

Working Group on the Legal Development of the Madrid System for the International Registration of Marks

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NOTIFICATION OF PROVISIONAL REFUSAL – TIME LIMIT TO REPLY AND WAYS IN WHICH TO CALCULATE THAT TIME LIMIT

Document prepared by the International Bureau

INTRODUCTION

1. The International Bureau regularly receives complaints from users of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Madrid System”) concerning what they perceive as short time limits to respond to notifications of provisional refusal. Users have also indicated that they find it difficult to manage those notifications given the different time limits to respond and the different ways to calculate those time limits.

2. In view of the above, in 2014, the International Bureau conducted a survey among Offices of the Contracting Parties of the Madrid System to learn more about the various time limits to respond to the above-mentioned notifications and, in particular, how those time limits are calculated. The findings of the survey were presented, in October 2014, at the Roundtable of the twelfth session of the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group”)¹.

¹ See document “Information on Provisional Refusals”, available at: https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_12_rt/mm_ld_wg_12_rt_information_on_provisional_refusals.pdf.

3. At its fourteenth session, held in June 2016, the Working Group agreed on a list of topics for future discussion, in the short, medium and long term². One of the topics listed for discussion in the medium term was “Provisional Refusals and Their Time Limits”.

4. This documents provides information on notifications of provisional refusal, more specifically on:

- the time limit Offices of Contracting Parties have to send those notifications;
- the time limit given to the holder to respond;
- the practical challenges holders face when receiving the said notifications; and
- issues for consideration by the Working Group.

TIME LIMIT FOR CONTRACTING PARTIES TO NOTIFY A PROVISIONAL REFUSAL

5. Under paragraph 2(b) of Article 5 of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as, correspondingly, “the Protocol” and “the Agreement”), a Contracting Party may declare that the time limit of one year to notify a provisional refusal may be replaced by 18 months. Under paragraph 2(c) of the same Article, that period may be further extended, beyond 18 months, in the case of opposition. Of the current 104³ Contracting Parties to the Protocol, 60⁴ have made the declaration under Article (5)(2)(b), and 39 have also made the declaration under paragraph (2)(c).

6. While the Madrid System is now exclusively governed by the Protocol, 55⁵ Contracting Parties are bound by both the Agreement and the Protocol. Sixteen of those Contracting Parties, have made the declaration under Article 5(2)(b). However, Article 9*sexies*(1)(b) renders that declaration without effect in the mutual relations between States bound by both treaties.

7. As a result, the above-mentioned 16 Contracting Parties have a one-year time limit to notify a provisional refusal against marks in international registrations for which the Contracting Party of the holder is also bound by the Agreement, and an 18-month time limit to notify a provisional refusal for marks in all other international registrations.

8. For example, the Offices of Algeria, Armenia, Belarus, Bulgaria, China, Cyprus, the Islamic Republic of Iran, Italy, Kenya, Liechtenstein, Poland, San Marino, Slovakia, Switzerland, Tajikistan and Ukraine, which are bound by the Agreement and the Protocol and have made the declaration under Article 5(2)(b), would have an one-year time limit to notify a provisional refusal for a mark in an international registration for which the Contracting Party of the holder is Albania, which is also bound by both treaties, but an 18-month time limit to notify such refusal where the Contracting Party of the holder is Afghanistan, which is bound by the Protocol only.

9. The current system of different time limits to notify a provisional refusal, subject to whether a Contracting Party has made the declarations under Article 5(2), whether the provisional refusal results from opposition and whether Article 9*sexies* applies, makes it difficult for users of the Madrid System, namely, holders, Offices and third parties, to determine whether notifying a provisional refusal may still be possible.

² See documents MM/LD/WG/14/6, Annex IV, and MM/LD/WG/15/5, Annex II.

³ On March 17, 2019, after the deposit of the instrument of accession by Canada.

⁴ <https://www.wipo.int/madrid/en/members/declarations.html>.

⁵ https://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf.

