

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

**Eighteenth Session**  
**Geneva, October 12 to 16, 2020**

### **STUDY OF THE COST IMPLICATIONS AND TECHNICAL FEASIBILITY OF THE GRADUAL INTRODUCTION OF THE ARABIC, CHINESE AND RUSSIAN LANGUAGES INTO THE MADRID SYSTEM**

*Document prepared by the International Bureau*

#### **I. INTRODUCTION**

1. At its seventeenth session, held in Geneva from July 22 to 26, 2019, the Working Group on the Legal Development of the Madrid System for the International Registration of Marks (hereinafter referred to as “the Working Group” and “the Madrid System”) discussed document MM/LD/WG/17/7 Rev. describing possible options for the introduction of new languages into the Madrid System, in particular, Chinese and Russian. The Working Group also discussed document MM/LD/WG/17/10 with a proposal by the Delegations of Algeria, Bahrain, Egypt, Morocco, Oman, Sudan, the Syrian Arab Republic and Tunisia on the introduction of Arabic into the Madrid System.

2. The Working Group requested that the International Bureau prepare, for discussion at its eighteenth session, a comprehensive study of the cost implications and technical feasibility (including an assessment of the currently available WIPO tools) of the gradual introduction of the Arabic, Chinese and Russian languages into the Madrid System.

3. As requested by the Working Group, this document discusses the cost implications and technical feasibility of gradually introducing the above-mentioned languages and provides an assessment of the availability of the Madrid System tools in Arabic, Chinese, English, French, Spanish and Russian. This document also contains a proposal for the introduction of Arabic, Chinese and Russian as filing languages.

## II. COST IMPLICATIONS AND FEASIBILITY

4. Document MM/LD/WG/17/7 Rev. described possible options for the introduction of new languages that were increasingly more complex, by providing for additional features, and had increasingly higher operational and cost implications. Annex I to this document presents the cost implications of the simultaneous introduction of Arabic, Chinese and Russian for each of the said options.
5. All implementation options would require an initial investment of CHF 750,000, equivalent to three two-year Individual Contractor Services (ICS) contracts, to ensure that all relevant information and services are available in the proposed new languages.
6. The filing language option would require an initial investment of CHF 160,000 to make necessary changes to the International Bureau's Information and Communication Technology (ICT) systems. Furthermore, the International Bureau estimates that, had this option been operational in 2020, it could have incurred in up to CHF 824,426 additional operating costs resulting from outsourcing translation work and from ICS contracts to control the quality of that work.
7. The processing language option would require an investment of CHF 310,000 to make necessary changes to the International Bureau's ICT systems. The operational costs for this option could have been similar to those for the filing language option.
8. The transmission, communication and working language options would require an investment of CHF 310,000 to make necessary changes to the International Bureau's ICT systems. However, the operational costs would be different. The International Bureau estimates that, had the said options been operational in 2020, it could have incurred in up to CHF 835,989 additional operating costs for the transmission language option; up to CHF 4'671,321 for the communication language option; and, up to CHF 19'492,706 for the working language option.
9. From a financial perspective and considering the projected income and expenditure of the Madrid Union for the 2020/21 biennium\*, the communication and working language are not sensible options. While technological advances might provide for high-quality automatic translation in the future, it would take time for that progress to have a positive financial impact on the translation workload of the International Bureau. Moreover, given the current global economic uncertainty, it is advisable to take a prudent approach when it comes to increasing expenditure.
10. From a technical perspective, all the options for the simultaneous introduction of Arabic, Chinese and Russian are feasible, with varying degrees of complexity. However, the filing language option is the least complex and onerous option. All the other options would require complex changes to the ICT systems of the International Bureau and a heavier investment.

## III. ASSESSMENT OF THE AVAILABILITY OF MADRID SYSTEM TOOLS

11. Annex II of this document provides an overview of the availability of the Madrid System tools and information in Arabic, Chinese, English, French, Spanish and Russian.
12. The most important information, such as, for example, the Working Group and the Madrid Union Assembly documents, the Madrid System website and the legal texts are available in all the said languages. However, the databases, as well as the classification, filing, management and communication tools, are mostly available in English, French and Spanish only.

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\* The projected income and expenses for the Madrid Union for the 2020/21 biennium can be found in document A/59/8 "Proposed Program and Budget for the 2020/21 Biennium", page 173 ([https://www.wipo.int/edocs/mdocs/govbody/en/a\\_59/a\\_59\\_8.pdf](https://www.wipo.int/edocs/mdocs/govbody/en/a_59/a_59_8.pdf)).

