



**Department of Intellectual
Property, MoEA**

Experience: Accession, Operation, Advice from an Office, Plans and Implementation

BHUTAN

**Regional Meeting of Intellectual Property Office Officials Responsible for the
Madrid System, Tokyo, December 13 and 14, 2016**

**Presented by
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Introduction

- ❑ Constitutional Monarchy

- ❑ Population 742,737

- ❑ Area 38,394 km²

- ❑ Economy : agriculture, forestry, tourism and the hydroelectric power

 - Industrial sector-nascent stage, most production from cottage industry, and few larger industries such as cement, steel, and ferroalloy

- ❑ **Local IP limited**

Intellectual Property in Bhutan

- ❑ Branding may not have been formal but the pride of differentiating products certainly existed prior.
 - Weavers wanted to have their unique signs on their product
 - Potters wanted to have some sort of identification on their pots
- ❑ Concept of IP protection system: 1994 (WIPO)
- ❑ Trademarks Regulations 1997=Trademark Registry (National filing system)
- ❑ Madrid Agreement and Protocol: August 4 2000
- ❑ Industrial Property Act of the Kingdom of Bhutan: 2001
- ❑ Industrial Property Rules: 2001
- ❑ Amendment of the Act
- ❑ Draft National Intellectual Property Policy
- ❑ Upgraded to Department

Accession

- Analysis
- Accession Documents
- Resources and IT supports
- Training to gear up for the influx of applications
- Awareness through seminars and newspapers
- Ratification of Madrid system texts by the National Assembly
- Legal effect to the Common Regulations
- Re-organization of the working procedures
- Implementation

Accession

❑ Considerations

➤ IP Office

- No front desk related work
- No formality examination
- Building Databases
- Professionalism/expertise
- Increase work load and objections
- Sustainability (applications and financial)

➤ Applicants

- Maximum applications from foreigners under the National filing system
- Facilitate foreigners obtaining protection in the country
- Facilitate Bhutanese obtaining protection abroad easily
- Limited IP Agents

➤ Agents

- Reduction in filing instructions from applicants
- Possibility for more litigation work with increased workload in the office
- Increase work such as licensing, franchising assignments etc
- Increased earnings
- Professionalism

Operations – Process of Integration

- Treating Madrid applications the same as national applications in terms of examination standards
- All Madrid applications assigned a National number similar to National filing system applications
- Automation of the processes (scanning, data entry etc.)
- Multi-class registration system
- NICE classification
- Database of both National & Madrid applications
- Substantive examination – Absolute & Relative grounds
- Publication for Opposition before grant (non-obligatory)
- Recordal of assignments, change of name of holders, correction notifications etc.

Operation: As a Designated Office

No front desk work required

- Assisting in Completion of application form
- Calculation of fees
- Classification of goods/services
- Vienna classification of figurative elements of the mark
- Advisory services

No Formality examination required

Before the installation of Industrial Property Automation (IPAS) in 2006

- Need for scanning the marks, punching data and assigning the national application number to the International applications

Recording assignments, change of name of holders, correction notifications etc

- Initial difficulty of integrating the data into our system
 - different forms
 - different manner of presenting information

With IPAS post 2006 applications picked from WIPO website (*Madrid*) (*BT folder*) (*image and data folder*) and Uploaded to IPAS

- Requirement of a permanent System administrator

Operation: As a Designated Office:

- ❑ Notifications/reports generated by IPAS
 - Initial difficulty with the terminologies
 - Notifications of Refusal of Protection Vs Objection/opposition
 - Final Decision following a Refusal Vs Registration
 - Statements of Grant of Protection Vs Registration

