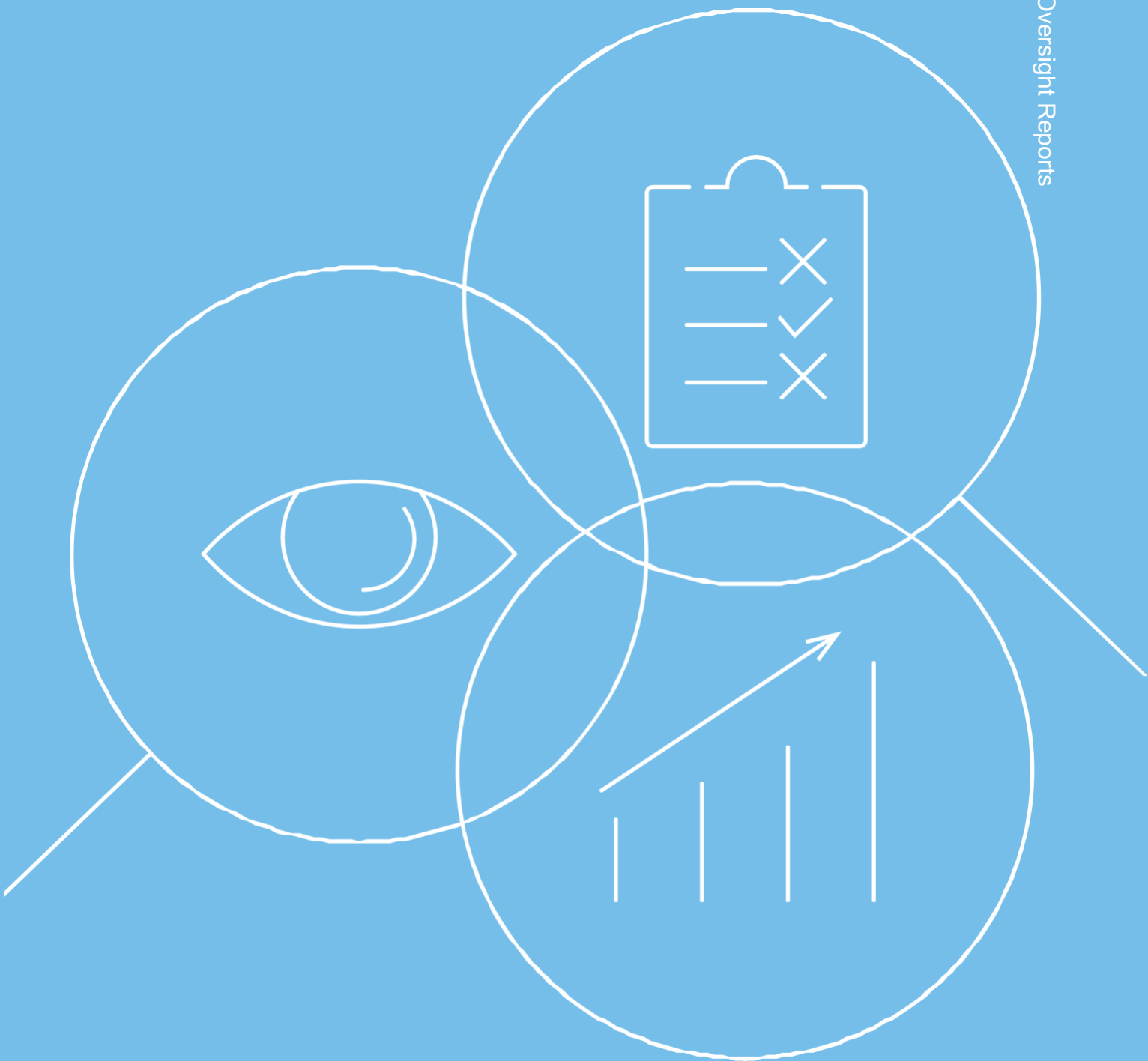


# Audit of the Madrid Registry

Internal Oversight Reports



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



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## 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

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<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.

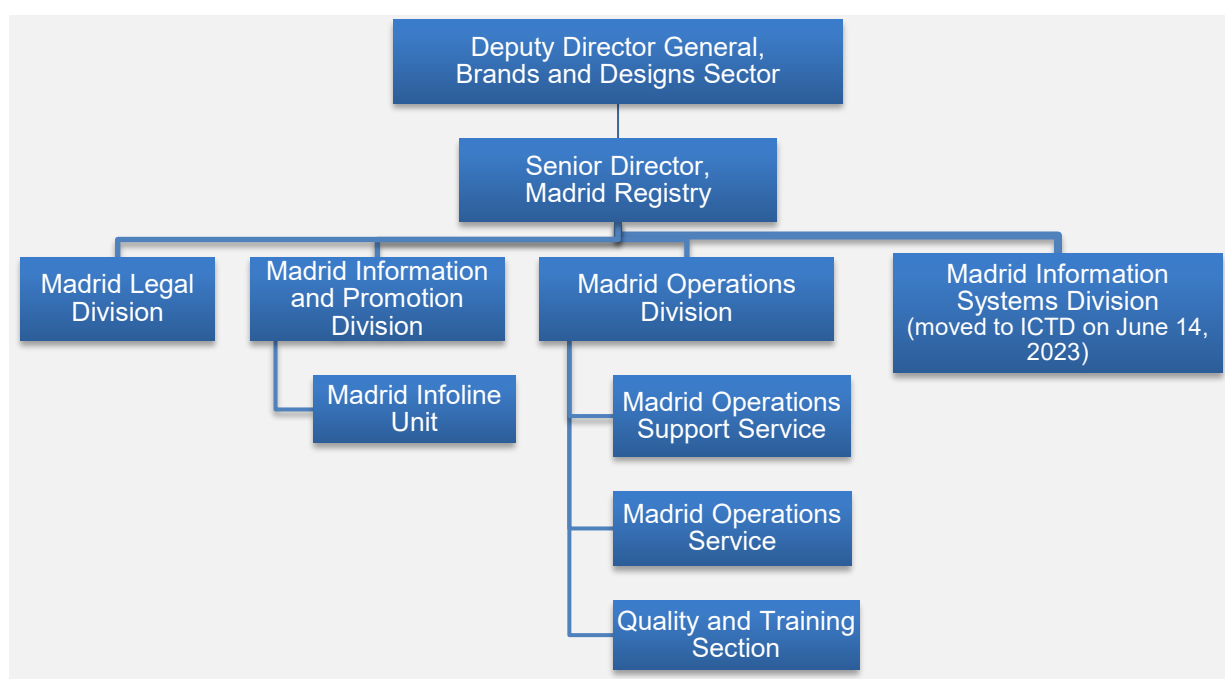
11. The report makes eight recommendations, one of which action has been taken by management to implement, and others for which management will provide action plans and timelines after discussions with other internal stakeholders.

## 1. BACKGROUND

12. 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 System is administered by WIPO.

13. The Madrid Registry in the Brands and Designs Sector 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 filed thereunder. As of September 2023, the Madrid Registry was structured as illustrated in Figure 1 below.

**Figure 1: The Organization Structure of the Madrid Registry as of Sept. 2023**



Source: Prepared by IOD based on Madrid Registry documentation, September 2023.

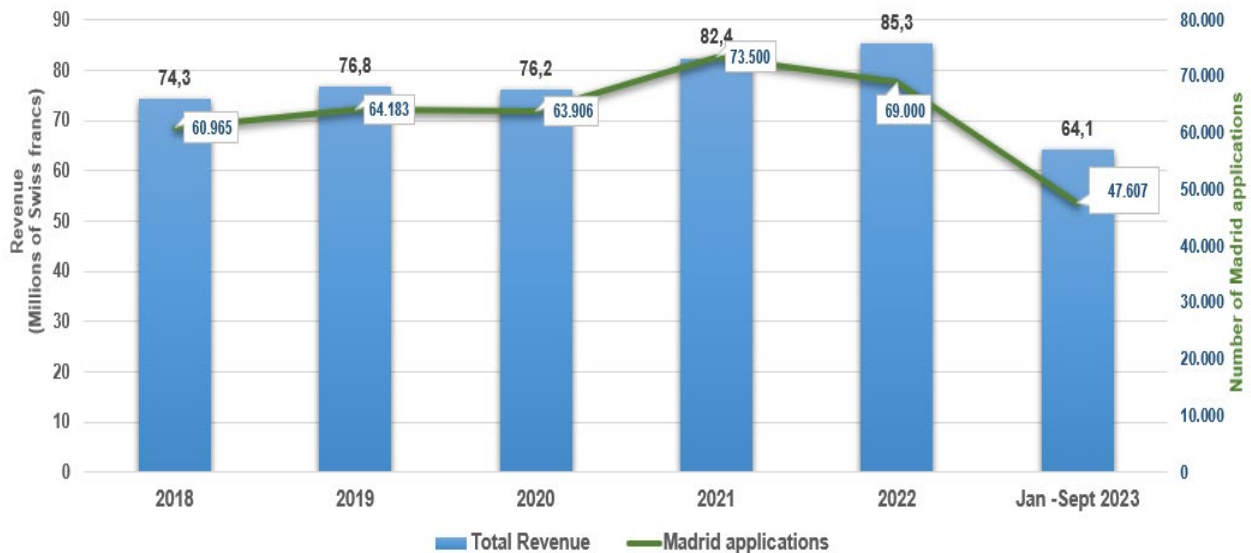
14. The Madrid System offers a convenient, and cost-effective solution for registering and managing trademarks worldwide. It allows users to file a single international trademark application and pay one set of fees to apply for protection in up to 130 countries. Further, a user can modify, renew, or expand their global trademark portfolio through one centralized system. In 2022, the Madrid System generated 85.3 million Swiss francs, making it the second-highest revenue source for WIPO. This amount accounted for 17.1 per cent of WIPO's total revenue of 498.5 million Swiss francs for that year and represented a 3.5 per cent increase in the revenue from the Madrid System in 2022 when compared to 2021. The Madrid System's revenue for the nine months, January 1 to September 30, 2023, amounted to 64.1 million<sup>2</sup> Swiss francs.

15. Further, the Madrid System received a total of 69,000 applications in 2022. This represented a 6.1 per cent decrease compared to 2021. However, despite this decrease, the applications in 2022 were still eight per cent more than in 2020. Further, international applications received by the Registry, from January 1 to September 30, 2023 (47,613),

<sup>2</sup> Figures pending the statutory audit of WIPO Financial Statements for 2023 (unaudited figures).

were 9.2 per cent lower than in the same period in 2022. During the same period in 2023, 10.1 per cent more renewals were received resulting in the income booked being 2.6 per cent higher compared to the same period in 2022. Figure 2 below shows the trend in total revenue<sup>3</sup> from the Madrid system and the number of applications from 2018 to September 2023.

**Figure 2: Trend in Revenue and International Applications from Madrid System, 2018 – Sept. 2023**



Source: Compiled by IOD based on WIPO Financial Reports and Statistics Database



**The Madrid Registry reached 97 per cent of its 2022 target with 69,000 applications compared to the target of 71,200.**

16. As per the WIPO Program of Work and Budget for 2022-23, the target for Madrid international applications in 2022 was set at 71,200. According to the WIPO IP Statistics Data Center, the actual number of applications<sup>4</sup> was 69,471. The target for 2023 was set at 74,000 applications. During the first nine months of 2023 WIPO registered 47,613 applications.

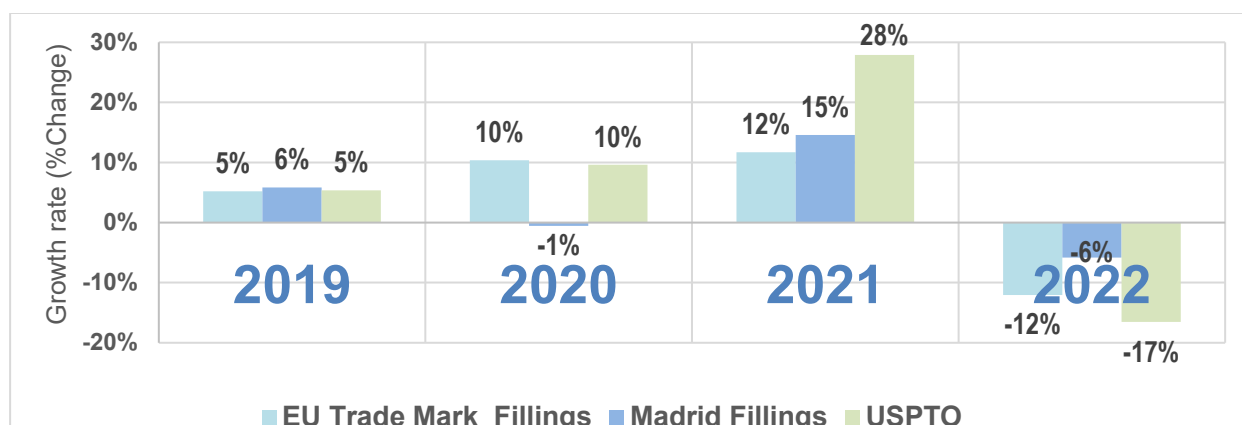
17. The target for renewals in 2022 was set at 32,400, while actual renewals amounted to 38,364. The target for 2023 was set at 34,000. As of September 2023, the actual number of renewals was 30,776.

<sup>3</sup> The total revenue from the Madrid System includes fees charged for new applications (registrations), renewals, and other fees related to Classification, Enquiries, Extensions, Modifications, Abandonment, Transfers/Transmissions, Grace period charges, among others.

<sup>4</sup> Applications by Office of Origin (by date of receipt at the International Bureau (IB)).



**Figure 3: Annual Growth Rate in Trademark Filings, EUIPO, Madrid, USPTO 2019 - 2022**



Source: Compiled from EUIPO, Madrid Registry, USPTO Trademark filing reports.

18. Figure 3 above compares the annual percentage growth rates of trademark filings for the Madrid Registry, the European Union Intellectual Property Office (EUIPO), and the United States Patent and Trademark Office (USPTO). The growth rate in Madrid filings varied across the years in comparison to the EUIPO and USPTO filings. Specifically, the Madrid Registry experienced a decrease (negative one percent) in 2020 while the other two Offices each experienced a 10 per cent growth rate. The negative growth rate in the Madrid filings was attributed to the effects of the COVID-19 pandemic. While the growth rate in filings for EUIPO (12 per cent) and Madrid (15 per cent) were relatively similar in 2021, the USPTO experienced a larger growth of 28 per cent. In 2022, all three Offices experienced negative growth rates.

19. The Madrid System plays a significant role in enabling users to secure and protect marks (trademarks and service marks) and simplify their management. Equally, the system generates a considerable amount of revenue for the Organization. Therefore, the Organization must maintain an internal control environment that provides reasonable assurance that the people, processes, procedures, tools, and systems are adequate and working properly. This demonstrates the Madrid Registry's commitment to developing and maintaining a global IP system that strives to meet its performance targets and Expected Results. Table 1 below summarizes the 2023 Budget of the Madrid Registry.

**Table 1: Madrid Registry<sup>5</sup> Budget 2023**

	Madrid Registry 2023 Budget in Swiss francs			
	MLD	MIPD	MOD	MISD
Personnel Budget per Division	1,880,000	1,959,400	13,726,009	861,091
Non-personnel Budget per Division	296,361	1,101,618	6,006,583	1,318,644
Total per Division	2,176,361	3,061,018	19,732,592	2,179,735
Proportion of Budget per Division	8%	11%	73%	8%
<b>Total Madrid Registry Budget</b>	<b>27,149,706</b>			

Source: Enterprise Performance Management (EPM) system

<sup>5</sup> Madrid Legal Division (MLD); Madrid Information and Promotion Division (MIPD); Madrid Operations Division (MOD); Madrid Information Systems Division (MISD).

20. The table above provides a breakdown by Division, of the Madrid Registry’s budget, which totaled 27.15 million Swiss francs for 2023, with the Madrid Operations Division (MOD) allocated 73 per cent of the total budget. The MIPD were allocated 11 per cent, while the Madrid Legal Division (MLD) and the Madrid Information Systems Division (MISD<sup>6</sup>) were allocated eight per cent respectively.

21. The overall workforce in the Madrid Registry on September 30, 2023, was 137 out of which 93 were staff members and 44 were non-staff resources (Agency workers (30), Fellows (11), External providers (2) and an Intern). The Non-staff members constitute 32 per cent of the overall workforce, and the largest business area of the Madrid Registry is MOD, with 50 per cent of the overall workforce. Table 2 below summarizes the workforce of the Madrid Registry.

**Table 2: Madrid Registry Staff Count and Breakdown of the Workforce as of September 2023**

Description of Business area	Staff Count	Percentage of Workforce
Office of the Senior Director, Madrid Registry	5	4%
MOD	68	50%
MIPD	12	9%
MLD	8	6%
<b>Total Staff count</b>	<b>93</b>	<b>68%</b>
Total Non-staff resources	44	32%
<b>Total Workforce</b>	<b>137</b>	<b>100%</b>

Source: Administrative Integrated Management System (AIMS) Human Resource (HR) Module

## 2. AUDIT OBJECTIVES

22. The objectives of the audit were to:

- (a) Assess the governance, risk management, compliance, and internal controls in the Madrid Registry.
- (b) Assess whether resources are effectively managed to support achievement of strategic objectives of the Madrid Registry.
- (c) Assess the effectiveness of coordination, cooperation, and alignment, between services of the Madrid Registry, to support achievement of strategic objectives.
- (d) Assess the adequacy and effectiveness of tools and systems used to support the Madrid Registry.

<sup>6</sup> On June 14, 2023, the MISD (10 staff members) was transferred to the Information and Communication Technology Department (ICTD) as part of the IT Centralization initiative (Information Circular 21/2023).

### 3. AUDIT SCOPE AND METHODS

23. The engagement’s scope covered January 2022 to September 2023. However, for analytical review, corroborative purposes and gaining specific insights, the period covered was in some instances extended beyond the stated scope.

24. The engagement includes, among others, a review of both the past and the current status of services with a view to identifying prospective measures and enhancements to further support the achievement of the Madrid Registry’s Expected Results and relevant areas of strategic focus.

25. The approach and methods used included: (i) interviews with relevant internal stakeholders; (ii) review and analysis of documents and records; (iii) walkthroughs; (iv) test of controls; and (v) survey of staff and non-staff in the Madrid Operations Service.

26. The engagement was performed in conformance with the International Standards for the Professional Practice of Internal Auditing (the Standards) issued by the Institute of Internal Auditors.

### 4. AUDIT RESULTS - POSITIVE DEVELOPMENTS

27. IOD noted the following positive developments with regards to governance, people, processes, and systems as applicable, in the Madrid Registry.

Area	Positive Development
<b>Madrid Road Map</b>	The Madrid Registry has established a Road Map <sup>7</sup> that has been updated regularly, with the most recent update done in 2023 that will among others, benefit current users, attract, and support new members. The Road Map is inspired by the future directions outlined in the WIPO MTSP for 2022-2026.
<b>Training of Examiners in Customer Service</b>	In October 2023, the Examiners in the Madrid Registry participated in a pilot customer service training. The training covered several pertinent areas, among them, communication, dealing with difficult customers and customer service leadership.
<b>Madrid Flexibility clause: Creation of new examiner posts</b>	In January 2023, the Madrid Registry triggered the Flexibility clause based on its 2022 workload. This allowed the Registry to increase its overall 2022/23 expenditure envelope and the opportunity to rebalance its core and flexible examination resources by creating 10 new examiner posts.
<b>Internal Reorganization of the Madrid Registry</b>	In September 2023, the Registry underwent organizational changes, introducing Madrid Operations Team 5 as a pilot within the Madrid Operations Service. This team will focus on examining service requests and enhancing customer support for major accounts.