10. In 2017, the International Bureau received 110,668 notifications of provisional refusal:
- 101,593 (91.80 per cent) of those notifications were received within 12 months from the start date of the refusal period (the date of the notification by the International Bureau); 4,963 (4.48 per cent), between 12 and 15 months; 4,067 (3.67 per cent), between 15 and 18 months; and, 45 (0.04 per cent), beyond 18 months.
 - The shortest average time by the Office of a Contracting Party to notify an *ex-officio* provisional was 19 calendar days and the longest was 453 days. The shortest average time by the Office of a Contracting Party to notify a provisional refusal based on opposition was 76 days and the longest was 447 days.

11. The table below shows the average number of calendar days to notify a provisional refusal by the Offices of the Contracting Parties in 2017:

Contracting Party		<i>Ex-officio</i> Provisional Refusal	Provisional Refusal Based on Opposition
No Article 5(2)(b) Declaration		277	212
Article 5(2)(b) Declaration and Bound by Protocol Only	No Article 5(2)(c) Declaration	149	210
	Article 5(2)(c) Declaration		259
Article 5(2)(b) Declaration and Bound by Both Treaties	Declaration applied	312	197
	Declaration did not apply (Article 9sexies)	278	210

12. It is recalled that, under paragraph (2)(e) of Article 5 of the Protocol, the Assembly of the Madrid Union (hereinafter referred to as “the Assembly”) may, at any point in time, review the operations of the system established in paragraphs (2)(a) to (2)(d) of the same Article and may, unanimously, adopt modifications to those paragraphs. The ongoing nature of that mandate was made clear in an interpretative statement adopted in 2006 by the Assembly, at its thirty-seventh session⁶.

13. In view of the above, the Working Group may consider whether a review of the operations of paragraph (2)(b) of Article 5 of the Protocol should be undertaken to harmonize the time limit for Offices to notify an *ex-officio* provisional refusal to one year. In light of the information provided in paragraphs 10 and 11, above, the overall majority of Offices already meet this time limit and such harmonization would benefit the Madrid System by introducing greater simplicity and efficiency.

THE TIME LIMIT TO RESPOND TO A PROVISIONAL REFUSAL AND THE CALCULATION OF THAT TIME LIMIT

14. A notification of provisional refusal must contain or indicate the information referred to in Rule 17 of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter referred to as “the Common Regulations”). The Common Regulations do not provide for a specific time limit for the holder to respond to a notification of provisional refusal. However, Rule 17(2)(vii) requires that such time limit be “reasonable under the circumstances”.

15. With no provision guiding or obliging Contracting Parties on the length of the said time limit, Contracting Parties are left to indicate, in line with their domestic legislation and practices, that time limit and the way in which it should be calculated, preferably, with an indication of its end date.

⁶ See document MM/A/37/4.

16. Contracting Parties have different interpretations of what “reasonable under the circumstances” should be. The findings of the above-mentioned survey conducted in 2014⁷ revealed that Contracting Parties have established different time limits to reply to a provisional refusal, ranging from 15 days and up to 15 months; and, furthermore, that Contracting Parties calculate these time limits differently. Depending on how the Contracting Party concerned calculates the time limit, the time effectively available for the holder to respond to a notification of provisional refusal may be considerably impacted. Most Offices use one of the three calculations options set out below:

(i) The start date is the date the Office issues the provisional refusal or sends the notification to the International Bureau

Where the start date of the time limit is determined by the date the Office issues the refusal or sends the notification to the International Bureau, calculating the date on which the time limit expires might not be difficult, provided that date is clearly indicated in the communication.

(ii) The start date is the date the International Bureau transmits the notification to the holder

Where the start date of the time limit is the date on which the International Bureau transmits the notification to the holder, identifying such date is rather simple because the International Bureau clearly indicates this date in the communication transmitted along with the notification.

(iii) The start date is the date the holder receives the notification from the International Bureau

Since the date on which the holder receives the notification is not recorded in the International Register, there might be some doubt as to when the time limit started and whether a holder has complied with it when responding. The Offices of the Contracting Parties which have such calculation may require proof of the receipt date which may create uncertainty when, for example, a postmark is illegible or missing.

17. In view of the information in paragraphs 14 to 16, the Working Group may consider whether amendments to the legal framework of the Madrid System, providing for a minimum time limit to respond to a notification of provisional refusal and a harmonized way to calculate it could be agreed upon.