13. As indicated earlier, the International Bureau would invest to ensure that relevant services and information are available in the new languages before introducing them into the Madrid System. For example, for introducing new filing languages, the International Bureau would ensure that the Madrid Monitor interface, the Madrid Member Profiles database and the filing tools are available in those languages.

14. The introduction of new languages into the Madrid System could not take place before all indications in the Madrid Goods and Services Manager (MGS) database are available in the proposed new languages. The MGS database has over 106,000 indications in English, which is the language with the highest number of indications. On average, the International Bureau adds some 500 indications to the MGS database each month. Meanwhile, the MGS database has almost 26,000 terms in Arabic; almost 34,000 in Chinese; and, over 50,000 in Russian. The active cooperation of the Contracting Parties concerned would be required to ensure that the MGS database is and remains updated in the newly introduced languages.

#### **IV. POSSIBLE WAY FORWARD**

15. As a possible way forward, in view of the complexity of the changes to the ICT systems and of the possible financial implications, the International Bureau proposes the introduction of Arabic, Chinese and Russian as filing languages. The International Bureau would require no less than two years to ensure that all information and services are available in all languages and to introduce the required changes to the ICT systems.

16. Further, the International Bureau proposes that this introduction be subject to a review following a period of no less than five years to assess its operational and financial impact. Following that assessment, there could be a decision on whether to progress to the processing or transmission language option.

17. Annex III to this document presents the required amendments to the Regulations under the Protocol relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Regulations”) to introduce Arabic, Chinese and Russian as filing languages. It is proposed that Rule 6(1) of the Regulations be amended to provide for this possibility.

18. It is also proposed that item (iii) in Rule 6(2) of the Regulations be amended to require that Offices notify the International Bureau whether they wish to receive notifications in English, French or Spanish. This amendment would have no practical implications because all Offices have notified the International Bureau their language of communication.

19. Item (iv) in Rule 6(2) of the Regulations would be amended to cover communications from the International Bureau to applicants and holders where the application is filed in English, French or Spanish. A proposed new item (v) in the same Rule would cover communications from the International Bureau to applicants and holders where the application is filed in a language other than those mentioned above.

20. Item (xii) in Rule 9(4)(a) of the Regulations would be amended to require that, where the mark consists of or contains characters other than Latin and numerals other than Arabic and the international application is filed in a language other than English, French or Spanish, the applicant provide a transliteration of the mark following the phonetics of one of those languages and indicate the language concerned. The Administrative Instructions for the Application of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks could have a similar provision for names in characters other than Latin characters. It could also require that addresses be given in Latin characters.

21. A new item (xvi) in Rule 9(4)(a) of the Regulations would be amended to require applicants to indicate whether they wish to receive communications from the International Bureau in English, French or Spanish, where the international application is not filed in one of those languages. This new Rule would require small consequential amendments to items (xiv) and (xv) of the same Rule.
22. Item (iii) in Rule 9(4)(b) of the Regulations would be amended to allow applicants, where possible, to provide a translation of the mark in Arabic, Chinese and Russian, in addition to English, French and Spanish.
23. Finally, it is suggested that the proposed amendments to Rules 6 and 9 of the Regulations enter into force no earlier than February 1, 2024.

24. *The Working Group is invited to:*
- (i) consider the proposals made in this document; and,*
  - (ii) recommend to the Madrid Union Assembly the proposed amendments to the Regulations, as presented in Annex III to this document or in amended form, and indicate a date for their entry into force.*

[Annex I follows]