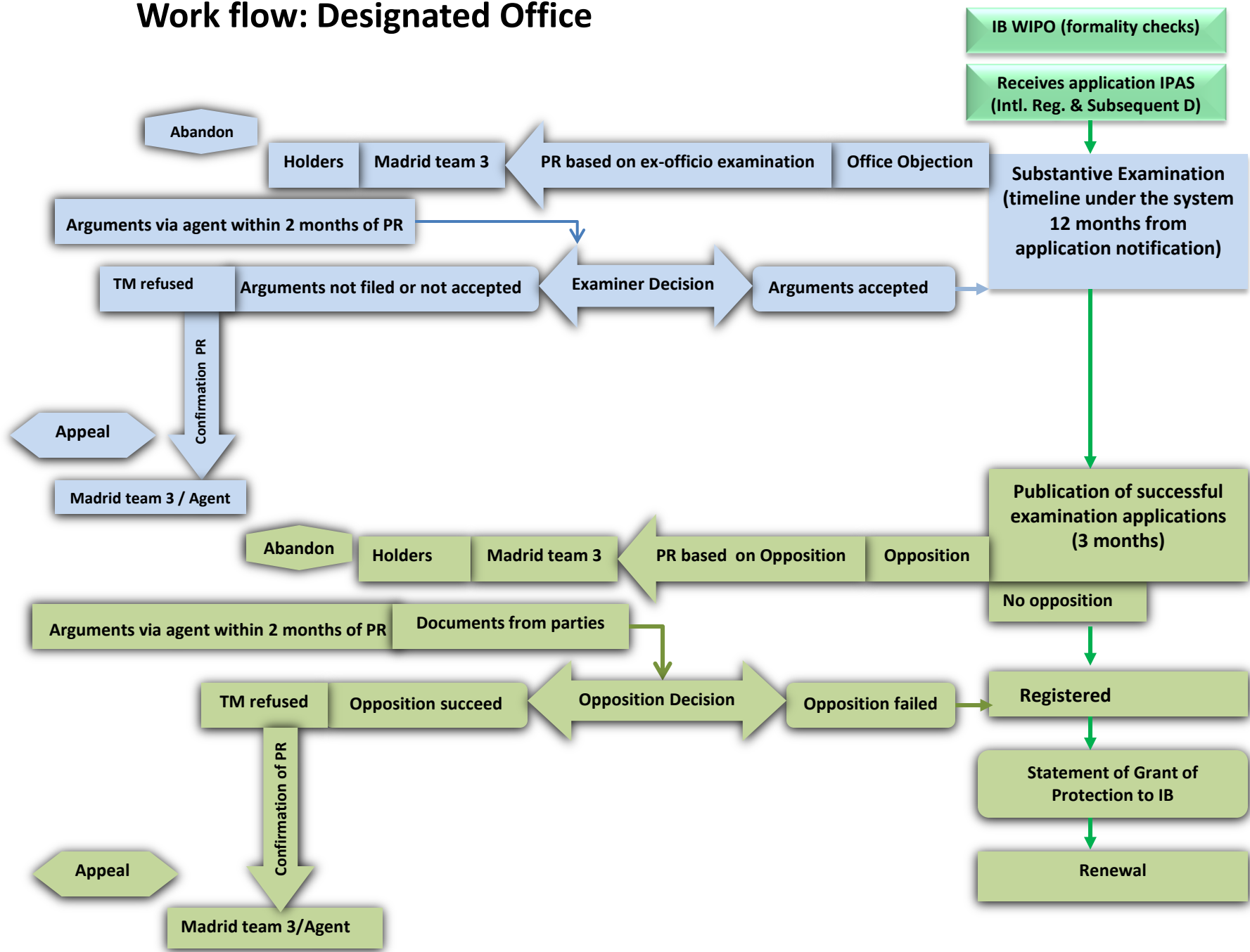
- ❑ Process fully automated for Madrid applications

- ❑ Conducts Substantive Examination
 - Absolute and Relative grounds
 - Office notifies Objections to IB
 - IB notifies the applicant
 - Applicant hires Agents
 - Agents represents before the Office

- ❑ Publishes the marks
 - Oppositions within 3 months
 - Office notifies the Oppositions to IB
 - IB notifies the applicant
 - Applicant hires Agents

- ❑ Grants registration within 12 months of filing
 - Statement of Grant of Protection