<sup>7</sup> [https://www.wipo.int/edocs/mdocs/madrid/en/mm\\_ld\\_wg\\_21/mm\\_ld\\_wg\\_21\\_6.pdf](https://www.wipo.int/edocs/mdocs/madrid/en/mm_ld_wg_21/mm_ld_wg_21_6.pdf)

## 5. AUDIT RESULTS - OUTCOMES

28. The objectives and outcomes of the audit are summarized below.

S/n	Objective(s)	Outcome(s)
(a)	Assess the governance, risk management, compliance, and internal controls in the Madrid Registry.	<p>The Madrid Registry has established a holistic road map for the evolution of the Madrid System, that outlines the areas of strategic focus for the next five to 10 years and is inspired by the MTSP 2022-2026.</p> <p>As part of this objective, IOD highlights the need to update the risk register and implement key mitigations to address risks wherein.</p> <p>Further, a comprehensive, and integrated quality management approach would enhance the QMS of the Registry.</p>
(b)	Assess whether resources are effectively managed to support achievement of strategic objectives of the Madrid Registry.	<p>The Madrid Registry should develop a comprehensive succession plan with specific, timely, and measurable actions to address the demographic profile of the Registry. This should consider among others, skillsets required to implement the updated Road Map, and include actions for prudently filling in the ten vacant posts, and concurrently reducing the number of agency workers.</p> <p>As part of good resource management practices, the Registry should collaborate with the Human Resources Management Department (HRMD) to update staff job descriptions, including customer service responsibilities and job-related skills. Additionally, the Registry should work with relevant internal stakeholders to assess agency workers' Terms of Reference and roles, to ensure that they are aligned with their duties and that they are in the appropriate support profile/classification level.</p>
(c)	Assess the effectiveness of coordination, cooperation, and alignment, between services of the Madrid Registry, to support achievement of strategic objectives.	<p>The Madrid Registry has established several practices such as customer satisfaction surveys, a feedback matrix, a ticketing system, and relevant training for staff involved in customer services. IOD identified opportunities to further enhance customer services such as leveraging on the planned organizational Customer Relationship Management (CRM) system to integrate call recording, to enhance quality and insights for continued improvements.</p> <p>Further, the current quality management practices can be further integrated within the QMF of the Madrid Registry.</p> <p>A review of the current approach and state of promotion and marketing and leveraging the organization-wide data analytics initiative to further strengthen data-driven decisions, would support the objective of “placing more focus on marketing and promotion” highlighted in the Road Map for the Evolution of the Madrid System.</p>
(d)	Assess the adequacy and effectiveness of tools and systems used to support the Madrid Registry.	<p>IOD takes note of the progress and approach in developing the New Madrid IT Platform. To consolidate and build on this progress, the Madrid Registry should 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.</p> <p>Further, to enhance QC and assurance in the Registry, in support of process improvements and automation as highlighted in the updated Road Map for the Evolution of the Madrid System, the current manual processes should be automated and integrated into the new Madrid IT system.</p>

		<p>Finally, with the shift of the MISD to ICTD, it will be important, and good practice to establish a feedback mechanism to regularly measure and assess the quality of services provided to the Madrid Registry. This mechanism should augment the current internal service management mechanism administered by ICTD for the respective business areas e.g., Patent Cooperation Treaty (PCT) system and the Hague system.</p>
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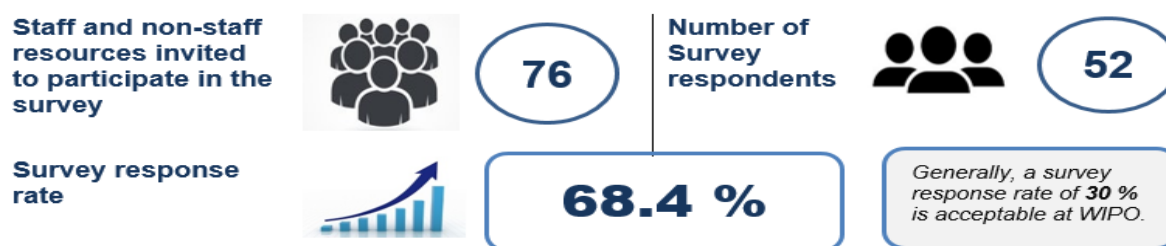
29. As part of the engagement, IOD assessed the Madrid Registry risks and mitigating actions/controls listed in the ERM system: (i) No consensus for new languages in Madrid System, (ii) Madrid potential not fully realized, (iii) Customer dissatisfaction may adversely affect the attractiveness of the system and thus its use, (iv) The demographic profile of the Madrid Registry staff, (v) The replacement of the Madrid International Registrations Information System (MIRIS) Registry update process in the new IT Platform, and (vi) Inability of trademark right holders to enforce rights. A summary of IOD’s assessment can be found in Annex II.

30. Further, IOD organized a risk assessment (Control-Impact matrix) sessions with Madrid Registry management, and found that overall, the Madrid Registry management and staff demonstrated a good understanding of risk management and internal controls concepts.

31. Participants provided their inputs to the Control-Impact matrix that organizes the proposed measures / solutions to address risks, according to their perceived impact and control. The impact assesses how the potential measure can affect a particular problem or effect. Likewise, the control indicates the extent to which the team has control over execution or realization of the potential measure. The goal of the matrix is to identify cost-effective measures which are placed in the “Vital Few” quadrants requiring high control and high impact. The result of this exercise is found in Annex III. Results from the above exercises have been integrated in different observations of the report.

32. Finally, IOD administered a survey to staff and non-staff resources (Fellows and Agency workers) in the Madrid Operations Service. The survey’s objectives were to capture insights and experiences of the Madrid Operations Service workforce and identify areas for improvement and opportunities to further support coordination and cooperation in the Madrid Registry. Figure 4 below provides a summary on the survey participants and response rate.

**Figure 4: Survey of Madrid Operations Service – Participation and Response Rate**



Source: IOD Survey of Madrid Operations Service

33. The survey participants made several relevant observations and pointed to some areas for improvement. These areas are briefly highlighted in the relevant parts of the report. The detailed results of the survey can be found in Annex IV of this report.

## 6. OBSERVATIONS AND RECOMMENDATIONS

34. To enhance governance, risk management, efficiency, and effectiveness of internal controls in the Madrid Registry, IOD makes the following observations and recommendations.

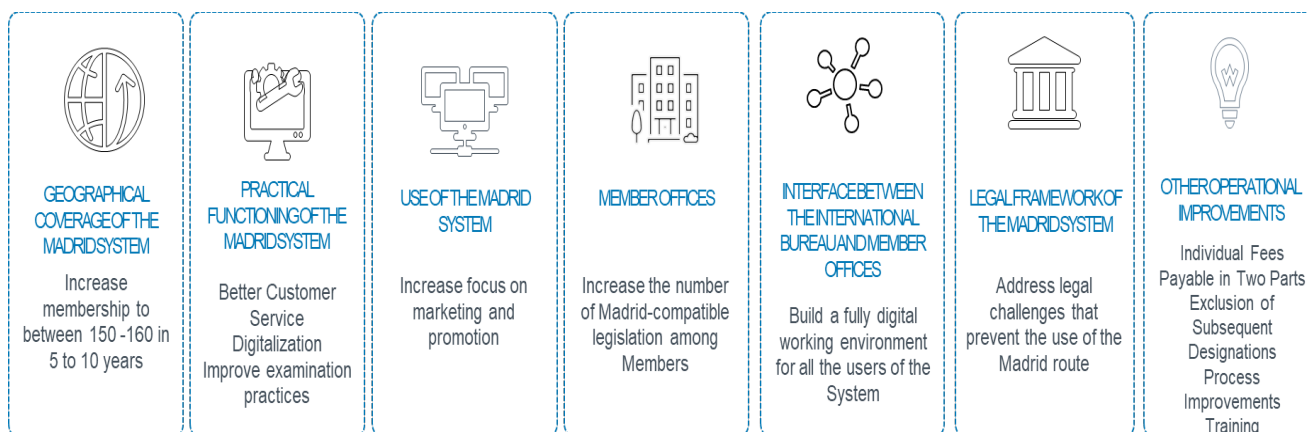
### (A) GOVERNANCE AND RESOURCE MANAGEMENT

#### (i) Road Map for the Madrid System

35. The Madrid Registry has established a Road Map for the Madrid System that has been evolved and updated through the Madrid Working Group on the Legal Development of the Madrid System for the International Registration of Marks<sup>8</sup>. The most recent update was presented to the Working Group (WG) in November 2023<sup>9</sup>, and identified measures for the “evolution” of the Madrid System, by outlining the areas of strategic focus that will among others, benefit current users, attract, and support new members. The map takes a more “holistic view” of the Madrid System, with a five to 10 years horizon, inspired by and based on the areas of strategic focus outlined in the WIPO MTSP 2022-2026.

36. The key areas of focus of the road map are summarized in figure 5 below:

**Figure 5: Key Areas of the Updated Road Map for the Evolution of the Madrid System**



Source: Prepared by IOD based on the Updated Road Map for the Evolution of the Madrid System

37. IOD notes that the Road Map has captured key areas reflected in the future directions outlined in the WIPO MTSP 2022-2026. Going forward, a timeline-view would enhance the effective and efficient implementation of this Road Map and would align with good practices for tracking the evolution of the Madrid system in accordance with the primary objective of the Road Map.

<sup>8</sup> The purpose of the Working Group is to among others, examine and discuss legal issues related to the Madrid System, improve, and update the legal framework, ensure the effective functioning of the Madrid System and addressing legal challenges that arise in the context of international trademark registration.

<sup>9</sup> MMLD/WG/21/6

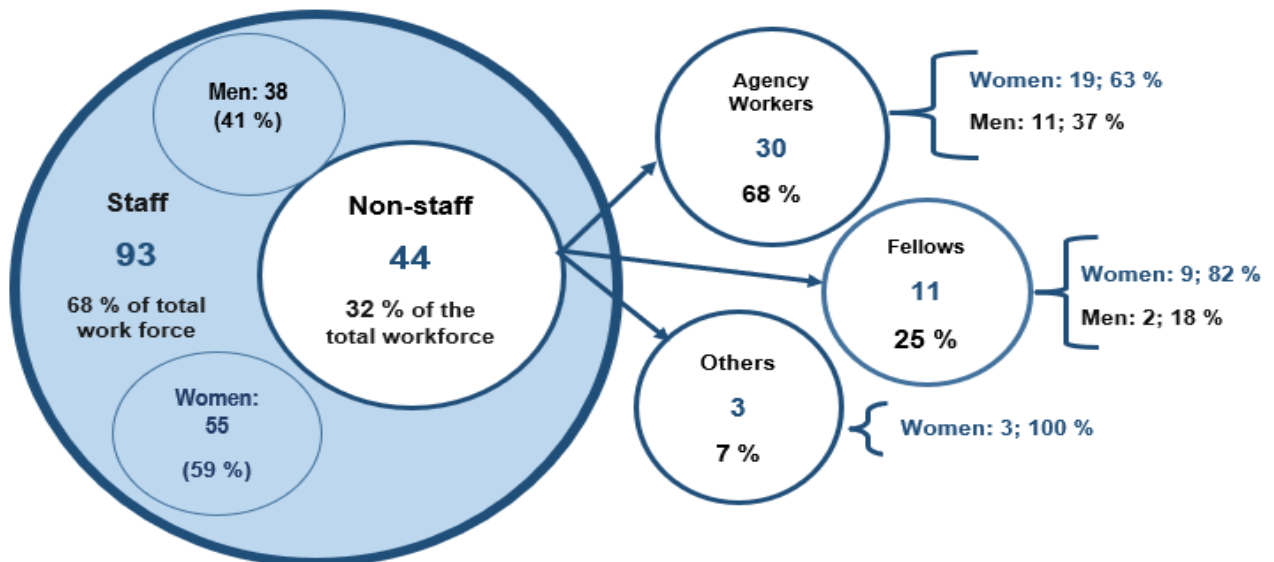


(ii) Madrid Registry Workforce

**Current Workforce Analysis**

38. As of September 30, 2023, the Madrid Registry had a workforce of 137 shared across three divisions, namely, MLD, MOD, and MIPD. Figure 6 below shows the workforce composition by contract type and gender, based on data extracted from AIMS.

**Figure 6: Madrid Registry Workforce by Contract Type, Gender, and Post Grade**



Director -D2	Directors -D1	P5	P4 – P2	G 7- G 6	G5 – G4	Non-staff
1	3	3	37	40	9	44

Source: Prepared by IOD based on data from AIMS HR, September 2023

**Equality**

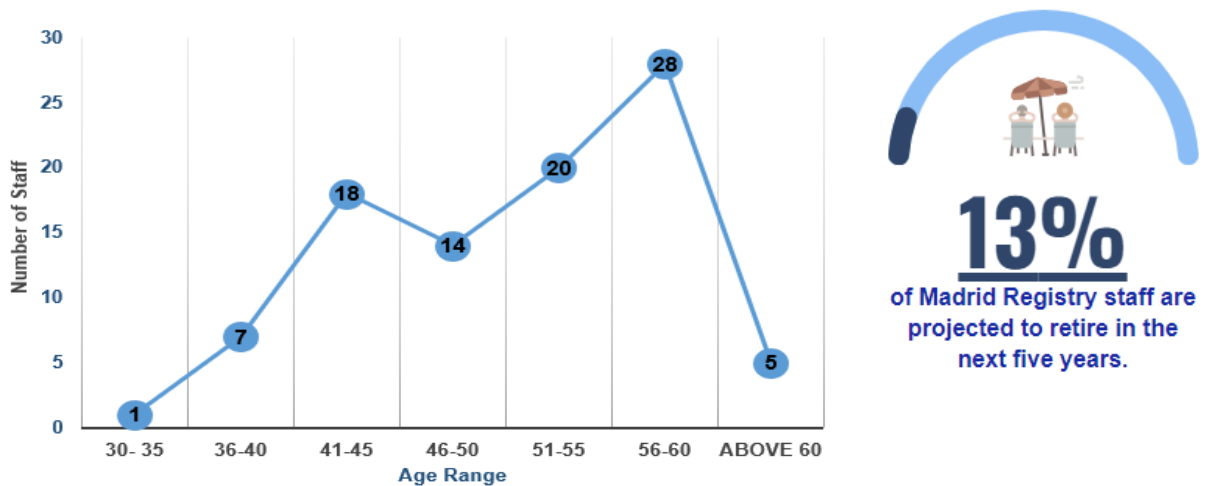


*In accordance with the Policy on Gender Equality, WIPO is committed to promoting gender equality and the empowerment of women within its mandate and in line with the commitments of the UN.*

*As of September 2023, the gender composition of the Madrid workforce (**Staff members**) was **Women, 59 per cent and Men, 41 per cent**, while for **Non-staff resources: Women, 70 per cent and Men, 30 per cent**.*

39. A further review of the demographic profile of the Madrid Registry shows that the distribution of the ages for staff is negatively (leftward) skewed. The mean (average) age is 51 while the median age is 52. Thirty-five percent of the staff (33) are in the age range of 56 years and above. In more detail, 20 staff (22 per cent) were in the 51 – 55 age range, 28 staff (30 per cent) were in the 56 - 60 age bracket, and five staff (five per cent) were above 60 years. Notably, 12 staff (nine in MOD and three in MIPD) representing 13 per cent of the staff workforce are expected or projected to retire in the next five years (starting from November 2024 to December 2028). Figure 7 below shows the age distribution and the percentage of staff expected to retire in the coming years.

**Figure 7: Madrid Registry Age Distribution and Retirement Projections**



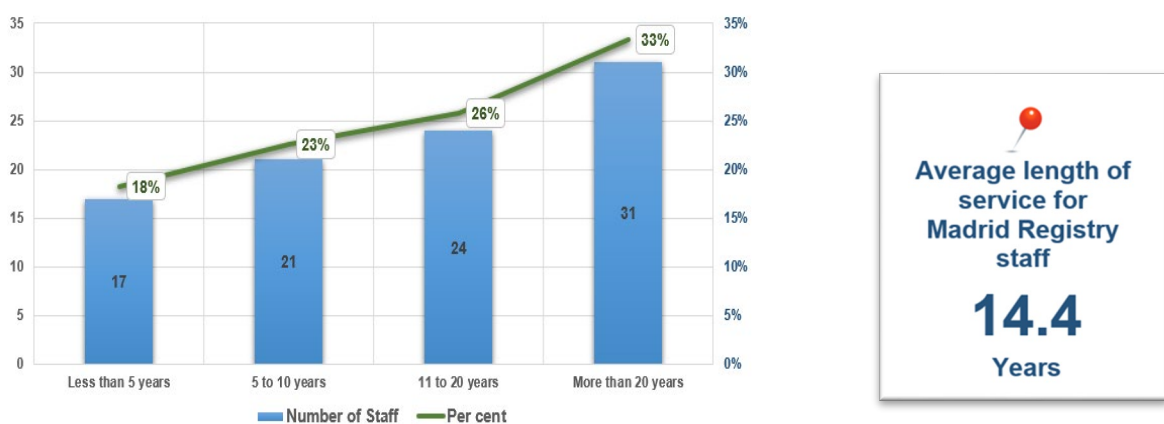
Source: Prepared by IOD based on data from Human Resources Management Department, September 2023.

40. While the risk associated with the current demographic profile of the Madrid Registry has been captured in the ERM system, IOD observes that as of September 2023, the action to address this risk was still not under implementation (i.e., “proposed” state). Going forward, the proposed action by the Madrid Registry of developing a “comprehensive coordinated succession plan, with a focus on bringing in youth” should be timely implemented. Further, the risk action plan should be coordinated with HRMD and be supported by specific, timely and measurable steps to yield a better and optimal outcome.

**Staff Members Length of Service Distribution**

41. As of September 2023, the average(mean) and median years of service for staff in the Madrid Registry was 14.4 years and 13.9 years, respectively. This suggests a positive(rightward) skewness in the distribution of years of service for staff. Overall, 59 per cent of Madrid Registry staff (55) have served in the organization for 11 years or more. Notably, 33 per cent of the staff (31) have served in the Registry for more than 20 years, while 26 per cent (24) have served for periods ranging from 11 to 20 years. Figure 8 below shows the length of service distribution of Madrid Registry staff.

**Figure 8: Madrid Registry Length of Service Distribution**



Source: Prepared by IOD based on data from AIMS HR, September 2023.



42. Having long-serving staff in the Registry can potentially provide several benefits such as valuable institutional knowledge and technical proficiency in performing the more challenging examination tasks e.g., application renewals or corrections. With 13 per cent of the staff nearing retirement in the next five years, the Madrid Registry could lose valuable knowledge and technical insights. However, IOD also sees the upcoming retirements as an opportunity for the Registry to recruit new staff with the requisite contemporary skills, bringing fresh perspectives, broadening the range of team capabilities, enhancing efficiency, and introducing innovative approaches.

43. Therefore, the Registry should enhance their current knowledge management mechanisms. This could be done by, among others, shadowing retiring staff, mentorship program, and implementing a well-coordinated succession plan. IOD acknowledges the Registry’s expertise in onboarding, mainly gained from the Madrid Fellowship Program and thus envisages that the Registry will leverage this expertise to facilitate an efficient and seamless transition.

44. Keeping long-serving staff engaged, productive and motivated may be challenging if they remain stagnant in their roles and responsibilities for a relatively long time. For instance, of the 38 General service staff (G6) as included in the G7- G 6 post grade in Figure 6 above, 45 per cent (17) have been at the last GS salary step (level 12) for five to ten years and have been largely performing the same tasks.

45. The Madrid Registry should collaborate with HRMD to leverage the Internal mobility mechanisms specified in the HR Manual, especially for staff who have been in the same job and/or performing the same tasks for an extended period. In addition, it is important for the Registry to consider creative and innovative strategies that will help retain the motivation and productivity of staff amidst the inherent and structural limitations of the Human Resources Management framework.

**Diversity of work and Limited Opportunities for Growth**

46. Respondents to IOD’s survey frequently cited limited opportunities for professional growth, repetitive work, and insufficient training, as some of the main challenges they encountered in their work. Some suggested that examiners should be allowed to focus on tasks they are most competent in because not everyone can or wants to do every task. Overall, the sentiments expressed in the survey suggest a need for an evolution in the current modus operandi. Discussions with relevant staff in the Madrid Registry revealed that for optimal proficiency and productivity, the Registry requires a mix of specialized examiners and those proficient in multiple tasks.

<b>What are the key challenges in your work?</b>	
<i>“Most people feel quite stuck in their jobs, and this creates a strange dynamic”.</i>	<i>“More opportunities for growth and different work e.g., projects, quality and training, classification.”</i>
<i>“Lack of promotion possibilities equals lack of motivation.”</i>	<i>“Some possibility of growth and direction within my role within the organization – it doesn’t have to be a higher grade, but to be able to do something different”.</i>
<i>“Lack of diversification of tasks”.</i>	
<i>“Repetitive/routine work”.</i>	

Source: IOD Survey of Madrid Operations Service, June 2023

47. Further analysis of the survey indicates that 69 per cent of examiners handle new applications daily, but 79 per cent and 75 per cent have never worked on renewals and corrections, respectively. IOD discussions found that only a few examiners in the Operations team are skilled and proficient in these tasks. Notably, some of these proficient staff are nearing retirement, emphasizing the need to finalize the succession plan and deploy

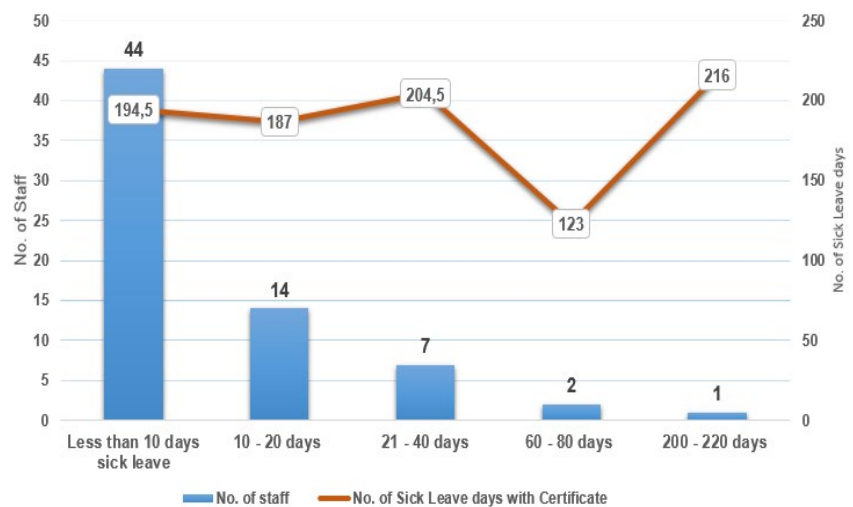
knowledge retention measures that will contribute towards ensuring smooth operations and a reduction in backlogs for these transactions.