PRACTICAL DIFFICULTIES AND POSSIBLE LEGAL UNCERTAINTY FOR HOLDERS

DIFFERENT TIME LIMITS AND WAYS IN WHICH TO CALCULATE THEM

18. The International Bureau transmits to holders a copy of all notifications of provisional refusal it receives. That copy is accompanied by a standard communication, in the working language chosen by the holder, listing the date on which:

- the Office sent the notification, where indicated in the notification or where it was sent electronically;
- the International Bureau received the notification, which would coincide with the previous date where it was sent electronically; and,
- the International Bureau transmitted the notification to the holder.

⁷ Please, see document Information on Provisional Refusals, available at: https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_12_rt/mm_ld_wg_12_rt_information_on_provisional_refusals.pdf.

19. The following example illustrates the practical challenges holders face when receiving multiple notifications of provisional refusals: the holder of an international registration, filed through the Office of Iceland (the Office of origin) has designated Australia, China, Egypt, France, Mexico, Norway and the Russian Federation. Should the holder receive a notification of provisional refusal from each of the designated Contracting Parties, the holder would face the following challenges:

(i) Different time limits and different ways in which they are calculated

Following the example above, the holder would receive notifications of provisional refusal indicating the following time limits to respond

- Australia, 15 months from the date of the notification by the Office;
- China, 15 days from the date of receipt of the notification by the holder;
- France, one month from the date the Office sent the notification to the International Bureau;
- Mexico, two months from the date on which the International Bureau transmitted the notification to the holder;
- Egypt, 60 days from the date of the notification by the Office;
- Norway, three months from the date of the decision by the Office; and,
- the Russian Federation, six months from the date of the notification by the Office.

(ii) Different languages

The notification of provisional refusal would be in the language of the communication chosen by the Office. In the example above, the holder would receive notifications of provisional refusal in English (Australia, China, Egypt, Norway and the Russian Federation), French (France) and Spanish (Mexico). In addition, Rule 17(2)(v) of the Common Regulations allows Offices to list, in the notification, goods and services for possible prior rights in the language used by that Office. Following the example above, the holder may receive provisional refusals based on prior rights containing lists of goods and services in Arabic, Chinese, Norwegian and Russian.

(iii) Additional requirements

Offices may have additional requirements, such as, for example, the holder may be required to appoint a local agent or attorney, sometimes to be chosen from a list of approved agents or attorneys, to respond to the notification.

TRANSMISSION OF THE NOTIFICATION TO THE INTERNATIONAL BUREAU

20. In addition to the different calculations of the time limits set out above, the actual time the holder has to respond to the notification could be further shortened by the:

- means of communication between the Office and the International Bureau;
- necessary process undertaken by the International Bureau (data entry, examination, recording and notification) which, on average, takes 12 calendar days⁸; and
- means of communication between the International Bureau and the holder.

⁸ Monthly average for processing decisions in March 2019, available at: https://www.wipo.int/export/sites/www/madrid/en/docs/madrid_pendency_rates.pdf.

21. Information the International Bureau receives is either machine-readable or not. Information transmitted in eXtended Markup Language (XML) format, following the Madrid Electronic CommunicAtion (MECA) standards, is machine-readable. Information transmitted by other means, such as, for example, images of documents transmitted in Portable Document Format (PDF), either through the Madrid Office Portal (MOP) or the Contact Madrid online form, as well as paper documents sent through a postal service, are not machine-readable.

22. Where Offices transmit information in XML format, the information is captured directly into the internal processing system of the International Bureau, allowing for automation of data entry, examination and transmission of the information to the holder. Such manner of communication does not, in itself, negatively impact the time limit to respond to a notification.

23. Where Offices transmit information in non machine-readable format, the International Bureau needs to manually process this information to capture the data, examine it and transmit it to the holder. This manual process may negatively impact the time limit to respond to a notification, depending on how it must be calculated. Paper documents sent through a postal service may have an even more negative impact on the time limit due to the inherent delivery delays that result from using these services.

24. In 2018, the International Bureau received 134,600 notifications of provisional refusals. Of those, 112,000 notifications (83 per cent) were transmitted in XML format; however:

- only 29 Offices transmit information to the International Bureau in XML format;
- 28 Offices transmit information to the International Bureau using either MOP or the Contact Madrid online form, with PDF documents; and,
- 36 Offices still transmit information to the International Bureau through a postal service.