Work flow: Designated Office

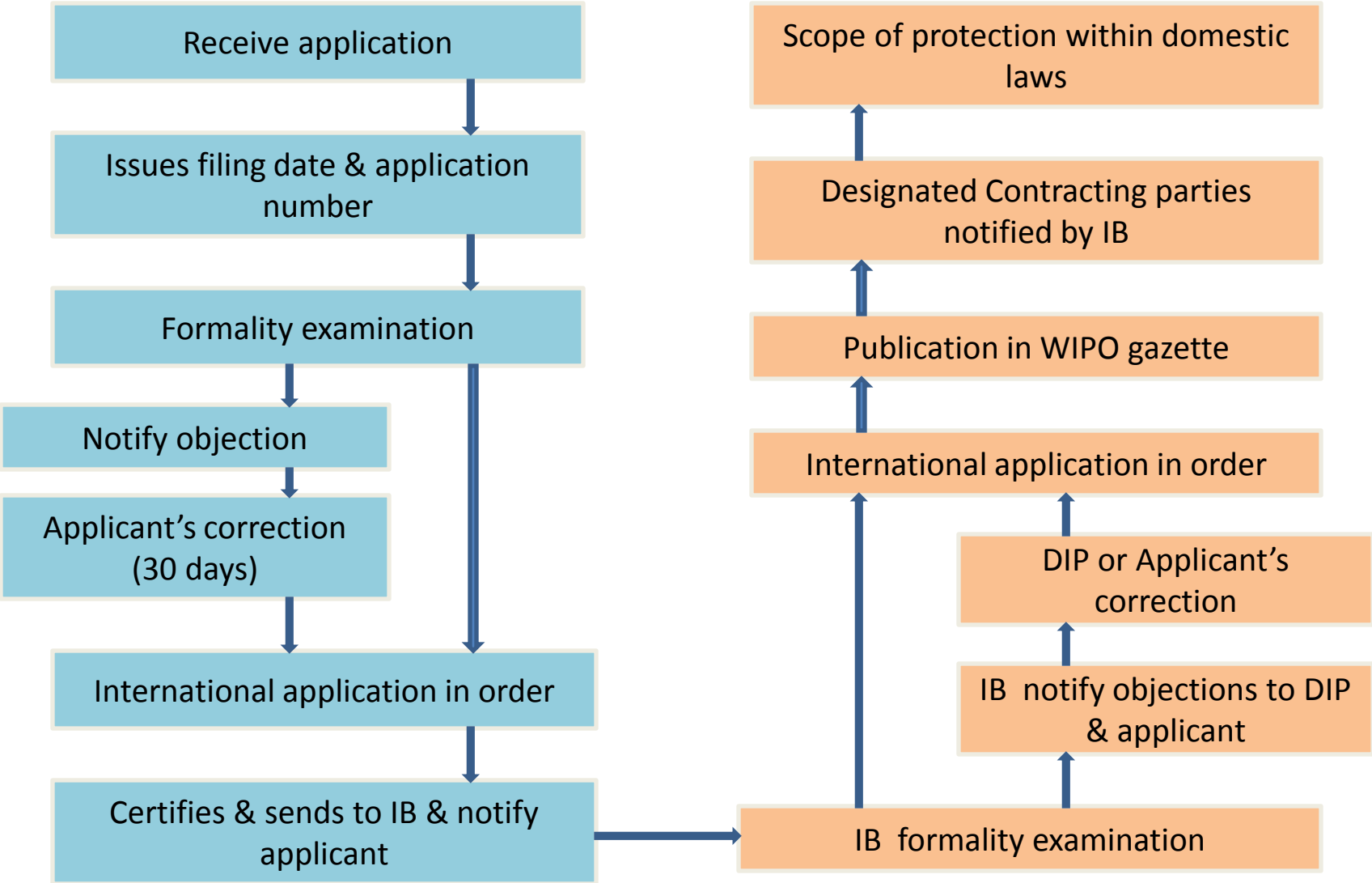


Operation: Office of Origin

Procedures/certifying process

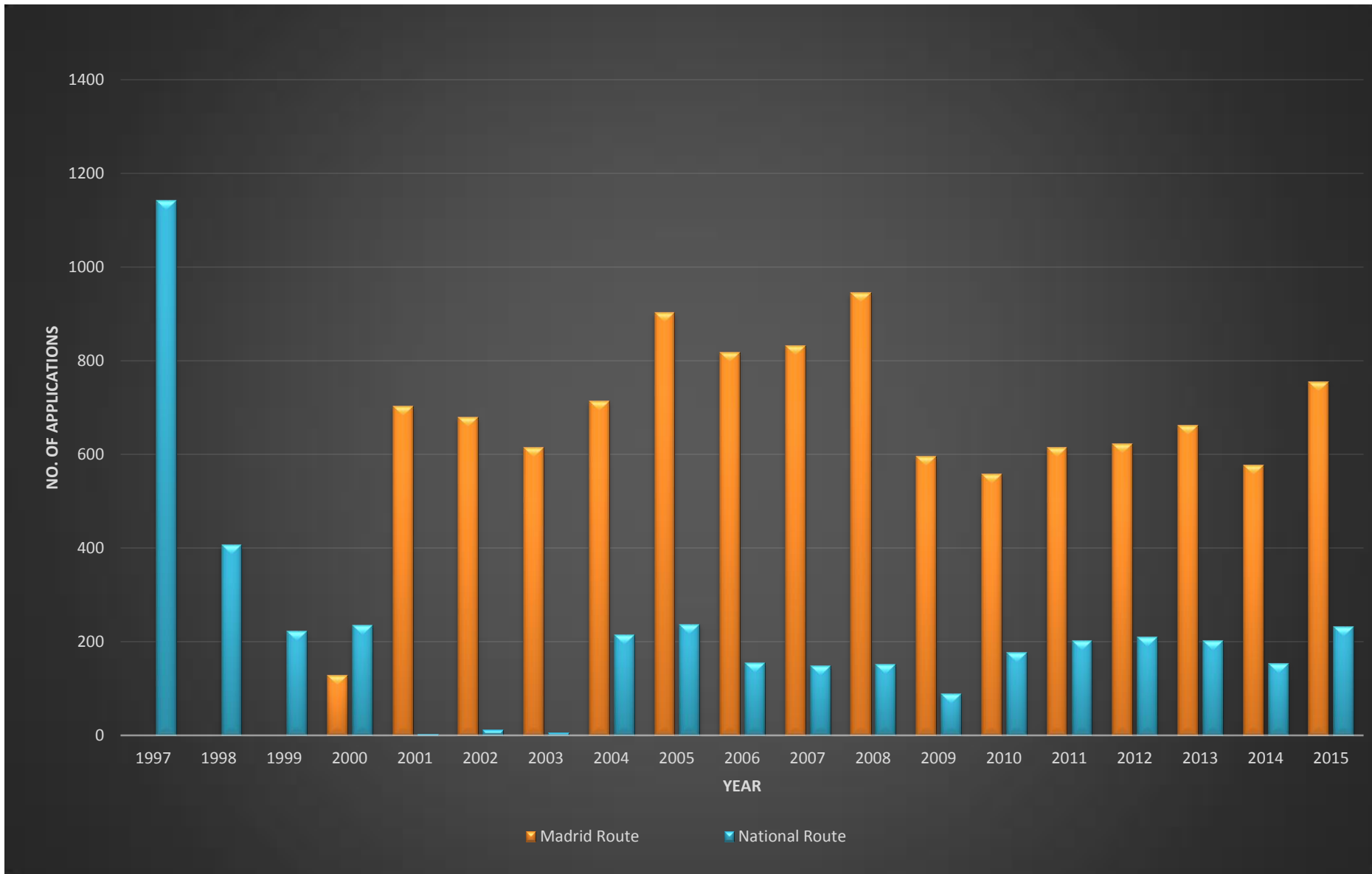
- Filing an application to the DIP
- Generation of application numbers and acknowledgement to the applicant
- Data entry of the details Application
- Processing of international applications (IA) –Form MM2
- Calculation of fees payable to IB in Swiss Francs (to be paid by applicant into the IB's bank account)
- Formality examination of the application
- Substantive examination
- Form MM2, once certified, transmitted to IB
- Inform applicant that IA is submitted to IB