## **ANNEX I: COST OF INTRODUCING ARABIC, CHINESE AND RUSSIAN INTO THE MADRID SYSTEM**

### **I. TRANSLATION COSTS**

1. This estimate is based on a five-year forecast of the number of international applications made by the Economic and Statistics Division of the World Intellectual Property Organization (WIPO). The estimate shows the additional translation cost related to the simultaneous introduction of Arabic, Chinese and Russian only, under an indirect translation practice, with English as the relay language<sup>1</sup>.
2. The Offices of Algeria, Bahrain, Egypt, Morocco, Oman, Sudan, the Syrian Arab Republic and Tunisia are likely to present international applications and communicate in Arabic. The Office of China is the only Office likely to present international applications and communicate in Chinese. The Offices of Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan, Turkmenistan and Uzbekistan are likely to present international applications and communicate in Russian.
3. The estimate assumes that, where possible, applicants, holders and Offices from the selected Contracting Parties would chose to communicate in the new language, which is likely to be the case. The financial impact of introducing the new languages as filing or processing languages would be immediate because it is likely that applicants from the above-mentioned Contracting Parties would file in the new languages as soon as this becomes an option.
4. The above-mentioned financial impact would build-up in the year following the introduction of the new languages as transmission, communication or working languages, because, while applicants and holders from the selected Contracting Parties would immediately file applications and requests in the new languages, the Offices concerned would take some time to send decisions in those languages.
5. The estimate assumes that, in 2020, the International Bureau would translate 20 per cent of the words in the new languages automatically, without human intervention, and that this percentage would increase by 2.5 per cent each year. The International Bureau would outsource the translation of indications that it cannot translate automatically. The fee per word translated between English and Arabic is CHF 0.28; Chinese, CHF 0.157; and, Russian, CHF 0.23. Seven per cent of the outsourced translation work is subject to quality control by a WIPO internal translator.
6. Several external factors could affect this estimate. For example, whether applicants are more or less likely to use indications from the Madrid Goods and Services Manager (MGS) database, a positive impact on filing trends following the introduction of new languages or the accession of Contracting Parties that are likely to communicate in one of the new languages.

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<sup>1</sup> The implications of the introduction of an indirect translation practice are discussed in document MM/LD/WG/17/7 Rev. "Possible Options for the Introduction of New Languages into the Madrid System", paragraphs 35 to 44 ([https://www.wipo.int/edocs/mdocs/madrid/en/mm\\_ld\\_wg\\_17/mm\\_ld\\_wg\\_17\\_7\\_rev.pdf](https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_17/mm_ld_wg_17_7_rev.pdf)).

(A) FILING OR PROCESSING LANGUAGE<sup>2</sup>

7. The filing and processing options would have the same translation cost implications. However, the processing language option would have higher information and communication technology cost implications. Please, see below.

8. In both the filing and processing options, the Office of origin could allow applicants to file international applications in the new languages.

9. In the filing language option, the International Bureau would communicate with the applicant and holder in English, French or Spanish, as requested by them.

10. In contrast, in the processing language option, the International Bureau could communicate with the applicant and the Office of origin in the language of the international application.

11. Once the mark is registered, management of the resulting international registration would continue to be in English, French or Spanish.

Year	Outsourced Translation Edition (CHF)	Translation Quality Control (Work Days)
2020	449,426	39
2021	452,361	39
2022	458,682	40
2023	463,134	40
2024	466,553	40

<sup>2</sup> Further information on the options for introducing new languages is available in document MM/LD/WG/17/7 Rev. "Possible Options for the Introduction of New Languages into the Madrid System", paragraphs 45 to 71 ([https://www.wipo.int/edocs/mdocs/madrid/en/mm\\_ld\\_wg\\_17/mm\\_ld\\_wg\\_17\\_7\\_rev.pdf](https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_17/mm_ld_wg_17_7_rev.pdf)).

(B) TRANSMISSION LANGUAGE

12. In the transmission language option, the Office of origin could allow applicants to file international applications in the new languages and the International Bureau would communicate with them in that language.

13. Once the mark is registered, applicants who filed in a new language could present requests to the International Bureau for the resulting international registration in that language.

14. Offices of designated Contracting Parties could opt to receive notifications from the International Bureau in the language of the international application, where filed in a new language, and send decisions in this language for the international registrations concerned only.

15. The current trilingual regime would continue apply to apply in all other cases.

Year	Outsourced Translation Edition (CHF)	Translation Quality Control (Work Days)
2020	460,989	40
2021	463,999	40
2022	470,440	41
2023	474,989	41
2024	478,468	41

(C) COMMUNICATION LANGUAGE

16. In the communication language option, applicants, holders and Offices could communicate with and request to receive communications from the International Bureau in any language, including the new languages.

17. The International Bureau would translate into the new languages only where necessary to communicate with an applicant, a holder or an Office.

18. The current trilingual regime would continue apply in all other cases.

Year	Outsourced Translation Edition (CHF)	Translation Quality Control (Work Days)
2020	4,496,321	428
2021	4,525,687	431
2022	4,572,627	436
2023	4,609,263	439
2024	4,632,450	441

(D) WORKING LANGUAGE

19. In the working language option, applicants, holders and Offices could communicate with and request to receive communications from the International Bureau in any language, including the new languages.

20. The International Bureau would make the necessary translations to inscribe, publish and notify in all languages, including the new languages.