48. Moving forward, the Registry's management, with HRMD's support, should adopt agile, proactive, and innovative strategies to optimize contributions from staff including leveraging the Internal mobility mechanisms outlined in the HR Manual. Equally important, the Registry should maintain an optimum mix of young and experienced staff and foster a positive work environment that promotes knowledge transfer and retention, mentoring, recognition, and appreciation, including continuous development.

### **Analysis of Certified Sick Leave in Madrid Registry**

49. An analysis of certified sick leave data<sup>10</sup> shows that a total of 68 staff members (women: 42; men: 26) in the Madrid Registry took certified sick leave in 2022. The Registry had an average of 13.6 certified sick leave days per staff who took sick leave in 2022, which is lower than the Organization's average of 15.3 days during the same period. Specifically, 44 staff (65 per cent) took less than 10 sick leave days, of which 36 (82 per cent) took less than five sick leave days.

### **Madrid Registry Certified Sick Leave Distribution in 2022**



Source: Prepared by IOD based on HRMD Business Intelligence dashboards.

### **Recommendations**

1. The Madrid Registry should, in collaboration with Human Resources Management Department, and Program Performance and Budget Division, assess and update demographic-related risks and develop a comprehensive succession plan with specific, timely, and measurable actions.

(Priority: Medium)

### **(iii) Agency Workers in Madrid Registry**

50. From January 2020 to September 2023, the Madrid Registry's expenditure on engaging the services of agency workers, based on Purchase Orders processed, amounted to 9.23 million Swiss francs. Specifically, 76 per cent (7.1 million Swiss francs) was spent by the MOD, 21 per cent (1.93 million Swiss francs) by the MIPD, and three per cent (0.27 million Swiss francs, in 2021) by the MISD.

### **Tenure of Service for Agency Workers**

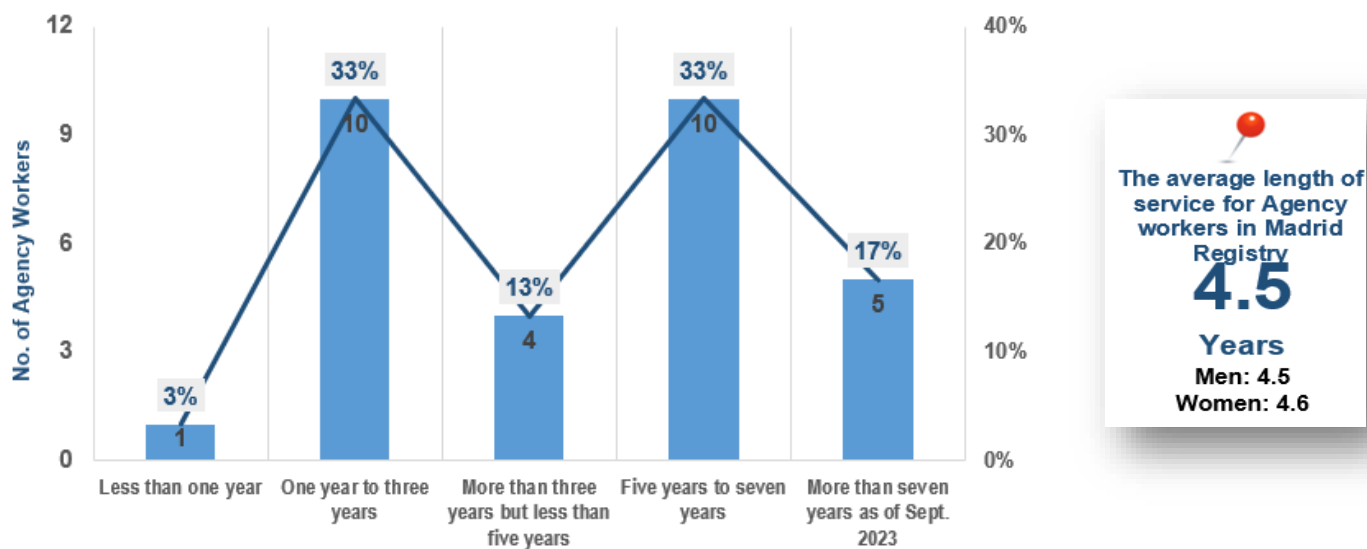
51. In IOD's report on the Audit of Individual Contractor Services and Temporary Employment Agencies (IA 2022-01), IOD noted that the Organization engaged agency

<sup>10</sup> Data on Sick leave with certificate extracted from HRMD Business Intelligence dashboard in June 2023.

workers<sup>11</sup> for prolonged periods. This practice was not aligned to the existing guidelines which specified that the use of these non-staff resources was (and still is) for “*temporary staffing needs*” corresponding to generic tasks and/or highly specialized profiles. IOD makes the following observations on the use of agency workers in the Madrid Registry.

52. As of September 2023, 32 per cent of Madrid Registry's workforce were non-staff members, with 68 per cent of them being agency workers. Specifically, there were 30 agency workers [men: 19, (37 per cent); women: 11 (63 per cent)] who were engaged in the Madrid Registry. Further, 80 per cent (24 out of the 30) of the agency workers were engaged in the MOD, while the remaining 20 per cent (6 out of 30) were working in the MIPD, five of which are in the Madrid Infoline Unit. Figure 9 below shows the number of agency workers and their length of service in the Registry.

**Figure 9: The Tenure of Service for Agency Workers in Madrid Registry**



Source: Prepared by IOD based on data extracted from AIMS, January 2015- September 2023

53. An analysis of data for agency workers in the Madrid Registry, covering the period from January 2015 to September 2023, revealed that out of the total agency workers serving in the Registry, 15 workers (50 per cent) have been engaged for a duration spanning from five to eight years. Notably, five workers (17 per cent) have been engaged in the Registry for more than seven years as of September 2023.

54. At an organizational level, the prolonged use of non-staff contracts, such as agency workers, for potentially unsuitable roles has been identified as a risk in the ERM system. The practice may affect the operational continuity and effectiveness, and reputation of the organization. However, the HR Strategy (2022-2026) suggests that these risks need to be weighed against changing business needs and the strategic focus of the organization. The strategy aims to make the organization more flexible and responsive to changing staffing demands. Further, the strategy also anticipates a rise in the number of non-staff personnel in the coming years.

55. In July 2022, during the Audit of Individual Contractor Services and Temporary Employment Agencies (IA 2022-01), IOD recommended that the Procurement and Travel Division and HRMD develop an overarching policy framework for agency workers,

<sup>11</sup> Agency workers are assigned by the employment agency to the Organization to cover temporary staffing needs. These individuals have no contractual relationship with WIPO and their employment conditions are governed by their contract with the commercial entity.

consolidating current and updated guidelines. This recommendation is planned for implementation by June 2024 and IOD anticipates that it will help streamline current practices and align them better with guidelines.

### **Agency Workers' Terms of Reference**

56. It is good practice to regularly review and align the Terms of Reference for agency workers with their actual duties and responsibilities. This ensures alignment with the agency worker's support profile/classification level and related remuneration scale.

57. Survey respondents to the IOD survey of Madrid Operations Service, and discussions with relevant personnel in the Madrid Registry point to some agency workers taking on additional tasks that are not explicitly outlined in their current TOR and therefore not aligned with their support profile level and/or classification e.g., project management tasks, drafting relevant documentation and customer support. IOD also took note of the discussions within the Registry, in May 2023, on reassessing the categorization of agency workers and the upcoming contract extensions/renewals.

58. Therefore, the Madrid Registry should review the TOR for agency workers, to ensure that they align with their duties and that they (agency workers) are placed in the appropriate Support profile/classification.

### **Job Descriptions for Examiners and Support Profiles for Agency Workers**

59. According to the Organization's Human Resources Management practices, Job descriptions (JDs) need to be updated at regular intervals to, among others, accurately reflect the evolving roles, responsibilities, and accountabilities of each staff member. Further, the updating of JDs ensures alignment with changing job roles, and it helps maintain job profiles that are aligned with the organization's strategic direction and values.

60. IOD reviewed a sample of 20 JDs for staff members in the MOD and observed that over half of the JDs (11 out of 20) have not been updated for over 10 years, some dating back to 2007/08. Notably, the JDs that are up to date are the ones that were issued in the last four- five years. Fifty-four percent of survey respondents indicated that their JDs were aligned with their tasks, hence there is still work to be done.

61. Consequently, the outdated JDs do not align with MOD's current needs, such as customer service; continuous improvement of processes, services, and tools; provision of training; QC as well as IT proficiency. Some staff have JDs from past roles (e.g., secretarial or clerical), and some JDs refer to business areas that have changed or no longer exist.



*Notably, **54 per cent** of survey respondents **agreed** that the tasks they perform were **aligned** with their Job description.*

*"Am involved in Project works which are not outlined in my JD"*

*"My job description is for 2007".*



Source: IOD Survey of Madrid Operations Service, June 2023.

62. While IOD acknowledges that the outdated JDs remain a pervasive and recurring issue within the organization, it remains the responsibility of the respective supervisors to regularly review and update their subordinates<sup>12</sup> JDs via the electronic Job Description application in AIMS HR<sup>13</sup>.

63. Going forward, the Madrid Registry would benefit from working with HRMD to regularly review job descriptions for staff and aligning them with the Registry's evolving needs. This action will strengthen the Registry's dedication to embedding and cultivating a customer-focused culture, developing customer-centric examiners, and enhancing service delivery.

### ***The Madrid Flexibility Clause***

64. In January 2023, the Madrid Registry invoked the Flexibility clause<sup>14</sup> based on the 2022 workload, enabling the Organization to increase its overall 2022/23 expenditure envelope by an additional 2.54<sup>15</sup> million Swiss francs distributed as follows: 2.23 million Swiss francs to the Madrid Registry, and 0.32 million Swiss francs to Support Services. To stabilize and rebalance the use of the core personnel and flexible examination resources (agency workers), the Registry intends to create ten new examiner (staff) positions. This will help reduce the number of and reliance on agency workers. Further, these new posts will offer an opportunity to eligible individuals, including the agency workers, to apply for recruitment in accordance with the Organization's recruitment processes.

65. In view of these developments, the Registry needs to establish a plan of action, with a set timeline, for prudently filling in the ten examiner posts and concurrently reducing the number of agency workers. The plan needs to factor in the evolution of the forecast demand for international filings and renewals, that are subject to global economic factors.



*Apart from EUIPO, the Madrid Registry, the USPTO, Japan Patent Office, Korean Intellectual Property Office, and China National Intellectual Property Administration, all experienced comparable declines in trademark international application filings for the first nine months of 2023.*

*Specifically, in the first three quarters of 2023, international filings received by the Madrid Registry decreased by 9.2 per cent compared to 2022, while renewals increased by 10.1 per cent compared to the same period in 2022.*

66. Going forward, the Madrid Registry should monitor, and report on, the number of agency workers who succeeded in being recruited for the new examiner (staff) posts, and those whose contracts will not be renewed following an evolution of tasks, roles, and needs. More importantly, the Registry needs to balance these tasks and considerations to reach an optimized outcome and meet set objectives.

<sup>12</sup> [https://intranet.wipo.int/homepages/hr/en/hrtopics/planning\\_job\\_description\\_staff.html](https://intranet.wipo.int/homepages/hr/en/hrtopics/planning_job_description_staff.html)

<sup>13</sup> [AIMS Job description requests](#)

<sup>14</sup> The Flexibility clause is primarily a mechanism “to make upward or downward adjustments to the resources allocated for the operations of the PCT, Madrid and the Hague systems and for WIPO organizational entities providing administrative support to these operations” (WIPO Financial Regulation 3.5).

<sup>15</sup> It should be noted that the 2022/23 expenditure envelope was not increased by the full amount.

### Recommendations

2. The Madrid Registry should, in coordination with the Procurement and Travel Division, and other relevant stakeholders, review the Terms of Reference for Agency workers and the actual roles and responsibilities they perform to determine whether they are aligned to the appropriate support profile/classification level.

(Priority: High)

3. The Madrid Registry should, in coordination with Human Resources Management Department, review and revise the job descriptions for staff using the electronic tool in AIMS HR with a view of incorporating customer service duties and responsibilities, and other job-related competencies as applicable.

(Priority: Medium)

#### (iv) The Madrid Registry Fellowship Program

67. The Madrid Fellowship Program aims to provide fellows with experience to strengthen their knowledge and professional competence, which they can apply in their professional field once they have completed their fellowship. Over the years, the Madrid Registry has consistently recruited fellows in line with the Fellowship Program.

68. To promote collaboration with National IP Offices, WIPO covers the Fellow's stipend and travel costs, among others. In 2022, the expenditure on the Fellowship program was 1.53 million Swiss francs, while in 2021 it was 1.24 million Swiss francs.

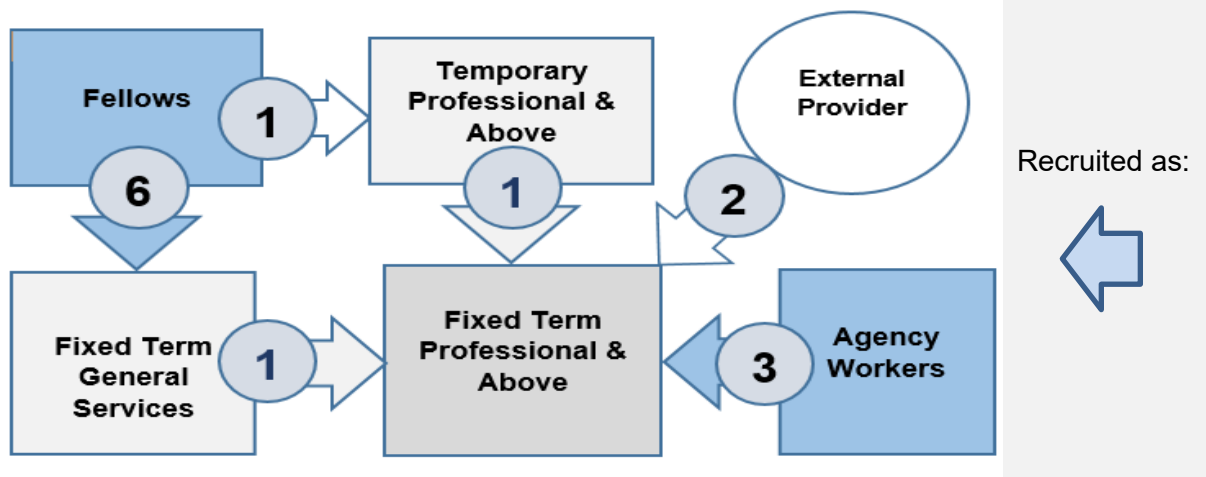
### **Contract Transitions**

69. In accordance with the WIPO HR Manual, a fellowship is not a commitment to future employment with the organization. Any further employment with WIPO after a fellowship is subject to the applicable recruitment and selection procedures. Fellows are considered as external candidates for any fixed-term vacancy for which they apply.

70. From January 2017 to September 2023, IOD observes that seven fellows (four women, three men) were recruited as fixed-term general staff (6) and temporary professional staff (1) within a month to one-and-a-half year's post-fellowship. Additionally, during this span, three agency workers (two women, one man) and two external providers were hired on Fixed Term Professional posts. Figure 10 below provides a summary of the movement of the non-staff resources and the distinct categories of staff contracts they transitioned to.



**Figure 10: Contract Transitions in the Madrid Registry – Fellows and Other Non-staff**



Source: Prepared by IOD based on HRMD, and Madrid Registry data, September 2023.

71. The Fellowship program in the Madrid Registry provides global IP office staff valuable insights into the Madrid System, mentored by experienced WIPO staff and agency workers. Further, the program allows the Registry to expand their candidate pool and enhances coordination between WIPO and the respective National IP Offices, with some former fellows serving as key contacts for the Madrid Operations teams.

(v) Quality Governance in the Madrid Registry

72. The Quality and Training Section (QTS), under the MOD, is responsible for developing, coordinating, implementing, and monitoring activities aimed at enhancing the quality of the outputs of several operational units of the Madrid Registry; and raising the skill and competency levels of the personnel in those units.

73. Since its establishment in June 2012, the Section has developed and implemented a QMF, Quality performance reports and related performance indicators which are aimed at enhancing the QMS in the Madrid Registry. However, IOD observes that there are still opportunities to enhance and refine the quality management approach in the Registry as outlined below.

***The Scope of Quality Control (QC) and Quality Assurance (QA)***

74. IOD observes that the QTS oversees the QC<sup>16</sup> and QA<sup>17</sup> of operational processes or examination activities in the MOD and partially reviews (on a sample basis) the quality of outbound written correspondence from the MIPD. However, the quality review of the MIPD's correspondence is not consistently and systematically conducted. Further, automated processes of the MIPD and their corresponding outputs are not quality reviewed by the QTS. Finally, QTS only performs limited QA of customer related activities of the MIPD. IOD also notes that the Madrid Infoline Unit, within the MIPD, conducts its own QC and sends monthly reports to the QTS. Therefore, the QTS does not independently oversee the entire spectrum of activities that may require QC/QA within the Madrid Registry. The above conditions were attributed to resource constraints among others.

<sup>16</sup> QC refers to a procedure or set of procedures intended to ensure that outputs or services adhere to a defined set of quality standards and meet the requirements of the customer.

<sup>17</sup> QA is part of quality management aimed at providing customers with the assurance that quality requirements will be met and that internal processes will be reviewed to assess effectiveness.

75. Since July 2023 the Madrid Infoline Unit (MIU) has introduced instant customer satisfaction surveys which are launched after closing a ticket on the WIPO Inquiry Notification System (WINS). The survey contains three to four questions regarding the quality of the service provided. Further, there is a monthly QC process managed by one staff in the MIU that assesses a randomly selected WINS ticket against a set of criteria.

76. The MIU QC methodology is not formally documented; samples are determined as a fixed, equal number of tickets per agent. In 2023 the MIU tested 49 tickets monthly – seven tickets per each of the seven customer support agents. Further, testing is performed by one staff member, which results in seven items being self-reviewed. This is not an optimal and independent approach to QC.

77. QC and QA activities in the MOD are vital to maintaining the quality of international work products and managing the associated risk of regression in the quality of work. An expansive, comprehensive, integrated, and coordinated quality management approach is crucial for the Registry. This approach should include an inventory of activities that require QC/QA, redefining/refining the scope of these activities, and optimizing resources to match expected results.

### ***International Organization for Standardization (ISO) 9001:2015 Quality Management Systems (QMS)***

78. The Madrid Registry's QMF uses the ISO 9001:2015 - QMS as a reference model. This globally recognized standard sets general QMS requirements suitable for all organizations, emphasizing quality, efficiency, customer satisfaction, and continuous improvement, among others.

79. Acquiring the ISO 9001:2015 certification demonstrates an organization's dedication to quality management principles and is a good industry practice. However, the management in the Madrid Registry considers the certification process and maintenance as costly. IOD notes that some major IP Offices have pursued and attained ISO 9001 certification. For example, back in 2012, the EUIPO extended the scope of ISO 9001 certification to cover all trademark activities, and legal affairs.

80. The Registry management informed IOD that they currently use ISO 9001:2015 as a reference, and they do not have plans to pursue ISO certification. While acknowledging that this is management's decision, and a cost benefit analyses would be required to determine whether formal ISO certification is to be pursued, IOD highlights that certification could support and align with both the Registry and the Organization's service quality strategy as per the MTSP 2022-2026; specifically, the need for better customer service highlighted in the updated version of the Road Map for the Evolution of the Madrid System and delivering excellence in line with the core values<sup>18</sup> of the Organization.

#### **Recommendations**

4. The Madrid Registry should integrate the Madrid Information and Promotion Division (including the Madrid Infoline Unit's Customer Support) Quality Control System into the Quality Management Framework to centralize and streamline quality management. Further, the Registry should conduct an internal assessment of its quality management system and address any gaps.