Work flow: Office of Origin



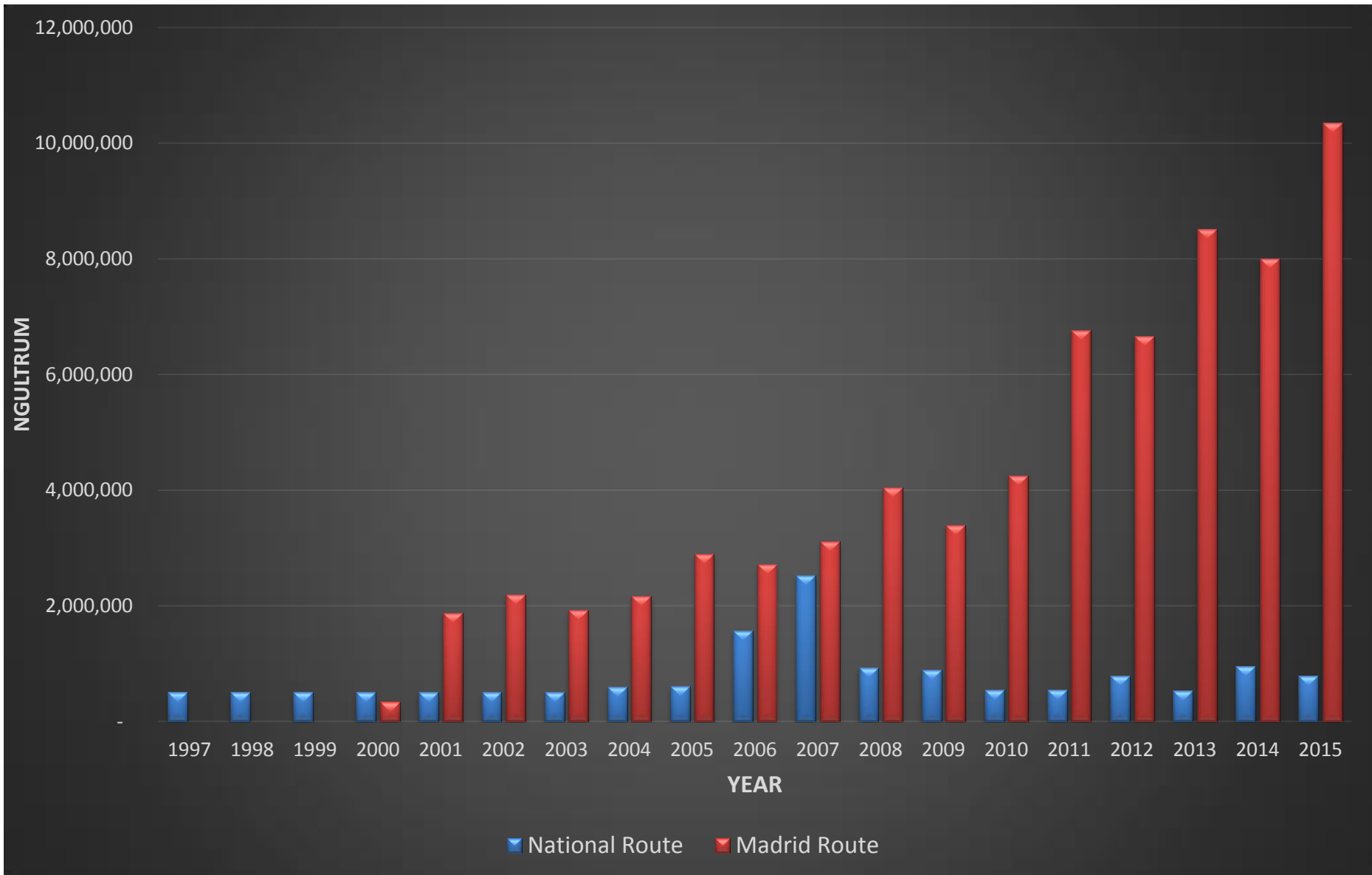
Current situation

Applications received



Current situation

Revenue generated



Current situation

- Doors open for more filings via designations
- More designations every year
- Increased revenue generation
- Examiners experienced than ever in Madrid processes
- Increasing communications with IB
- Eased working conditions & meeting timeline with automation of procedures (IPAS)
- No national number for Madrid application
- Low usage by domestic businesses as not many industries
- Anticipate usage from business establishments from FDIs and other bilateral establishment.
- No significance difference in revenue for agents from Filing and the madrid related work such as prosecution of office actions of designated cases, pre-filing searches, licensing contracts, opposition & invalidation proceedings etc.
- Meeting the obligation of Statements of Grant of Protection after it was made compulsory for all Contracting Parties with effect from 1 September 2009.
- Continue creating awareness to the local users

