

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

Eighteenth Session
Geneva, October 12 to 16, 2020

PROVISIONAL REFUSAL

Document prepared by the International Bureau

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”) discussed the practical challenges that holders face when receiving notifications of provisional refusal, insofar as time limits and their calculations are concerned.
2. Following the aforementioned discussion, the Working Group requested the International Bureau to prepare a document, for consideration at its eighteenth session, on possible amendments to the Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as “the Regulations”) providing for:
 - (i) a minimum time limit to respond to a provisional refusal;
 - (ii) a harmonized way in which to calculate the above-mentioned time limit;
 - (iii) the possibility of a later date of implementation of those new provisions for Contracting Parties requiring time to change their legal framework, practices or infrastructure;

(iv) a stricter requirement to clearly indicate, in the notification of provisional refusal, either the end-date of the above-mentioned time limit or, if that is not possible, the way in which it should be calculated; and,

(v) electronic communication as the default mode for transmitting communications from the International Bureau to applicants, holders and representatives¹.

3. This document sets out a number of possibilities for the Working Group to consider as a basis for discussions on possible amendments to the Regulations, as reflected in items (i) to (v) above.

MAIN ISSUE UNDER CONSIDERATION

4. When responding to notifications of provisional refusal issued by Offices of designated Contracting Parties, holders must keep track of the different time limits and the different ways in which these are calculated. This situation is a frequent source of complaints from users of the Madrid System.

5. Holders have also stressed that they do not always have sufficient time to respond to provisional refusals noting, in particular, that they often need more time to obtain translations, to consider the grounds for refusal and to appoint and instruct local representatives. In worst-case scenarios, these difficulties could lead to the failure to meet the concerned time limits resulting in the potential loss of rights in some designated Contracting Parties.

6. In the previous session of the Working Group, delegations acknowledged the challenges faced by holders and indicated that they would be open to discuss the possibility of having a fixed or minimum time limit to respond to provisional refusals. Furthermore, many delegations supported the need for consistency in the calculation of deadlines to help reduce confusion for holders.

7. Having a fixed or minimum time limit to respond to provisional refusals, or a harmonized way of calculating such time limits, or both, would have no impact on the current practices of the Offices concerning the notification of their final decision under Rule 18*ter*(2) or (3). Once the holders have responded to provisional refusals and met the applicable requirements, for example, appointed a local representative, all further processes and time limits would follow the applicable legislation and practices.

8. It would be beneficial for all parties involved to have a fixed time limit calculated from the date on which the International Bureau transmits the notification of provisional refusal to the holder. This approach would make it easier for holders to manage their trademark portfolio, even when receiving several provisional refusals from designated Contracting Parties. Having a fixed time limit and a harmonized calculation of that time limit would not only be beneficial to the holder, but it would put all users of the Madrid System on equal footing. It would be transparent for all parties involved as the notifications of provisional refusal would have the same time limit and the International Bureau could clearly indicate the end date of that time limit when it transmits the notification to the holder.

¹ The discussion concerning electronic communication as the default mode for transmission of communications, set out in paragraph 2(v) of the present document, is addressed in more detail in document MM/LD/WG/18/2 "Proposed Amendments to the Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks".

9. A number of delegations have questioned whether having time limits set in the Madrid System, different from those set under the applicable legislation, would lead to different treatment for users of the national or regional system and users of the Madrid System. This would not be the case; different time limits would not make it easier for users of the Madrid System to obtain protection; it would merely ensure that right holders using the Madrid System have sufficient time to appoint a local attorney to contest a refusal.

10. The necessary measures taken during the COVID-19 pandemic resulting in the closure of some Offices and the interruption of postal services have emphasized the importance and need for the International Bureau to have electronic communication with its users; Offices, applicants, holders and representatives. Therefore, it would be a much needed positive development if the Working Group agreed that all communications under the Madrid System be exchanged by electronic means¹.