(Priority: Medium)

<sup>18</sup> [https://www.wipo.int/erecruitment/en/pdf/core\\_values\\_and\\_competencies.pdf](https://www.wipo.int/erecruitment/en/pdf/core_values_and_competencies.pdf)

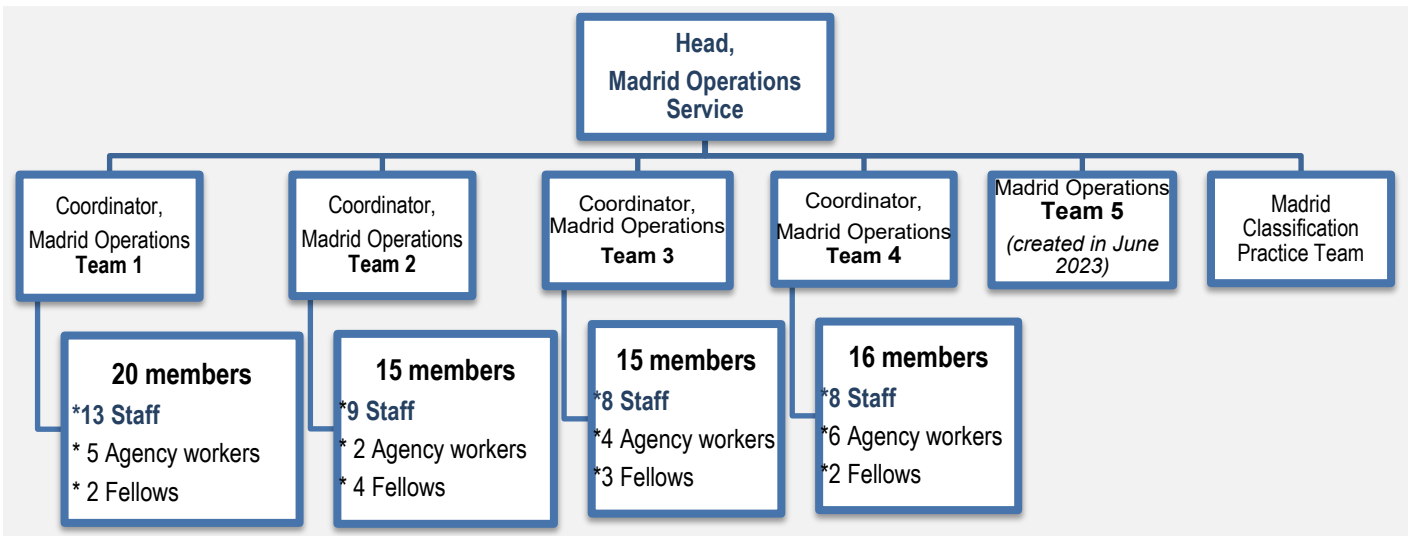


(B) OPERATIONS AND PERFORMANCE MANAGEMENT

(i) Span of Control – Size of Madrid Operations Teams

81. In September 2023, the Madrid Operations Service within the MOD, consisted of five Operations teams and the Madrid Classification Practice team. Notably, out of five Operations teams, four were operational and staffed. IOD observes that each team coordinator (supervisor) for the Operations teams had a relatively wide span of control, overseeing an average of 17 members, comprising both staff and non-staff resources (agency workers and fellows), with a total team size ranging from 16 to 21 members. The structure of the Madrid Operations Service, as of September 2023, is depicted in figure 11 below.

**Figure 11: Structure of Madrid Operations Service as of September 2023**



Source: Prepared by IOD based on Madrid Operations Service data, September 2023.

82. IOD discussions with staff in the Madrid Operations Service revealed that the wide span of control may not support and enhance managerial and communication efficiencies as supervisors (coordinators) are overloaded and may therefore not provide adequate support to each team member. These discussions highlighted the need to move to a more optimal span of control, ranging from 10 to 12 subordinates per coordinator (supervisor). It is envisaged that such a span of control would enhance supervision, coordination, and communication within the Operations teams. These observations are corroborated by the sentiments expressed by survey respondents in the IOD survey of Madrid Operations Service.



*“Smaller teams would help improving communication and efficiency.”*

*“The team is too big.”*

*“I find it is too big, it is nice to work with so many colleagues, but it is hard to interact with everyone regularly”.*

*“The supervisors seem to be very busy...”*

Source: IOD survey of Madrid Operations Service, June 2023

83. In June 2023, as part of an initiative to reorganize and enhance operations and services, the MOD, established the Madrid Operations Team 5 as a pilot under the Madrid Operations Service. The members of the team, who are yet to be selected, would be drawn from the other four teams, and will be tasked with examining service requests and providing enhanced customer service to major accounts. Going forward, the Madrid Operations

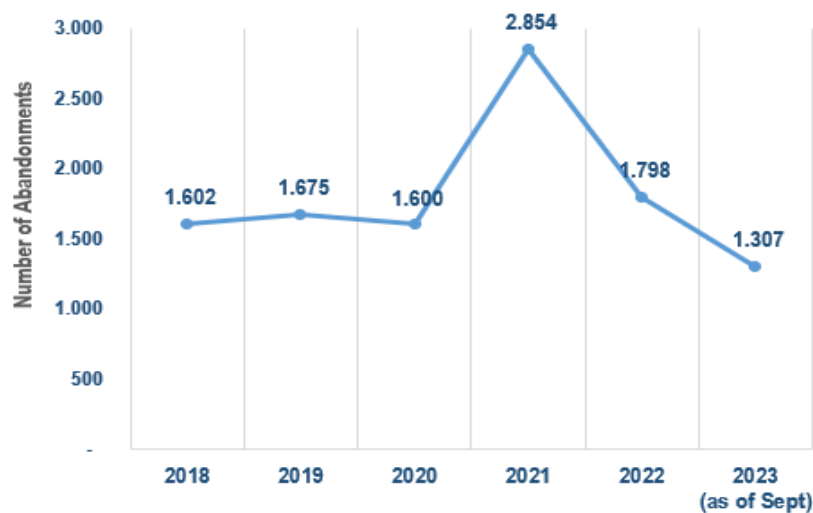
Service would benefit from reviewing the criteria for team compositions and rebalance the workload and distribution accordingly.

(ii) Abandonment of Applications

84. The Madrid System provides for the abandonment of an international trademark application. The abandonment can occur due to various reasons or scenarios, which are prescribed in the relevant regulations that govern international registrations. These reasons, include but are not limited to, irregularities concerning the classification of goods and services, non-payment or partial payment of prescribed fees, failure to respond or provide missing information by the applicant or an applicant electing to abandon the application at any stage in the application process.

85. Prior to being considered abandoned, a significant amount of examination resources would have been dedicated by the Registry to reviewing the international application. In cases where the fees were paid in respect of the application, WIPO will reimburse the applicant after deducting an amount corresponding to one-half of the basic fee. However, in some cases the applicant would not have paid any fees in respect of the application.

**The Evolution of Abandonment of Applications from 2018 – Sept. 2023**



Source: Madrid Registry, extraction from MIRIS, September 2023

86. From 2018 to 2022, the average abandoned applications were around 1,906. There was a slight increase (4.6 per cent) in abandonments from 2018 to 2019, followed by a decrease (-4.5 per cent) in 2020. Then in 2021, there was a significant increase (78 per cent) in abandonments compared to 2020 due to the economic impact of the COVID-19 pandemic and other geopolitical factors. However, the peak of 2,854 abandonments in 2021 was followed by notable decreases in 2022 (1,798) and January - September 2023 (1,307). Further, as of September 2023, 826 applications were pending to be abandoned (over half, i.e., 480, of these applications relate to two national IP offices).

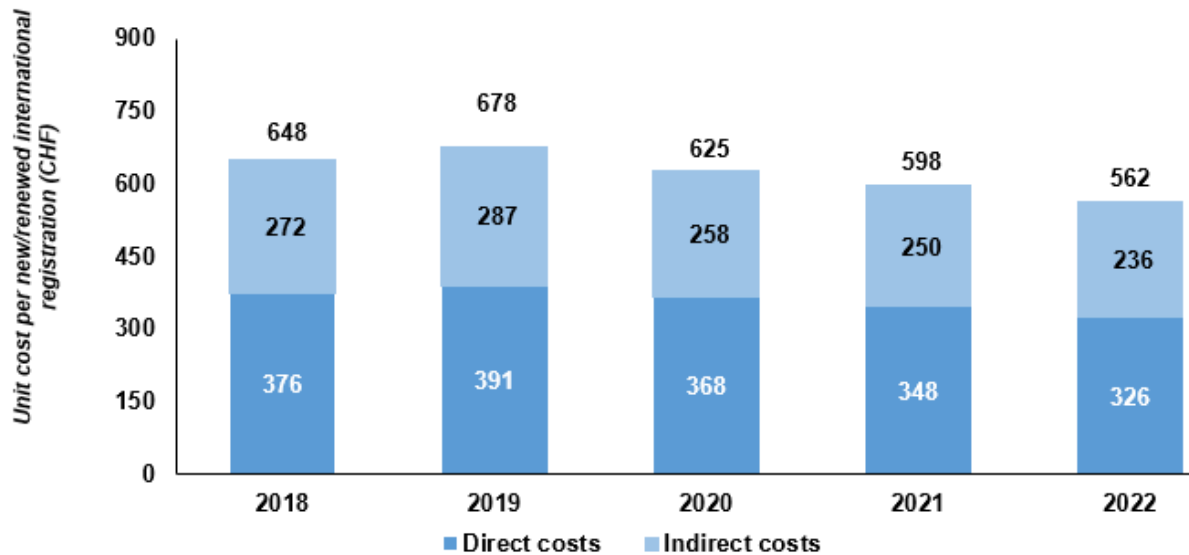
87. Going forward, more timely engagement of applicants and key stakeholders (e.g., National IP Offices) based on data-driven insights will aid better decision-making and allow for efficient utilization of resources within the Registry.

(iii) Review of Unit Cost per New/Renewed International Registration

88. New international registrations consist of applications that are registered within a given year, and renewed international registrations consist of existing registrations that are renewed within a given year. The unit cost for each new/renewed international registration

considers the number of registrations and the associated direct and indirect processing costs. Figure 12 below shows the trend in the unit cost from 2018 to 2022<sup>19</sup>.

**Figure 12: Unit Cost per New/Renewed International Registration, 2018 – 2022**



Source: Madrid Registry, ERP systems and WIPO IP Statistics Database



*In 2022, the cost of processing a new/renewed international registration decreased by 5.9 per cent to 562 Swiss francs due to more registrations and renewals, and fewer resources needed for processing.*

89. The Unit cost is an important indicator for performance and for reflecting productivity and efficiency. There has been a consistent decline in the Unit cost in the past four years, decreasing from 678 Swiss francs in 2019 to 562 Swiss francs in 2022. The positive trend underscores the efficiency and productivity gains achieved by the Madrid Registry, *ceteris paribus*.

90. The methodology for calculating direct and indirect Madrid costs is aligned with the methodologies for calculating the PCT and the Hague Unit costs. The headcount calculation used to estimate the indirect costs include personnel working as fixed term staff, temporary staff, fellows, and agency workers supporting operations.

91. While it is essential to consistently use the same methodology for computing the unit cost, it is equally important to periodically evaluate its subcomponents and underlying assumptions. The time it takes to process applications manually and by automated means, i.e., subcomponents of the unit cost, have not been reviewed in over a decade.

92. Over the past decade, the Registry has experienced some changes. These include, optimized application processes and procedures, better efficiency and productivity, and a steady rise in other transactions other than new applications and renewals, thus necessitating the allocation of more examination resources. Moreover, the current methodology does not factor in the service delivery quality and enhancement of customer experience. Therefore, these changes may have altered the current weighted system for the

<sup>19</sup> The unit cost for 2023 will be calculated in 2024.

Unit cost, initial underlying assumptions and subcomponents used in computing the Unit cost per new/renewed registration.

93. Moving forward, the Madrid Registry should allocate specific staff to gain a better appreciation of the Unit cost computation. Further, the designated staff should periodically collaborate with the Statistics and Data Analytics Division (IP and Innovation Ecosystems Sector), and Program Performance and Budget Division (Administration, Finance and Management Sector), to validate the assumptions underlying the unit cost calculation.

#### **Recommendations**

5. The Madrid Registry, in collaboration with the Statistics and Data Analytics Division, and the Program Performance and Budget Division, should reevaluate the calculation and assumptions of the Unit Cost for New/Renewed International Registrations, and designate a focal point responsible for monitoring the evolution of the components used in computing the unit costs.

(Priority: Medium)

#### (iv) Legal Assistance

94. The MLD is responsible for among other things, supporting countries in their accession to the Madrid System and providing legal advice to existing and prospective Members, trademark owners and the IB on the implementation, and functioning, of the System. The program activities of the MLD contribute to Expected Results 3.1 and 3.2 of the MTSP<sup>20</sup> and focus on legal assistance to countries on the accession to and implementation of the Madrid Protocol; general legal advice to users and Offices; and the organization of the annual WG meeting on the Legal Development of the Madrid System for the International Registration of Marks.

95. There are two key performance indicators allocated to the MLD in the EPM:

- (a) Total Membership; and
- (b) Level of satisfaction of Madrid users with Madrid specific legal advice

96. The WIPO Program of Work and Budget for 2022-23 set a target of six additional Madrid System members per biennium. As per the status on 30 September 2023, five new Countries joined the Madrid Protocol<sup>21</sup>.

97. The level of satisfaction of Madrid users with Madrid specific legal advice is generally assessed through the Madrid System User Satisfaction Surveys. IOD however notes that the survey focuses on Madrid Registry collective performance as a whole and does not rate separate departments. However, certain elements of the survey can be partially linked to the work of the MLD. For example, the 2022 Madrid System User Satisfaction Survey shows an average of 85 per cent satisfaction<sup>22</sup> with aspects of legal information provided.

#### ***Legal Assistance and Training***

98. IOD reviewed statistics on activities of the MLD around legal assistance and training. The MLD provides comments on domestic legislation of new and existing members of the

<sup>20</sup> Expected results 3.1 - Wider and more effective use of WIPO's global IP systems, services, knowledge, and data, and 3.2 - Improved productivity and service quality of WIPO's global IP systems, services, knowledge, and data.

<sup>21</sup> Joined in 2022: Cabo Verde, Chile, Jamaica; joined in 2023: Belize, Mauritius.

<sup>22</sup> The target set for this performance indicator was 85 per cent.

Madrid Protocol. Ten new and three existing members received advise/assistance in 2022, and two new and three existing members during the first five months of 2023. For new Madrid Protocol members, the MLD conducts assessments of offices and reviews of accessions. Further, the MLD holds sessions with IP Office staff to walk them through all the tasks related to the roles of Office of Origin and Office of designated member. Sixteen such sessions were held in 2022 and ten during the first five months of 2023. The MLD also supports new members comply with all the requirements to be an eligible member of the Madrid Union.

99. As part of its activities, the MLD provides speakers to seminars and webinars on the Madrid System. Thus, 42 events were supported in 2022 and 18 events in the first four months of 2023. For instance, in coordination with the Patents and Technology Sector (PTS), the MLD provided speakers to events related to “IP and Women Entrepreneurs” in 2022 and 2023.

### ***Legal Inquiries***

100. The MLD collects and analyses inquiries sent through the WINS to the Madrid Legal email address. Approximately 1,200 inquiries are received by MLD on annual basis.

101. IOD sample of long-standing (open) WINS tickets allocated to the MLD. While it could be seen that many overdue tickets are regularly updated, some open tickets had no action for a relatively long time. For example, ticket Nr.6022103274 (created on 21 October 2022, last action – 2 May 2023), ticket Nr.6022093644 (created on 23 September 2022, last action – 3 October 2022). The MLD indicated that the reason for many long-standing open tickets relates to the legal complexity of inquiries. The aging summary of Madrid Registry open tickets in WINS can be found in Annex V.

### ***The Madrid Working Group***

102. The MLD plays a crucial role in the organization of the annual WG meeting on the Legal Development of the Madrid System for the International Registration of Marks. The WG members are contracting parties of the Madrid Union; observers<sup>23</sup>; and international intergovernmental and non-governmental organizations operating in IP. The purpose of the WG is to examine and discuss legal issues related to the Madrid System. The WG aims to improve and update the legal framework, ensuring the effective functioning of the Madrid System and addressing legal challenges that arise in the context of international trademark registration.

103. IOD’s review of the WG’s meeting minutes and supporting documentation show that discussions cover a variety of issues including those that could potentially increase Madrid Union membership and filings. While IOD found that the Registry followed the decisions of the WG and is working towards reinforcing the legal framework of Madrid, it however notes that the Madrid Registry, have relatively little control over decision making on normative changes. Further, the Registry tends to contribute by among others, organizing the communication platform (the meeting of the WG), providing legal advice and data in the various forms (studies, information summaries, reports).

#### **(v) Information and Promotion**

104. The MIPD is responsible for providing information on and promoting the Madrid System among trademarks owners in existing and new Madrid Members. The program activities of the division contribute to Expected Results 3.1 and 3.2 of the MTSP and focus on promotion and outreach activities; development and implementation of digital communication and

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<sup>23</sup> Countries that attend but are not members of the Madrid Union; hence do not have any voting rights.

marketing analytics strategy; participation in relevant events; and overall improvement of the Madrid Customer Service.

### **Performance Indicators**

105. There are three key performance indicators allocated to the MIPD in the EPM:

- (a) Filing Rate
- (b) Renewals
- (c) Level of satisfaction of WIPO global IP system users

106. However, the “Filing Rate” and “Renewals” indicators are uniquely assigned to the MIPD in the EPM; the “Level of satisfaction” indicator is also linked to the Madrid Operation Division (MOD) and the MISD. While IOD acknowledges that these indicators are relevant for the Madrid Registry; IOD however notes that the current practice of allocating the indicator for “filing rate” and “renewals” only to the MIPD does not recognize the collective efforts required to meet this performance criteria.

107. Discussions with the Data Analytics Division indicate that filing can be affected by several external factors such as the world economy and development of competing systems among others. Practices and procedures of other IP Offices may also influence filings.

### **Monitoring and Reporting Performance**


108. Internally, the MIPD monitors its performance through several reports such as, bi-monthly report “Public Education Activities”, monthly reports of External Consultants, and monthly Infoline Unit statistics for both written and phone queries from customers.

109. The MIPD has also established performance reporting; however, it is activity-based and often does not provide a full overview to which extent efforts made have impacted the achievement of Expected Results. In that regard, the MIPD has launched an initiative – the development of Impact Measurement Framework - a tool that will be designed to evidence and demonstrate the results of the MIPD’s work on information (education), promotion, and marketing. The framework will go beyond tracking what is done (activities) to attempting to monitor and articulate the outcomes and impact.

110. While IOD supports this initiative, it however will be relevant to identify indicators that are outcome and impact oriented; IOD encourages the use of data analytics to correlate the metrics and the desired outcomes and impact. Furthermore, this should be subsequently expanded across the Registry.

### **Promotion Activities and Outreach**

111. WIPO’s MTSP 2022-2026 indicates that the Madrid System has a growth potential, specifically in the Small and Medium-sized Enterprises (SMEs) market.

	<p><b>WIPO MTSP 2022-2026:</b> <i>“All businesses need a trademark, and national trademark filings are typically in multiples of national patent filings. This means there is much growth potential for the use of the Madrid System. To harness this potential, we will engage with SMEs and groups of local producers around the world with ambitions to enter international markets.”</i></p>
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112. One of the primary objectives of the MIPD is making the Madrid System more accessible to its customers through innovative communication and education; and promoting the Madrid System, to increase its use throughout the world and, among SMEs. To achieve



this, the MIPD performs a range of activities on awareness raising, public education and promotion / marketing, which include but are not limited to webinars, in-person seminars for Madrid advanced practitioners, tutorials, newsletters, case studies, podcast series, promotional materials, improving IP Offices' web pages on Madrid, developing synergies with local partners, engaging in business development activities for target markets, and data analytics. In addition, the MIPD contributes to the development of online services (eMadrid) and manages the Madrid System User Group.

113. IOD performed an analysis of the Madrid Registry's promotional and outreach events organized or attended by the MIPD. In 2021 the MIPD organized and/or participated in 55 events, 44 in 2022, and 24 events between January and September 2023. Management indicated that differences in the number of events were affected by changes in the formats and scale of events, demand, and the changes in practices as a result of the COVID-19 pandemic among others.

### **Cross-functional Cooperation**

114. Madrid promotion and outreach is a cross-functional and cross-sectoral activity. For example, the MOD and the MLD provide speakers for public education activities organized or coordinated by the MIPD; the MIPD collaborates with The News and Media Division (Sector of the Director General), Web communications Section and Publication and Designs Section (Copyright and Creative Industries Sector), and Customer Experience Section (Infrastructure and Platforms Sector) on several activities regarding among others, Madrid-related press, news items, videos, photos, podcasts, and social media interaction.

115. Furthermore, the WIPO Academy assists the MIPD with the development and promotion of distance learning courses on the Madrid System. Over one thousand five hundred participants from different countries completed WIPO Academy Distance Learning (DL) courses 302 and 303<sup>24</sup> between January 2022 and September 2023.

### **Transformative use of Data Analytics**

116. The WIPO MTSP 2022-2026 suggests wider application of data analytics in decision-making and delivery of WIPO products and services.



**WIPO MTSP 2022-2026:** *"Data are central to WIPO's digital transformation. Putting into place cutting-edge data quality, governance and management practices will enable mature use of the Organization's intangible assets. Transformative use of data analytics will help WIPO embed more sophisticated decision-making processes into the delivery of our internal and external products and services."*

117. The MIPD in collaboration with the WIPO IP Portal Team and the Mexican IP Office<sup>25</sup> run a pilot data analytics project. The aim of the project was to target Mexican SMEs which potentially could become users of the Madrid Registry. Using the specific criteria, data analytics identified over four thousand seven hundred businesses as potential targets for the outreach. However, the project has been temporarily put on hold due to changes in the external partner office. IOD supports this initiative and would encourage the establishment of regional pilot projects with similar objectives.

<sup>24</sup> DL Course 302: Trademarks, Industrial Designs and Geographical Indications; DL Course 303: Specialized Course on the Madrid System for the International Registration of Marks.

