FINAL REPORT

“A COMPARATIVE STUDY ON TRADEMARK PROTECTION BETWEEN JAPAN AND MONGOLIA UNDER THE MADRID PROTOCOL”
For future development of Trademark Protection in Mongolia

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CHAPTER 1
INTRODUCTION

1.1 Background

A trademark is a sign that identifies and distinguishes the source of the goods or services of one party from those of others. In market economy, trademarks play a significant role in guiding market business, boosting national economy and protecting consumer’s rights and interests.

“Trademark protection rights are territorial in nature. National trademark protection is effective only in the territory which the trademark was registered. In today’s commercial world, companies can no longer be purely national. Every company that does business on the Internet is a multi-national company, whether they want to be or not. Most companies want to be, and the Internet makes that possible in ways that were not dreamt of a few years ago. Doing business on the Internet means, necessarily, doing business internationally. Doing business internationally makes it essential to protect the company’s most important resource its business reputation, goodwill and connection to its customers in short, its trademarks. A global business requires global trademark protection1.

Trademark owners who wish to protect their trademark in global markets must apply for registration individually in each country under the system is so-called Paris route or via the Community trademark system or the Madrid System.

National route provides the priority system which constitute the basic framework of the Paris Convention for trademark owner who has filed an application for registration of trademark in a country of the Paris Union wishing to file an application of the same content to another member of the Union may advance the time point at which the fulfillment of the requirements for registrations are determined to the time of the first application in the Union member state by declaring the right of priority six months from the first

1 THE MADRID PROTOCOL: A BRIEF PRIMER FOR U.S. TRADEMARK HOLDERS by Albert Tramposch
application. However, trademark applicant has the right of priority for the application of priority under the Paris Convention; an applicant still needs to file an individual application in each country of the Union in different language, in different payment as well as in different procedure. Moreover, an application procedure and the requirements for in the country where the applicant wishes to have the trademark registered are as specified in the domestic legislation of each country of the Union. “The trademark registrations by the Paris Convention not have the effects of the so-called Central attack and this respect the application by the Paris route basically differs from the application under the Madrid Agreement and Protocol.

The Community Trademark Registration establishes a regional trademark system with which it is possible to obtain a valid trademark for all the countries forming the European Union (EU). The CTM registration gives a uniform right in the entire of territory of 27 countries of the European Union and requires use of the mark in only one country to retain protection for the mark throughout the European Union. “The CTM system is not reserved to nationals and companies of member States, but is also very widely available to all nationals and companies of any State whatsoever which is a party to the Paris Convention or to the World Trade Organization and even any other State as long as this State grants reciprocal rights to nationals of the European Union. If an applicant's home country is a party to the Madrid Protocol the applicant should consider filing a national (basic) registration in his home country simultaneously with the CTM application. The basic registration enables the applicant to file an International Registration according to the Madrid Protocol in more than 80 countries with a single application. However, this system is opened to contracting countries of the Paris Convention and of the WTO and trademark owner could potentially achieve significant cost savings over the current practice of filing separate applications for each country of the European Union, instructing many different trademark attorneys, and renewing and maintaining registrations.

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2 Research and study on International Application and Registration of Trademarks, by researcher Yoshiaki Seki
3 The European Community Trademark, Found at http://www.internetmarken.de/guide/ctme.htm
4 The European Community Trademark, Found at http://www.internetmarken.de/guide/ctme.htm
in 27 countries, it is more convenient system to those trademark owners wishing to protect their trademark mainly in Europe to consider use this system.

Madrid system is one most advantageous system providing a facility to protect their trademark in global economy. In other words, this process provides applicant more simplified procedures than filing trademark application for each country individually. The Madrid System allows a trademark owner to seek protection for his trade mark in several countries simultaneously by filing one application with a single office, in one language, with one set of fees in one currency. In 2006, the membership of the Madrid Union expanded from 78 to 80 members, following the accessions of Botswana and Montenegro. In addition, Uzbekistan and Viet Nam, already members of the Madrid Agreement, acceded to the Protocol. With the accession of Azerbaijan to the Protocol, to become effective on April 15, 2007, the number of Madrid Union countries bound only by the Agreement will be reduced to eight. On December 31, 2006, there were 471,325 international registrations in force in the International Register, containing a total of more than 5.3 million active designations. Those international registrations belonged to 159,075 different right holders (many of them SMEs).\(^5\)

Japan is the country which has many years of experience on trademark protection and it is one of the countries played an important role in the global economy. This is the good opportunity for the country to develop IP system to manage its intellectual property rights more efficiently, to study the experience of Japan.

Japan has accessed to the Protocol in 2000 and it is increasing day by day the number of applications that are applied or registered under Madrid Protocol concerning the International Registration of Marks.

\(^5\) WIPO statistics found at www.wipo.int
1.2 Objectives

A trademark registration from other countries designating to Mongolia is increasing under the Madrid system, it is still less that Mongolian companies and SME to register their trademarks in abroad using Madrid System. And also IPOM is planning to revise current Trademark and Geographical indication law and regulation for the implementation of this law.

Therefore, my research will focus on the advantages of Japan, implementing Madrid Protocol concerning the International Registration of Marks.

Main objective of my study to find the way to improve current trademark registration and examination system of Mongolia and how to increase the use of Madrid system specially Madrid Protocol for national factories and companies by studying Japanese experience of implementation of Madrid Protocol, such as legislation related to the trademark, examination standard and manual, opposition and trial system and so on.

Moreover, this study will make an attempt to submit some proposals regarding to international trademark registration system which may be useful for revising trademark law and regulation of Mongolia

1.3 Methodology

Firstly, after collecting information regarding the Madrid system, trademark law and regulations and international trademark protection of both countries, it is time to study and review the above documents.

Secondly, on the basis of obtained knowledge and information it must be approved by the interview with JPO examiners and trademark attorney of Japan.

Thirdly, it is necessary to collect statistical data on applications and registrations under Madrid Protocol and analyze them.

Then, it is to analyze and conclude on the basis of acquired knowledge and information in order to find differences of registration process of the two countries.

Lastly, it is recommending some proposals regarding to international trademark registration system which may be useful for revising trademark law and regulation of Mongolia.
CHAPTER 2
CURRENT INTERNATIONAL TRADEMARK ADMINISTRATION IN JAPAN AND MONGOLIA

2.1 Introduction of Madrid System

In a number of countries, it has long been possible to protect trademarks on an international basis using a fairly simple procedure known as the Madrid Agreement, an international convention first adopted in 1891. A new convention for international trademark protection was born which is the Madrid Protocol, first operational in 1996, because the Madrid Agreement includes some strict requirements that discouraged many countries from joining.

The Madrid Agreement and Protocol are now coexisting with some countries joining either one of them or some joining both.

Although Madrid Agreement and Madrid Protocol are two different independent international agreements, they are closely related with followings:
- Both Agreement and Protocol have one common regulation and administration regulation
- Both of them are administered by WIPO
- Both of the trademarks are published by same publication
- The Contracting Parties shall be members of the same Assembly

The Madrid System is procedural only. It aims to simplify the application and registration process through a single procedure, in a single language, and with a single administration of international registrations. It does not involve substantive examination of applications. The originating office, International Bureau of WIPO accepts applications for trademark protection and transmits them to the designated countries. The conditions for protection, the general refusal procedures, and the rights resulting from the protection are still governed by the national laws of the designated countries.

Basic procedure
Office of Origin

Based information on WIPO web site
Office of origin certifies that the particulars in the prerequisite national or regional “basic application” or “basic registration” are the same as those in the international application and forward international application to International Bureau in a timely manner, as required.

**International Bureau**

International Bureau of WIPO shall examine formalities, not substantive issues and records in the International Register. In same time International Bureau publishes it in the WIPO Gazette of International Marks and issues certificate then notifies each designated Contracting Party of the request for protection.

**Office of designated contracting parties**

Office of designated contracting parties shall make a substantive examination under the national and regional law. Each designated Contracting Party has the right to refuse protection, but it should notify the IB within 12 or 18 months.

If there is no timely refusal, the mark will be protected as if it had been registered by the Office of that Contracting Party. If there is a refusal, Office of Contracting Party decides national or regional procedure followed and report final result to IB.

<table>
<thead>
<tr>
<th>Office of Origin</th>
<th>IB of WIPO</th>
<th>Office of DCP.</th>
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<td>Application</td>
<td>Examination</td>
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<td>Formality</td>
<td>International Registration</td>
<td>Refusal</td>
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<td>Conformity</td>
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<td>Notification</td>
<td>Registration</td>
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It is also necessary for applicants to consider which countries belong to just the Agreement, just the Protocol, or both in order to identify those jurisdictions to which extensions of protection can be requested for a given international registration. In other words, it all depends upon whether the applicant's country of origin for its international registration belongs to the Agreement, the Protocol, or both as follows:

If the applicant’s country of origin belongs only to the Agreement, then the applicant can extend its international registration only to Agreement countries.

If the applicant’s country of origin belongs only to the Protocol, then the applicant can extend its international registration only to Protocol countries.

If the applicant’s country of origin belongs to both the Agreement and the Protocol, then the applicant can extend its international registration to all Contracting Party states of the Madrid Union.

There are several essential differences between the Madrid Agreement and the Madrid Protocol, as follows:

- the Safeguard Clause set out in Article 9sexi of the Madrid Protocol;
- the difference of precondition of an international registration
- the difference of time limits for refusal period;
- the difference of filing language
- the difference of consequences that ensue if an international registration is invalidated due to central attack;
- the difference of fee structure for securing international registrations under the Agreement and the Protocol

2.2 Protocol Basics

2.2.1 Who may file an international application?

Any country that is a party to the Paris Convention may join the Madrid Agreement. Any country that is a party to the Paris Convention the EU entity that governs the Community Trademark as well as any recognized intergovernmental organizations (such as the Office for Harmonization in the Internal Market (OHIM) may join the Madrid Protocol7.

7 Article 14 (1) of Madrid Protocol
It is great significant to understand which countries belong to the Madrid system in order to determine who is eligible to apply for an international registration. Under both the Agreement and the Protocol, only an individual or legal entity that (a) is domiciled in or (b) has a real and effective industrial or commercial establishment or (c) is a national of a country that belongs to the Madrid Union may apply for or own an international registration.

2.2.2 Precondition for an International Registration

Under the Madrid Agreement, the applicant must have been national registration in the home member country of origin for those goods or services the applicant wants covered by the international registration. On other words, national registration is the basis for an application for an international registration and the international registration in essence extends the protection of the “country of origin” registration to those Contracting Party countries specified in the international registration. This provision of Agreement is suitable for countries where trademark applications were not examined for prior third-party rights or where they were not examined at all. However, those jurisdictions the other countries that had more extensive examination systems concluded that they would be disadvantaged if they participated in such a system as it took relatively longer for their nationals to secure registrations in their country of origin. For this reason, the Madrid Protocol provides that an application for an international registration can be filed on the basis of either a registration or an application in Office of Origin even if the basic application in the Office of origin is still pending.

2.2.3 The Safeguard Clause

In the negotiations to develop the Madrid Protocol, several existing members of the Madrid Agreement who had been satisfactorily using the Madrid Agreement became eager to ensure that the changes being made to entice new member states did not require them to make changes to the Madrid Agreement system that had been working so well for them for almost 100 years.8

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8 Essentials of Madrid Protocol Practice, Nadine H. Jacobson,
For this reason, the safeguard clause provides that where, with regard to a given international application or international registration, the country of origin is party to both the Madrid Protocol and the Madrid Agreement, it is the provisions of the Agreement that remain applicable in the relations between States bound by both treaties. For example, if a trademark owner of Mongolia wishes to request an extension of protection his trademark to China (Mongolia and China are parties to both the Protocol and Agreement), the request for extension would be governed by the Madrid Agreement only. The trademark owner cannot opt for the Madrid Protocol.

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<tr>
<th>Office of Origin</th>
<th>Treaty Governing Designation</th>
<th>Designated Contracting Parties</th>
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<td>Agreement &amp; Protocol</td>
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<tr>
<td>International Application</td>
<td>Agreement</td>
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"... the provisions of this Protocol shall have no...

2.2.4 Refusal period

Under the Agreement, National Office has only 12 months to make a final decision of registration so it is common for provisional refusals to issue fairly quickly, thereby affording the trademark owner the opportunity to file a
response with the National Office in the hope that the refusal will be withdrawn.

Under the Protocol any country may make a declaration that the one-year time limit is extended to 18 months, or even beyond 18 months when the refusal may result from an opposition.

If the National Office does not notify its objections to WIPO within the proper time limits as whether it accepts or refuses the extension of protection requested, they in essence lose the right to do so. WIPO will not record any objections notified to it beyond the proper deadlines.

### 2.2.5 The consequences of Central attack

First five years following issuance of an international registration under the Madrid System, the registration is dependent upon the home-country application/registration. “For example, any limitation, final refusal or abandonment of a home application, or cancellation, limitation or invalidation of a home registration within that five year time period, has the same effect upon the international registration and all extensions of protection into Madrid Protocol countries. The same is true if the abandonment, cancellation or the like of the home application/registration occurs after the end of the five year period due to an action initiated during that period”.9

This concept of five year dependency is often referred to as central attack. After the five year period is complete, the international registration becomes independent from the basic home application or registration.