Year	Outsourced Translation Edition (CHF)	Translation Quality Control (Work Days)
2020	18,367,706	1,556
2021	18,487,670	1,567
2022	18,678,329	1,583
2023	18,830,204	1,596
2024	18,925,383	1,604



## II. HUMAN RESOURCES IMPLICATIONS

21. The introduction of new languages would not directly affect the number of examiners required to process international applications, requests for recording and communications from Offices. The number of examiners required is a function of the number of transactions, regardless of the language in which they are processed.

22. The International Bureau cannot introduce a new language into the Madrid System without having the necessary skills to translate and control the quality of outsourced translation work from those languages into English.

23. After the adoption of the introduction of new languages, the International Bureau would engage three translators, on Individual Contractor Services (ICS) contracts, to ensure that all relevant information and services are available in the new languages. Once the introduction of new languages becomes operational, those resources would either translate or control the quality of the outsourced translation work.

24. One translator per new language could cope with the quality control workload under the filing, processing, transmission and communication language options. Three translators per new language would be required under the working language option. An ICS contract for a P3 or P4-level translator could range between CHF 100,000 and CHF 150,000 per year, subject to experience. We estimate that each ICS contract would require an investment of approximately CHF 125,000 per year.

25. The International Bureau and, in particular, the Madrid Registry has human resources proficient in the proposed new languages. Moreover, following a gradual approach for the introduction of new languages would ensure that the Madrid Registry has time to strengthen further its linguistic capacity in all its areas, as posts become available.

## III. MADRID SYSTEM ICT REQUIRED DEVELOPMENTS FOR INTRODUCING NEW LANGUAGES

### (A) FOR FILING LANGUAGE

26. Possible update of Madrid e-Filing and the Madrid Electronic Communication service (MECA) to allow filing in new languages, depending of which Offices are using them; new pre-translation step in application workflow; update of the enquiry systems to display the new language; and, update of publication systems to ignore new languages.

27. The updates needed to introduce new filing languages would require an investment of approximately CHF 160,000.

### (B) FOR PROCESSING LANGUAGE

28. Possible update of Madrid e-Filing and MECA to allow filing in new languages, depending of which Offices are using them; update of application examination and enquiry systems to display the new language; update of internal classification tool ("Christmas tree") to support the new language; translation into the new language of all application irregularity letters and testing; rework of the translation processes to add a step to translate from the new language to English, French and Spanish, and *vice versa*; and, update of the publication systems to ignore new languages.

(C) FOR ALL OTHER OPTIONS

29. Possible update of Madrid e-Filing and MECA to allow filing in new languages, depending of which Offices are using them; update of all examination and enquiry systems to display the new language; update of internal classification tool (“Christmas tree”) to support the new language; translation of all irregularity letters for all transactions into the new language and testing; rework the translation processes to add a step to translate from the new language to English, French and Spanish, and *vice versa*; update of publication systems to process new languages; and, update of web tools to process the new language and to validate when it can be used.

30. The updates needed for introducing new languages as a processing, transmission, communication or working language would require an investment of approximately CHF 310,000.

[Annex II follows]

**ANNEX II: ASSESSMENT OF THE AVAILABILITY OF THE MADRID SYSTEM TOOLS IN ARABIC, CHINESE ENGLISH, FRENCH, SPANISH AND RUSSIAN**

Tools		Arabic	Chinese	English	French	Spanish	Russian
<b>Databases</b>							
1)	Article 6ter Express			X	X	X	
2)	Global Brand Database			X	X	X	
3)	Madrid Monitor			X	X	X	
4)	Member Profiles Database <sup>1</sup>			X	X	X	
<b>Classification Tools</b>							
5)	Nice Classification <sup>2</sup>			X	X	X	
6)	Madrid Goods and Services Manager <sup>33</sup>	X	X	X	X	X	X
7)	Vienna Classification			X	X		
<b>Filing Tools</b>							
8)	E-Filing			X	X	X	X
9)	Fee Calculator			X	X	X	
10)	International Application Simulator			X	X	X	
<b>Management Tools</b>							
11)	Madrid Portfolio Manager			X	X	X	
12)	E-Renewal			X	X	X	
13)	E-Subsequent designation			X	X	X	
14)	E-Payment			X	X	X	
<b>Communication Tools</b>							
15)	Madrid Office Portal			X	X	X	
16)	Contact Madrid			X	X	X	

<sup>1</sup> One hundred per cent available in English; 30.9 per cent in French; 7.5 per cent in Spanish.