<sup>25</sup> IMPI – Instituto Mexicano de la Propiedad Industrial

118. The PCT has 157 contracting states<sup>26</sup>, while the Madrid Union has 114 members covering 130 countries as of May 2023<sup>27</sup>, indicating opportunities to identify additional Madrid Members. This is further confirmed by the Updated Road Map for the Evolution of the Madrid System, which aims to, among others, expand the geographical coverage of the Madrid system to having between 150 and 160 countries covered within a five to ten years horizon. IOD acknowledges the Madrid Registry's pilot data analytics initiative and encourages further embedding of analytics on a systemic basis to help identify how exploiting data, and data-driven decisions can be potential enablers for driving actions that would support the growth of the Madrid System. For example, the MIPD uses external consultants through ICS to execute promotional campaigns and outreach activities in several countries. IOD's analyses of these activities against filings highlight that while external Consultants provide valuable insights on specifics of the national business, political and legal environment, and collect valuable feedback from existing Madrid Registry users, they however have limited volumes of outreach and promotion activities. Thus, the average number of monthly contacts / visits made by individual consultants does not exceed 15, and one to two organized / attended events per month.<sup>28</sup>

119. Consequently, it may not be an optimal approach for yielding the desired outcome as outlined in the Updated version of the Road Map for the Evolution of the Madrid System. Increased use of data analytics and integration of data in the decision-making process could be one avenue to help enhance efficiency, better targeting campaigns, and increase results and outcomes. WIPO is currently developing and deploying organization-wide data analytics in line with the recommendation of the External Auditor in their 2022 Report<sup>29</sup>, and the Madrid Registry would benefit from working with relevant stakeholders to define their needs.

120. Furthermore, and in line with the updated version of the Road Map for the Evolution of the Madrid System, 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 review tools, processes, and practices.

#### **Recommendation**

6. The Madrid Registry should conduct a review of its current marketing and promotion approach, with a view to aligning it with the Updated Road Map for the Evolution of the Madrid System, including resource needs, and skillsets, such as business and data analysis, and liaise with the data analytics project team to ensure that their needs are incorporated in the organization-wide data analytics initiative.

(Priority: Medium)

#### (vi) Madrid Infoline Unit (MIU)

121. The WIPO MTSP 2022-2026 highlights the importance of the customer service and the value that it brings to users.

122. The MIPD is responsible, in conjunction with other units, for customer support. Specifically, the MIU, which is part of the MIPD, manages customer queries and provides functional support to users of the Madrid System on international registrations and

<sup>26</sup> [https://www.wipo.int/pct/en/pct\\_contracting\\_states.html](https://www.wipo.int/pct/en/pct_contracting_states.html)

<sup>27</sup> <https://www.wipo.int/madrid/en/members/>

<sup>28</sup> Observation made based on a sample of external contractors' reports (3 reports per country, for the four countries covered in 2023).

<sup>29</sup> WO/PBC/34/4, page 24 – Recommendation 2: WIPO should ensure that it develops a holistic approach and strategy to develop and deploy data analytics that serves the needs of all users within the Organization and creates synergies in training and support.



subsequent transactions. Customers can inquire about all Madrid System services and transaction processes in English, French and Spanish by phone or through the contact form located on the WIPO web site<sup>30</sup>. Agency workers make up 63 per cent (5/8) of the workforce in the MIU.

**Phone Inquiries and Ticketing System**

123. The Automatic call distribution system and logic embedded in the Madrid Registry contact form routes the customer to the appropriate contact point within the Madrid Registry. On average, approximately 73 per cent of phone calls and 58 per cent of opened tickets in WINS are routed to the MIU. Requests can be received through the Madrid Registry contact form, the ticketing system itself, or from the Madrid Registry staff.

124. The Madrid Registry receives approximately one thousand five hundred calls monthly with a global response rate of 87 per cent on average. The number of calls does not fluctuate significantly from month to month. Approximately 73 per cent of all calls are routed to the MIU, which answers 87 per cent of calls on average, like the Madrid Registry global response rate. However, phone inquiries are currently neither documented nor recorded to among others, maintain a record of issues raised by clients, monitor resolution, analyze patterns and trends, and QC among other things.

125. The Organization has initiated a CRM project as from November 2023, and the project team is currently collecting high level requirements and use cases. The CRM project manager concurred that a call recording feature would be a good feature to be included in the CRM Tool. The project Board has identified the Finance Division, and the Madrid Registry as the first to business units to be onboarded.

126. WINS tickets can be opened by any Madrid Registry agent who is registered as a WINS user. Fifty-eight percent of opened tickets are routed to the MIU. Figure 13 below depicts the distribution of WINS tickets between MIU and other Divisions.

**Figure 13: Distribution of WINS Tickets between MIU and other Divisions**



Source: Compiled by IOD, data provided by the MIPD

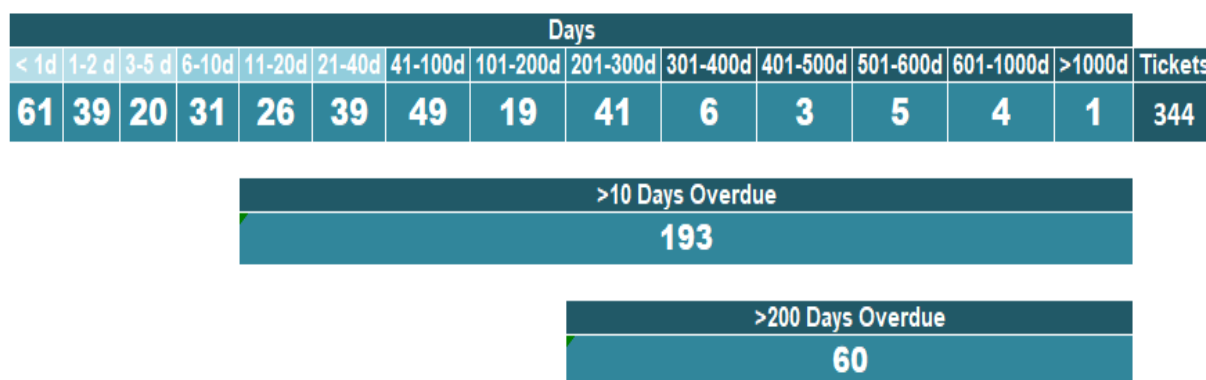
127. Approximately three thousand tickets are received by the Madrid Registry monthly, of which around 1,800 is sent to the MIU to address directly or reroute further. The tickets are rerouted to the relevant Divisions, and to Finance if they concern financial issues.

128. The figure below shows the aging of WINS open tickets allocated to the Madrid Registry. Out of 344 open tickets as of 24 August 2023, there were 193 tickets more than 10 days (two working weeks) overdue, which made up 56 per cent of all open tickets. Sixty

<sup>30</sup> <https://www3.wipo.int/contact/en/madrid/>

tickets were more than 200 days (ten working months) overdue, which made up 17 per cent of all open tickets. The MIU had 31 open tickets, out of which 22 tickets were less than a day old as of 24 August 2023. Most open and overdue tickets belonged to the Madrid Operations Services where, for example, four tickets fell in the interval 600 – 1,000 days. One ticket which was open for over five years, has recently been closed. A more granular view on the aging of WINS tickets is provided in Annex V.

**Figure 14: Statistics on Tickets to Madrid Registry (January 2022 – August 2023)**



Source: WINS data, provided by WIPO Customer Experience Section.

129. The review of a sample of ten long-standing tickets shows that while in six cases, ticket owners kept regular contacts with clients, in four cases, time has elapsed since the incoming communication from the client and no subsequent steps were taken by the Madrid Registry.

130. The reasons offered for such cases generally related to among others: ticket owner changes; owner departures; complex issues; dependency on other IP Offices (waiting for reply / action); necessity to make interventions in Madrid IT systems. Also, some tickets were simply not closed in operations while the action was completed. At the time of the drafting of this report, six of the ten sampled tickets had been closed.

131. WINS was programmed to send a weekly report on open tickets to the MIU Coordinator, who performed a monitoring of overdue tickets. However, since the departure of the previous MIU Coordinator in June 2022, these reports were not re-routed to other staff in the MIU. Furthermore, although the new Coordinator was appointed on December 1, 2022, the weekly reports were not sent up until the issue was raised by IOD during this engagement. Following IOD's observation, the Customer Experience Section has re-programmed WINS and the current MIU Coordinator and Customer Service Assistant have been included in the automated distribution list of open Madrid Registry WINS tickets starting from 25 August 2023. These reports are relevant in monitoring aged tickets.

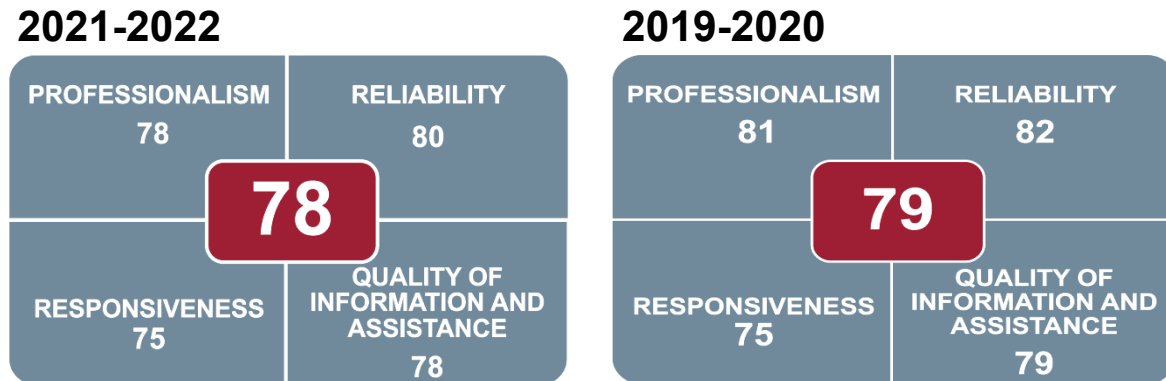
132. The MIU would benefit from reviewing tickets aged over 200 days to ensure that their status is still valid and followed-up accordingly.

### **Madrid System User Satisfaction Survey**

133. Every two years, the WIPO Customer Experience Section conducts surveys on the user satisfaction for the Systems administered by WIPO, including the Madrid System User Satisfaction Survey. The survey reports on three areas - Customer Satisfaction Index (CSI) and business area report; IP Portal Report; and Finance Report. For each report different targeted samples are taken. Thus, the Madrid CSI is calculated on a targeted sample, related to Madrid filings.

134. The survey covers all steps of the Madrid System User “Journey”, including issues raised or complaints; Madrid information resources provided on WIPO website; Madrid training services, and other elements. The Madrid CSI contains four key components: professionalism, reliability, responsiveness and the quality of information and assistance. Figure 15 below provides results of the last two Madrid System User Satisfaction Surveys.

**Figure 15: Madrid Customer Satisfaction Index**



Source: Madrid System User Satisfaction Surveys

135. The 2021-2022 CSI decreased by one point compared to 2019-2020 period; however, the Customer experience Section indicated that the 2021 format and questions have changed, hence they are not easily comparable to 2020. The WIPO Program of Work and Budget for 2022-23, targeted 85 per cent and above for the level of satisfaction of WIPO global IP system users of the International Bureaus Services.

(vii) Madrid Customer Feedback Matrix

136. In January 2022 the MIPD formally launched the Madrid Customer Feedback Matrix (Feedback Matrix) to collect, classify, analyze, and process the Madrid users’ feedback and comments concerning the functioning of the Madrid System. The Matrix provides statistics on comments and suggestions from customers of the Madrid System and is used to identify and propose improvements.

137. The Feedback Matrix is a Microsoft® Excel file that is fed from multiple sources, among others: the Biennial Customer Satisfaction Surveys, Frequently Asked Questions (FAQ), customer complaints, queries, feedback collected during events, meetings and missions, monthly reports from external consultants, Contact Madrid survey questionnaires, and legal inquiries. Further, relevant customer issues from the IT issues tracking system JIRA® and the customer inquiries tracking system WINS, can also be captured in the Matrix for analysis purposes.

138. Issues are classified into ten categories. IOD classified the most frequent topics in each issue category as summarized in figure 16 below.


**Figure 16: Madrid Feedback Matrix – Frequent Topics**

Online Services		Operations		Legal Issues		Customer Services		Information Provision	
871	32%	369	13%	293	11%	288	10%	261	10%
*Madrid Monitor *Global Brand Database *Fee Calculator *Madrid Portfolio Manager *E-Filing		*Examinations *Notifications *Classifications *Procedural issues *Irregularities		*IP Office Procedures *Members *Effectiveness of Madrid System *Rules Improvement *Language		*Communication *Chat *E-mail *Quality *Timeliness		*Website *Information *Promotion *Communication	
Payments		Decision-Making Factors		Contracting Parties		Transactions		Others	
228	8%	178	6%	160	6%	89	3%	6	0,2%
*Payments *Payment procedures *Credit Cards *Payment Receipts *Online Payments		*Direct route *Why not using Madrid (classification, dependency, central attacks, complexity) *Procedure *National route is faster		*Provisional refusals *Examinations *Procedural issues *Notifications		*Filling-in different MM forms *Procedural issues		*Low resolution of PDF forms (asked WIPO to provide text-readable PDF forms)	

Source: Compiled by IOD based on data provided by the MIPD.

139. Approximately 45 per cent of issues relate to customer concerns or suggestions around Madrid online services and operations (IT issues being the most frequent root cause of issues). Legal issues also come up, and generally relate to normative limitations imposed by existing rules, regulations, or protocols, and the need to further clarify the role of IP Offices to customers.

140. Recurring issues in the customer services category relate to the quality and timeliness of service, and communication with customers that points to opportunities to improve the customer service culture.



**Customer comments in the “Customer Services” category:**

- “...How an employee from a big entity as yours can be so impolite with the customer?... The man from the beginning was impersonal, haughty and he used a not appropriate speech. I wish that you can listen again the conversation, you will be probably surprised.” (December 2021)
- “We missed a deadline because nobody is getting back to us! I expect you to make this right!” (September 2021)
- “It would greatly help if your staff that works with you through USPTO was a bit more accessible and knowledgeable. We had a difficult time understanding the correct procedure and finally figured out that it was best to work directly with WIPO and MADRID Protocol.” (March 2021)
- “Gestion catastrophique. Mauvaise foi et en tout cas absence de gestion (exemple de plainte sans suivi concret pendant des années, malgré les demandes de l'office d'origine à l'OMPI à Genève)” (April 2022)
- “We sent requests many times but haven't any WIPO's response,” (December 2022)
- “Less than ideal communication channels with the Madrid Registry and response time.” (April 2023)

Source: Issues from Madrid Feedback Matrix register at April 2023.

141. In line with the Updated Road Map for the Evolution of the Madrid System, the Madrid 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.

**Recommendation**

7. The Madrid Registry should:

- (a) Review the current practices of the customer services, including the management of aged enquiries, with a view to adopting best practices in customer services; and
- (b) Liaise with the Customer Relationship Management project team, to include call recording capabilities in the requirements for the new Customer Relationship Management system.

(Priority: Medium)

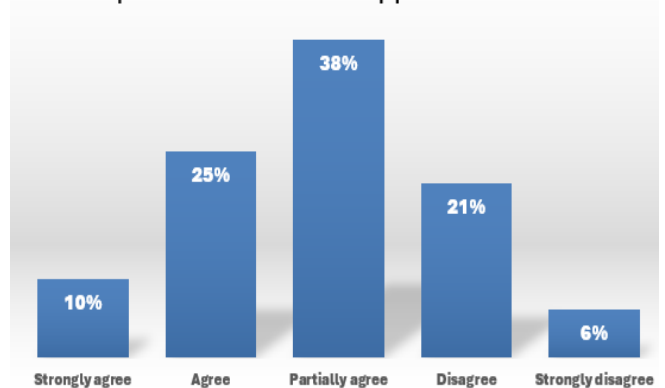
(viii) Customer Service Training for Madrid Operations Service

142. As highlighted in the Updated Road Map for the Evolution of the Madrid System, customer service and training are key enablers to achieving the objectives of evolving the Madrid System. The Madrid Operations teams offer second-level customer support (e.g., responding to customer phone calls and written inquiries), supplementing the first-level support from the MIU of the MIPD. However, many Examiners in Madrid Operations do not have sufficient training in customer support services.

143. According to the IOD survey of Madrid Operations, 27 per cent of Examiners reported that customer support activities make up 11- 20 per cent of their monthly workload, while an additional 31 per cent stated that these activities account for 21- 40 per cent of their monthly workload. The survey highlights active participation in customer support activities by Examiners, but it also reveals a lack of adequate training in the subject matter.

144. Specifically, 25 per cent of the survey respondents believe that they were adequately trained, which is an indication of potential gaps in training Examiners in customer support activities and hence there is room for improvement.

I have been adequately trained to perform customer support activities



Source: IOD Survey of Madrid Operations Service

145. A combined 27 per cent of the respondents (21 per cent “disagree” and 6 per cent “strongly disagree”) indicated that they do not believe that they have been adequately trained in customer support activities. Further, 38 per cent of the respondents “partially agree” with the statement that they are adequately of trained. This further suggests that there are still opportunities to enhance training. The general sentiments expressed in the survey corroborate the observations made by IOD during discussions with relevant personnel in the Madrid Registry.



*"I have used my prior skills and knowledge, but very little training at WIPO".*

*"No training in this area".*

*"It would be good to receive training related to customer service, considering the interactions that sometimes we have with the clients".*

Source: IOD Survey of Madrid Operations Service, June 2023

146. In June 2023, the Brands and Design Sector (under which the Madrid Registry falls), and the PTS, in collaboration with the WIPO Academy, organized a pilot customer service training for their personnel. The in-person pilot training for the Madrid Registry was conducted in October 2023 and included topics on communication, managing difficult customers, and customer service leadership.

147. The Madrid Registry should build on the pilot training by facilitating other tailored customer support trainings that are aligned to the needs of the Registry. Further, a mechanism should be put in place to assess the outcome and impact of the training on the quality of customer services.

## (C) TOOLS AND SYSTEMS

### (i) The New Madrid IT Platform

148. The Madrid System includes a set of legacy applications which have been maintained in an operable state for over two decades. However, these applications that make up the current IT system continue to be based on architectures, processes and administrative practices that have evolved over the long history of the Madrid Registry, rather than designed to take advantage of modern technological solutions.

149. In September 2017, understanding the importance of a customer-focused IT system that is efficient, adaptable, and resilient, the organization started developing the new Madrid IT Platform with a budget of six million Swiss francs approved by Member States.

150. A pre-cursor to the above-mentioned Madrid Road Map entitled "The Madrid Strategic plan<sup>31</sup> aimed to position the Madrid System as the avenue of choice for the protection and management of trademarks globally. The plan also stated, *"that a new Madrid IT Platform is possibly the most important element for safeguarding and enhancing the strategic position of the Madrid System and that the development, maintenance and enhancement of such a Platform needs to be viewed as a continuous process, requiring continuous investment."*

151. In April 2019, the management in the Brands and Design Sector proposed and outlined the approach in redesigning the Madrid IT System highlighting the link between the redesigned system and Madrid Strategic Plan. The work to transition from the current system to an IT environment aligned with business requirement and design principles was grouped into four categories (streams): Architecture, Data, Cloud and Functionalities. At the time, it was anticipated that the first three streams and part of the functionalities stream would be delivered as part of the first phase of the project, the remaining parts would be covered in the second phase of the project.

152. A modular approach for the project was proposed which meant that the platform would be delivered in a series of coherently sequenced steps. In addition, the management reiterated that the existing budget set aside in the Capital Master Plan, six million Swiss francs, may not permit all the work to be completed, especially the functionalities work stream.

<sup>31</sup> Madrid Strategic Plan dated November 14, 2018.



**Progress in Project Implementation: 2019 - 2022**

153. In 2019, the high-level business requirements and high-level business concepts for the platform were developed and the process to confirm technical feasibility was initiated. Further, a transition approach from the current to the new IT system was identified. By the end of 2019, the implementation project rate stood at 10 per cent.