The effects of dependency or central attack can be mitigated by another concept called transformation. “Protocol permits the trademark owner within 3 months of the invalidation or cancellation of the home application or registration, to transform the extensions applications or registrations into new non-Protocol in those designated countries. These new non-Protocol applications also are

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9 *Essentials of Madrid Protocol Practice, Nadine H. Jacobson, Partner*
permitted to retain filing and priority dates of the invalidated and cancelled home application”¹⁰.

2.2.6 Fee structure for securing an International registration

“There are four kind to the fees charged by WIPO under the Madrid Protocol: a basic fee for the IR itself; a complementary fee for each Contracting Party state designated that has no individual fee; an individual fee for those "Protocol" Contracting Party states that require it (but the individual fee can not be higher than what the Contracting Party state charges to file a national application); and a supplementary fee for all classes beyond the first three classes”¹¹.

The basic filing fee for an international application under the Madrid Protocol for up to 3 international classes is 653 Swiss francs (if the mark is in color, 903 Swiss francs) and additional fees is 73 Swiss francs, unless the designated country establishes an individual fee, which may not be more than the fee for filing an application directly in that country. To date, many Protocol member countries have set individual fees.

2.2.7 Maintenance of International registration

a) Renewal

An international registration lasts for ten years and is renewable in ten year increments. The IR can be renewed for some or all of the classes specified and for some or all of the countries designated. The Madrid Protocol does not require proof of use to renew. However, the member countries may require this in order to maintain a registered extension of protection. Also, if the international registration expires or is cancelled, all corresponding extensions of protection likewise will expire. Thus, unintentional failure to renew an international registration may have extensive and dire consequences. WIPO will send a reminder to the owner six months before the renewal is due.

b) Assignment

¹⁰ Proposed rules issued for US. Implementation of Madrid Protocol, by Robert B. Burlingame
¹¹ Essentials of Madrid Protocol Practice, Nadine H. Jacobson, Partner
As for assignments, the provisions are set out in Article 9 of the Protocol and Rule 25 of the Common Regulations. An International Registration can be assigned for some or all of the classes specified and for some or all of the countries designated. The assignee or transferee must be entitled to file International applications. In the case of International Registrations designating protection in Contracting Parties (countries) that are members of the Agreement, a transferee whose Contracting Party is a member of the Protocol only cannot be assigned rights in countries where the rights are under the Agreement. This will not be a problem where the basic application or extension of protection is to be transferred to an assignee in a Contracting Party that is a member of both the Protocol and the Agreement. The assignee must meet the conditions for recordation of a transfer pertaining to an Agreement country, and the conditions of the establishment, domicile or nationality in an Agreement country.

c) Licensing

Rule 20bis of the Madrid Regulations provides for the possibility of recording licenses in the International Register in respect of designated contracting parties but does not impose any obligation to do so. In accordance with Rule 20bis(5), the office of a designated contracting party which is notified by the IB of the recording of a license in respect of that contracting party may declare that such recording has no effect in that contracting party. Although not explicitly stated, it would appear that the intention of Rule 20bis is that if no Rule 20bis(5) declaration is made by a contracting party, the recordal of a license in respect of that contracting party should be given the same legal effect, if any, as a recordal of a license under that contracting party's national legislation. Rule 20bis(6) allows for a contracting party to in effect enter a reservation to the application of Rule 20bis by notifying the IB that the recording of licenses in the international register has no effect in that contracting party.

2.3 Advantages and disadvantages of Madrid Protocol

Advantages:

Filing under the Madrid Protocol has several advantages.

1. Facilitate registration of trademark in international level:
It is the first clear advantage of Madrid Protocol. After filing an application in or obtaining a registration from an Office of Origin, the trademark owner is able to obtain an international trademark protection by centralized filing procedure such as; file a single application in one language and pay fees in one currency to one office.

2. Simplified procedure of renewal of registration

Similarly, the registration may be renewed every ten years in a single set of procedure. Because, applicants can file one application in a single language, translation expenses and other costs are reduced. Also applicant pay a single fee based on the number of countries they seek to cover by registration, lower than the fees to file separate applications.

3. Facilitate management of trademark after registration

Since an international registration is equivalent to a bundle of national registrations, the subsequent management maintenance filings including assignments, changing the owners, renewal of term, abandoning the application and registering licenses of that protection is made much easier and can be done by way of filing a single request at the International Bureau of WIPO. This unified filing and registration system provides an enormous cost savings to the owner of the trademark.

4. Simplified Post registration designation

Another advantage is that applicants may designate new countries at any time, subject to paying the applicable fee, without having to re-file the international application. As more countries join the Madrid Protocol, applicants can easily extend an issued international registration to the new countries for a relatively small fee.

5. Free online database

In addition, the Madrid Protocol database is accessible online and free other would be adopters of the same or similar mark should be deterred from doing so, potentially reducing the number of incidents of innocent trademark infringement.

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6. Quick examination period

Finally, applicant provides by reasonably quick (within 12 or 18 months) examination of the application for the national trademark offices and uses of international classification system.

Disadvantage:
There are the following disadvantages of the Madrid Protocol:

1. Dependence of home registration
All extensions of protection are dependent on the basic application(s) and/or registration(s) for a period of five years running from the date of the International Registration. Any refusal, withdrawal or cancellation of the basic application or basic registration within five years of the registration date of the International registration will lead to the refusal, withdrawal or cancellation of the international registration to the same extent. Transformation into national applications is available within three months of the date of cancellation of the International Registration; the new national applications bear the original filing and priority of the International Registration, but are subject to reexamination and application fees.

2. Restriction of amendments and assignment
Amendments to trademarks itself are not permitted in an international registration under the Madrid Protocol. Also the change in ownership in an international registration may relate to all, or some of the goods and services, this change in the ownership may be recorded only if the assignee is a person who is entitled to file an international application.

3. Limited membership
One disadvantage is that while member countries of the Madrid system have been increasing year by year, many countries of the South America particularly Asian countries haven’t yet accede it.

2.4 Current trademark registration of Japan under the Madrid Protocol
The Japanese trademark system has more than hundred years of history, protection through registration first started as the Trademark Ordinance, which

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14 Guide to the International registration of Marks
was promulgated and enforced in 1884, a year earlier than the patent system. This trademark ordinance has been renewed several times and the current trademark law has been adopted in 1959.

Since 1990, the major points of the amendments have been done to this law in order to improve the trademark system of Japan, to meet international trademark protection standard and to enlarge of business activities of Japanese companies in the world market.

Japan had adopted the unique classification system for goods after the Act of 1884. However, this would prove that it is obstacle when it came to prior trademark searches or international applications in overseas countries. For this reason, in Japan had signed the Nice Agreement concerning the International Classification of Goods and Services for the purpose of Registration of Marks in 1990 and thereby adopted the international classification method. Regarding the international classification, Japan introduced the Service Mark Registration System in 1992.

Before Japan accession to the Madrid Protocol, trademark owners of Japan had seeking to obtain foreign protection must file applications in each individual country in which protection is desired. This process is complex, time consuming and costly for several reasons. First, each application must comply with the filing procedures of each individual country, which includes using a local foreign agent and submitting the application in the local language. During the application process, and once registration is realized, keeping records of renewal dates and taking routine actions (such as change of ownership) can also be very burdensome. For the purpose to solve this expensive and unnecessary archaism Japan has been intend to access to Madrid Protocol since 1997.

“However, the Madrid Agreement provides an easier and less expensive procedure to secure foreign protection, Japan has not yet acceded it for the following reasons.”

15 Industrial property textbook “Trademark”  
a) The communication language was restricted only French,
b) 12-month deadline to issue a notification of refusal, considered too short,
c) Low designation fee “
d) Fact that, under the Agreement, the international application must be based on a registration with the home Office

Protocol is modified and ameliorated system of the Madrid Agreement and many countries started to take party of the Madrid Protocol in result of solving encountered problems and difficulties of international trademark registration system. Japan has become bound by the Madrid Protocol concerning the International Registration of Marks since March 2000. Before accession Madrid Protocol, systematic revisions were made in trademark law in 1999. This revision includes various provisions for implementing the process of filing an international trademark application through the JPO. All provisions reflect the Madrid Protocol's requirements for a granting procedure processed by the Office of a Contracting Country.

In addition the Protocol also requires a defined period of no more than 18 months within which a potential refusal period must be raised or diminished by the offices of the designated member countries. “Japan has taken following steps to reduce the examination period less than 18 months.

- Use of outsourcing, increase in the number of examiners, employment of staff to conduct examination research, and development of a computer system
- Use regulations concerning international registration applications (regulations for submitting documents for applying to the international bureau for international registration from Japan)
- Use special exceptions concerning applications for international trademark registration (regulations for seeking protection of international registration where the contracting party other than Japan designates Japan)
- Use special exceptions relating to such matters as applications for trademark registration (regulations for central attacks)\(^1\)

\(^1\) Based on the interview questions reply from JPO officials
As 2007, first action period of examination has reduced up to 7 months\(^\text{18}\). Since 2000, JPO has started to publish the publication of unexamined trademark application, publication of International trademark application and the Publication of Registered International trademark. Moreover, Japan has declared following declarations to IB of WIPO and member countries of Madrid Protocol:

(a) Notifying refusal after 18-month.

(b) Collecting an individual fee in connection with each international designation, and with the renewal of any such international registration, payable in two parts\(^\text{19}\).

(c) While the recording of licenses is provided for in the domestic law, the recording of licenses in the International Register has no effect.

In compliance with Protocol implementation, JPO has established the International Trademark Application Division and the Examination Division specifically to handle Protocol applications and has improved computer system related to Protocol. “It adopted new office procedures and computer system to provide technical support to Protocol users and examiners\(^\text{20}\).” As 2007, 17 trademark examiners examine International applications under the Madrid Protocol.

**Trademark applications under the Madrid Protocol**

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<th>2002</th>
<th>2003</th>
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<th>2005</th>
<th>2006</th>
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<td>402</td>
<td>734</td>
<td>839</td>
<td>875</td>
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</table>

2.5 Current trademark registration of Mongolia under the Madrid Agreement and Protocol

\(^\text{18}\) From interview with JPO officials

\(^\text{19}\) Instrument of accession of Japan to the Madrid Protocol, found at www.wipo.int

The protection of trademarks in Mongolia has started since 1967 when the first national legal act regulating relations arising from the use of trademarks, namely Statute on Protection on trademarks produced.

When Mongolia accessed to the Paris Convention and Madrid Agreement in 1985, provisions of the old Statute were revised and amended to make them more consistent with the provisions of the Paris Convention.

Since 1967 till 1985 when Mongolia joined the Madrid Agreement the total number of trademark applications received was 549 of which majority were trademarks filed by non-residents.

After the accession of Mongolia to the Madrid Agreement, the number of trademark applications filed in Mongolia via international route has increased.

In connection to accession of Mongolia to the Madrid Agreement, we have established two separate trademark registers which are still currently kept separately:

- National Register which consists of:
  - Domestic trademarks filed by residents, and
  - Foreign trademarks filed by non-residents

- International Register which consists of international trademarks filed according to the Madrid Agreement and Madrid Protocol.

Next development in the field of trademark legislation happened in 1997 when a Law on Trademarks and Trade name was adopted.

Mongolia acceded to the Protocol in 2001, in order to promote the import and export regime and to make it more affordable for industries and companies, particularly for small and medium size companies, to obtain protection abroad and to penetrate foreign markets.

Madrid Protocol has offered more benefit than Madrid Agreement for Mongolian trademark owners by making a facility for the registration of marks in foreign markets. The major foreign trade partner countries of Mongolia have joined only the Madrid Protocol.

Madrid Agreement implemented in Mongolia for a number of years and practical experience already gained it was few difficulties to cope with any problems that may arise after accession to Madrid Protocol. In compliance with
accession of Madrid Protocol, training programmes were organized for trademark professionals arranged by WIPO.

Present "Trademark and Geographical Indication Law" was adopted on May 2nd, 2003, and implemented from August 21st, 2003,

As for Mongolia, there was no provisions about international trademark registration in the Trademark and trade name law, before 2003. Several of provisions on international register of trademark have been added to Chapter 5 of Trademark and Geographical Indication law, which is the renewed in 2003. It has been specified by those provisions that international trademark registration can be applied as the same effect as the related provisions of national trademark. Since the accession to the Madrid Protocol, number of international application for register to Mongolia has been increased.

Due to differences between Madrid Agreement and Madrid Protocol IPOM adjusted its working procedure, working languages, personnel, official forms, etc.,

As August, 2007, IP office of Mongolia has received 25697 applications under Madrid agreement and 1649 applications under Madrid Protocol\(^{21}\) and examined in accordance with the related laws.

National 7 trademarks have been registered by Madrid Agreement and Madrid Protocol in abroad. Currently 2 trademark examiners specially examine Madrid agreement and Madrid protocol applications.

