

# JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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November 09, 2023

Mr. Daren Tang  
Director General  
World Intellectual Property Organization,  
34, chemin des Colombettes  
CH-1211 Geneva 20, Switzerland

Re: POSITION PAPER on TWENTIE-FIRST SESSION OF THE MADRID  
WORKING GROUP, Geneva, November 13 to 17, 2022 (MM/LD/WG/21)

Dear Mr. Tang,

We, the Japan Intellectual Property Association or “JIPA”, is a non-profit, non-governmental organization, which has 994 members (as of October 4, 2023). It represents industries and users of the intellectual property (IP) system and provides related institutions all around the world with well-timed, suitable opinions on the improvement of their IP systems and their utilization. For further information regarding JIPA is available at <http://www.jipa.or.jp/>.

On the 21st Session of the Madrid Working Group meeting, we would like to make the following statements according to the agenda.

## **MM/LD/WG/21/4 Dependency: Invitation to Submit Proposals on Other Possible Options Regarding Dependency**

JIPA advocates for the retention of the system of dependency, but supports its mitigation. At the same time, we believe that we should place more focus on strengthening the remedies for “central attack” as a way to minimize the disadvantages of maintaining dependency.

The survey results JIPA conducted with its Trademark Committee members revealed that 64% of companies want some form of mitigation of dependency, 24% demand the status quo, 10% support abolishment, and 2% are other. Our analysis of this survey concluded that, although the system of dependency is very functional, beneficial and desirable as a deterrent against bad faith applications, the current practice appears too strict, causing genuine users to also feel disadvantaged. Therefore, we need ideas to mitigate dependency while maintaining deterrence against bad faith applications.

The following two ideas are those that JIPA believes are worth considering in order to fulfill the aforementioned purpose.

The first is to establish a system to complement Transformation. The current remedy for a central attack is Transformation. However, continuous discussions on Transformation have rather revealed user’s dissatisfaction with Transformation (see

MM/LD/WG/16/3, MM/LD/WG/18/7 and MM/LD/WG/19/5) and now it is obvious that Transformation is not functioning sufficiently as a remedy for central attack.

Therefore, JIPA proposes “subsequent designation following central attack”. This is a system that enables International Registration (IR) to be maintained by performing a procedure similar to a subsequent designation within a certain period of time after a central attack. Unlike Transformation, which requires users to pay fees to each Office for filing applications resulting from Transformation, this is an option that users pay additional fees to WIPO if they want the survival of their IRs after central attacks. This option continues to provide all the benefits of IRs to owners, except for the cost in response to central attacks. We believe this idea does not harm the revenue of either the International Bureau or the Contracting Parties, nor require much operational burden. The simple system also enables attorneys to explain the remedy more easily to their clients. On a related note, this option should not be applicable in the case of central attack based on bad faith of basic marks.

The second is to establish a cancellation system of IRs at the International Bureau, as JIPA proposed last year. The criteria for determining bad faith are currently left to the laws and regulations of each Contracting Party, and while the Paris Convention has general provisions for dealing with bad faith, there are no globally uniform standards for it. Weakened dependency reduces the chance for central attack due to cancellation of bad faith basic marks, and users are forced to cancel or invalidate more bad faith IRs in each country. The Secretariat analyzes in its document MM/LD/WG/21/7 of this Working Group that bad faith applications are not a significant issue for the Madrid System. However, it rather proves that dependency is functioning as a deterrent against bad faith. Some countries have been successful in restraining the number of bad faith domestic applications that were once numerous, but this does not necessarily mean that bad faith itself has disappeared or that those with bad faith have lost their funds. In some countries, the mitigation of dependency can motivate bad faith applicants to benefit from IR, so we believe a counterbalance is necessary. Applying a uniform standard to marks that are not considered bad faith in a specific country of origin but are recognized as bad faith from a global perspective is beneficial for maintaining the order of the 21st century global economy.

We understand that achieving these ideas will require difficult discussions. However, because the Madrid System should develop as a beneficial system for users, we earnestly hope that the Working Group will discuss the establishment of a system that encourages good faith users and discourages bad faith ones.

### **MM/LD/WG/21/5 Updated Information on the Time Limit to Respond to Notifications of Provisional Refusal and on the Way to Calculate Them**

JIPA would welcome that the Madrid Union Assembly adopted amendments to Rules 17, 18, 32 and 40 of the Regulations Under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks that entered into force on November 1, 2023 at its fifty-seventh (25th ordinary) session.

JIPA would like to confirm whether any of the Contracting Parties, on which the time limit to respond to the provisional refusal are less than 2 months or 60

consecutive or calendar days, have already notified the International Bureau in order to delay the effectiveness of the obligation at this time in accordance with New Rule 40(8) of the Regulations.

If any Contracting Parties have already given the notice to delay the effectiveness of the obligation, we would like the International Bureau to disclose the Contracting Parties and when the Contracting Parties intend to put the obligations into force.