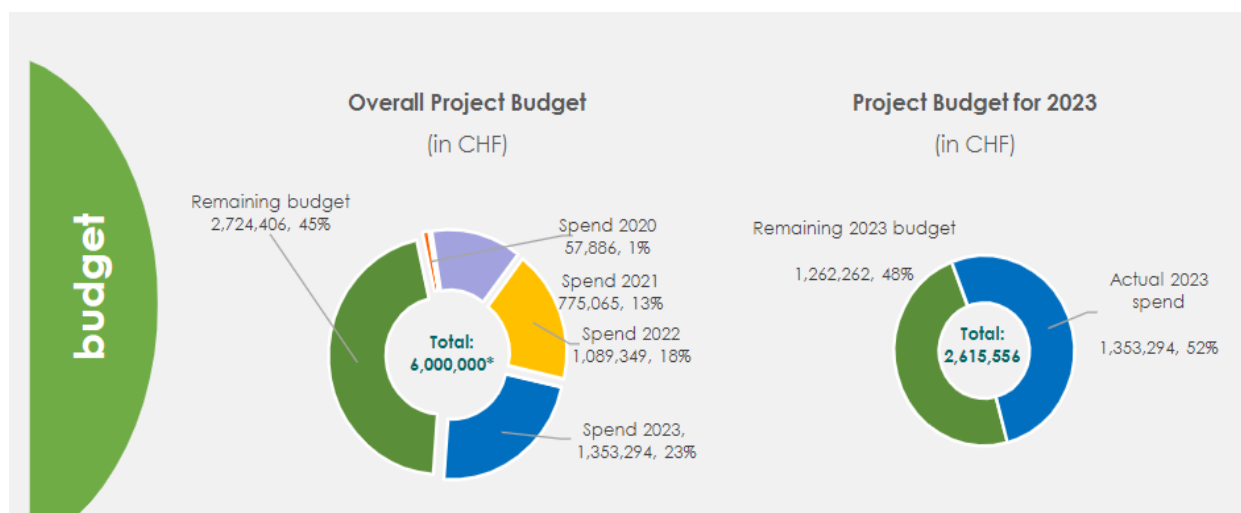
154. While the Covid 19 pandemic and the associated challenges have impacted the planning and progress of the project, there was steady progress made by the end of 2021. Notably, the technical feasibility of the platform approach was confirmed by an external consultant and the outputs therefrom served as the basis for the establishment of a more detailed overall project road map for the project including the subsequent phases, deployment of new online tools to Madrid systems customers - online forms were launched and went live during 2021. These forms included management of a representative, request for recording of a renunciation and change in holders' details. In addition, the Madrid credit card payment work package was completed. The road map was expected to be finalized in the course of 2022. The project expenditure was 0.83 million Swiss francs, budget utilization was at 14 per cent and implementation progress rate at 35 per cent.

155. The key progress in 2022 was the continued deployment of new online services/tools to the Madrid Registry customers i.e., change in ownership, Correction of a Recording and Cancellation of an International Registration. Further work progressed on the Madrid Object Storage System (formerly the New Document Management system), an organization-wide identity and portfolio management initiative, and the Madrid Registry produced detailed Madrid-related business specifications. The project roadmap, covering the entire project cycle was not finalized due to the retendering of procurement contracts and substantial organizational changes that were anticipated in the coming years. By the end of 2022, the project expenditure stood at 1.92 million Swiss francs, budget utilization was at 32 per cent while the implementation progress rate was 40 per cent.

**The Budget and Costs of the New Madrid IT Platform as of September 2023**

156. Over the past six years, the new Madrid IT platform's Project Initiation Document (PID) evolved and was updated four times, the most recent in July 2023. The project has been impacted by a range of factors, among them, the 2018 Madrid Strategic plan, the COVID-19 pandemic, internal reorganizations and other updates to the project plan and work packages.


**Figure 17: Overall Project Budget and Actual Costs for the New Madrid IT Platform Project**



Source: New Madrid IT Platform Project documentation, September 2023

157. The figure above shows the overall New Madrid IT Platform Project budget and project budget as of September 2023. While acknowledging that the project is still in progress, based on review of project documents and discussions with relevant staff, IOD made some observations on the time frame and costs, including the related risks.

<p><b>Timeline</b></p> 	<p><i>The new Madrid IT Platform project is seen as a continuous process, requiring continuous investment and development.</i></p> <p><i>While the specific timeline/ target dates for delivering various work packages are outlined in relevant project documents, as of September 2023, the project roadmap, covering the entire project cycle was not yet finalized.</i></p> <p><i>The Madrid Registry management informed IOD that the overall project target date is still being discussed and involves other internal stakeholders - ICTD and Program Performance and Budget Division.</i></p> <p><i>Management anticipates completing the planning work to determine the overall project target date by March 2024.</i></p>
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<p><b>Budget &amp; Costs</b></p> 	<p><i>As detailed in project documents e.g., the PIDs and Minutes of the Project Board meetings, the Project Board expects that due to the project's size, scope, and budget, not all work will be completed with the current funding under the Capital Master Plan.</i></p> <p><i>As of September 2023, 2.7 million Swiss francs was remaining from the initial budget of six million Swiss francs that was approved by Member States.</i></p>
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158. IOD acknowledges the potential project related risks such as technological obsolescence, and scope creep, among others. The Madrid Registry management indicated that relevant and appropriate mitigation measures have been put in place to address these risks. To mitigate technological obsolescence, the actions include the WIPO Architecture Design Task Force and the Madrid Architecture Group reviewing and confirming the overall architectural solution that was proposed by external consultants. Additionally, the overall architectural solution is broken down into individual modular components organized in separate work packages. To manage scope creep, the project maintains a consistent list of work packages with any additions requiring project board approval.

**Resource Management and Completed Work packages.**

159. Project documents consistently highlighted the lack of skilled resources to effectively operate, monitor, support and continually improve the implemented solutions and systems once work packages are delivered by external developers. This could increase the dependency on external resources during and after project closure and incurrance of high maintenance and support costs, as observed by IOD in similar projects.



160. It would be beneficial for the Madrid Registry, in collaboration with ICTD, Program Performance and Budget Division, and other relevant stakeholders, to enhance the current mechanism for managing work packages and resources. For example, resources required during and after project completion could be jointly funded by both project and regular budgets, easing the gradual transition of maintenance, support, and continuous improvement responsibilities to WIPO staff once the project is complete.

**Recommendation**

8. The Madrid Registry should, in collaboration with, Information and Communication Technology Department, Program Performance and Budget Division design and develop a mechanism for managing work packages and resources by facilitating the steady transition of maintenance, support and continuous improvement responsibilities from external resources to staff members. This transition to maintenance, support and continuous improvement should cover technical staff in the Information and Communication Technology Department and business analysis staff in the Madrid Registry.

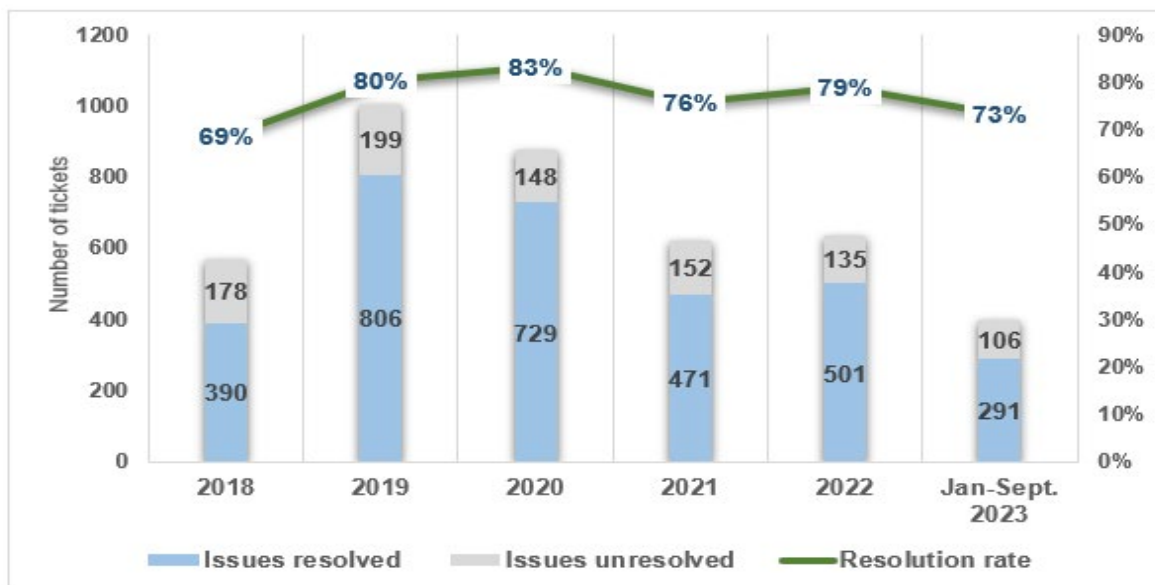
(Priority: High)

(ii) Internal Customer Feedback Mechanisms - MIRIS

**Managing Madrid International Registrations Information System (MIRIS) Service Requests**

161. MIRIS is the system developed to manage registrations and other operations in the Madrid System. The graph below depicts the service requests created, resolved and unresolved including the resolution rate for MIRIS related issues from January 2018 to September 2023. The resolution rate ranged from 69 to 83 per cent in the period reviewed.

**Figure 18: Evolution of Resolved and Unresolved Issues for MIRIS, January 2018 – September 2023**



Source: Prepared by IOD based on Madrid Registry, Wiki dashboards, September 2023

162. A review of the unresolved service requests showed that, as of September 2023, 178, 199, and 148 issues have remained unresolved since 2018, 2019 and 2020 respectively. Business areas in the Madrid Registry hold regular meetings to set the priorities, issue category, and feasible timeline for resolution of service requests depending on various factors e.g., a change in the international registration regulation and rules, or automation of a business process.



An analysis of sentiments expressed in the IOD survey on Madrid Operations Service revealed that one of the challenges experienced by examiners was IT issues (“bugs”), which had the potential to negatively affect customer service and productivity.

*“Persistent IT failure, which often result to poor customer service.”*

*“Find good solutions in terms of the IT platform we are working in.”*

*“IT issues”.*

*“Need to reinforce IT team.”*

*“Outdated software platform which does not provide contemporary methods of data processing, data collecting and updates”.*

*“Examiners are not given the appropriate tools (MIRIS) is not working properly”.*

Source: IOD Survey of Madrid Operations Service, June 2023.

163. Survey responses from the Madrid System User Satisfaction Survey 2022 indicate that users want a better user experience and expressed reservation with the current system's setup, which involves various applications and forms. Therefore, having a system that is robust and responsive to customer needs would facilitate a streamlined user experience and contribute to the growth of the Madrid System.

164. Having limited IT staff with the requisite legacy system expertise and competing priorities owing to the development of the new platform have contributed to the delays in resolving issues. However, some IT issues must be addressed for legacy system maintenance, some will be subsumed within the work packages of the new Madrid IT platform in development, while others will become obsolete. The Madrid Registry must therefore strive to maintain an optimal balance between maintaining the legacy system and developing the new IT system.

### **Measuring the Quality of Internal Services**

165. It is important for the MISD, as an internal service provider, to regularly measure the quality of services provided to the Madrid Registry through established feedback mechanisms. These mechanisms can help improve the maturity of internal service management in the Madrid Registry.

166. During the review period, the MISD did not have a formal feedback system for its internal customers. While MISD staff had meetings with colleagues in the business areas of the Madrid Registry, there is a need to complement such initiatives with formal and established methods, like instant and regular surveys that help in gathering and analyzing comprehensive internal customer (e.g., Madrid Operations Service, MIPD) satisfaction data and take corrective actions.

167. The MISD can enhance its internal service management by establishing instant feedback surveys. These can be supplemented by biannual or annual client surveys and be integrated into a wider service management strategy. This approach will offer valuable insights into refining the IT Operating Model, especially after MISD's transition to ICTD. IOD is cognizant of the need to have an organization-wide feedback mechanism covering multiple systems. Therefore, the mechanism deployed by the Madrid Registry should contribute towards augmenting and consolidating the current feedback mechanisms e.g., the internal customer feedback mechanisms for the PCT system and, the Hague system.



**Good Practice to adopt**

The Madrid Registry to collaborate with the Information and Communication Technology Department to establish a structured and ongoing customer feedback mechanism as this will enhance internal service management.

(iii) Automating Quality Control and Assurance Processes

168. The QTS has been manually reviewing operational transactions and work processes. This manual review involves compiling, analyzing, and reporting feedback and statistics from the results of QA and QC.

169. Every week, QC Reports for various examination transaction types are extracted from Madrid IT systems into Microsoft Excel sheets. These are saved to a shared drive, with a random sample selected for further quality review. This entails emailing the Excel results after peer QC reviews and checks by the QTS, leading to an accumulation of these QC Report worksheets.

170. While peer quality reviews by the Madrid Operations team have benefits, they also pose challenges, including self-review, potential bias and complacency, time constraints on examiners, risk of groupthink, and reviewers lacking the requisite expertise in QC and QA. Therefore, a well-resourced autonomous QC/QA team supported by automated processes and tools could offer better value and lessen reliance on the examiners.

171. Further, although manual QC has improved the QMF maturity in the Madrid Registry, it is susceptible to human error, offers limited coverage, and is time-consuming due to resource constraints. This can result in errors, oversights, and inconsistencies, compromising the accuracy and reliability of reported results.

172. In January 2023, MISD proposed integrating QC/QA functions into MIRIS to automate the current manual QA/QC processes. Further, the QTS indicates that the plan to develop a dedicated application/computer program to support QC/QA is under way. However, the plan would benefit from clear timelines and dedicated resources. Further, process improvements and automation are highlighted as key enablers in the Updated Road Map for the Evolution of the Madrid System. Management notes, and IOD concurs that any integration of QC/QA functions should consider the new Madrid IT platform project content and timelines.



**Good Practice to adopt**

The Madrid Registry to coordinate with ICTD, to identify the best option, and set reasonable timelines for integrating quality controls mechanisms in the Madrid IT system, to automate the current manual processes, and align with the initiatives in the Updated Road Map for the Evolution of the Madrid System on process improvement and automation to better serve customers.

(iv) IT Centralization Initiative

173. In a February 2023 organization-wide announcement, the Director General communicated his decision to centralize the IT responsibilities for the Brands and Designs, Patents and Technology, and Administration, Finance, and Management Sectors to ICTD. The reorganization would occur in four stages, with the Madrid Information Systems set for consolidation in phase two. Subsequently, on June 14, 2023, the MISD, including its mandate and activities, was transferred to ICTD.

174. The IT Centralization Initiative offers both opportunities and challenges. To leverage its benefits and reduce disruptions, it is crucial to manage potential risks. During the IT Centralization Initiative consultations, the affected business areas including the Madrid Operations Service highlighted risks about the demand management process<sup>32</sup>. In anticipation of such concerns, the ICT Transition Taskforce indicated that the new IT Operating Model includes a central demand management process. Further, lessons learned from the earlier phases of the transition would help refine the consolidation process and related change management.

175. IOD plans to conduct a review of the IT Centralization Initiative post-implementation in 2025, to assess the management of the ICT Transition process, the efficiency and effectiveness of the Model, and the benefits realized, among others.

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<sup>32</sup> A Central Demand Process allows service providers to anticipate and cater to clients' present and future needs through appropriate IT services.

*ACKNOWLEDGMENT*

*IOD thanks all relevant members of staff for their assistance, cooperation, and interest during this assignment.*

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**TABLE OF RECOMMENDATIONS**

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholders	Management Action Plan	Deadline
1.	The Madrid Registry should, in collaboration with Human Resources Management Department, and Program Performance and Budget Division, assess and update demographic-related risks and develop a comprehensive succession plan with specific, timely, and measurable actions.	Medium	Senior Director and Madrid Directors	HRMD PPBD	We will see who retires in the next five years and make a tentative plan for how each freed-up post is to be used. Because 5 years is a long period, these proposals will need to be regarded as tentative and likely will need to be adjusted according to changing circumstances and requirements.	June 2024
2.	The Madrid Registry should, in coordination with the Procurement and Travel Division, and other relevant stakeholders, review the Terms of Reference for Agency workers and the actual roles and responsibilities they perform to determine whether they are aligned to the appropriate support profile/classification level.	High	Director Operations Division and Director Information and Promotion Division	PTD HRMD OLC	The work envisaged by the recommendation has already been performed and the necessary adjustments are now being considered at the level of the Sector.	June 2024



No	Recommendations	Priority	Person(s) Responsible	Other Stakeholders	Management Action Plan	Deadline
3.	The Madrid Registry should, in coordination with Human Resources Management Department, review and revise the job descriptions for staff using the electronic tool in AIMS HR with a view of incorporating customer service duties and responsibilities, and other job-related competencies as applicable.	Medium	Senior Director and Director Operations Division	HRMD	We will analyze in which cases examiner JDs need to be updated to reflect customer service duties. This may have classification implications which will need to be discussed with HR.	December 2024
4.	The Madrid Registry should integrate the Madrid Information and Promotion Division (including the Madrid Infoline Unit's Customer Support) Quality Control System into the Quality Management Framework to centralize and streamline quality management. Further, the Registry should conduct an internal assessment of its quality management system and address any gaps	Medium	Head, Quality and Training Section  Senior Counsellor IPD  Coordinator, Madrid Infoline Unit		A review of IPD's work will be made to determine whether any aspects other than the Infoline need to be integrated in the Quality Management Framework. Any separate quality reviews that may exist in IPD will be phased out after the Quality Management is applied. The Head, Quality and Training Section will issue review and report on any perceived gaps for consideration by management.	December 2024

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholders	Management Action Plan	Deadline
5.	The Madrid Registry, in collaboration with the Statistics and Data Analytics Division, and the Program Performance and Budget Division, should reevaluate the calculation and assumptions of the Unit Cost for New/Renewed International Registrations, and designate a focal point responsible for monitoring the evolution of the components used in computing the unit costs.	Medium	Director Operations Division	Department for Economics and Data Analytics	This work will be initiated early next year and should be finalized by the time the next WPR is issued (assuming all relevant parties agree).	December 2024
6.	The Madrid Registry should conduct a review of its current marketing and promotion approach, with a view to aligning it with the Updated Road Map for the Evolution of the Madrid System, including resource needs, and skillsets, such as business and data analysis, and liaise with the data analytics project team to ensure that their needs are incorporated in the organization-wide data analytics initiative.	Medium	Senior Director and IPD Communications and Information Manager	Customer Experience Section  Information and Digital Outreach Division  Academy  IP Portal Team  IP for Business Division  PCT	A major endeavor is underway to devise a novel and more direct approach to marketing and promoting the Madrid System to smaller companies. This is a complex undertaking and at this point we do not yet have a firm plan. However, we do have a number of presentations that describe the general approach we intend to take.	December 2024

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholders	Management Action Plan	Deadline
7.	<p>The Madrid Registry should:</p> <p>(a) Review the current practices of the customer services, including the management of aged enquiries, with a view to adopting best practices in customer services; and</p> <p>(b) Liaise with the Customer Relationship Management project team, to include call recording capabilities in the requirements for the new Customer Relationship Management system.</p>	Medium	<p>Senior Counsellor IPD</p> <p>Coordinator, Madrid Infoline Unit</p> <p>Head, Madrid Operations Service</p>	Customer Experience Section	<p>We will review the aged queries and determine whether their open status remains justified or not. If not, we will close them.</p> <p>This requirement has already been communicated to the project team in question.</p>	June 2024

No	Recommendations	Priority	Person(s) Responsible	Other Stakeholders	Management Action Plan	Deadline
8.	The Madrid Registry should, in collaboration with, Information and Communication Technology Department, Program Performance and Budget Division design and develop a mechanism for managing work packages and resources by facilitating the steady transition of maintenance, support and continuous improvement responsibilities from external resources to staff members. This transition to maintenance, support and continuous improvement should cover technical staff in the Information and Communication Technology Department and business analysis staff in the Madrid Registry.	High	Senior Director  Head, Operations Support Service	CIO  Director MISD  Director PPBD	<p>This is a complex undertaking that will need to be planned carefully over the remaining years of the project. The transition will involve three aspects:</p> <ul style="list-style-type: none"> <li>• Re-organization of resources (once transition to ICTD has been completed )</li> <li>• Re-skilling and training of existing resources</li> <li>• Addition of additional resources to the team (new-hires)</li> </ul>	December 2024

**ANNEXES**

<a href="#"><u>Annex I.</u></a>	Risk Rating and Priority of Recommendations
<a href="#"><u>Annex II.</u></a>	Assessment of Risks Identified in WIPO ERM and Results of Tests of Associated Mitigations
<a href="#"><u>Annex III.</u></a>	Workshops with Management of the Madrid Registry
<a href="#"><u>Annex IV.</u></a>	Survey of Madrid Operations Service.
<a href="#"><u>Annex V.</u></a>	Aging (In Days) Of Madrid Registry Open Tickets in WINS as of August 2023

[Annexes follow]

**ANNEX I: RISK RATING AND PRIORITY OF RECOMMENDATIONS**

The risk ratings in the tables below are driven by the combination of likelihood of occurrence of events and the financial impact or harm to the Organization’s reputation, which may result if the risks materialize. The ratings for recommendations are based on the control environment assessed during the engagement.

