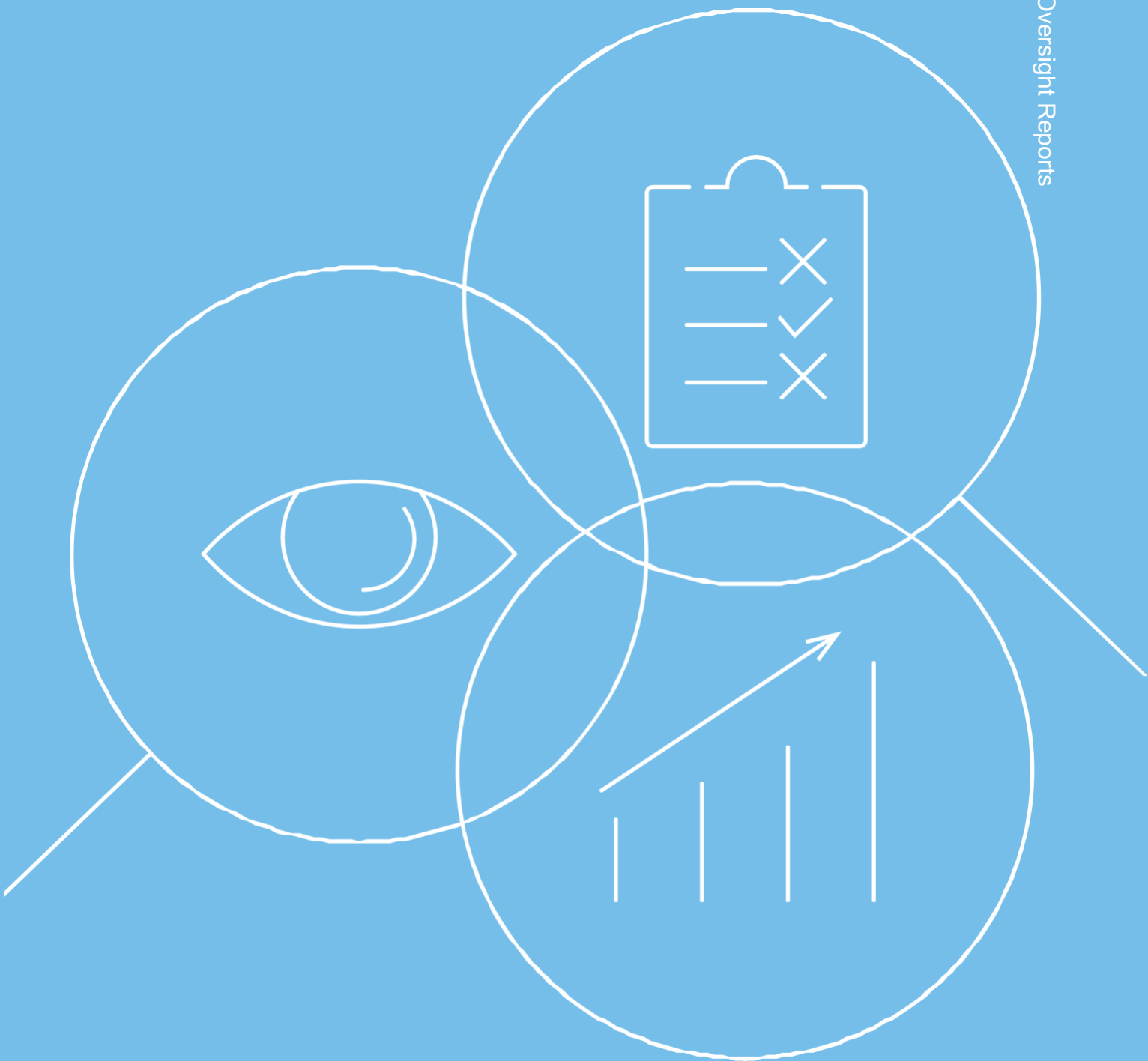


# Audit of the Madrid Registry

Internal Oversight Reports



IOD Ref: IA 2023-01  
December 19, 2023  
Internal Audit Section



## CONTENTS

<b>LIST OF ACRONYMS</b> .....	<b>2</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
<b>1. BACKGROUND</b> .....	<b>5</b>
<b>2. AUDIT OBJECTIVES</b> .....	<b>8</b>
<b>3. AUDIT SCOPE AND METHODS</b> .....	<b>9</b>
<b>4. AUDIT RESULTS - POSITIVE DEVELOPMENTS</b> .....	<b>9</b>
<b>5. AUDIT RESULTS - OUTCOMES</b> .....	<b>10</b>
<b>6. OBSERVATIONS AND RECOMMENDATIONS</b> .....	<b>12</b>
(A) GOVERNANCE AND RESOURCE MANAGEMENT.....	12
(i) Road Map for the Madrid System.....	12
(ii) Madrid Registry Workforce.....	13
(iii) Agency Workers in Madrid Registry.....	16
(iv) The Madrid Registry Fellowship Program.....	20
(v) Quality Governance in the Madrid Registry.....	21
(B) OPERATIONS AND PERFORMANCE MANAGEMENT.....	23
(i) Span of Control – Size of Madrid Operations Teams.....	23
(ii) Abandonment of Applications.....	24
(iii) Review of Unit Cost per New/Renewed International Registration.....	24
(iv) Legal Assistance.....	26
(v) Information and Promotion.....	27
(vi) Madrid Infoline Unit (MIU).....	30
(vii) Madrid Customer Feedback Matrix.....	33
(viii) Customer Service Training for Madrid Operations Service.....	35
(C) TOOLS AND SYSTEMS.....	36
(i) The New Madrid IT Platform.....	36
(ii) Internal Customer Feedback Mechanisms - MIRIS.....	39
(iii) Automating Quality Control and Assurance Processes.....	41