In 2006, IPOM in total accepted 2322 applications for goods and services marks registration. Among them, 324 were domestic applications, 1998 were foreign applications, (1724 of them were Madrid applications for registration). In terms of the classes (as defined in the International Classification of Goods and Services for the Purpose of the Registration of Marks), class 5, 9, 25, 30, 32, 35 were among the top ones, with larger numbers of applications. The first 8 countries or regions with most foreign trademark applications which are designated to Mongolia by the Madrid system were the Germany, Italy, France, Switzerland, China, Russia, USA and Japan. The total number of trademark applications of those eight countries or regions constitutes 80% of

\(^{21}\text{Searched on WIPO ROMARIN Database}\)
total foreign trademark applications. For the purpose of trademark registration, Mongolia uses the International Classification of Goods and Services as prescribed by the Nice Agreement to classify trademark registrations. There are a total of 34 classes of goods and 11 classes of services. The Nice Agreement is an international agreement on classification of goods and services to which Mongolia is a party. Also IPOM uses Vienna classification system for the registration of the figurative trademarks.

In Mongolia, a trademark right can only be acquired through registration after the examination by trademark examiners. International trademark registration is governed by Trademark and Geographical indication law of Mongolia and Madrid Agreement and Madrid protocol. There are two possibilities to obtain legal protection for trademarks in Mongolia:

1) by registering a trademark in the State Register of Trademarks and Service Marks by filing an application with Intellectual Property Office of Mongolia;

2) by registering a trademark using Madrid system with the International Bureau of the World Intellectual Property Organization (WIPO) requesting legal protection in Mongolia.

International applications designating Mongolia under the Madrid System are treated in the same manner as Mongolian national applications.

Examination period trademark application of IP Office of Mongolia whether the sign could be considered as a trademark and whether it is eligible for registration within 12 months. If necessary, this period may be extended for up to 6 months. Mongolia hasn’t declared any declaration related to extent refusal period under the Article 5 (2) of Protocol, notify refusal after eighteen months under the Article 5 (2) of Protocol and declare to collect individual fee under the Article 8 (7) of Protocol

**Trademark registration of Mongolia under the Madrid Protocol**

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</table>
CHAPTER 3
COMPARISON OF LEGAL SYSTEM OF GOVERNING INTERNATIONAL TRADEMARK REGISTRATION BETWEEN JAPAN AND MONGOLIA

Madrid System is a procedural arrangement; it does not determine the conditions for protection, the refusal procedure to be applied when deciding whether a mark may be protected or the rights which result from protection. Such issues are governed by the national law and regulation of each Contracting Party designated in an international registration\(^\text{22}\).

3.1 Law and regulations governing international trademark registration in Japan

National law and regulation related to international trademark protection in Japan

Trademark law

“Purpose of this law shall be to ensure the maintenance of the business reputation of persons using trademarks by protecting trademarks, and thereby to contribute to the development of industry and to protect the interests of consumers”\(^\text{23}\). Under the law, a person with a trademark granted by a trademark right under an administrative disposal made by the Patent Office can prevent the illegal use of the interests the trademark law and maintain the reputation of the business.

Japanese Trademark law is characterized by:

i) First-to-File Rule

ii) Substantial Examination (exam on registrability)

iii) Publication before and after Registration

“Trademark law of Japan, which is based on the “registration principle” of trademark law, does not grant an exclusive right to a trademark application

\(^{22}\) Madrid system, Found at www.wipo.int

\(^{23}\) Section 1, Japanese trademark law
Japanese trademark law related with some provision of Patent law of Japan and provision concerning to right to obtain a patent particularly transfer of rights, priority claim under Paris convention applied mutatis mutandis to a trademark application. In other words, some of the rights associated with the patent rights are applicable and similar to a trademark rights in some respects.

Unfair Competition Prevention law

The Unfair competition law sets forth its purpose as to provide for measures to prevent unfair competition, and provides compensation for damage resulting from unfair competition in order to ensure fair business competition and adequate implementation of related international agreements and thereby to contribute to the healthy development of the national economy.

Regulations under the trademark law

Sets forth form of application for registration of a trademark, form of request for renewal registration of the term of the trademark.

Trademark Registration Order

Set forth Matters to be Registered Concerning Trademarks, Procedures for Registration,

Order on Fees relating to the Patent Law

States the specific amount of fees, such as Application fee, Trial Demand Fee,

Trademark Registration Order Enforcement regulations

Sets forth method for registration of establishment of trademark right, form of request, etc

Ministerial Ordinance

Provides fees payment matters related to IP including trademarks

Trademark Law Enforcement

Provides classification of goods and services, qualification of examiners and trial examiners, etc.

International conventions and treaties related to trademark protection

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24 Overview of Japanese Trademark Law. 2nd ed Dr. Shoem Ono, Attorney at Law
Former Japan Trademark Association Chairman
Found at www.iip.or.jp/e/translation/ono/index.html
**which Japan is party**

Paris Convention on the Protection of Industrial Property, 1899  
Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, 1990  
TRIPS Agreement, 1995  
Trademark law treaty, 1997  
Madrid Protocol Concerning the International Registration of Marks, 2000

**3.2 Amendments of Japanese trademark law and regulation after accession to the Madrid Protocol**

The 1999 Trademark Revision introduced a great change to the Japanese trademark system. Main reason of this revision resulted from a preparation of Japan for accession to the Madrid Protocol. Previously, the JPO has been very reluctant to join the Madrid Protocol because of the expectation that major legislative changes would be necessary. The JPO was particularly concerned about the difficulty of completing trademark examinations within 18 months. However, the need of domestic industry to reduce international trademark prosecution costs finally moved the JPO to make changes. Since 1997, the Japanese trademark system has gone through a series of revisions to move closer to the Madrid Protocol's model of less administration and quicker protection. The 1999 Revision finally made the Japanese trademark system ready for full compliance. The revision provides special provisions (Chapter VIII bis) for the adjustment of applying the Japanese Trademark Law regarding an application for an international trademark registration (Section 68decies) as an application for a trademark registration under the Japanese Trademark Law, the necessary procedures due to the characteristic system under the Protocol and the exception of procedures which cannot apply due to the restriction of control by the International Register such as

- International trademark application filing requirements and procedure through the Japan Patent Office
- Responsibility of the Commissioner of the Japan Patent Office
• Procedure subsequent to the international registration
• Special provisions at the time of filing an application for an international trademark registration
• Re-filing of application for trademark right relating to an international registration in case of cancellation
• Payment of individual fee

In order to implement characteristic system of the Madrid Protocol, following specific provisions came into force with the amendment to the trademark law
- An international filing is cancelled under the article 6(4) of the Protocol; holder may file a national application in Japan within three months from cancellation of the international registration (Section 68duotricies, JTL).
- Pursuant to Protocol Article 15 (Denunciation), the registered holder of the international registration becomes no longer entitled as a person eligible to file the international application; the person who was the registered holder of the said international registration may file an application for trademark registration in connection with the goods or services listed in the said international registration. Also, trademark law was amended provision related to individual fee in compliance with Japan has elected to receive an “individual” fee for each designation made, instead of receiving the complementary fee under the Madrid protocol.

Since the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks which was came into effect in Japan, the formality examination handbook was revised including the introduction of a paperless system in trademark application filing procedures from January 01, 2000, due to implement the Protocol.

**Trademark examination guidelines**

Purpose of trademark examination guidelines is to allow the examiner to make an independent and factual judgment on the registrability of a trademark and to provide standardization in examination of trademark application.

Examination Guidelines for Trademarks was adopted by Japan Patent Office in
1921 with the former Trademark Law was enforced, as internal standards without any legal binding power.

**Trademark examination manual**

The Trademark Examination Manual was created in March 1981. Trademark examination manual is supplement document to trademark examination guidelines especially purposed to ensure the smooth administration of the trademark system and to follow a certain standard in a fair and expeditious manner for the examination.

So far, the Manual has been revised in 1988, 1993, 1996, 1997..

According to Japan accession to Madrid Protocol, In 1999, the Trademark Examination Manual was also revised mainly in relation to the revision of the Formality Examination Handbook, addition and deletion of items aimed at gaining compliance with the provisions amended in line with the Law Partially Amending the Patent Law, amendments of related cabinet/ministerial ordinances and amendment for updating the name

In general, these revisions all redound mainly to the benefit of trademark owners because they aim to secure a quick and strong protection. The traditional balance under Japanese industrial property policy has shifted significantly away from the interest of competitors and the public to the interests of IP owners. This shift reflects both the change in view of Japanese industry, and the trend widely adopted among Japan's important trade partners, namely the United States and Europe.

Under the revised Trademark Law, the solution adopted by the JPO was a combination of an early-publication system. The official gazettes had newly published after the year 2000: a) The Publication of Unexamined Trademark Application, b) The Publication of International Trademark Application, and Registered International Trademark.

**a) Publication of Unexamined Trademark Application**

This publication of an unexamined application is closely related to the fact that Japan is a member of the Madrid Protocol. This gazette will not hold any
legal effect, but serve as an important resource of public information. In order to enforce the Madrid Protocol, it became necessary to revise the Trademark Law and so, in 1999, the system of publishing unexamined applications was newly established as part of the amendments related to the accelerated protection of trademarks (Amendment Law, Section 4). Application for international trademark registration in Japan through the Madrid Protocol was also expected to provide a translated version alongside the original and the application would be published in the Trademark Gazette. The legal effect was that the right to demand payment prior to establishment of trademark registration was adopted. This meant that if the applicant gave warning by providing documentation detailing the content of the application to the person who used the trademark prior to its registration for which application was being filed, the applicant could demand payment of an amount reflecting the loss of profit arising from the person's use of the trademark for business (however the right to demand payment will only come into effect after registration). This amendment has proved more than adequate to comply with the provision of Article 4 of the Madrid Protocol.25

b) Publication of International Trademark Application and Publication of Registered International Trademark

The Publication of International Trademark Application will be published with the view to quickly and widely providing information as is the case with national applications about the international registrations designating Japan under the Madrid Protocol. As regards the international applications that are registered in Japan, JPO publishes the Publication of Registered International Trademark and make open such registration information.

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25 Overview of Japanese Trademark Law. 2nd ed, Dr. Shoen Ono, Attorney at Law
Former Japan Trademark Association Chairman

29
3.3 National law and regulation related to trademark protection in Mongolia

Trademark and Geographical indication law

The purpose of this law shall be to ensure the legal guarantees for trademarks and service marks (hereinafter referred to as trademarks) and geographical indications, to protect the rights and legitimate interests of their owners and users, and to govern relations arising in connection with the ownership, use and disposal of trademarks and the use of geographical indications.

Mongolian Trademark and Geographical Indication law is characterized by:

i) First-to-File Rule

ii) Substantial Examination (exam on registrability)

iii) Publication after Registration

Regulations for the Implementation of the Trademark and Geographical indication Law

This regulation shall be applicable to implement law of Mongolia on Trademark and Geographical indication, to formality check and examine trademark, geographical indication, collective trademark and certification trademark applications, to register them and to issue certificate.

This regulation is also applicable to examine an application designated under the Madrid Agreement and Madrid Protocol.

Law of Mongolia on Stamp Duties

Set out prescribed fee for the issue of certificates, renewal of the period of validity of the registration and the recordation of the license agreement.

National law and regulation related to trademark enforcement in Mongolia

Civil code of Mongolia

In Civil code, it determine following Illegal use of trademarks and names of business entities

168.1. Causing of damage in a large amount to others by forgery of a trademark, use of a trademark or the name of a foreign or domestic business entity that engages in manufacture of a similar product shall be punishable by a fine equal to 100 to 250 amounts of minimum salary, 100 to 200 hours of forced
labor, incarceration for a term of more than 3 to 6 months or imprisonment for a
term of up to 2 years

**Law on prohibition of unfair competition**
The purpose of this law is to regulate relations regarding the creation of
conditions for fair competition in the market for entities conducting business
activities, the identification and implementation of a legal and organizational
basis for the prohibition, restriction and prevention of any activities impeding
competition

**Rules of Intellectual Property enforcement activities**
The purpose of this Rule shall be to control implementation of the
Intellectual Property legislation by citizens, domestic and foreign entities and all
types of organizations unless otherwise provided in International Treaties to
which Mongolia is part of.

**International conventions and treaties related to trademark protection which Mongolia is party**
- Paris Convention on the Protection of Industrial Property, 1985
- Madrid Agreement Concerning the International Registration of Marks, 1985
- TRIPs Agreement, 1997
- Madrid Protocol, Concerning the International Registration of Marks, 2001
- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, 2001
- Nairobi Treaty on the Protection of the Olympic Symbol, 2002

**3.4 Amendments of Mongolian trademark law and regulation after accession to the Madrid Protocol**
The distinguishable change of trademark and geographical indication law,
which was approved newly in 2003 in order to meet requirements of Madrid
Protocol and TRIPS Agreement in compliance with accession to this protocol
and changes of agreement and to improve trademark registration system, from
the previous one is new provisions on general definition of agreement and
protocols and on international trademark registration.
Also it has been specified by those provisions that the international registration of a trademark designating Mongolia shall have the same effect as if directly applied for, examined and registered in Mongolia: however, the filing shall be accorded as of the date of the international registration or of the date of the request for territorial extension of the registration.

If an international treaty to which Mongolia is party provides rules different from those laid down in Trademark and Geographical Indication law of Mongolia, the provisions of the international treaty shall be applicable.

The international trademark application designating Mongolia shall be compiled in compliance with the requirements of the Madrid Agreement and the Madrid Protocol.

Moreover, the law was provided by provision that the request for renewal of the international trademark registration, transfer of the trademark owner’s rights, renouncement or territorial extension shall be submitted to the International Bureau through the Intellectual Property Office of Mongolia.