**Table I.1: Effectiveness of Risks/ Controls and Residual Risk Rating**

		Compound Risk Rating (Likelihood x Impact)		
		Low	Medium	High
Control Effectiveness	Low	Low	Medium	High
	Medium	Low	Medium	High
	High	Low	Low	Medium

**Table I.2: Priority of Recommendations**

Priority of Recommendations	Residual Risk Rating
Requires Urgent Management Attention	High
Requires Management Attention	Medium
Routine in Nature	Low

[Annex II follows]



**ANNEX II: ASSESSMENT OF RISKS IDENTIFIED IN WIPO ERM AND RESULTS OF TESTS OF ASSOCIATED MITIGATIONS**

Risk Description	ERM Risk Score	Mitigation Action/Control	Work performed by IOD and conclusions	Control Effectiveness	IOD Risk Score
<p><b>BDS.0020.010</b> <b>New languages in Madrid System.</b></p> <p>Currently, there are three working languages in the Madrid System, and a number of additional ones have been proposed. If no consensus is reached in the Working Group on how to introduce new languages in the Madrid System, the political goodwill for the System may be adversely affected.</p>	<p>Medium</p>	<p>The International Bureau should provide a framework for the Member States discussion that avoids political deadlock.</p>	<p>Control partially effective mainly because of limited influence on the Madrid Working Group. The Madrid Registry provides the platform for discussions and provides the necessary information and data to the Working Group. However, The Registry has little control over decisions of the Group. Further, the decision-making process in the Madrid Working Group and the Madrid Union requires consensus (full agreement) among the members.</p>	<p>Partially Effective</p>	<p>Medium</p>
<p><b>BDS.0020.002</b> <b>Madrid potential not fully realized.</b></p> <p>Due to the inherent complexity of the System and specific Madrid practices in National IP Offices, or lack of awareness about the Madrid System, applicants may prefer to use the national/regional route for seeking trademark protection in certain Contracting</p>	<p>Low</p>	<p>Implement new approach to Madrid marketing and promotion.</p> <p>Continue to enhance the effectiveness of the Madrid System through legal and practical adjustments that would simplify and facilitate the securing of trademark protection in all designated Contracting Parties.</p> <p>Promote new accessions in key regions and countries. While continuing to promote accessions in key jurisdictions, place greater</p>	<p><b>New approach</b> IOD reviewed the main activities of MIPD and found that these activities in combination with the support from other Madrid divisions contribute towards the realization of the registry's potential.</p> <p>However, IOD notes that controls around customer service need improvement. In addition, and in line with the Updated Road Map for the Evolution of the Madrid System, a rethink of the current approach to marketing and promotion, and the integration of technology would further support the achievement of the objectives of the Madrid Registry.</p> <p><b>Legal and practical adjustments</b> This is done by provision of legal advice/assistance and facilitation of Madrid WG meetings. In addition, MLD promotes new accessions in key regions and countries through information sessions, seminars, and workshops.</p>	<p>Partially Effective</p>	<p>Medium</p>

Parties.		emphasis on the need to grow use of the Madrid System.	<p><b>New accessions and growth of Madrid System</b> The new accessions (5) demonstrate the collective efforts of Madrid Registry and their cooperation with other WIPO areas. Several promotional actions have been taken to increase the use of the Madrid System.</p>		
<p><b>BDS.0020.004</b> <b>Customer dissatisfaction may adversely affect the attractiveness of the system and thus its use.</b></p> <p>Because of International Bureau's inability to sustain all processes at a satisfactory quality level, customer dissatisfaction may adversely affect the attractiveness of the System and its use.</p>	Low	<p>Ensure that the staff profile aligns to evolving needs and recruit new staff as necessary to provide expected level of service.</p> <p>Continue to transform operational processes using technology and identify and implement continuous improvement opportunities.</p> <p>Develop a more strategic approach to the Madrid Registry's practice regarding the classification and identification of goods and services.</p> <p>Develop a new IT platform to focus on greater effectiveness and accuracy, improved user experience and integration with other WIPO services.</p> <p>Identify and develop specific plans for staff learning, undertake staff training and monitor training effectiveness; continue to strengthen quality control measures.</p>	<p><b>Aligning staff profiles</b> Overall, there is room for improvement in the Registry's approach to managing customer support activities. It will require changes to the current modus operandi, alignment of the staff profiles and timely implementation of a robust IT system, and effective CRM that facilitates a good customer experience.</p> <p><b>New IT Platform</b> The ongoing development of the new Madrid IT platform and roll out of work packages will help to provide a better user experience and integration of applications.</p> <p><b>Staff learning and development.</b> Examiners undertaking tailored customer services training will help enhance the quality of customer services provided by the Registry. Further, integrating all quality control and assurance under one framework would enhance effectiveness.</p>	Partially Effective	Medium
<p><b>BDS.0020.017</b> <b>The demographic profile of the Madrid Registry staff</b></p> <p>The demographic profile of the Madrid Registry staff may cause issues</p>	Low	Comprehensive coordinated succession plan, with a focus on bringing in youth.	<p>The proposed control/action is not yet implemented - the Madrid Registry should, implement a comprehensive succession plan with specific, timely, and measurable actions.</p> <p>With 13 per cent of the staff nearing retirement in the next five years, the Madrid Registry could lose valuable knowledge and technical insights. However, IOD also sees the upcoming retirements as an opportunity for the Registry to recruit new staff with the requisite contemporary skills, bringing</p>	<p><b>The proposed control/action is not implemented.</b></p> <p><b>Alternative controls are partially</b></p>	Medium

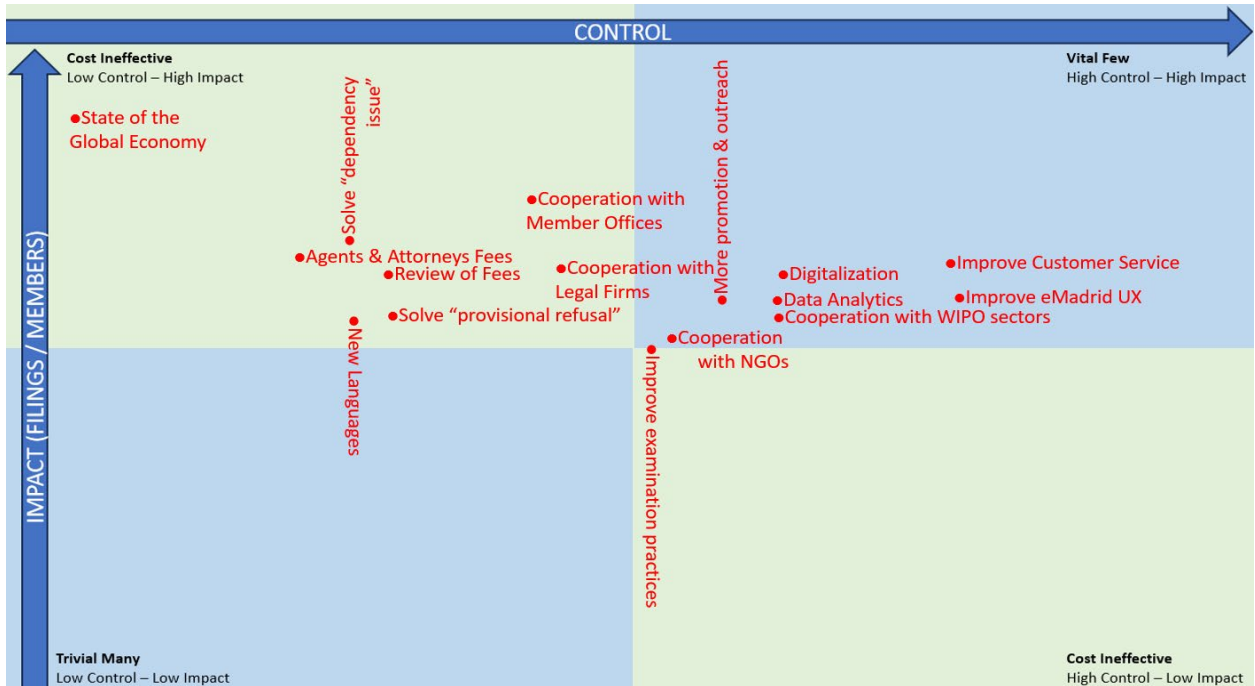
<p>with a) succession planning (~50% staff due to retire in 5-10 years) b) youth engagement (few staff aged under 40)</p>			<p>fresh perspectives, broadening the range of team capabilities, enhancing efficiency, and introducing innovative approaches.</p> <p>The Madrid Registry has been attributed posts following the use of the Madrid flexibility clause. It would be relevant to ensure an optimum mix of young and experienced staff and foster a positive work environment that promotes knowledge transfer and retention, mentoring, recognition, and appreciation, including continuous learning and development.</p>	<p><b>effective</b></p>	
<p><b>BDS.0021.009</b> <b>The replacement of the MIRIS Registry update process in the new IT Platform.</b></p> <p>The approach selected for the replacement of the core Registry update process and the associated code, which constitutes a dense and complex module, could significantly affect the cost, timeline, and effectiveness of the new IT Platform solution. The existing core that requires replacing was developed over more than 20 years, with minimal documentation.</p>	<p>Medium</p>	<p>Ensure that the Madrid IT Platform work packages addressing architectural components of the IT system are not unduly delayed</p>	<p>IOD reviewed relevant project documents for the new Madrid IT Platform and notes that the project is seen as a continuous process, requiring continuous investment and development.</p> <p>While the specific timeline/ target dates for delivering various work packages are outlined in relevant project documents, as of September 2023, the overall project roadmap, covering the entire project cycle was not yet finalized. Management anticipates completing the planning work to determine the overall project target date by March 2024 after discussions with relevant internal stakeholders.</p> <p>On the cost of the project, the Madrid Registry management has reiterated, since the early stages of the project that the approved budget set aside in the Capital Master plan, six million Swiss francs, may not permit all the work to be completed, especially the functionalities work stream. As of September 2023, 2.7 million Swiss francs was the remaining balance from the approved budget.</p> <p>The Madrid Registry has taken actions taken to address the risk of technological obsolescence and scope creep in managing the Madrid IT platform work packages. These actions include, the WIPO Architecture Design Task Force and the Madrid Architecture Group reviewing and confirming the overall architectural solution that was proposed by External consultants. In addition, the overall architectural solution is broken down into individual modular components organized in separate work packages. To mitigate scope creep, the project maintains a consistent list of work packages and any additions require approval from the project board.</p> <p>Further, IOD takes note of the progress and approach in developing the New Madrid IT Platform. To consolidate and build on this progress, the Madrid Registry should develop a mechanism for managing work packages, as well as resources, by facilitating the steady transition of maintenance, support, and continuous improvement responsibilities from external resources to staff members.</p>	<p><b>The proposed control/action is not fully implemented and not fully effective.</b></p>	<p>Medium</p>

			<i>In June 2023, MISD was transferred from the Madrid Registry to ICTD</i>		
<p><b>BDS.0018.002</b> <b>Inability of trademark right holders to enforce rights.</b></p> <p>As a result of poor preparations for accession to and implementation of the Protocol, trademark right holders may not be able to enforce their rights, which may in turn lead to reputational damage for WIPO.</p>	Low	<p>Place more emphasis on the critical importance of the enforceability of trademark rights obtained through the Madrid System during the accession preparation process. Address remaining issues in the few countries where this is still a problem</p>	<p>IOD reviewed MLD activities around the provision of legislative advice, assessment of offices, review of accessions, implementation of the protocol, and found these control activities effective. However, more efforts need to be put on addressing long-standing open inquiries.</p>	Effective	Low

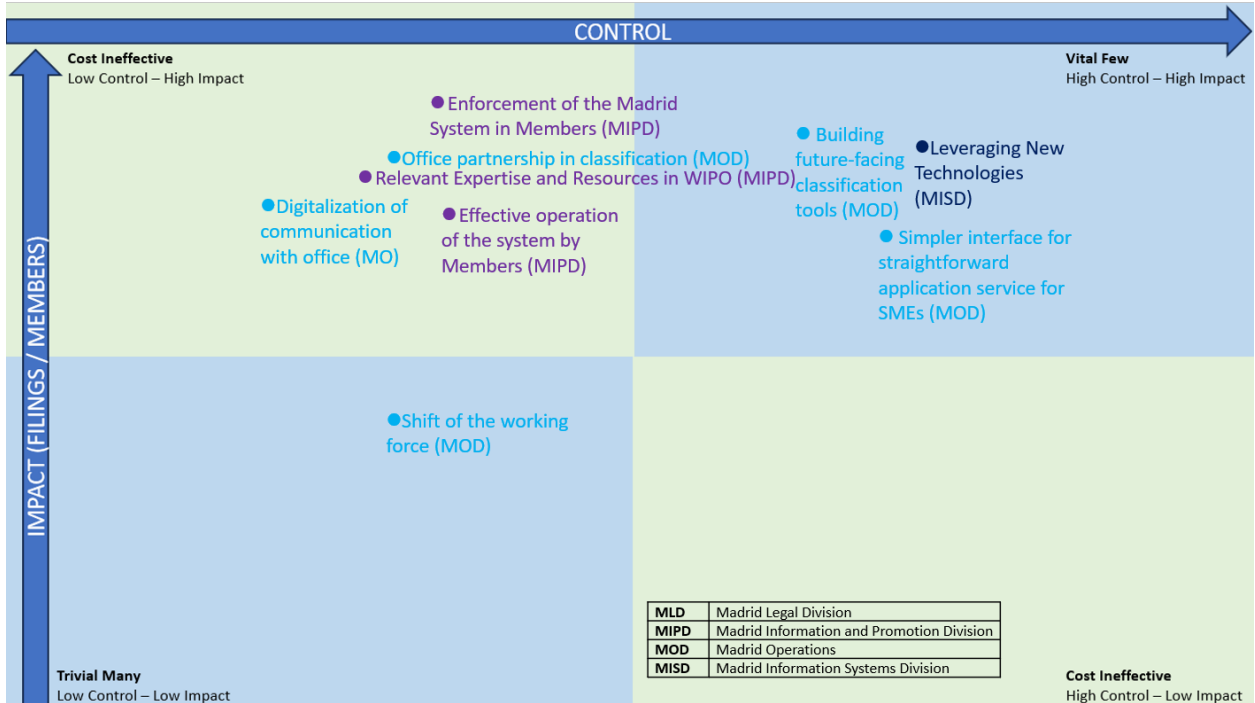
[Annex III follows]

**ANNEX III: WORKSHOPS WITH MANAGEMENT OF THE MADRID REGISTRY**

**A: Potential measures and their impact on increase in Filings / Members.  
Consolidated feedback from MLD, MIPD, MOD and MISD.**

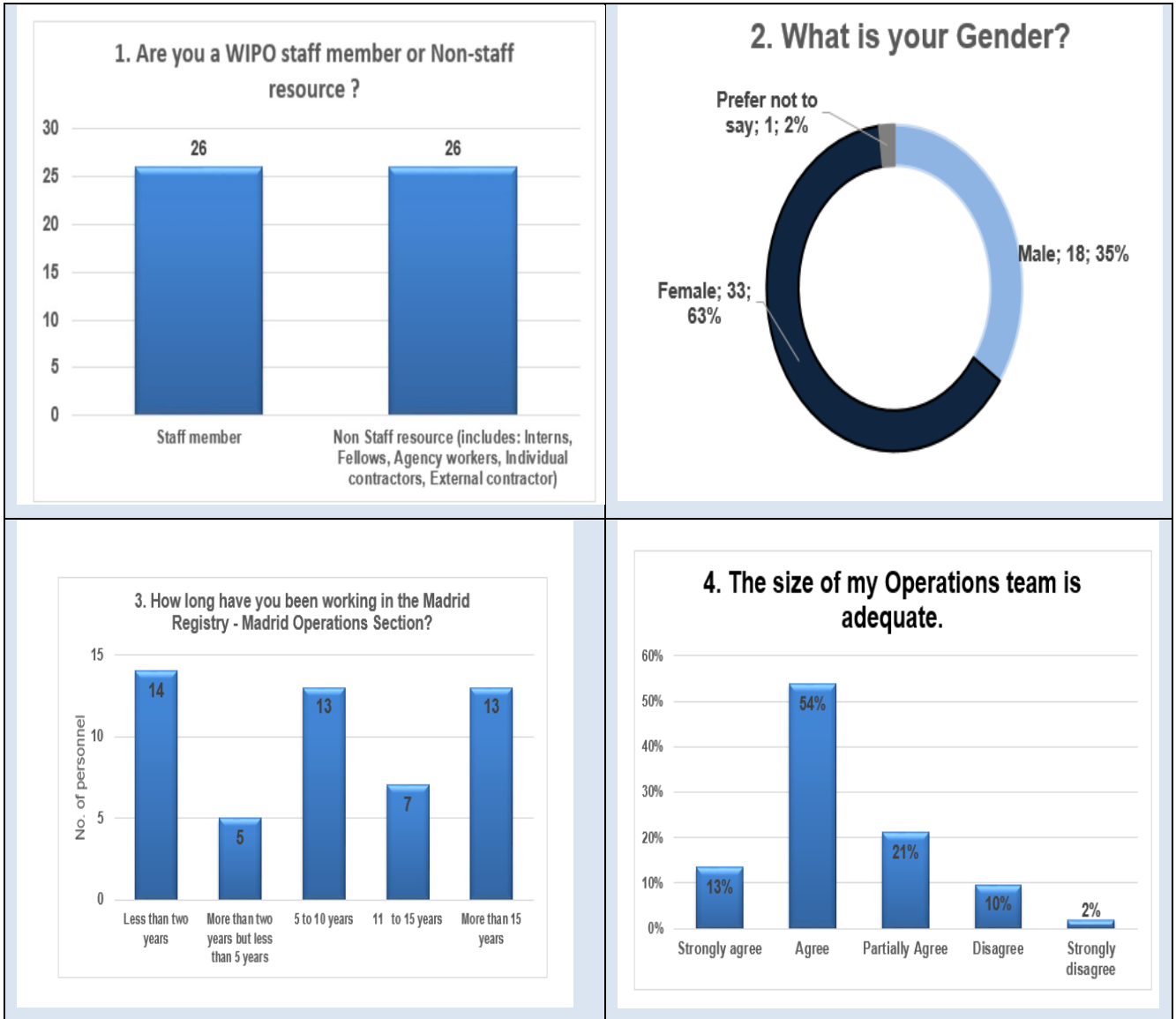


**B: Potential measures and their impact on increase in Filings / Members.  
Individual feedback from the MIPD, the MOD and the MISD.**



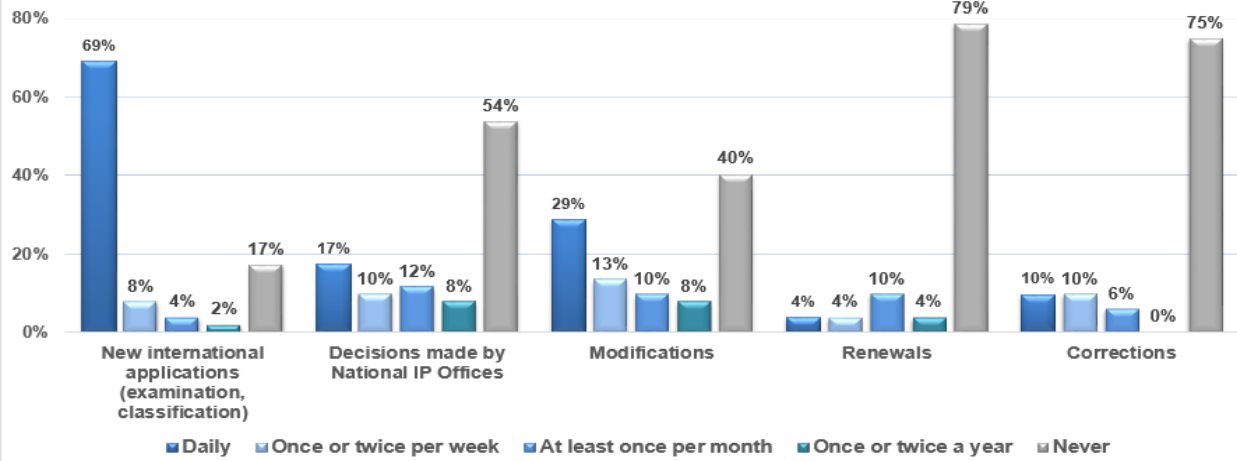
[Annex IV follows]

**ANNEX IV: SURVEY OF MADRID OPERATIONS SERVICE**

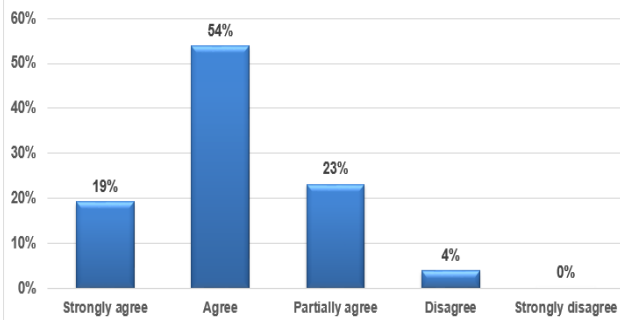




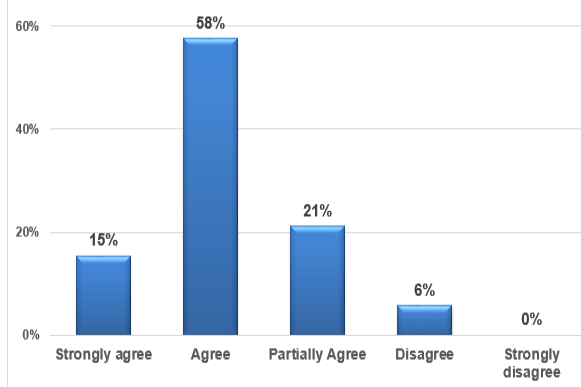
**5. How often I perform the task:**



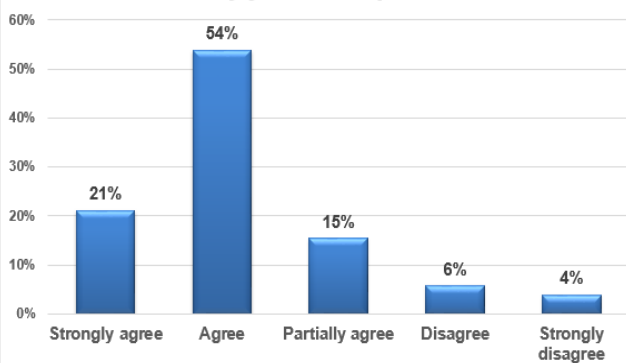
**6. I have been adequately trained to perform different tasks required for my work (e.g., examinations, renewals, modifications, corrections, decisions by National IP Offices).**