TIME LIMITS AND THEIR CALCULATION

11. Time limits to respond to provisional refusals, together with the different ways in which these are calculated by the different Contracting Parties, have a considerable impact on the time available for the holder to respond to a notification of provisional refusal. Therefore, it is appropriate to discuss these issues together, rather than as separate topics.

12. The findings of a survey conducted by the International Bureau and presented to the Working Group Roundtable in 2014² (hereinafter referred to as “the survey”), showed that the time limits given by the Offices of the Contracting Parties to reply to a provisional refusal varied significantly, ranging from 15 days up to 15 months. Furthermore, the survey revealed that Contracting Parties calculate these time limits differently. Document MM/LD/WG/17/5 and, in particular, paragraph 19 of that document, illustrates the practical challenges that holders face when receiving multiple notifications of provisional refusals³.

13. Rule 17(2)(vii) of the Regulations states that the time limit to respond to a provisional refusal should be “reasonable under the circumstances”. While the Rule indicates that it would be preferable for Offices to clearly indicate in the notification of provisional refusal the end-date of the time limit, this is not a strict requirement nor does the Rule impose any requirement on how the Office should calculate the time limit. Therefore, currently, Contracting Parties are left to indicate the time limit and the way in which it is calculated, in line with their domestic legislation and practices.

14. Holders have indicated that the large differences in time limits set by Contracting Parties and, equally, the way in which those time limits are calculated, without any indication of the end date being given in the notifications, make them confusing and difficult to manage.

15. Currently, the start date of the time limit to respond to a provisional refusal can be calculated in four different ways, namely,

- (i) the date the Office issues the provisional refusal;
- (ii) the date the Office sends the notification to the International Bureau;

² See document “Information on Provisional Refusals” (https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_12_rt/mm_ld_wg_12_rt_information_on_provisional_refusals.pdf).

³ See document MM/LD/WG/17/5 “Notification of Provisional Refusal – Time Limit to Reply and Ways in Which to Calculate that Time Limit”, paragraph 19 (https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_17/mm_ld_wg_17_5.pdf).

- (iii) the date the International Bureau transmits the notification to the holder; or,
- (iv) the date the holder receives the notification from the International Bureau.

16. In addition to the different ways in which time limits are calculated, the actual time the holder has to respond to the notification could be further shortened by the means of communication between the Office and the International Bureau; the necessary process undertaken by the International Bureau, which takes on average 12 calendar days; and, the means of communication between the International Bureau and the holder. As indicated earlier, the electronic exchange of communications would greatly assist holders in this regard.

17. The way in which an Office calculates the time limit could be more or less favorable for holders. For example, a time limit of two months calculated from the date that the International Bureau sends the notification to the holder could result in the holder having more time to respond to a refusal than a three-month time limit calculated from the date of the decision by the Office.

CALCULATING THE TIME LIMIT FROM THE DATE ON WHICH THE OFFICE ISSUED ITS DECISION OR SENT THE NOTIFICATION OF PROVISIONAL REFUSAL

18. Calculating the time limit from the date on which the Office issued its decision or sent the notification of provisional refusal to the International Bureau could have negative consequences for holders. In some cases, the time limit could have even expired by the time the holder has received the notification. Offices of Contracting Parties must send the notifications of provisional refusal through the International Bureau, and the International Bureau may only transmit these to the holder once they have been recorded in the International Register.

19. It might be possible for Offices following the calculation described above to apply an interpretation that would improve matters for holders without the need to amend the applicable legislation of the Contracting Parties. Under the said interpretation and for the purposes of calculating the time limit, the refusal could be deemed to have been issued or transmitted to the International Bureau on the date on which the International Bureau transmits it to the holder.

20. This interpretation, which could be included in the Regulations, would allow the International Bureau to indicate the actual date on which the time limit ends when it transmits the notification to the holder and would ensure that holders have sufficient time to consider contesting the refusal.