International trademark registration fees shall be paid by the applicant to the International Bureau in compliance with the Common Regulations of the Madrid Agreement and the Madrid Protocol.

The other main change related to international trademark protection under the Madrid Protocol that came into force by Trademark law is extension of examination period. As defined by the law, Intellectual Property Office shall, based on the findings of the examination, decide whether to register a trademark within 12 months from the filing date of the application; if necessary, this period may be extended for up to 6 months.

Currently, Mongolia hasn’t declared any declaration related to extent refusal period under the Article 5 (2) of Protocol, notify refusal after eighteen months under the Article 5 (2) of Protocol and to collect individual fee under the Article 8 (7) of Protocol.

In addition to the Mongolian Trademark and Geographical indication law also provides the protection of well-known trademarks. Any person who is, or is likely to be, injured by acts of unfair competition such as acts causing confusion with another person's goods or business facilities by using an indication identical
with or similar to another person's name including well-known trademarks, may bring a civil action before the court seeking an injunctive relief, monetary damage and/or restoration of injured business reputation or goodwill. Trademark and Geographical indication law also set forth provisions of administrative liability for an infringement of IP rights.

In connection with the new adoption, regulation to implement Law of Trademarks and Geographical Indications also was adopted newly in 2004.

We are examining on the bases of the Law and Regulation on Trademark and International Treaties and Agreements relating to IP.

The regulation is consisting of a few Articles as following:

- General provisions
- Filing of trademark Application
- Examination of trademark applications
- Registration of trademarks issue of certificate
- Registration of Geographical indications issue of certificate
- License Agreement
- Consideration of Appeals and disputes
- Cancellation of Registration
CHAPTER 4
COMPARATIVE REVIEW OF JAPANESE AND MONGOLIAN TRADEMARK LAW, REGULATION AND PRACTICE

4.1 First to file rule
Upon registration at the Japan patent office, an exclusive right to a trademark is established. The granted trademark right is effective throughout Japan, and its owner can use it exclusively with respect to the designated goods and services, without exclusion by any other party. The Japanese trademark system is a first to file rule system. Japanese trademark law provides following specific provision on first to file rule.

In the section 8 of Japanese Trademark Law, the earliest applicant may obtain the trademark registration in case where two or more trademark applications relating to identical or similar trademarks used on the identical or similar are made on different dates. Other person’s prior use can’t prevent from the proper registration of the earliest applicant. If two or more trademark applications relating to identical or similar trademarks used on the identical or similar are made on same date, only one applicant may obtain a trademark registration after mutual consultation among the all applicant.

Although IPOM follow first to file system, there is no definite provision in the trademark and Geographical indication law of Mongolia on this principle. However, the following a few provisions may belong to it:

trademark shall not be registered

- If it is identical with a trademark registered or applied for registration in Mongolia in respect of identical goods or services.
- If trademark is identical with, or similar to, a trademark registered or applied for registration in Mongolia in respect of similar goods or services where its use would result in a likelihood of confusion on the part of consumers.

4.2 Priority claimed
Under the Madrid system holder of the international registration may claim priority under Article 4 of the Paris Convention for the Protection of Industrial
Property if: (1) The request for an extension of protection contains a claim of priority; and (2) the international registration date or the date of recordal of the subsequent designation at the International Bureau requesting an extension of protection to the member countries is no later than six months after the filing date of the application that formed the basis of the claim of priority. For claiming priority, owner of trademark no need separate application and no copy of earlier filing.

In compliance with this, in the section 68 quindecies of Japanese trademark laws have provided the provisions on priority claim in international trademark application that provision for proceeding of a priority claim under the Paris Convention in the Trademark law does not apply to the application for an international trademark registration. Applicants shall only submit documents stating the name of the country of first application and date of application within 30 days from date of the international application of trademark registration.

In this case, when Mongolian trademark owner wishes to claim priority under the Madrid, must comply the requirements concerning the international application of the Madrid agreement and Madrid Protocol and IP office of Mongolia should declare claiming of priority of earlier filing.

An international application filed by an owner of registration can benefit from the Paris Convention priority date of the basic application. However, the international application must be transmitted from the National Offices to WIPO within two months of its receipt in the Office of Origin. Otherwise, the original date (including the priority) will be lost, and the effective date will be the date of receipt at International Bureau.

4.3 International trademark Application Filing Requirements
Under Japanese trademark law (JTL), a Japanese national or a foreigner who is domiciled or is a resident (or, in the case of a legal entity, established in Japan) of Japan, who files an application for a trademark registration or a defensive mark registration with the Patent Office or has a registered trademark or a registered defensive mark in Japan, may file an international application through an intermediary of the Japan Patent Office. (Section 68bis)

Under Mongolian trademark and Geographical indication law (MTGIL),
any Mongolian natural or legal person or any person with permanent residence or who is engaged in the manufacturing of goods or the provision of services in Mongolia who has applied for or registered the trademark in compliance with the procedure laid down in this Law, wishing to apply for the international registration, shall file the international trademark application to the International Bureau of the World Intellectual Property Organization through the Intellectual Property Office.

Difference of these provisions, in JTL, it indicates a Japanese national or a foreigner may files an application for a defensive mark registration with the Patent Office or has a registered defensive mark in Japan. Defensive mark means that if a person uses another person’s registered trademark for goods or services that are not similar to those designated, confusion does generally not become a problem. However the use of famous trademark by another person for goods or services not similar to designated goods or services may cause confusion. In this case, defensive mark has protected in order to protect a registered trademark as far as the trademark is identical, whereby another person’s use is prohibited.

Special provisions provide for the adjustment of applying the Japanese Trademark Law regarding an application for an international trademark registration (Section 68decies) as a application for a trademark registration under the Japanese Trademark Law, the necessary procedures due to the characteristic system under the Protocol and the exception of procedures which cannot apply due to the restriction of control by the International Register.

One of the prescribed provisions related to basic trademark application or registration of JTL is the procedure of filing an international application and a request for the later designation of a designated Party subsequent to the international registration on the basis of an application for a trademark registration or a trademark registration.

MTGIL does not provide special provision related to on basis of basic application or registration. In this case trademark owner and applicant have to follow the requirements of Madrid Agreement and Madrid Protocol. Mongolian applicant may apply an international application based on application or registration of trademarks under the Protocol. Under the Madrid Agreement,
the applicant must to file an international application basis on the national registration.

Several special provisions provide in JTL related to international trademark application filing are requirements of request for subsequent designation, request for the renewal of an international registration, request for recording a change in the ownership of international registration, dismissal of an international application.

**4.4 International application**

Under JTL, following particular provision related to filing requirement: a request for the international application shall be submitted prescribed form M2 under the Protocol and shall be written in English, and the names of the Contracting States for which the protection of the trademark relating to the international application is sought, the designated goods or services and the class or classes of the classification shall be indicated in the request. If the applicant claims color as a distinctive feature of his mark, shall indicate in the request a statement of that effect and description of the color or the combination of colors affixed and also shall append to the request copies in color of the trademark or marks or of registered trademarks or registered defensive marks relating to the application for trademark registration.

Mongolian trademark owner and applicant who is desiring to file an international application shall submit the form MM1, MM2, MM3 prescribed by the registration and the form shall be in English for Madrid Protocol application and application for both of Madrid Agreement and Madrid Protocol or in French for Madrid Agreement application and shall be comply in compliance with the requirements of the Madrid Agreement and the Madrid Protocol. Applicant must indicate Contracting states and goods and services in respect of which protection is claimed and also corresponding class or classes according to the classification established by the Nice agreement. Applicant is not able to designate his/her own country as the Contracting States under the article 3^bis^ of the Protocol.
**Filing date of international trademark application**

Both countries Trademark laws are provide the provisions regarding to filing date that international trademark application for territorial extension and later designation shall be considered to be an application for a trademark registration having been filed on the date of the international registration and date of the later designation on which the later designation is recorded in the International Register of the International Bureau (Article 3(4) and Article 3ter (2) of the Protocol).

Moreover, it has been specified, in JTL, following matters in the international application.

- The name and domicile of the holder of the international registration shall be the name and domicile or residence of the applicant for a trademark registration
- The trademark registered in the International Register shall be “The trademark for which the registration is sought”
- The goods or services listed in the international registration and the classification class of the goods or services” shall be “The designated goods or services and the classification class of the goods or services

JTL is also provides special provisions that division and conversion of application specified in Trademark Law shall not apply to an international application for trademark registration.

**Other documents required for an application for international registration**

1. Documents to the JPO with actual expense-worth fee (patent revenue stamp) attached.
2. “Declaration of intention to use the mark (MM18)” when the U.S.A. is included in the designated Contracting Party. Both countries applicant may use.
3. “Claim of seniority (MM17)” when the EC is included in the designated Contracting Party and you wish to place the claim of seniority (priority) with a previously registered trademark in the EC.
4.5 Application Filing Procedure originating from Japan and Mongolia

(Chart 1)

Application Filing Procedure originating from two countries has same following procedures under Madrid System requirement. After receiving of application documents, Office of Origin will check following items for certifying

• applicant named in international application is the same as the applicant named in the basic application or the holder named in basic registration

• the mark that is the subject matter of the international application is the same as in the basic application or the basic registration

• if color is claimed as a distinctive feature of the mark in the basic application or the basic registration, the same claim is included in the international application or that, if color is claimed as a distinctive feature of the mark in the international application without having being claimed in the basic application or basic registration, the mark in the basic application or basic registration is in fact in the color or combination of colors claimed

• the goods and services indicated in the international application are covered by the list of goods and services appearing in the basic application or basic registration

• any indication referred in the international application appears also in the basic application or the basic registration

1. After formality check, if there are any irregularities remedied by applicant, Office of Origin requires the applicant in writing to correct it. If there are no irregularities Office of Origin requires paying prescribed fees. As application documents for international registration are (1) filed in the

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26 5(d) (ii) of Rule 9, Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement

27 5(d) (iv) of Rule 9, Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement

28 5(d) (v) of Rule 9, Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement

29 5(d) (vi) of Rule 9, Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement
Home Country, (2) forwarded to the International Bureau and (3) further forwarded to each of the designated countries, manual operation is required at each stage of (1), (2) and (3), accruing costs. With respect to the operation relating to (1), the Protocol allows each contracting state to discretionarily charge fees. Accordingly, the applicant may be required to pay fees to the Office of Origin when filing documents. If the Office of Origin charges such fees. In Japan, such fees are charged. In Mongolia, currently IPOM is not charged above fee.

2. If the applicant remedied the irregularities and an international application are deemed appropriate, Office of Origin certifies and signs the international application and forwards to the International Bureau. The date on which Office of Origin received international application will be the date of international registration on condition that International Bureau receives the documents within 2 months after the date of receipt by IP Office. If the International Bureau does not receive them within two months after the date of receipt by the Office of Origin, the date of receipt by the International Bureau will be date of international registration. “In Japan, 60% or so of applications which, after formality checks and checks of the identity of trademarks, are found not to have any deficiencies in the application documents are sent to WIPO the week after they are accepted by the JPO. Moreover, the remaining 40% or so are also sent within the period.”

3. Upon receipt of application documents from the Office of Origin of a Contracting State, International Bureau checks;
   - Whether the documents contain all necessary information and meet formality
   - Whether documents properly indicate international; classes in light of designated goods and services; and
   - Whether necessary fee have properly been paid.

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30 Introduction of Madrid Protocol, Sukenori NOJO
31 Interview with JPO examiners
32 Introduction of Madrid Protocol, Sukenori NOJO
4. If document does not meet any of above requirement, International Bureau notifies to remedy the irregularities to the Office of origin and the applicant. “If no irregularities are found with respect international application, the International Bureau will
- register the mark in International register
- publish trademark in international publication
- give notice to Office of Origin of international registration
- provide the applicant with registration certificate and receipt
- notify the Trademark Office of designated states of registration”

4.6 Subsequent Designation
Subsequent designation is a system that allows an applicant to make a territorial extension subsequently or to add a new designated good or service after an international application has been registered.

A designated good or service to be added shall be substantially identical with or in the scope of those registered in the International Register.

As for August, 2007, Japanese applicants have applied 300 applications for subsequent designations under Madrid protocol and JPO has received 6200 applications for subsequent designations as a designated office.

In Japan, trademark law and Regulation under the Trademark Law Article 24 stipulated below specified regulation related to subsequent designation,

1. Date of subsequent designation
   a. Date of receipt by the Japan Patent Office
   The subsequent designation shall bear the date on which the subsequent designation was received in the Japan Patent Office, provided that the subsequent designation has been received by the International Bureau within a period of two months from that date. [Regulation under the Trademark Law Article 24 (6)]

   b. Date of receipt by the International Bureau
   The subsequent designation shall bear the date on which the subsequent designation was received by the International Bureau, provided that the

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33 Introduction of Madrid Protocol, Sukenori NOJO
34 Searched on WIPO’s ROMARIN database
subsequent designation was directly submitted to the International Bureau from the holder of the mark or subsequent designation has been received by the International Bureau later than two months from the date on which the subsequent designation was received in the Japan Patent Office ([Regulation under the Trademark Law Article 24 (6)])

2. Effect of the subsequent designation and

Provided that the subsequent designation submitted after the international registration complies with the requirements, the International Bureau lists it in the International Register followed by notification to the Contracting Parties designated by the subsequent designation and the holder of the trademark as well. At the same time, the International Bureau notifies it to the Japan Patent Office when the subsequent designation concerned has been submitted from the Japan Patent Office. [Regulation under the Trademark Law Article 24 (7)]

3. Period of validity of subsequent designation

The starting date of reckoning the period of validity of subsequent designation with added states and added goods (and services) is the date of initial application for international registration (10 years from the date) not from the date of subsequent designation.