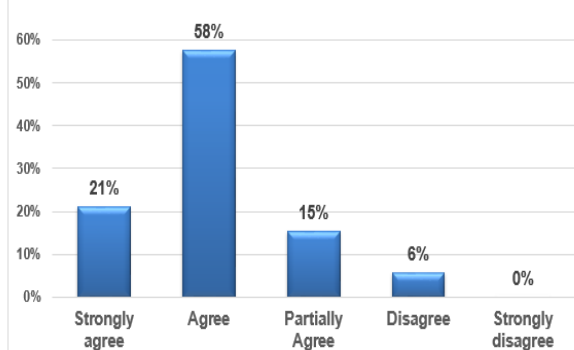
**7. Overall, I feel that the examination work allocated to me is manageable**



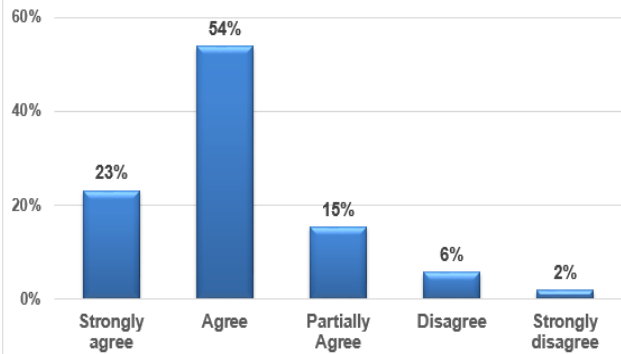
**8. The tasks I perform are aligned with my job description**



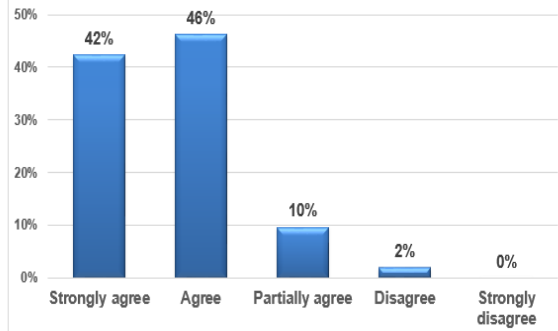
**9. I receive timely supervision and advice as needed**



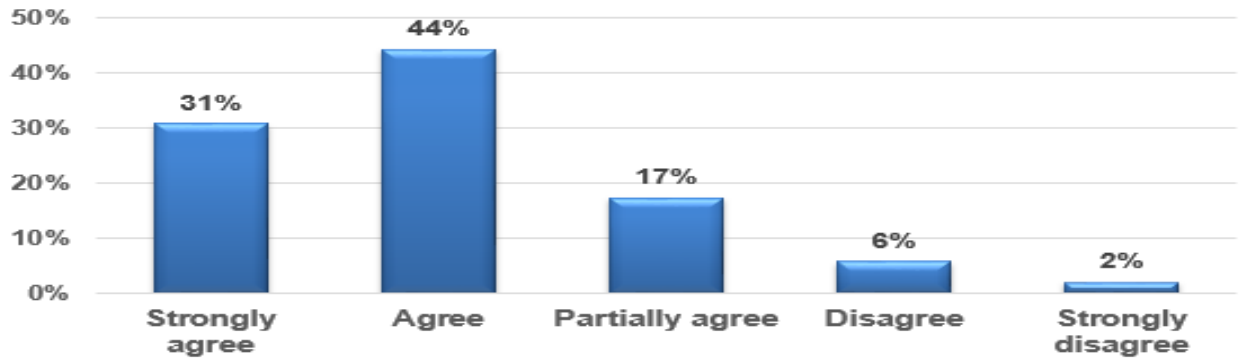
**10. The supervisory work is effective given the size of my Operations team.**



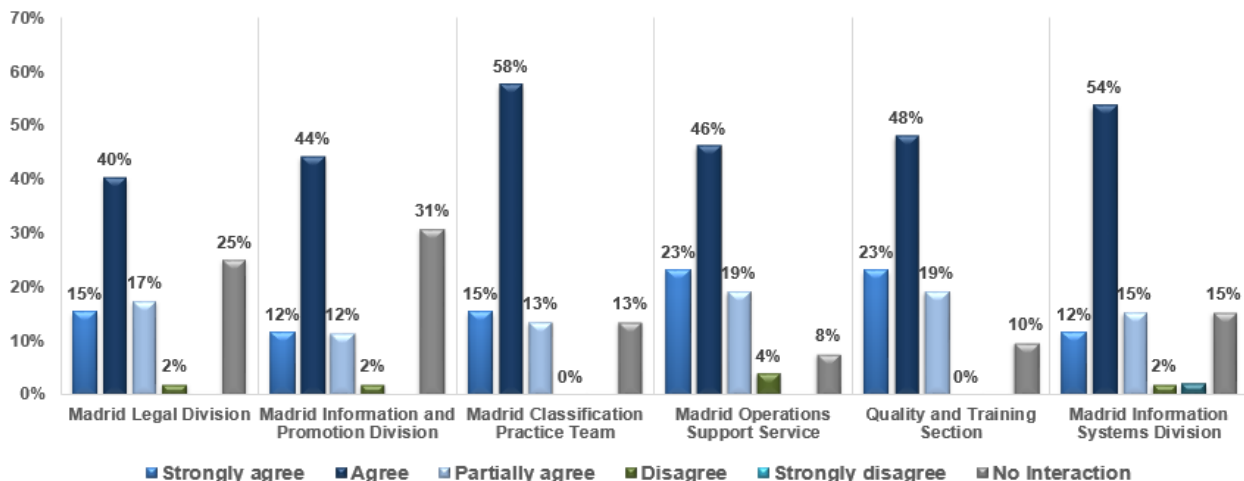
**11. I enjoy good collaboration and coordination with colleagues within our Operations Team**



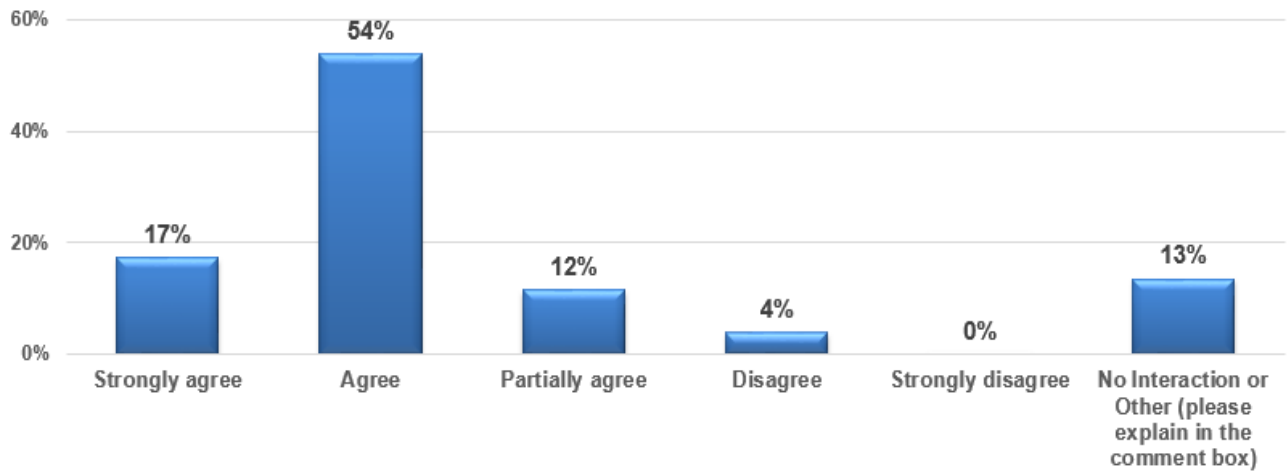
**12. I enjoy good collaboration and coordination with colleagues in other Operations Teams.**



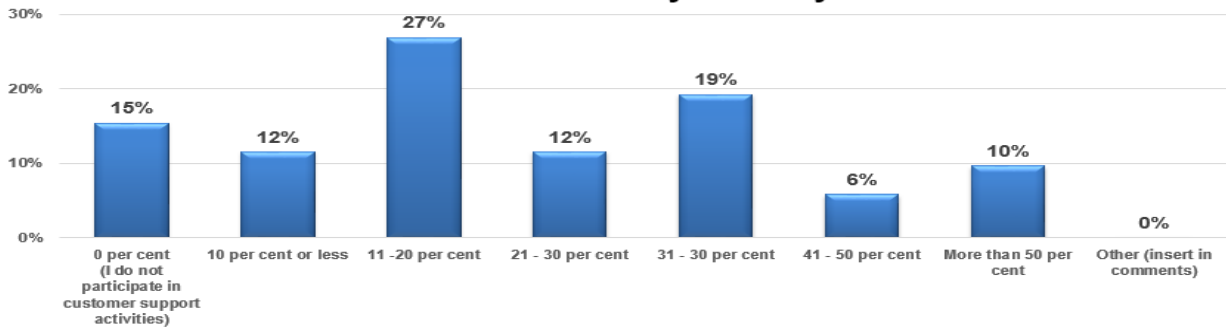
**13. I enjoy good collaboration and coordination with colleagues within the Madrid Registry.**



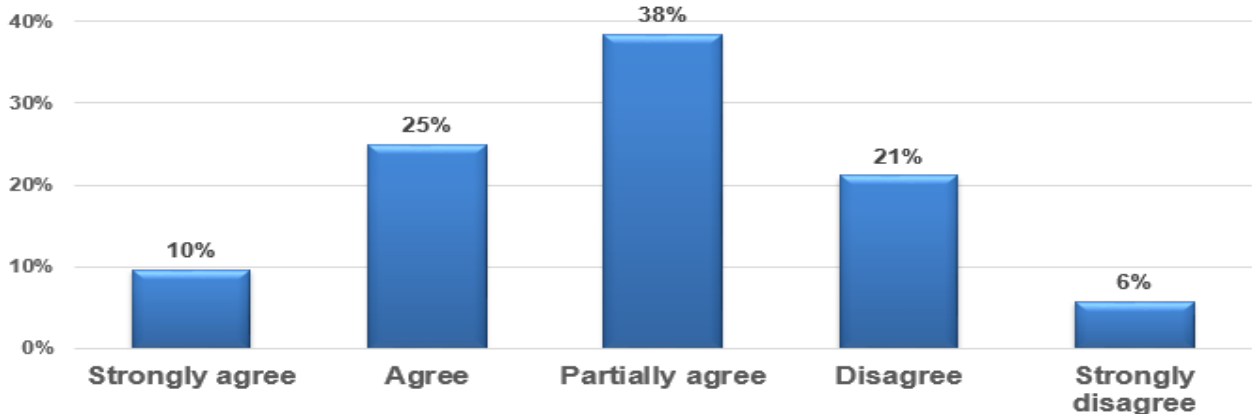
**14. I enjoy good collaboration and coordination with other business areas within WIPO (e.g., Finance team, HRMD, PTD etc.)**



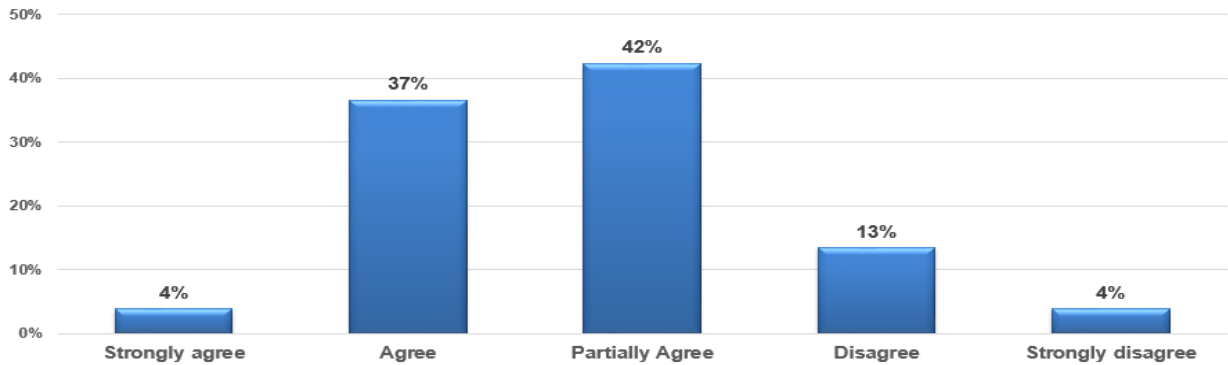
**15. As part of my tasks, I participate in providing customer support activities. If yes, customer support activities account for .....of my Monthly workload.**



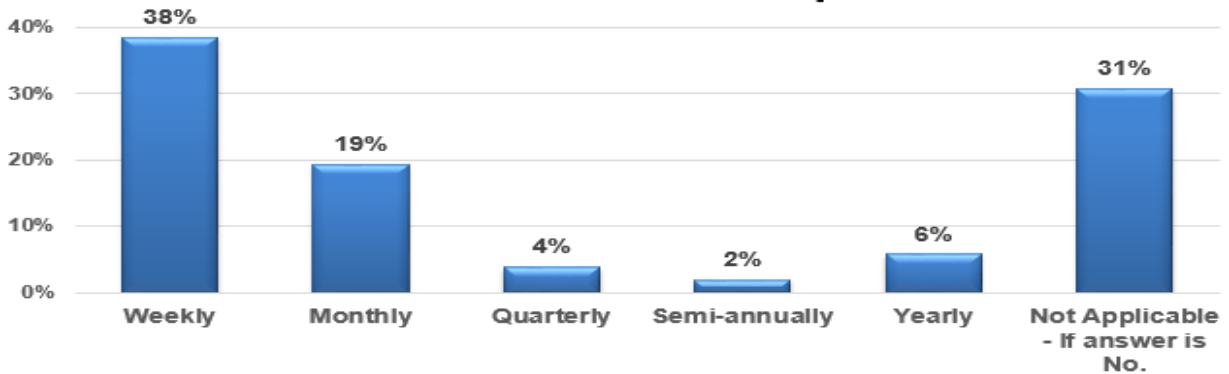
**16. I have been adequately trained to perform customer support activities**



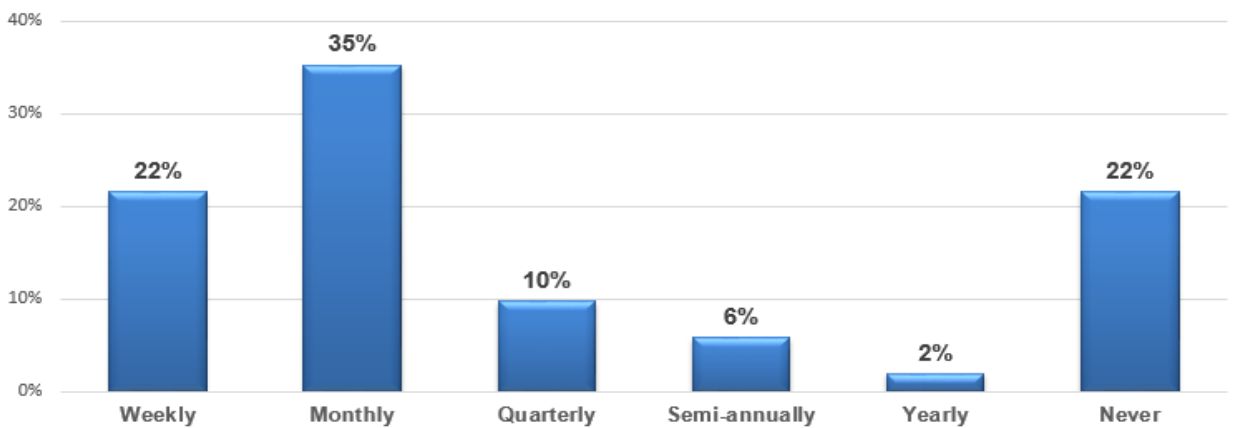
**17. There is an effective method to record relevant customer insights/information to support efficiency in providing customer services (e.g., database or spreadsheet to regularly record useful information or systemic issues relating to customers)**

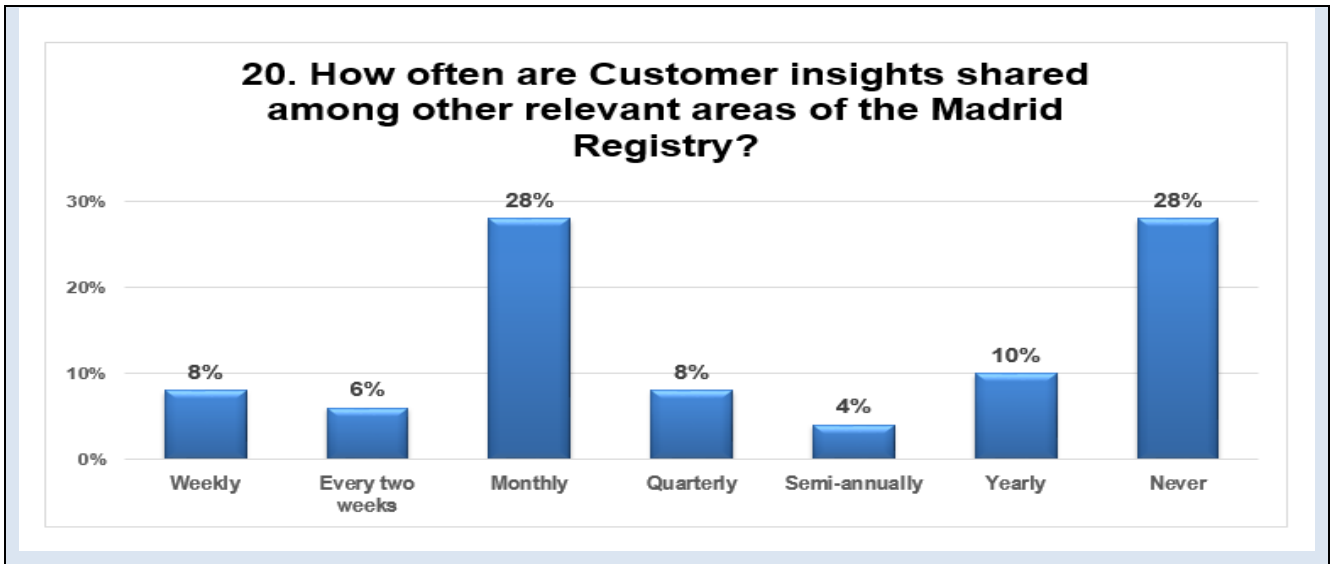


**18. Customer insights are regularly gathered and discussed among examiners (your team and other teams). If yes, indicate how often these discussions take place:**



**19. How often are relevant customer insights shared among other members of the Madrid Operations Division**





[Annex V follows]

**ANNEX V: AGING (IN DAYS) OF MADRID REGISTRY OPEN TICKETS IN WINS AS OF AUGUST 2023\***

Ticket Owner / Type	< 1d	1-2 d	3-5 d	6-10d	11-20d	21-40d	41-100d	101-200d	201-300d	301-400d	401-500d	501-600d	601-1000d	>1000d	Grand Total
<b>IPD</b>															
new	2														2
open		2													2
<b>LEGAL</b>															
new	2			2	1	1	2		1	1					10
open	1			2	5	2	6	4	2	2					24
<b>MADRID INFOLINE</b>															
new	20	2													22
open	2	4	1	1			1								9
<b>OPERATIONS-COMPLAINTS</b>															
open									1			1	1	1	4
<b>OPERATIONS-DDU</b>															
new	16	11	6	3											36
open		1		6	5	4	4								20
<b>OPERATIONS-PAYMENT</b>															
open					1	5	1		26			1	1		35
<b>OPERATIONS-PHONE CALLS</b>															
open		4	2	3	5	14	10								38
<b>OPERATIONS-TEAM1</b>															
new	5						1								6
open	4	2	1	1	1	1	3	5	2	3	1	2	1		27
<b>OPERATIONS-TEAM2</b>															
new	3	5	5	1			1	1	1						17
open	2	4	2	4	5	6	12	6	6		1	1			49
<b>OPERATIONS-TEAM3</b>															
new	2														2
open					2	4	2	2			1		1		12
<b>OPERATIONS-TEAM4</b>															
new	2			3			1								6
open		4	3	5	1	2	5	1	2						23
<b>Grand Total</b>	<b>61</b>	<b>39</b>	<b>20</b>	<b>31</b>	<b>26</b>	<b>39</b>	<b>49</b>	<b>19</b>	<b>41</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>344</b>

Source: WINS data, provided by WIPO Customer Experience Section.

“New” ticket – the ticket that has never been opened by responsible staff member; “Open” ticket – that ticket that is being processed by responsible staff members.

\* The analysis has not been extended to September 2023 for practical purpose.

[End of Annexes and of Document]



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