CALCULATING THE TIME LIMIT FROM THE DATE ON WHICH THE INTERNATIONAL BUREAU TRANSMITTED THE NOTIFICATION TO THE HOLDER

21. The solution that would offer legal certainty and transparency for all users of the Madrid System is that in which the time limit is calculated from the date on which the International Bureau transmitted the notification to the holder.

22. The International Bureau informs Offices of the date on which it transmitted the notification to the holder in its acknowledgement of receipt sent to the Offices, which also indicates the date of receipt by the International Bureau. Both dates are available also in the Madrid Monitor online database.

CALCULATING THE TIME LIMIT FROM THE DATE THAT THE HOLDER RECEIVED THE NOTIFICATION FROM THE INTERNATIONAL BUREAU

23. While calculating the time limit from the date on which the holder received the notification of refusal might have less severe consequences for the holder, relative to those mentioned above, it fails to deliver legal certainty.
24. This method of calculation raises questions concerning, for example, the date on which the holder is deemed to have received the notification, and on how they may prove the actual date of receipt, especially where this date is later than the date on which the holder is presumed to have received the notification.
25. It would appear that for all the users of the Madrid System, holders, Offices and third parties alike, the calculation offering the most benefit is that in which the time limit to reply to a notification of provisional refusal is calculated from the date the International Bureau transmits this notification to the holder.

FIXED OR MINIMUM TIME LIMIT

26. A fixed or minimum time limit, calculated from the date on which the International Bureau transmits the notification of provisional refusal to the holder, would provide further certainty for all users of the Madrid System. This would not only provide holders with a clear end date, but also allow them sufficient time to consider the grounds of the provisional refusals, obtain translations, if necessary, and appoint a representative in the designated Contracting Parties concerned.

FIXED TIME LIMIT FOR ALL CONTRACTING PARTIES

27. The Madrid System already provides for a fixed time limit in certain situations. More specifically, a three-month time limit from the date of the notification is given in the Regulations to applicants, holders or Offices to respond to irregularities concerning an international application or a request for recording of changes to the international registration.
28. In the aforementioned survey, 61 per cent of the participating Offices indicated that their applicable legislation provides for a time limit of three months or more to respond to an *ex officio* provisional refusal, while 52 per cent indicated that the time limit was three months or more in case of opposition. In view of the above, a fixed time limit of three months might be an acceptable length of time.
29. A fixed time limit of three months provided by Offices to respond to a notification of provisional refusal, calculated from the date of the notification by the International Bureau, would give holders sufficient time to contest the refusal and, at the same time, simplify the Madrid System for its users.

MINIMUM TIME LIMIT FOR ALL CONTRACTING PARTIES

30. A number of delegations have indicated that they would be in favor of a minimum time limit for all Contracting Parties. Having a minimum time limit, calculated from the date on which the International Bureau transmits the notification to the holder, would not be as beneficial to the holders as a fixed time limit, but it would be a significant step forward when compared to the current situation.

31. The aforementioned survey revealed that 40 out of 66 Offices currently provide a time limit of three months or more; and 16 Offices have a time limit of two months. Accordingly, 85 per cent of Offices allow for two months or more to respond to provisional refusals. Of the 50 Offices that indicated that they provide a different time limit to reply to a provisional refusal based on opposition, 39 (78 per cent) provide a time limit of two months or more. A significant number of Offices would therefore, be in a position to meet a minimum time limit of two months. Such minimum time limit would not prevent Offices from giving a longer time limit.

THE WAY FORWARD

32. In view of the above, the Working Group is invited to consider whether a fixed or minimum time limit would best suit the needs of holders and whether to request the International Bureau to prepare a document proposing the necessary amendments to the Regulations, to be discussed at a future session, specifying:

- (i) either a fixed or minimum time limit to respond to provisional refusals and;
- (ii) that the time limit be calculated from the date on which the International Bureau transmits the notification to the holder.

33. Introducing in the Regulations a defined time limit with a specific way of calculating it might require changes to the applicable legislations, practices and information and communication technology systems of the Contracting Parties. For this reason, the above-mentioned document could also propose either the delayed implementation of the proposed amendments.

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

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