(iv) IT Centralization Initiative.....	41
<b>TABLE OF RECOMMENDATIONS</b> .....	<b>44</b>
<b>ANNEXES</b> .....	<b>49</b>

## LIST OF ACRONYMS

<b>AIMS</b>	Administrative Integrated Management System
<b>COVID-19</b>	Corona Virus Disease 2019
<b>CRM</b>	Customer Relationship Management
<b>DL</b>	Distance Learning
<b>EPM</b>	Enterprise Performance Management
<b>ERM</b>	Enterprise Risk Management
<b>EUIPO</b>	European Union Intellectual Property Office
<b>HRMD</b>	Human Resources Management Department
<b>IB</b>	International Bureau
<b>ICS</b>	Individual Contractor Services
<b>ICTD</b>	Information and Communication Technology Department
<b>IOD</b>	Internal Oversight Division
<b>IP</b>	Intellectual Property
<b>JD</b>	Job Description
<b>MIPD</b>	Madrid Information and Promotion Division
<b>MIRIS</b>	Madrid International Registrations Information System
<b>MISD</b>	Madrid Information Systems Division
<b>MLD</b>	Madrid Legal Division
<b>MOD</b>	Madrid Operations Division
<b>MTSP</b>	Medium Term Strategic Plan
<b>PCT</b>	Patent Cooperation Treaty
<b>PTS</b>	Patents and Technology Sector
<b>QA</b>	Quality Assurance
<b>QC</b>	Quality Control
<b>QMF</b>	Quality Management Framework
<b>QMS</b>	Quality Management System
<b>QTS</b>	Quality and Training Section
<b>SME</b>	Small and Medium-sized Enterprise
<b>USPTO</b>	United States Patent and Trademark Office
<b>WG</b>	Working Group
<b>WINS</b>	WIPO Inquiry Notification System
<b>WIPO</b>	World Intellectual Property Organization