In Mongolia, if applicants submit application for subsequent designation after the international registration shall comply with the requirements under Madrid agreement and Madrid Protocol. No specific provision provides in national jurisdiction. As for August, 2007, Mongolian applicants haven’t applied applications for subsequent designations under Madrid System and IPOM has received 2400 applications for subsequent designations as a designated office.\(^{35}\)

\(^{35}\) Searched on WIPO’s ROMARIN database
Filing of International Formality check by Office of Origin (OO)

Office of Origin notifies applicant of irregularities

Applicant remedies irregularities

International Application is in order

Send International Application to IB and notifies applicant

IB raises irregularities and notifies Office of Origin and applicant

Office of Origin remedies

Office of Origin contacts applicant

Applicant remedies irregularities through Office of Origin

International Registration

International application is in order
4.7 Comparative Examination process of trademark application designating to Japan and Mongolia under Madrid System (Chart 2)

The Madrid Protocol can help ease the workload of the trademark office in relation to the procedural requirements of the applications for the registration of marks, and the issuance of certificates of registration to entitled trademark applicants. It does not carry out substantive examination, refusal procedure to be applied and the right which result from protection. Substantive examination is governed by the national law and regulation of each Contracting Party designated in an international registration. Two countries trademark examination procedure under Madrid system is same effect as national trademark examination procedure.
### 4.7.1 Examination process

<table>
<thead>
<tr>
<th>Publication before registration</th>
<th>JAPAN</th>
<th>MONGOLIA</th>
<th>DIFFERENCES</th>
</tr>
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<tbody>
<tr>
<td>In Japan, after receiving International trademark application designating Japan shall publish in Publication of UnexaminedTrademark Application in order to protect the trademarks during the period from application for trademark registration to the establishment of trademarks (early protection of trademarks Section 13bis.) The Publication of International Trademark Application uses the international registration number as the publication number, and no new specific number will be issued. The Publication of International Trademark Application basically uses English; however, use the language used in the International Register for the name and the domicile or residence of an applicant and attach a Japanese translation for designated goods (and/or designated services) by the JPO.</td>
<td>No publication</td>
<td>First difference is JPO publish promptly after reception of notification from the International Bureau because an international application for trademark registration shall also be subject to the system of laying open of unexamined applications. The publication above is issued from the Japan Patent Office separately from the International Bureau. In Mongolia, there is no publication.</td>
<td></td>
</tr>
</tbody>
</table>

| Formality check | Under the Madrid Agreement and the Protocol, the formality examination such as classification and checking of the classification of the lists of goods and services, and assignment of a filing date is left to the IB of WIPO. |

| Substantive examination | An examination will be made of whether the application fulfills the substantive requirements. The following trademarks will be refused as they are deemed not to meet the substantive requirements.  
- Trademarks which do not enable consumers to differentiate the applicant's goods or services from those belonging to other parties  
- Trademarks which are unregistrable for | The Intellectual Property Office shall examine whether the sign could be considered as a trademark and whether it is eligible for registration. Trademark examiner shall, based on the findings of the examination, decide whether to register a trademark within 12 months from the filing date of the application; if necessary, this period may be extended for up | Both countries adopt a principle of trademark examination. Generally, IPOM’s first action period for examination of International trademark application is 3 months.  
As 2006, first action period |
<table>
<thead>
<tr>
<th><strong>Reasons of public interest or for the protection of private interests</strong></th>
<th>to 6 months. Generally first action period for examination of international trademark application is 3 months.</th>
<th>of trademark examination of JPO has reduced up to 7 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where no reasons for refusal are found in connection with an application for trademark registration within 18 months from the date of notification of the territorial extension, the examiner shall render a decision to the effect that the trademark is to be registered</td>
<td>Where a trademark does not meet the requirements provided for in MTGIL, the examiner shall accordingly send notification of provisional refusal in English for Madrid Protocol application, in French for Madrid Agreement application.</td>
<td>In both countries trademark application examined for absolute and relative ground for refusal. Mongolia is member both Madrid agreement and protocol and notification of provisional refusal must be sent in English for Madrid Protocol application, in French for Madrid Agreement application.</td>
</tr>
</tbody>
</table>

| **Decision of refusal** | Where any reasons for refusal are found within the period above, the Japan Patent Office shall send a "notification of provisional refusal" (equivalent to notification of reasons for refusal, for which the time limit for responding to an office action is three months) to the International Bureau, which shall send forward the said notification to the applicant. The language used for all communication including notification of refusal between the International Bureau and the Japan Patent Office is English. | Under MTGIL, the following shall not constitute a trademark such as generally known terms, shapes, signs, letters or numerals, generic names of the goods or services, words or figures indicating the quantity, size, weight, quality, purpose, price, or place, time or method of manufacturing, ordinary shapes of goods or their packaging, geographical map or a location shown on the geographical map. If trademark application is not meet requirements of registrability such as: - denominations that consist of, or identical with, or similar to, the national emblems, flags |

<table>
<thead>
<tr>
<th><strong>Reasons for Refusals</strong></th>
<th>Under Japanese trademark law, the followings are reasons for refusals.</th>
<th>Both trademark systems similarly stipulate that trademarks are absolutely incapable of registration and appropriation or use by any person. Most differences for trademark registrability of both laws are followings. In Japan singularly prohibits the registration of a trademark which is identical with or similar to the name of a variety registered its</th>
</tr>
</thead>
</table>
| • A trademark for which a trademark application is filed fails to satisfy the prescribed requirements for registration (Section 3)  
• A trademark for which a trademark application is filed falls subject to any of the reasons for unregistrability (Paragraph of section 4 (1))  
• A trade mark application violates the “First to File Rule” provisions (Section 8 (2) or (5))  
In the case where a trademark registration has been cancelled due to its illegal use, etc., by the owner of a right of exclusive use with respect to the trademark | | |

| **In both countries trademark application examined for absolute and relative ground for refusal. Mongolia is member both Madrid agreement and protocol and notification of provisional refusal must be sent in English for Madrid Protocol application, in French for Madrid Agreement application.** | | |
right, the former owner of the trademark right or former owner of a right of exclusive use or non-exclusive use with respect to the trademark right files a trademark application for the cancelled trademark or a trademark similar to thereto with respect to designated goods or designated services covered by the cancelled trademark registration or with respect to goods or services similar thereto before five years have elapsed since the date when trial decision of the cancellation became final and conclusive (Section 51 (2), Section 52bis(2) and Section 53(2)).

A trademark application is filed by an alien who is neither domiciled nor a resident and is nor entitled to enjoy a trademark right in Japan (section 73(3), section 25 of the Patent law)

A trademark for which a trademark application is filed violates International treaties.

A trademark application fails to satisfy requirements concerning the designation of goods or services (Section 6(1) or (2)).

or other State symbols of Mongolia or foreign countries, or official emblems, the full or abbreviated names of international organizations, governmental or non-governmental organizations;

- reproductions of the full or abbreviated names, portraits, pictures or signatures of famous persons, if used without the consent of those persons or their heirs;

- reproductions of the names, pseudonyms, portraits or pictures of historical persons of Mongolia or suggested names directly related thereto, if used in a manner disparaging them;

- reproductions of names or representations of Mongolian historical or cultural monuments, if used in a manner disparaging them;

- signs identical with, or similar to the State decorations, medals or other awards, or to official signs and hallmarks indicating control and warranty;

- indications, the content of which is contrary to public order or morality

- indications liable to deceive or mislead consumers as to the nature, quality, geographical origin or other characteristics of the goods or services.

A trademark shall not be registered

- if it is conflicts with the prior trademark Agricultural Seed and Seedling Law

JTL also specify trademarks which are identical with, or similar to, the Red Cross ensign on a white ground or the title Red Cross or Geneva Cross, trademarks which are identical with another person's registered defensive mark and which are used on the designated goods or designated services covered by the defensive mark registration

In Japan one of the reason for grounds of refusal is violation of First to file rule. MTGIL does not provide above provisions. In Japan most of reasons of refusal are inappropriate description of the goods or services, comparative reasons and absolute reasons. In Mongolia, reasons of refusal are mainly relative grounds.

36 J TL, Section 4 (xiv)
37 J TL, Section 4 (iv)
38 J TL, Section 4 (xii)
39 From interview reply of JPO examiners
| Written argument/amendments | An applicant may submit either a written argument against a notification of reasons for refusal or an amendment that would nullify the reasons for refusal within three months from the date. No foreign resident (a person domiciled or resident outside Japan) may undertake national procedures for submission of written arguments or written amendments directly to the Japan Patent Office except through a representative domiciled or resident in Japan. Therefore, he/she shall appoint a representative domiciled or resident in Japan for undertaking procedures to the Japan Patent Office. He/She shall submit a “notification of acceptance of power of attorney” with attached documents that attest the power of attorney for appointing a representative together with the English translation. | MITGIL provides the provision related to written argument that after receiving the notification of provisional refusal, applicant may present reasoned response within 3 months. For the international trademark application, these 3 months start from the date of which the notification of provisional refusal sent to the applicant. | Both countries have same time limit for written argument that after the notification of provisional refusal has sent to IB of WIPO. Additional provision Japanese jurisdiction provides that an applicant can appoint representative domiciled or resident in Japan for submission or submission of written arguments or written amendments directly to the Japan Patent Office. |
| Registration decision | As a result of the substantive examination, when the examiner does not find any reason to refuse the application of the registration of trademarks within the term set forth by the Cabinet order, the examiner | Within examination period examiner does not find any reason for refusal, International trademark registered automatically in Mongolia and IPOM does not send any statement of registration | There is also one difference of international trademark registration. Most countries including Japan, they |
| **Decision of refusal** | Both countries are same procedure in case of the decision of refusal. Where to a notification of the reason for refusal, a statement of arguments, etc., is not filed within the designated time or the for refusal is not overcome by a statement of arguments filed, the examiner makes decision that the trademark application is to be refused (Section 15 of JTL) (Article 8.6 of MTGIL) |
| **Publication after registration** | When an international trademark right is registered for establishment and entered into force, its content is published in the Trademark gazette. For international trademark registration only the WIPO Gazette is used in the publication of registration. A separate domestic publication of registration of international trademark application in native language is not conducted. For national trademark registration, it published monthly after decision of registration. Another main difference for international trademark registration of both countries is trademark publication system. In Japan after registration, an international trademark must publish in trademark gazette. |
| **Registration fee** | JTL provides special provision of individual fee. Any person who desires to obtain a registration of establishment of a trademark right based on international registration shall pay the individual fee consisting of two parts below: Part 1: The amount equivalent to 4,800 yen for each registration plus 15,000 yen for each class of the goods and services First installment of payment need to be paid prior to the international registration (or in the case of subsequent designation, prior to the listing of registration into the International Register Part 2: The amount equivalent to 66,000 yen multiplied by the number of classes of the goods and services for each registration Second installment of fee need to be paid not later Applicants need to be paid to the International Bureau an basic fees (mark containing colors 903 Swiss francs and without colors 653 Swiss francs) and designation fee (73 Swiss Francs x number of designated countries, additional fee for a mark designating more than 3 classes of goods 73 Swiss francs x number of classes beyond the first three No individual fee system Japan has declared declarations to IB of WIPO on collecting an individual fee in connection with each international designation. Mongolia does not declare such declaration to collect individual fee. Registration fees are to be paid to the International Bureau. The designation fees are transferred by the International Bureau to the designated Contracting Parties end of the each year. |
than three months from the dispatch of “NOTIFICATION OF SECOND PART OF INDIVIDUAL FEE” that is sent along with an examiner’s decision or a trial decision of trademark registration for an international application for trademark registration.

**Trademark right**

In both trademark jurisdictions, the term of trademark right shall be ten years from the date of international registration and the date of latest renewal, where the renewal of the international registration has been made. The Trademark Register based on the international registration uses the international registration number and the JPO does not give a JPO’s exclusive number. IPOM gives separate registration number for international trademark register.

### 4.7.2 Post granted procedure

<table>
<thead>
<tr>
<th>Opposition</th>
<th>JAPAN</th>
<th>MONGOLIA</th>
<th>DIFFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Japan, any person may file an opposition to a trademark registration within the two months from the publication of the Gazette containing the trademark. A copy of the opposition is sent to the applicant by the Patent Office, but the applicant is not required to take any action at that time. The examination of an opposition is conducted by a collegial body composed of three or five Trial Examiners. In principle, documentary examination is provided. Where the ground is found, the trial examiners shall render a ruling of the revocation of a registration. Where no ground is found, the trial examiners shall render a ruling of the maintenance of a registration.</td>
<td>No opposition procedure and provision.</td>
<td>It is one of the big differences of trademark registration system. Many countries have pre grant opposition system. For Japan has post grant opposition system. Purpose of the opposition system is to increase the reliability of the registered trademark. MTGIL is not provided by provisions related to opposition procedure and opposition term. In Mongolia, opposition system is arranged by Invalidation procedures.</td>
<td></td>
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</tbody>
</table>
1) Appeal against decision of refusal

A person dissatisfied with a decision of refusal may demand a trial within 30 days from the transmittal of the examiner’s decision.