<sup>2</sup> The online version of the Nice Classification is available in English and French (<https://www.wipo.int/classifications/nice/nclpub/en/fr/>). All master files used to generate the online version of the Nice Classification (and other files in Excel, Word and PDF format) are available for download in English, French and Spanish.

<sup>3</sup> 25,440 indications in Arabic; 33,753 in Chinese; 106,223 in English; 68,917 in French; 66,088 in Spanish; and, 32,890 in Russian.

Tools		Arabic	Chinese	English	French	Spanish	Russian
<b>Information &amp; Publications</b>							
17)	Information (Legal) Notices			X	X	X	
18)	Madrid Protocol Notifications (Accessions)			X	X		
19)	Madrid Notices (Newsletter)			X	X	X	
20)	Madrid Union Assembly Documents	X	X	X	X	X	X
21)	Madrid Website (General Content) <sup>4</sup>	X	X	X	X	X	X
22)	Video Tutorials (How-to Videos) <sup>5</sup>	X	X	X	X	X	X
23)	WIPO Gazette			X	X	X	
24)	WIPO IP Portal	X	X	X	X	X	X
25)	WIPO Publication 207/20 (Legal Texts)	X	X	X	X	X	X
26)	Working Group Documents	X	X	X	X	X	X

[Annex III follows]

<sup>4</sup> One hundred per cent available in English, French and Spanish; 95 per cent available in Arabic, Chinese and Russian.

<sup>5</sup> English version available with subtitles in Arabic, Chinese, French, Spanish and Russian.

## ANNEX III: PROPOSED AMENDMENTS TO THE REGULATIONS UNDER THE PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS

### Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks

as in force on ~~February 1, 2020~~

#### Chapter 1 General Provisions

[...]

#### Rule 6 Languages

- (1) *[International Application]* The international application shall be in Arabic, Chinese, English, French, Russian or Spanish according to what is prescribed by the Office of origin, it being understood that the Office of origin may allow applicants to ~~choose between English, French and Spanish~~ file in any of those languages.
- (2) *[Communications Other than the International Application]* Any communication concerning an international application or an international registration shall, subject to Rule 17(2)(v) and (3), be
  - (i) in English, French or Spanish where such communication is addressed to the International Bureau by the applicant or holder, or by an Office;
  - (ii) in the language applicable under Rule 7(2) where the communication consists of the declaration of intention to use the mark annexed to the international application under Rule 9(5)(f) or to the subsequent designation under Rule 24(3)(b)(i);
  - (iii) ~~in the language of the international application~~ where the communication is a notification addressed by the International Bureau to an Office, in English, French or Spanish, unless that Office has notified to the International Bureau by that ~~Office all such notifications are to be in English, or are to be in French or are to be in Spanish~~; where the notification addressed by the International Bureau concerns the recording in the International Register of an international registration, the notification shall indicate the language in which the relevant international application was received by the International Bureau;
  - (iv) in the language of the international application where the international application was filed in English, French or Spanish and the communication is a notification addressed by the International Bureau to the applicant or holder, unless that applicant or holder has expressed the wish that all such notifications be in ~~English, or be in French or be in Spanish~~ one of those languages;
  - (v) in English, French or Spanish, as indicated by the applicant or holder, where the international application was filed in any other language and the communication is a notification addressed by the International Bureau to the applicant or holder.

[...]

**Chapter 2**  
**International Applications**

[...]

**Rule 9**  
**Requirements Concerning the International Application**

[...]

(4) *[Contents of the International Application]*

(a) The international application shall contain or indicate

[...]

(xii) where the mark consists of or contains matter in characters other than Latin characters or numbers expressed in numerals other than Arabic or Roman numerals, a transliteration of that matter in Latin characters and Arabic numerals; the transliteration into Latin characters shall follow the phonetics of the language of the international application or, where the international application is filed in a language other than English, French or Spanish, the phonetics of one of those languages with an indication of the language concerned,

[...]

(xiv) the amount of the fees being paid and the method of payment, or instructions to debit the required amount of fees to an account opened with the International Bureau, and the identification of the party effecting the payment or giving the instructions, ~~and~~

(xv) the designated Contracting Parties, and

(xvi) an indication of whether the applicant wishes to receive all communications addressed by the International Bureau in English, French or Spanish, where the international application is filed in any other language.

(b) The international application may also contain,

[...]

(iii) where the mark consists of or contains a word or words that can be translated, a translation of that word or those words into Arabic, Chinese, English, French, Russian and Spanish, or in any one or more~~two~~ of those languages;

[...]

[...]

[End of Annex III and of document]