Advantage

Designated Office:

- Reduction in Front desk related work with the international registration procedure
 - cutting down on the timeline for procedure
 - No paper work required
 - No formality examination (NICE, Vienna etc.)
 - No data entry required
 - Not much support staff required
- More time for substantive examination.
- Built database for public reference and preempt possible confusions
- Assistance in automation with IPAS and Madrid module for uploading applications directly from WIPO website
- Built-in professionals through continued handling of the works under the system (Office+Agents)
 - Agent's increase work such as licensing, franchising assignments, transformation etc
 - Agent's work due to Provisional refusals
- Increased workloads meant more revenue generation by the Office for the Government
- Local currency and Hard currency adding to the foreign currency reserve of the Government

Advantage

Office of Origin:

- Simplified procedures
- Encouragement to the trademark owners to apply for registration through a simple tick in a check box
- Possibility of increased revenue through International Application handling charges
- Means for local exporters to designated country of exports

Advantage

Trademark Owner

- ❑ Alternative routes
- ❑ Allows companies and individuals to obtain and maintain protection for their marks in an ever-increasing number of countries by means of a simple and economical procedure.
- ❑ After registering the basic mark, or filing an application for registration, with the Office of origin, he has only to file one international application, in one language, and pay one fee, in one currency.
 - different languages (expenses on translation, procedures of exchanges and local representatives fees)
 - paying fees to each Office, in different currencies.
 - No local representative to act on his behalf before the Office, at the time of filing of the application.
 - may only require that the holder appoints a local representative in case the holder has received a notification of a provisional refusal and the holder intends to contest this decision before the Office concerned.
- ❑ Advantage of applicable time limit for refusal

Advantage

IP Agents

- Non members of the Madrid system continues to file directly through a local agent
- Could be used by applicants using Madrid system through Bhutan
- Volume of work not expected to decrease as the effects of the international registration of a mark, the procedures to exercise and enforce the rights deriving from the registration, are governed by national law.
- Could come in responses to objections, raising of objections, requests for cancellation, dispute settlements, license and assignment contracts, transformation among others.

Advantage

National Economy

- Madrid system supports the country's exports by simplifying trademark protection abroad.
- Businesses from other Contracting Parties of the system have easier access in protection of their marks
- Favorable market conditions for foreign investment.

Challenges faced in the implementation

- Increase in applications received
- Problems meeting the timeline with very limited staff and expertise
- Additional work as an Office of origin for international applications;
- Office processes and procedures for international registrations complex than those for national filing applications
- Getting additional staff for its operation
- Capacity building of the examiners
- Problems with IPAS
- Role of local agent in a designated Contracting Party limited to responding to a notification by that Office of an intention to refuse protection to the mark
- Proportion of non-resident filings which come under the Madrid System
- Extent to which the System is adopted by local businesses to seek protection for their marks in other markets

Plans and implementation

- Review and modify Office procedures
- Provide additional information about the System and its development
- Preparation of manuals
- Awareness to the exporters and cooperatives for using the system to their advantage
- National Intellectual Property Policy (NIPP)
- Amendment of the Trademark law
 - Adopting the best practices of the world
 - Clear customized provisions on the Madrid system
- Percentage of revenue generated to be used by the office
- Capacity building of the examiners

Advice

- ❑ Accession to the Madrid system has offered a unique benefit to all domestic companies and entrepreneurs to protect their trademark across the world.
- ❑ Likewise, the option of choosing Bhutan as a designated country has eased the economics of filing trademark applications for many international applicants.
- ❑ Undoubtedly attracted more work which otherwise may not happen for us.
- ❑ Foundation to the sustainability of the IP office in terms of work load and revenue generations

THANK YOU