TRANSMISSION OF THE NOTIFICATION TO THE HOLDER

25. Holders or representatives who have opted to receive electronic communications from the International Bureau, receive a copy of the notification of provisional refusal through email. This mode of transmission has no negative impact on the time the holder has to reply to the notification.

26. Holders or representatives who have not opted to receive electronic communications from the International Bureau, receive a copy of the notification of provisional refusal sent through the postal service, which could reduce the actual time left for the holder to respond to the notification. Delivery of a notification by post may take, on average, between two to four days, if the recipient is in Europe, between four to seven days, if the recipient is in the United States of America, and between four to 10 days for recipients in the rest of the world.

27. Where an electronic communication fails to reach the intended recipient, the International Bureau receives an automatic non-delivery message from the registered email service provider. This prompts the International Bureau to re-send the communication electronically, and, in case of further non-delivery, the communication is sent to the holder through the postal service.

28. Holders and representatives may also take advantage of the Madrid Portfolio Manager (MPM), which is a secure online tool that provides for electronic exchange of communications with the International Bureau. As it is the case with electronic communication, this mode of transmission has no negative impact on the time the holder has to reply to the notification.

29. In 2018, the International Bureau sent 325,670 notifications to holders or their representatives; of those notifications, 88 per cent were sent electronically. In the same year, the International Bureau registered 52,989 marks; in 87 per cent of those international registrations, the holder or representative had indicated an email address.

30. In view of the information presented in paragraphs 25 to 29 above, the Working Group may consider discussing whether to require applicants and representatives to provide an email address in the international application and to make electronic communication the default option for communications from the International Bureau to applicants and holders.

ISSUES FOR CONSIDERATION

31. The current situation, with Offices providing different time limits to respond to a notification of provisional refusal and using different methods to calculate this time limit, is challenging for holders of international registrations.

32. The actual time the holder has to respond to the notification depends on a number of factors, such as, the length of the time limit to respond; the way in which it is calculated; the manner in which the Office transmits the notification to the International Bureau; whether the International Bureau receives machine-readable information; and, the manner in which the notification is transmitted to the holder.

33. It is entirely plausible that, under a worst case scenario, by the time the holder receives a notification, the time limit to respond to it may have expired. To avoid that scenario, the International Bureau prioritizes the examination of notifications sent by Contracting Parties which have shorter time limits to respond and by those Contracting Parties for which the time limit to respond is calculated as from the date on which the refusal was issued or the notification was sent by the Office.

34. Offices of the Contracting Parties of the Madrid System should be encouraged to continue their efforts towards transmitting communications to the International Bureau in machine-readable format, with a view to expediting the processing of those communications and, thus, shortening the time in which they are transmitted to holders.

35. The above-mentioned Offices should also clearly indicate the time limit the holder has to respond to a communication and the end date of that time limit or, in any event, clearly explain the way in which the time limit must be calculated. Furthermore, they should make available detailed user-friendly information on further requirements to respond to a notification on the Madrid Member Profiles Database.

36. Applicants, holders and representatives could be required to receive electronic communications from the International Bureau, as the default option, because it is the most reliable, expeditious and cost-effective transmission method, and be encouraged to use the MPM.

37. All actors of the Madrid System (applicants, holders, representatives and Offices) could be encouraged to exchange electronic communications with the International Bureau in machine-readable format.

38. Other measures to address the issue at hand may require changes to the legal framework of the Madrid System or of its Contracting Parties. The Working Group may wish to consider further discussing whether:

- (i) the length of the time limit to respond to a notification of provisional refusal and its calculation should continue to be matters solely determined by the designated Contracting Party concerned;
- (ii) the Common Regulations could provide for a harmonized time limit to respond to a provisional refusal or, alternatively, set a minimum time limit, understanding that a longer one could be afforded according to the relevant domestic law; and,

(iii) the operation of the system established in Article 5(2)(b) of the Protocol should be reviewed, harmonizing the time limit Offices have to notify *an ex officio* provisional refusal to one year.

39. The Working Group is invited to discuss the information presented in this document and provide guidance to the International Bureau on a possible way forward.

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