A trial examination against a decision of refusal is performed by a collegial body of three or five appeal examiners.

Decision of the appeal examiners is called appeal decision.

When it is judged, as a result of trial examination, that the reasons for refusal was solved, a trial decision to register a trademark is performed, and when the reasons for refusal is judged that the reasons cannot cancel and the trademark cannot be registered, a trial decision of refusal is performed.

2) Appeal for a dismissal of amendment

In the case where an applicant receives a dismissal of amendments because the amendment to (1) a trademark or (2) designated goods or designated services is assumed to change the gist, the applicant may demand appeal an appeal if there is a complaint about the dismissal of amendments (Section 45(1) JTL).

3) Trial for Invalidation

Even after a trademark is registered, any person may appeal for invalidation of the trademark within 5 years after registration. Moreover, if the trademark has not been used after registration for three years or more, an appeal for revocation may be charged.

An trial examination of invalidation/revocation is conducted by the Intellectual Property Office. The trial board of examiners has the exclusive jurisdiction to review grounds for refusal stated on examiner’s decision, conduct supplemental examination and notify new grounds for refusal.

IP dispute resolution Commission shall consider appeals or disputes and communicate the decisions taken thereon within 1 month from the date of receipt of a request to this effect. Where the disputing parties disagree with the decision of IP dispute resolution Commission, they are entitled to apply to the court within 2 month from the date of receipt of the decision.

No appeal procedure for a dismissal of amendment in Mongolia.

I) Under MTGIL, in the case trial for invalidation, any interested person may request the court to invalidate the registration of a trademark or geographical indication:

- where the trademark has been registered in violation of the provisions of Articles 5.2, 5.3, 5.4 (. Registrability of Trademarks)
- the geographical indication has been registered in violation of the provisions of Articles 15.2, 15.3 of this Law.

Appeal against decision of refusal

In case of trial examination, JPO has a trial board of examiners that has the exclusive jurisdiction to review grounds for refusal stated on examiner’s decision, conduct supplemental examination and notify new grounds for refusal.

In case trial examination, IP dispute resolution Commission of IPOM (which is composed IP legal advisor and IP professionals) is decided by way of documentary and oral examination according to MTGIL and Implementation rule of this law. IP dispute Resolution commission of IPOM has exclusive regulation.

Appeal for a dismissal of amendment

One of the differences of both countries jurisdiction is an appeal for a dismissal of amendment procedure.

MTGIL is not provided by provision related to an Appeal for a dismissal of amendment.

MTGIL is not provided by
performed by a collegial body of three or five trial examiners and by an oral examination procedure in principle. About invalidation, if the appeal examiners judge that there is no flaw in the decision to register a trademark, they will make a decision to maintain the trademark registration. If however they judge that the decision to grant was flawed, they will make a decision to revoke the trademark right. About revocation, when a right holder cannot prove using the trademark, a trial decision of revocation is performed, and the trademark right is revoked.

4) Trial for Cancellation of a trademark registration
Anyone can demand a cancellation trial against a trademark registration based followings;

a) due to non use
- Continuously unused for years or more
b) due to unfair use
- intentionally use so as to mislead about the quality of goods/services or to cause confusion with other’s goods/services
c) due to illegal use by owner of right of exclusive use or non-Exclusive use
d) due to illegal registration by a representative

In Japan

(Registrability of Geographical Indication)
Where the court finds that the request is well founded, the decision shall be taken to invalidate the registration of the trademark or geographical indication and the Intellectual Property Office shall be notified accordingly.

4) Trial for the cancellation
Any interested person may, on the grounds provided in MTGIL, submit to the Intellectual Property Office a request for cancellation of the trademark registration.

The Intellectual Property Office shall cancel the registration of the trademark or geographical indication in respect of the owner or user concerned in the following cases

a) where the request for renewal of trademark registration has not been submitted within 6 months from the expiry of the period of validity of the registration
b) where the trademark owner or user of a geographical indication renounces the right to own the trademark or use the geographical indication by means of a written declaration
c) where a legal person the trademark owner or user of a geographical indication has been liquidated and the

Another differences are:
In Japan, purpose of trial for invalidation is settlement of dispute over the validity of industrial property rights, in the case of trial invalidation, trial examiners judge that the trademark registration shall be null and void. In Japan any person may appeal invalidation within 5 after registration, but in MTGIL does not specify the time limit for invalidation. It may appeal any time.

There is no special provision on trial examination procedure for invalidation in trademark law of Mongolia.

Under MTGIL, any interested person requests the court to invalidate the registration of a trademark or geographical indication. IPOM provides reference documents for court hearings of disputes concerning trademarks and geographical indications.

4) Trial for cancellation
When trial examination, it will be solved by Commission of
The right to own the trademark or use the geographical indication has not been transferred to others or the trademark has not been assigned by means of a license agreement.

d) where the trademark has not been used during a period of 5 consecutive years unless a justifiable reason exists;

e) where the geographical indication has become the generic name of a product.

Any interested person who disagrees with the decision of the Intellectual Property Office to cancel the registration of a trademark or geographical indication, may apply to the court within 2 months from the date of the receipt of the decision.

### 4.7.3. Maintenance of International registration

<table>
<thead>
<tr>
<th>Maintenance of International registration</th>
<th>JAPAN</th>
<th>MONGOLIA</th>
<th>DIFFERENCES</th>
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</table>
| **Renewal:** A request for the registration of a renewal of the term of a trademark right needs to be made, in principle, six months prior to the date of its expiration (Section 20 (2))
In the case where the owner of a trademark right may not file a request for the registration of a renewal within that period, he may make that request belatedly within six months after the expiration of that time limit (Section 20 (3)) | **Renewal:** The request for renewal of the period of validity of the registration shall be submitted to the Intellectual Property Office during the last year of validity of the registration. If the request for renewal of the period of validity of the registration has not been submitted during the above specified period, such request may be submitted within 6 months from the expiry of the period of registration. | In both countries trademark law, a six month grace period is provided for the request of renewal after the expiration of the registration. In Mongolia the request of renewal must be filed 1 year prior to the expiration of the registration. In Japan, this |
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<tr>
<td>In Japan there are two kinds of trademark licenses. One is an exclusive license under Article 30 of the Trademark Law, and the other is a non-exclusive license under Article 31. As for international trademark protection Japan has notified declaration that while the recording of licenses is provided for in the domestic law, the recording of licenses in the International Register has no effect.</td>
<td>Any interested person may use a trademark in respect of all or some of the goods or services by concluding a license agreement with the trademark owner, which shall be effective upon recordation with the Intellectual Property Office. No specific provision for international trademark registration.</td>
<td>JPO has declared the declaration that the recording of a given license has no effect in Japan under Rule 20bis (5), Common regulation of Madrid Protocol.</td>
</tr>
<tr>
<td>Assignment:</td>
<td>Assignment: Article 21 of MTGIL</td>
<td>Assignment:</td>
</tr>
<tr>
<td>Under Japanese Trademark Law, the assignment of a trademark application or registration is effective only when it is recorded in the Official Register. In order to record this assignment, the following are necessary: (1) a deed of assignment executed by the assignor or an agreement between the assignor and assignee concerning the assignment (the application and/or registration numbers of the trademarks concerned must be indicated in those documents) and (2) a Power of Attorney executed by the assignee.</td>
<td>A trademark owner may transfer the right to own a trademark by means of inheritance or other means in respect of all or some of the goods or services. The right to own the trademark shall be transferred by means of a written agreement signed by two parties and notarized, if the parties chose to do so. The agreement transferring the right to own the trademark shall be recorded with the Intellectual Property Office, and the transfer of rights shall be effective by virtue thereof. No specific provision for international trademark registration.</td>
<td>A Protocol application or registration may not be transferred or assigned to a company in a country that is not a member of the Protocol. Therefore, Japanese trademark law stipulated if the assignment of a trademark application or registration is effective only when it is recorded in the International Register.</td>
</tr>
</tbody>
</table>
4.8 Other special provisions concerning international application under the Madrid Protocol.

Japanese trademark legislation provides following special provision related to characteristic of international trademark registration issues under the Madrid protocol which are not stipulated in MTGiL.

4.8.1 Special provisions concerning application for trademark registration after denunciation of Protocol [Trademark Law Article 68 (33)]

Where, pursuant to Protocol Article 15 (Denunciation), the registered holder of the international registration becomes no longer entitled as a person eligible to file the international application, the person who was the registered holder of the said international registration may file an application for trademark registration in connection with the goods or services listed in the said international registration.

Requirements for the special provisions is where an application for trademark registration under the special provisions above falls under all of the following items, the application shall be deemed to have been filed on the date of international registration (or the date of the subsequent designation pertaining to the said international registration)

- the application for trademark registration under the preceding paragraph above is filed within two years from the date on which the denunciation took effect pursuant to the regulations of the Protocol;
- the trademark for which the registration is sought is identical with the trademark that was the subject of the international registration under the preceding paragraph; and
- the designated goods or designated services in connection with the application for trademark registration under the preceding paragraph are within the scope of the goods or services listed in the international registration under the preceding paragraph.

4.8.2. Special provisions concerning application for trademark registration after rescission of international registration (i.e., central attack)

Where an international trademark registration that was the subject of an
international registration designating Japan is rescinded pursuant to the central attack specified in Article 6(4) of the Protocol in respect of all or some of the goods or services listed in the international registration, the person who was the registered holder of the international registration may file an application for trademark registration in relation to all or some of the said goods or services to Japan.

Requirements for the special provisions

Where an application for trademark registration under the special provisions above falls under all of the following items, the application shall be deemed to have been filed on the date of international registration (or the date of the subsequent designation pertaining to the said international registration):

- the application for trademark registration under the preceding paragraph above is filed within three months from the date on which the international registration under the said paragraph was rescinded,
- the trademark for which the registration is sought is identical with the trademark that was the subject of the international registration under the preceding paragraph; and
- the designated goods or designated services in connection with the application for trademark registration under the preceding paragraph are within the scope of the goods or services listed in the international registration under the preceding paragraph.

4.8.3 Registration issues

1. Special provisions concerning registration of establishment of trademark right (from January 1, 2003) [Trademark Law Article 68 (19)]

Where the communication is made by the International Bureau notifying the payment of the part 2 of the individual fee, the establishment of the trademark right for an international application for trademark registration shall be registered.

2. Issuance of certificate of trademark registration [Trademark Law Article 71 (2)]

Upon registration of the establishment of a trademark right, a certificate of
trademark registration shall be issued to the holder of the trademark right (or in the case of existence, to a representative resident in Japan). The certificate of trademark registration is written in Japanese, where the designated goods (or designated services) are given in English and the owner of a trademark right is given in the language recorded in the International Register.

3. **The lapse of trademark right based on the international registration**

   **[Trademark Law Article 68 (20) (ii)]**

Where all or a portion of the international registration on which a trademark right is based has lapsed, the trademark right shall be deemed to have been lapsed in respect of all or the portion of the designated goods or designated services that have been withdrawn. The lapse of the trademark right shall take effect as of the date the international registration lapses in the International Register.

4. **Special provisions concerning registration in the Trademark Register**

   **[Trademark Law Article 68 (27)]**

In special provisions concerning registration in the Trademark Register, the renewal of the duration, the transfer, the modification, or the extinction of a trademark right based on international registration shall have effect in accordance with that registration in the International Register. The Trademark Register based on the international registration uses the international registration number and the JPO does not give a JPO's exclusive number. In Mongolia, International registration uses special national registration number for international application under the Madrid system.
CHAPTER 5
ANALYSIS ON STATISTICS

5.1 JPO is designated Office

5.1.1 Main countries designating to Japan

The first 3 countries with most foreign trademark applications designating to Japan which are filed by the Madrid system were the Germany, France, Switzerland.

5.1.2 Designated goods by foreign applicants (Japan)

In term of designated goods by foreign applicants (as defined in the International Classification of Goods and Services for the Purpose of the Registration of Marks), class 9 (computer software and hardware and other electrical or electronic apparatus of a scientific nature), class 25 (clothing, footwear and headgear), class 5 (pharmaceutical), 3 (mainly cleaning preparations and toilet preparations) were among the top ones, with larger numbers of applications.

40 Searched on WIPO’s ROMARIN database
5.1.3 Designated services by foreign applicant (Japan)

Most popular designated services by foreign applicants were class 42 (services provided by e.g. scientific), class 35 (services such as office functions, advertising and business management), class 41 (services in the area of education, training, entertainment, sporting and cultural activities)\(^{41}\)

\(^{41}\) Searched on WIPO’s ROMARIN database
5.1.4 International trademark application designating to Japan

The statistical information contained in the table below indicates the trademark applications designating to Japan under Madrid Protocol. Although applications by the JPO as designated office have increased after Japan’s accession to the Madrid protocol, examiners decision of registration, it is two times less than received applications when compare them. JPO has notified to the IB about 2000 refusals in each year. The main grounds of refusal are that the description of the goods or services in appropriate 42.

![Graph showing data]

Source: Based on the information in JPO website

5.1.5 Percentage of Madrid Protocol applications as JPO is designated office over total applications

The results of an analysis of this chart below, although percentage of Madrid Protocol applications as JPO is designated office are less than over total applications, international trademark application applied for Japan as a designated Office are increasing continuously.