From the perspective of user-friendliness, we strongly hope that the list of “Information on the time limit to respond to notifications of provisional refusal and the way of calculate it” published in the WIPO Gazette of International Marks in accordance with the amendment to Rule 32 will also include the information on the Contracting Parties that have given the notice to delay the effectiveness of the obligation, and that this list will be updated as needed, and that an updated list will be provided at the next session.

### **MM/LD/WG/21/7 Report on Technical Consultations Held on the Possible Introduction of New Languages and Proposal for a Possible Way Forward**

JIPA appreciates that the Working Group decided to reconsider this issue on the 20th Session of the Madrid Working Group and that the International Bureau conducted consultations with JIPA individually in May 2023.

With regard to the proposal for the introduction of Arabic, Chinese, and Russian languages into the Madrid system, JIPA welcomes to have a further discussion again as we are concerned;

#### 1. The meaningful introducing of new languages

The Delegations that had proposed the introduction of new languages allege that the United Nations uses these languages as their official languages. However, it only matters for the conferences or reporting documents under the United Nations and it has nothing to do with Madrid users.

According to document MM/LG/WG/19/7, 85.5 per cent of the international applications were filed in English in 2020. JIPA strongly believes that it is important for most of Madrid users to improve English-based communication, and it should be argued that communication including all notifications from the Offices of the designated Contracting Parties as well as all responses from applicants and holders are translated into English and treated as authentic would provide more benefit for users than introducing new languages.

If all correspondence be provided in English and treated as authentic, it shall be argued the introduction of new languages as needed.

Trademark system should work for the benefit of users, and consideration should be given not only from the perspective of applicants, including new users, but also from the perspective of third party users who search and monitor the earlier applications on the Madrid Monitor.

#### 2. The burden of translation cost for users

The International Bureau provides to translate communications such as notifications of provisional refusal from the Offices of the designated Contracting Parties into the existing languages. If the new languages are introduced into the Madrid System, it is not enough just to translate the current communications from the position of the third parties who use the Madrid Monitor for clearance searches and/or monitoring.

To make up for the deficiency, users from non-speaking countries of new languages will have to bear an additional cost to translate other communications than provisional refusals into English. In view of the number of non-speakers of new languages in contracting parties, it is not a reality-based policy to introduce a differentiated translation practice. If this practice is introduced, the users from non-speaking countries of new languages will incur substantial costs to translate all communications they need into English by each clearance search and/or monitoring. Therefore, JIPA does not agree with this proposal of introducing a differentiated translation practice.

The introduction of Arabic, Chinese and Russian into the Madrid System requires that all correspondence be provided in English and treated as authentic and that all authentic be disclosed in English on the Madrid Monitor, without delay and without an increase in the official fee to users.

### 3. The countermeasure against bad faith applications

The International Bureau indicates that there is no evidence or reason to suggest that bad faith applications are a significant or systemic issue of concern in the Madrid system because a bad faith basic application would lead to its annulment or cancellation, ex officio or ex parte, resulting in the cancellation of the international registration due to the ceasing of effect of its basic mark and an applicant in bad faith stands to lose the costs associated with the prosecution of the basic and international marks, which would be a disincentive for these applicants to use the Madrid System over the direct route.

However, the Madrid system has Subsequent designations system and it is easy for a large number of bad faith applicants to file their bad faith applications all over the world by using this system. We concern that losing the costs associated with the prosecution of the basic and international marks could not prevent from bad faith applications. In addition, it takes much time and money to annul or cancel its basic mark in each Offices of origin. Therefore, we concern that its annulment or cancellation including dependency of IR would not prevent from bad faith applications.

The International Bureau suggests that preserving the basic mark requirement could prevent from bad faith applications through the Madrid System. We believe that it is true, and thus it is necessary that we discuss how we keep a balance between mitigation of dependency and the countermeasure against bad faith applications before we discuss introduction of new languages that can motivate bad faith applicants to use Madrid system.

Moreover, JIPA concerns the proposal of the context of a gradual and staged approach to the introduction of new languages in document MM/LD/WG/21/7 from paragraph 110 on. JIPA describes our opinion as notes in the proposal.

(I) Gradual Introduction of New Languages

We request that the International Bureau resolves the issues beforehand as we mentioned;

1. The meaningful introduction of new languages
2. The burden of translation cost for users
3. The countermeasure against bad faith applications

(II) Enhancement of the Terminology Database, Exchange of Communications in Standardized Machine-readable Format and Differentiated Translation Practice  
Subject to all correspondence be provided in English and treated as authentic, we support that the IT technological evolution of the Madrid system will lead to improve convenience for users especially for the benefit of non-English speaking countries.

(III) RELATIONSHIP BETWEEN THE TWO LEVELS

We do not support that achieving specified milestones or other technical or practical measures could be set as pre-conditions for the introduction of new languages. Improvements to the operational functioning of the Madrid System should be taken place for the benefit for all users, not for the Delegations of the proposal of introducing the new languages.

JIPA looks forward to participating in the Madrid Working Group meeting.

Yours sincerely,



Koji SAITO  
Managing Director of JIPA