request a review or file an appeal against a PR (1)

Time limit after ex-officio provisional refusal - II.1

- 26 CPs (40%)
- 20 CPs (30%)
- 20 CPs (30%)

- 2 months and less
- 3 months
- 4 months and more
Time limit to request a review or file an appeal against a PR (2)

Time limit after PR based on opposition or observation - II.2

24 CP (48\%*) ≤ 2 months

* 50 CP replied to item II.2
Calculation of time limits (1)

Exact date of expiry indicated - III.1

- YES, the exact date is indicated (e.g., January 31, 2015)
- NO, only the time limit is indicated (e.g., 30 days, 1 month)
If NO, what determines the start date? - III.1(2)

- The date your Office issued the provisional refusal: 25%
- The date your Office sent the provisional refusal to the International Bureau: 15%
- The date the International Bureau sent the provisional refusal to the holder: 20%
- The date the holder received the provisional refusal: 30%
- Other: 5%

Calculation of time limits (2)
Calculation of time limits (3)

How does your Office calculate time limits? - III.2

- Calendar days: 70%
- Working days only (i.e., not taking into account holidays or other non-working days): 10%
- Other: 20%
Calculation of time limits (4)

If time limit starts when the holder received the notification, do you require proof? - III.3

<table>
<thead>
<tr>
<th>YES (If YES, what are acceptable means of proof? Please, indicate)</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>50%</td>
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</table>

60%
Requirements to request a review or file an appeal against a PR (1)

Requirement to indicate a local address - IV.1

- YES: 56%
- NO: 44%
Requirements to request a review or file an appeal against a PR (2)

Need to appoint a local representative - IV.2

- YES, the holder needs to appoint a local representative to respond to a refusal
- YES, but only an accredited attorney or agent
- YES, the holder may carry out some procedures without appointing a local representative - If YES, please indicate
- NO, the holder cannot carry out any procedure without appointing a local representative
- NO, the holder does not have to appoint a local representative to respond to a refusal

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES, needs to appoint</td>
<td>25%</td>
</tr>
<tr>
<td>YES, accredited attorney</td>
<td>25%</td>
</tr>
<tr>
<td>YES, some procedures</td>
<td>15%</td>
</tr>
<tr>
<td>NO, cannot carry out any</td>
<td>30%</td>
</tr>
<tr>
<td>NO, does not have to appoint</td>
<td>10%</td>
</tr>
</tbody>
</table>
Requirements to request a review or file an appeal against a PR (3)

Need to pay a fee to respond - IV.3

YES, the holder or his representative needs to pay a fee to respond to a refusal - If YES, please indicate the amount

NO, the holder or his representative does not have to pay a fee to respond to a refusal
Failure to meet the time limit to request a review or file an appeal against a PR

Would failure to meet the time limit result in abandonment? - V.1

- 43% YES, the international registration is considered abandoned
- 57% NO, my Office continues processing until it reaches a final decision
Relief measures in case of failure to comply with time limits:

- 59 CPs provide one or more relief measures (item VI.1)
- Extension requested prior to the expiration of the time limit: 53
- Extension requested after the expiration of the time limit: 18
- Continued processing: 18
- Reinstatement of rights: 30
Information on the communication by the Offices of Contracting Parties, processing by the International Bureau and transmission to the holder of provisional refusals
Means of Communication of the PR by the DCP

- How CPs calculate time limits may have a significant effect on the time the holder actually has to respond to the Office of the concerned CP

- Only where the time limit runs from the date of receipt by the holder, will the manner in which the CP communicates the PR to the IB have no effect on that period (12 CP out of 66)

- Jan-Jul 2014: The IB received 4,687 notifications of PR electronically (70.2%)
Formality examinations by the IB

Average processing time of regular PRs (in days):

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<tbody>
<tr>
<td></td>
<td>8.7</td>
<td>11.1</td>
<td>11</td>
<td>7.8</td>
<td>6.3</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>January 2013</th>
<th>February 2013</th>
<th>March 2013</th>
<th>April 2013</th>
<th>May 2013</th>
<th>June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.8</td>
<td>5.3</td>
<td>5.7</td>
<td>6.9</td>
<td>7</td>
<td>6.5</td>
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<table>
<thead>
<tr>
<th>Month</th>
<th>July 2013</th>
<th>August 2013</th>
<th>September 2013</th>
<th>October 2013</th>
<th>November 2013</th>
<th>December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.5</td>
<td>7.8</td>
<td>9.8</td>
<td>8.1</td>
<td>12.4</td>
<td>11</td>
</tr>
</tbody>
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</thead>
<tbody>
<tr>
<td></td>
<td>16.3</td>
<td>13.9</td>
<td>10.9</td>
<td>8.4</td>
<td>13.3</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Average: 9.1 days
Maximum: 16.3 days
Priority in the IB of PR notifications sent by CPs with shorter time limits
Communications between the IB and the holder/representative

- Where the holder/representative has opted for electronic communication, the transmission of the PR would not have effects on the time the holder has to reply.

- If the holder/representative receives the notification by postal service, this may affect the period to react to the PR.

- Average time when sent by mail (registered mail):
  - Europe: 2 - 4 days
  - United States of America: 4 - 7 days
  - Rest of the world: 4 - 10 days
Appointments of local representatives

- 57 out of 64 Offices (89%) require the holder to appoint a local representative (item IV.2) to respond to a PR

- This requirement may further affect the time left to react to the PR
Issues for consideration
Issues for consideration (1)

- Time limits provided by CPs are diverse, ranging from 15 days to 15 months, and they are differently calculated.
- 39% of the CPs provide time limits of two months or less.
- The time the holder actually has to react may be shortened by:
  - Expiry of the time limit set out in the notification or to be calculated from the date of receipt by the holder.
  - Way in which the notification is sent to the IB.
  - Actual processing time by the IB.
  - Possible requirements to appoint a local representative.
  - Way in which the IB communicates with the holder or his representative.
Issues for consideration (2)

Would it be useful for the Madrid System if the time limits are harmonized or simplified?

Possible harmonization?
- Length of the time limit
- Calculation of the time limit
- Electronic communication, by Contracting Parties and by holders or representatives
- Requirement of appointment of representatives

Centralized procedure?
- One time limit set out in the Common Regulations?
Thank you