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42 From interview reply of JPO examiners
Designated goods services

Source: Based on the information in JPO website
Trademark registered in Japan under the Madrid protocol

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trademark</td>
<td>4171</td>
<td>3687</td>
<td>3238</td>
<td>3970</td>
<td>5206</td>
</tr>
<tr>
<td>Collective trademark</td>
<td>10</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Three dimensional trademark</td>
<td>15</td>
<td>13</td>
<td>9</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>4196</td>
<td>3708</td>
<td>3254</td>
<td>3991</td>
<td>5240</td>
</tr>
</tbody>
</table>

Source: Based on the information in JPO website

5.1.6 International trademark examiner of JPO and their workload

In fiscal 2007 (from April 2007 to March 2008), the target is to conduct first actions for 29,000 classes as trademark examinations in general, irrespective of whether they are domestic or international trademark registration applications, and to ensure that the waiting period until first actions is less than six months by the end of fiscal 2007 (March 2008). If it simply divides the target value by the number of examiners, this will mean around 140 first actions (class based) per examiner each month. By 2006, the total trademark examiners are 149 and 17 out of it are international trademark examiners.

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total trademark examiner</td>
<td>148</td>
<td>148</td>
<td>148</td>
<td>149</td>
<td>149</td>
</tr>
<tr>
<td>Total appeal examiner</td>
<td>395</td>
<td>396</td>
<td>392</td>
<td>389</td>
<td>386</td>
</tr>
</tbody>
</table>

Source: Based on the information in JPO website

43 From interview reply of JPO examiners
5.2 JPO is Office of Origin

5.2.1 Most designated countries by Japanese applicants.
As for August, 2007, most designated countries in international application by Japanese applicant are China, USA, Korea, France, Germany, Italy, Switzerland, European Community\(^{44}\).

5.2.2 Applications by the JPO as Office of Origin

The statistical information contained in the chart below indicates the trademark applications filed under Madrid Protocol through JPO. Although applications by the JPO as Office of Origin have increased substantially after Japan's accession to the Madrid protocol, designated states have decreased. It means designated states for one application have reduced. It is observed that after Japan's accession to the Madrid protocol only Japanese famous trademarks were protected by owners utilizing Madrid system in many designated countries. Recent years many ordinary companies have applied their trademarks only scope of the goods and services which are necessary to obtain registration. In other hand, after European community's accession in Madrid

\(^{44}\) Searched on WIPO's ROMARIN database
Protocol, Japanese applicants obtained possibilities to protect their trademarks in all the countries forming the European Union by one international application designating in those countries of the Union. Additionally, based on the below statistics, it shows one international trademark application will become nearly 7 trademark protection in various countries.

![Graph showing number of designated states for Madrid Protocol applications](image)

**Source:** Based on the information in JPO website

**Average designated states for one application**

![Graph showing average designated states for one application](image)

**Source:** Based on the information in JPO website

### 5.2.3 Percentage of Madrid Protocol applications over total applications

The table below indicates that utilization of Madrid protocol by Japanese applicants is increasing but comparing it with applications received by JPO and developed countries implementation of Madrid Protocol, it is observed that utilization of Madrid Protocol is still less by Japanese trademark owner. On other
words, Madrid protocol is still under-utilized by Japanese industries and companies. “When a survey of Japanese companies was conducted (in 2006, with 139 companies responding), the following inconveniences when using the Madrid Protocol were cited: (1) anxiety concerning central attack; (2) there is no notification that protection has been granted, even after 12 or 18 months; (3) countries to which some companies have applied have not acceded to the Madrid Protocol; (4) it is not possible to apply if basic applications have not been submitted and basic registration conducted; and (5) the operation of alternatives is unclear”\textsuperscript{45}.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number applications received by JPO</th>
<th>Number of Madrid Protocol application received by JPO as Office of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>145668</td>
<td>187</td>
</tr>
<tr>
<td>2001</td>
<td>123754</td>
<td>280</td>
</tr>
<tr>
<td>2002</td>
<td>117406</td>
<td>237</td>
</tr>
<tr>
<td>2003</td>
<td>123843</td>
<td>402</td>
</tr>
<tr>
<td>2004</td>
<td>128843</td>
<td>734</td>
</tr>
<tr>
<td>2005</td>
<td>135776</td>
<td>839</td>
</tr>
<tr>
<td>2006</td>
<td>135777</td>
<td>875</td>
</tr>
</tbody>
</table>

Source: Based on the information in JPO website

5.2.4 International trademark filing

The results of an analysis of this chart below, both individual and corporate

\textsuperscript{45} interview with JPO examiners.\textsuperscript{45}
applicants have hired mostly service of trademark attorney for filing international trademark application. It means the filing trademark applications under the Madrid Protocol and utilization of the Madrid Protocol are also a positive impact and benefits of creating activities for trademark attorney and their experiences.

Source: Based on the information in WIPO website

<table>
<thead>
<tr>
<th>Year</th>
<th>Individual</th>
<th>Corporation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>Through attorney</td>
<td>Direct filing</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Individual</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Corporation</td>
<td>141</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>148</td>
<td>39</td>
</tr>
<tr>
<td>2001</td>
<td>Individual</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Corporation</td>
<td>234</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>238</td>
<td>42</td>
</tr>
<tr>
<td>2002</td>
<td>Individual</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Corporation</td>
<td>181</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>187</td>
<td>50</td>
</tr>
<tr>
<td>2003</td>
<td>Individual</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Corporation</td>
<td>352</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>357</td>
<td>45</td>
</tr>
<tr>
<td>2004</td>
<td>Individual</td>
<td>17</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Corporation</td>
<td>582</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>599</td>
<td>135</td>
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<tr>
<td>2005</td>
<td>Individual</td>
<td>24</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Corporation</td>
<td>719</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>743</td>
<td>96</td>
</tr>
<tr>
<td>2006</td>
<td>Individual</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Corporation</td>
<td>713</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>734</td>
<td>141</td>
</tr>
</tbody>
</table>

Source: Based on the information in WIPO website
Subsequent designation by Japanese applicants

Source: Based on the statistics of WIPO, found it WIPO website
CHAPTER 6
RECOMMENDATION

6.1 Legislative recommendation

Both countries, trademark jurisdictions are based on same principle that trademark protection under the Madrid system, examination procedures are same as national trademark examination procedure. Most of the Madrid Protocol member countries, for instance Singapore, Korea, China have revised their trademark law in compliance with mechanism for harmonization of domestic and the International Systems and established their own special Protocol implementation rules. For same purpose, Japan has also revised Trademark Law in 1999 and implements the Madrid Protocol under the national trademark jurisdiction. JTL provides more provisions concerning registration procedures due to the characteristic system under the Protocol and more flexible both international and national trademark protection and some provisions related with Patent of Japan such as provision concerning right to obtain a patent particularly transfer of rights, priority claim under Paris convention etc.

The provisions concerning the defensive mark registration system are mainly stipulated in Japan trademark law, whereas, in Mongolia, the provisions relating to geographical Indication are mainly stipulated in MTGIL. In Japan, detailed provisions relating to international registration of marks under the Madrid Protocol and necessary procedures there under are also comprehensively provided in the regulations under trademark law and also in the examination manual and guidelines which play an important role for quality of trademark examination and registration decision of examiners. Although, Mongolia revised its trademark law in 2003 including international registration provisions, it is very general and lacking in that there is no provision related to important procedures in respect of following matters, namely

- precondition of international registration,
- Filing requirement (Filing date, Priority claiming)
- Central attack consequence due to invalidation of International registration
- Safeguard clause set out in Article 9 sexies of the Madrid Protocol
- Transformation of the right
- Subsequent designation procedure
- Assignment of right
- Replacement of international registration

Additionally, procedures in Madrid System and national laws and regulation were not in complete harmony and could not be reconciled easily.

- Therefore, it is important to prescribe proper examination provisions under the Madrid system in the national legislation relating to the trademark protection or to prepare special rule and manual to implement Madrid system in order to include the provisions relating to above matters.

Moreover, Mongolian trademark jurisprudence needs to improve not only in the procedure concerning international trademark protection system but also to provide elaborate procedures in national trademark protection system.

- Both countries trademark system follow first to file system. Section 8 of Japanese trademark law provides more proper provision on first to file rule. It also provides that in case of two or more trademark applications relating to identical or similar trademarks used on the identical or similar goods and services are made on same date, only one applicant may obtain a trademark registration after mutual consultation among the all applicant.

Although IPOM follow first to file system, but here is no definite provision in the trademark and Geographical indication law on this principle. In order to make first to file rule more transparent not only to the users but also for the examination procedures it is important to amend trademark law of Mongolia. It is significant to mention it clearly in national trademark legislation specially, in case of two or more trademark applications relating to identical or similar trademarks used on the identical or similar goods and services are made on same date, it is therefore necessary to include such a provision in the law to provide in order to decide as to who may obtain the rights of trademark registration in such situation.

- Most differences relating to trademark examination procedure of both
countries are in opposition, trial and appeal procedure.

In Japan, any third party can apply for opposition to trademark registration. In Mongolia such procedure is not provided in the law. However, there is a Invalidation procedures in place of opposition procedure in trademark law. Grounds for opposition in Japan are merely the same as that of grounds for invalidation in the Mongolian trademark law, but their purposes are different. Purpose of the opposition system in Japan is to increase the reliability of the registered trademark and to protect public interest. Purpose of the invalidation in Mongolia is to settle the dispute between the parties and also the validity of registrability of trademark and geographical indication by the registry.

In Japan, trial examination for invalidation, cancellation and decision of refusal are conducted by trial examiners of Patent office. However, in Mongolia, trial examination for cancellation and decision of refusal are solved by constituting Dispute Resolution Commission of intellectual property office, at that time. In case of trail for invalidation, any interested person may request the court to invalidate the registration of a trademark or geographical indication.

Since trial for invalidation takes a lot of time in the court to invalidate registration of trademark, it is proposed that this procedure for trial invalidation may also be brought under Dispute Resolution Commission of intellectual property office in order to reduce time also to make procedure economical and simplified. This will enable any interested person to make a request to the DRC of IPOM to invalidate the registration of registered trademark.

- JTL set forth the provision of time limit of trial for invalidation. Under the provisions, the trial for invalidation may be demanded within 5 years after registration. However there no such time limit in the MTGL which creates uncertainty about reliability of registered trademark for a long time in the mind of trademark holder. Therefore, it is important to provide provision for time limit in respect of invalidation procedure so as to enhance reliability of the registered trademark.
6.2 Procedural recommendation

**Trademark examination standard**

- In Japan, the trademark examiners use both the Examination Guidelines for Trademarks and the Trademark Examination Manual in their daily examination work. Examination guidelines and manual are more developed in order to help examiners to decide particular matters regarding trademark examination and include many practical and detailed provisions of trademark administration. These Examination Guidelines for Trademark mainly explain registrability and unregistrability of trademarks, and distinctiveness of trademarks. The Trademark Examination Manual is supplement to above guidelines and mainly focuses on the daily administration of practical trademark examinations. Both examination guidelines and manual provided detailed explanations of provisions and procedures of JTL. In Mongolia, trademark examiners use MTGIL and regulations for the Implementation of the Trademark and Geographical indication Law in their daily examination procedures. These regulations are provided by rules concerning formality check and examination procedure of trademark, geographical indication, collective trademark and certification trademark applications and registration issues. IPOM has no such examination guideline and manual which are important for examiners making independent and expedient decision of trademark registration particularly for decision of registrability and unregistrability of trademarks, the distinctiveness of trademarks and similarity of trademarks. Therefore, it is necessary for IPOM to make examination guidelines and manual including features of national trademark law.

**International Trademark publication**

- In Mongolia, for international trademark registration only the WIPO Gazette is used for publication of registration. A separate domestic publication of registration of international trademark application in native language is not done. However, the publication for only national trademark registration is made monthly after decision of registration. In Japan, after receiving International trademark application designating Japan publishes in
Publication of Unexamined Trademark Application in order to protect the trademarks during the period from application for trademark registration to the establishment of trademarks and after registration, international trademarks are also publishes in the Publication of Registered International Trademark and make open such registration information. Similarly, IPOM also needs to publish as same as publication of national trademark registration, registered international trademark and their any changes after registration including assignments, changing the owners, renewal of term, abandoning the application in order to public inspection and improve reliability of trademark right.

**Automation of trademark examination system**

- Information technology has played an essential role in internal operations of Madrid system. Japan Patent Office is a fully automated and paperless office and one of the Offices which is electronically sending various communications to International Bureau. In Mongolia, efforts for further development of trademark search automation system are still continuing. One of the biggest challenges for Mongolian IP office is to develop and further expand electronic communication with the IB, and as much as possible, also with users. Moreover, IP Office of Mongolia needs to streamline process of trademark administration automation system. Trademarks examiners in IPOM are using separate two kinds of databases "national trademark database" and "ROMARIN database". It is complicated for examiners searching two separate databases.