## EXECUTIVE SUMMARY

1. The Madrid Agreement and Protocol Concerning the International Registration of Marks, form the legal basis for the Madrid System. This system provides a simplified and cost-effective way for trademark owners to protect their trademarks in multiple countries. Currently, the Madrid System is made up of 114 members, covering 130 countries. The agreement is administered by the World Intellectual Property Organization (WIPO), specifically the Madrid Registry in the Brands and Designs Sector. The Madrid Registry is the administrative unit within WIPO that is responsible for the Madrid System, including the evolution of its legal framework and the processing of international trademark applications and related service requests.
2. The Internal Oversight Division (IOD) notes that the Madrid Registry has a Road Map<sup>1</sup> that is updated regularly, with the most recent update done in 2023. The Road map outlines number of key areas on how the Madrid System could evolve for the benefit of its users and attract and support new members. The Road Map is inspired by the future directions outlined in the WIPO Medium Term Strategic Plan (MTSP) for 2022-2026 and has a five to 10 years horizon.
3. The Madrid Registry, specifically the Madrid Information and Promotion Division (MIPD), is tasked with informing and promoting the Madrid System to trademark owners in both existing and new Madrid Members. To enhance the effectiveness of its marketing and promotion efforts and support the goals set out in the Madrid Road Map, the objective of placing more focus on marketing and promotion will require a rethink of the current structure, approach and state of promotion and marketing, against the future desired outcomes, including enhancing the use of data driven insights to support decision making and efficient utilization of resources.
4. Further, in line with the Madrid updated Road Map's objective of better serving customers, the Registry would benefit from reviewing the customer service framework, with a view to identifying gaps and integrating best practices that would support the objective of better customer services. This includes liaising with the Customer Relationship Management (CRM) project team, to include call recording capabilities in the requirements for the new CRM system.
5. The demographic profile of the Madrid Registry shows a leftward (negatively) skewed age distribution, indicating that several staff are towards the higher end of the age range. Although the risk associated with this profile has been captured in the Enterprise Risk Management (ERM) system, as of September 2023, the proposed action to address this risk is not yet fully implemented. It would be beneficial to the Registry to timely execute the proposed action of creating a comprehensive coordinated succession plan.
6. IOD observes that 32 per cent (44 individuals) of the Madrid Registry's workforce were non-staff members, and among them, 68 per cent (30 individuals) were agency workers. The work assigned to agency workers is based on the agreed Terms of Reference (TOR). It is therefore a good practice for the Madrid Registry to work with Procurement and Travel Division to periodically review and adjust the TOR for agency workers to match their actual duties and responsibilities. This helps ensure that the TOR aligns with the support profile/classification level of the agency worker and their corresponding remuneration scale.
7. Similarly, the work of staff members is largely based on their Job Descriptions (JDs). While IOD acknowledges that the need to update JDs remain an issue to be addressed within the organization, it remains the responsibility of the respective supervisors in the

---

<sup>1</sup> [https://www.wipo.int/edocs/mdocs/madrid/en/mm\\_id\\_wg\\_21/mm\\_id\\_wg\\_21\\_6.pdf](https://www.wipo.int/edocs/mdocs/madrid/en/mm_id_wg_21/mm_id_wg_21_6.pdf)

Registry to regularly review and update their subordinates JDs via the electronic Job Description application in Human Resources system with a view of incorporating customer service duties and responsibilities, and other job-related competencies as applicable.

8. To enhance quality control (QC) and quality assurance (QA) in the Registry, in support of process improvements and automation as highlighted in the updated Road Map, the current manual processes should be automated and integrated into the new Madrid IT system. The Registry should also integrate the MIPD's QC activities into the Quality Management Framework (QMF) to centralize and streamline quality management. Further, the Registry should conduct an internal assessment of its quality management system (QMS) and address any gaps.

9. The new Madrid IT Platform project, a Capital Master Plan project with an approved budget of six million is currently being implemented. IOD notes that the project roadmap, covering the entire project cycle was not yet finalized. The Madrid Registry management anticipates completing the planning work to determine the overall project target date by March 2024. To consolidate and build on implementation progress, IOD recommends that the Registry develop a mechanism for managing work packages within this project, as well as resources, by facilitating the steady transition of maintenance, support, and continuous improvement responsibilities from external resources to staff members.

10. The Unit cost is an important performance measure, reflecting productivity and efficiency based on registration numbers and processing costs. Although there has been a consistent decrease in the Unit cost from 678 Swiss francs in 2019 to 562 Swiss francs in 2022 over the past four years, the subcomponents and underlying assumptions have not been reviewed even though there have changes in tools, systems, service delivery, and related processes in the Registry over the years. The Registry should work with relevant internal stakeholders to reevaluate the calculation and assumptions of the Unit cost for new/renewed International Registrations.

11. The report makes eight recommendations, one of which action has been taken by management to implement, and others for which management will provide action plans and timelines after discussions with other internal stakeholders.