- IPOM is also keeping two separate registration such as international trademark registration and national trademark registration. Therefore, both the system of IPOM such as registration and database for national and international registration need to be integrated

**Statement of grant protection**

- Under the Madrid Agreement and Protocol, trademark automatically protected in each of the designated Contracting Parties “unless, within specified time limit, the Office of a designated Contracting Party expressly
notifies the International Bureau that protection of the mark cannot be granted. This principle has always been considered as one of the main attractions of the Madrid system since, at the expiry of the applicable refusal period (12 or 18 months), the holder of an international registration is in a position to know how the protection of the mark stands in each designated Contracting Party, even if no communication has been received from the Office concerned.

“This was particularly advantageous in the days when many Offices routinely took longer than 12 months to examine applications filed directly with them”\(^46\). Many member countries such as Japan, China, and Korea send the statement of grant protection to IB after registration. In Mongolia examination period for international trademark registration it takes shorter than one year, often as little as two or three months, Currently IPOM does not provide trademark owner such statement of grant protection. However, in case of direct filing application (non Madrid application), IPOM issues the certificate for registration. Therefore, IPOM needs to consider sending such statement of grant protection after registration to IB or international trademark holders. This means that the holder knows, without having to wait until the end of the period allowed for notifying a refusal that the mark has met with no official objections.

6.3 Other recommendations to encourage utilization of Madrid system for domestic industries and SMEs.

In today’s competitive global market, every company is developing their business internationally, without border limitation, whether they desire or not. For doing business internationally, it is important for the companies to protect the company’s most important resource, its business reputation, goodwill and connection to its customers, in relation to their trademarks.

\(^{46}\) Proposed Amendments to Rule 17 and Rule 32(1)(a)(iii) Special union for the international registration of marks (Madrid union) assembly Thirty-Second (19th Extraordinary) Session Geneva, September 25 to October 3, 2000
However, they recognize the importance of protecting their trademarks through registration and therefore, such companies need simplified and cost effective procedure to protect their trademark globally.

For this reason, Madrid system (International trademark registration system) has established in order to protect their trademark owner’s right in global market by more simplified procedure.

For same purpose, many countries have been joining in Madrid System specially Madrid Protocol. Although, as 2007, the membership of the Madrid member expanded 78 to 80 members, Madrid agreement countries reduced because of its strict requirement. While the Protocol has progressed rapidly in Europe, including Central and Eastern Europe, much remains to be done in Asian and Latin American countries. Regarding Asia, most of the countries for instance India, Pakistan. Malaysia, Indonesia, have not acceded yet Madrid system. However, interests of accession of those countries have been expressed to WIPO, particularly India.

Mongolia acceded to the Protocol in order to promote the import and export regime and to make it more affordable, particularly for small and medium size companies, to obtain protection abroad and to penetrate foreign markets.

**Promotion of Foreign trade of Mongolia**

Mongolia currently trades with over 109 countries with a total turnover of nearly 3.01 bln USD. The major trading partners are China, Russia, South Korea, Japan, the US, and the EU. Due to minor domestic demand, Mongolia is a net exporter of livestock and mineral products. Copper, gold and cashmere represent the biggest share of Mongolia’s export. However, light industry exports such as textiles and garment production are increasing. Mongolia’s extreme continental climate limits the domestic supply of food products to a small number of commodities. The country is highly dependent on imports of fuel, energy, and consumer goods. The cost of imports increasingly exceeds that of exports. In 2006 exports increased by 43.5% and imports increased by 25.7% compared to the previous year. Trade turnover increased by 34.2% to USD 3.01 billion. The foreign trade balance showed a surplus of USD 39.6 million as opposed to the deficit of USD 119.5 million in 2005.
Source: From Mongolian National Chamber of Commerce and Industry’s web site

Major trading partners

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>34.8</td>
<td>32.3</td>
<td>32.0</td>
<td>32.2</td>
<td>33.4</td>
<td>36.8</td>
<td>48.1</td>
</tr>
<tr>
<td>Russia</td>
<td>21.8</td>
<td>23.4</td>
<td>23.5</td>
<td>21.6</td>
<td>19.2</td>
<td>19.3</td>
<td>18.3</td>
</tr>
<tr>
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<td>13.8</td>
<td>13.7</td>
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<td>11.7</td>
<td>10.7</td>
<td>8.4</td>
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<td>1.4</td>
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<td>2.1</td>
<td>7.5</td>
<td>4.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Japan</td>
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<td>6.2</td>
<td>4.0</td>
<td>5.1</td>
<td>5.7</td>
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</tr>
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<td>South Korea</td>
<td>5.9</td>
<td>6.8</td>
<td>9.0</td>
<td>5.3</td>
<td>3.7</td>
<td>5.7</td>
<td>3.5</td>
</tr>
<tr>
<td>Germany</td>
<td>2.7</td>
<td>2.8</td>
<td>2.7</td>
<td>3.0</td>
<td>2.4</td>
<td>2.0</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source: From Mongolian National Chamber of Commerce and Industry’s web site

Mongolia has exported goods and raw materials to 70 foreign countries including Europe (28), Asia (29) and America (6).

Exports by countries (%)
Mongolia has imported goods originating from 98 countries including Europe (38) and Asia (35).

**Import by countries (%)**

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Russia</td>
<td>33.6</td>
<td>35.4</td>
<td>34.4</td>
<td>33.1</td>
<td>33.5</td>
<td>35.3</td>
<td>36.6</td>
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<tr>
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<td>22.0</td>
<td>25.9</td>
<td>27.5</td>
</tr>
<tr>
<td>Japan</td>
<td>11.9</td>
<td>8.8</td>
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<td>7.9</td>
<td>7.3</td>
<td>6.4</td>
<td>6.8</td>
</tr>
<tr>
<td>South Korea</td>
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<td>9.1</td>
<td>12.5</td>
<td>8.5</td>
<td>6.0</td>
<td>5.4</td>
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<td>4.4</td>
<td>4.7</td>
<td>3.3</td>
<td>3.2</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Source: From Mongolian National Chamber of Commerce and Industry’s web site

**Trademarks registered in Mongolia.**
Trend of Madrid System by Asian countries

Source: Based on the information in WIPO's website

On the basis above foreign trade trend, it is observed that in recent years export and import of Mongolia are increasing similarly and last year, trade turnover increased by 34.2%.

The statistics, as shown above indicates that major trading partners of Mongolia such as Russia, China, Japan, and Korea have joined already the Madrid System and Madrid protocol implementation increasing year by year. Since Mongolian domestic companies and enterprises have already developed
their business in the world market and are exporting their goods from Mongolia and also simplified procedures of Madrid system such as one language, one application and one set of fees been offered for easy to use channel for International protection of Trade Marks which would be beneficial for development of Mongolian Enterprises and companies in foreign market, it is still less utilization and protection under the Madrid Protocol. There are several of reasons.

- Lack of understanding of trademark protection especially International trademark protection and benefit of Madrid system for domestic enterprises particularly SMEs.

- Legal ambience of Mongolia is not sufficient for the users particularly industries and companies who can take advantage of Madrid system because of no clear provisions concerning to international registration in MTGIL and no special implementation rule in national language.

- Also, the trademark applications which are filed by the Madrid agreement and Protocol and by non resident constitute 80% of total trademark registration. It means domestic trademark protection and IP awareness still being low among the domestic enterprises as well as SMEs. Mongolian government, including Mongolian IP Office has made fewer efforts in the development and promotion of public awareness of IPR and trademark right.

- The familiarity with International trademark protection also still being low among the domestic IP law firm and trademark attorney.

- Slightly costlier and unaffordable International trademark Registration basic fee. Because, basic fee of International trademark registration which is fixed by WIPO for developing countries is same as developed countries.
In Japan, the utilization of Madrid protocol by Japanese applicants is increasing continuously but comparing it with national applications received by JPO and Madrid protocol implementation by developed countries, utilization of Madrid Protocol is still less for domestic companies and SMEs.

“The JPO conducted a survey of Japanese companies in 2006 (193 companies responded). According to the results of the questionnaire, of the total number of applications made overseas by Japanese companies, the proportion of applications using the Madrid Protocol was 3.1% in 2002, rising to 23.2% in 2005”\textsuperscript{47}.

In order to encourage the utilization of the Madrid Protocol by domestic enterprises and companies as well as to understand the Madrid Protocol for practitioners, JPO conducts following activities:

1. Holding briefings for intellectual property system practitioners (ongoing)

In around October each year, at the briefings for intellectual property system practitioners held by the JPO, a lecture takes place entitled “An Overview of the Madrid Protocol System and Application Procedures.”

- In fiscal 2006, the JPO held briefings in Tokyo (around 1,500 participants), Osaka (around 1,000 participants), Aichi (around 350 participants) and Fukuoka (around 200 participants). Participation was free of charge.

\textsuperscript{47} Interview with JPO examiners
2. Compilation and distribution of textbooks (ongoing)

Textbooks for the briefing for practitioners

- Textbook: *Anthology of International Registration Application Procedures*
  Contents: 1) Overview of the Madrid Protocol System; 2) Methods for completing procedures with the office of origin; 3) Methods for completing procedures with the office in the designated country.

- Textbook: *Anthology of International Registration Application Forms*
  Provides examples of how to fill in MM forms, such as application forms, and translations provided for reference purposes.

- Compilation and distribution of Pamphlet concerning the Utilization of the International Registration System for Trademarks
  Provides key points for beginners, such as an overview of the Madrid Protocol System, procedures, fees, and advantages and disadvantages. 20,000 copies were printed in October 2006, and were distributed to regional patent offices and chambers of commerce and industry across Japan.

3. International Trademark Seminar (implemented in the past)

- In March 2006, the JPO held an international trademark seminar entitled *Brand Strategy as Described by Major International Users of the Madrid Protocol*, at which the commissioner of the Japan Patent Office and the WIPO Assistant Director-General Ernesto Rubio gave keynote speeches; the seminar also featured panel discussions and lectures by major users from across the globe.

- The lectures were given by representatives of DaimlerChrysler, the General Electric Company, and Sony, on the theme *Corporate Brand Strategy and the Utilization of the Madrid Protocol*. The panel discussion involved the aforementioned corporate representatives and the WIPO Assistant Director-General, and featured an exchange of opinions on the theme *Brand Strategy Utilizing the Madrid Protocol and Future Prospects for This*.

- Venue and other conditions: Tokyo Forum, around 800 participants, participation free of charge.
During the current fiscal year, JPO is planned to compile an *Overview of Madrid Protocol-based Procedures*, as an Internet study program. This will provide JPO employees, users and agents with a learning environment that can be used as required\(^{48}\).

In Japan, both individual and corporate applicants have hired mostly service of trademark attorney for filing international trademark application. So, Japanese patent and trademark attorneys play an important role for Madrid Protocol implementation. “Japanese accession to Madrid Protocol, is really beneficial for domestic companies as well as individual applicant but not for trademark attorney because when an international application is filed in designated countries, application is considered one application and attorney has to charge only single fee for filing such application, whereas same trademark is applied individually in various countries attorney would charge separate fee for each application. However attorneys would like to promote international registration system in spite of loss of fee for promoting his business due to competition among the attorney”. Also in order to support trademark attorney, JPO provides them several training program concerning international registration of trademarks especially characteristic system of Madrid protocol\(^{49}\).

In order to help domestic industries and SMEs to understand Madrid Protocol  

1. IPOM needs a strong IP awareness and to organize series of seminars and training programs for enterprises particularly SMEs to encourage the utilization of International protection system.  
2. Also IPOM needs to create more favourable legal ambience for the users by publishing brochures and translating documents related to the international trademark protection in national language especially Rules Governing Implementation of International Registration of Marks were promulgated in 1996 and these Rules were revised in 2003. This regulation has played a very important role in implementation of Madrid System.

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\(^{48}\) Based on the reply from JPO trademark examiners  
\(^{49}\) Based on the Interview with the “Asamura” Patent attorney
3. In Mongolia, the International cooperation and exchange still continues for deepening the understanding of Madrid System. Mongolia has organized several national and international seminars concerning the Madrid system with cooperation WIPO and other foreign IP Offices. In Japan, procedure of refusal and management of trademark after registration under the Madrid Protocol is arranged by trademark attorney. Therefore, there is further need for organizing training and seminar on international registration of trademark for trademark professionals and examiners and it is also necessary to involve domestic trademark attorney and IP law firms.

4. Detailed information regarding international registration on website including application forms in Mongolian and foreign language, requirements for filing applications, latest list of contracting parties, international trademark registration fee need to be made available.

5. Investigation from developing countries similar to Mongolia (member country of Madrid system) their Madrid system implementation and promotion of domestic industries and SMEs and their business, trade and investment.

Finally, currently The Madrid Protocol is extremely advantageous to developed countries near future it will be beneficial for developing and less developing countries especially Asian countries. I feel that, without any doubt more and more countries will have interest in joining in this system to broaden international trade and International registration system would be develop further. Therefore, it is time to understand properly the benefits of Madrid system for Mongolian trademark owners and implement strongly international convention and treaties for IP Office of Mongolia keeping in view the public interest. Madrid system is only one simplified and beneficial route for Mongolian trademark owners to protect their business and their trademark in global market.

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Abbreviations

JTL  Japanese trademark law
MTGIL Mongolian trademark and Geographical Indication law
IB   International Bureau
WIPO World Intellectual Property Organization
JPO  Japan Patent Office
IPOM Intellectual Property Office of Mongolia
IA   International application
OO   Office of Origin
DRC  Dispute Resolution Commission
CTM  Community trademark