Matthew

My name is Matthew Forno and I work in the Madrid registry, in the information and promotion division, so what I'm going to do today is I'll talk briefly about the benefits of the Madrid system, how the Madrid system works, so we'll do a little bit of basis 101 stuff first. Then I want to talk a little about statistics, how the system is being used at the moment, and then we'll end with a little bit of information about latest developments, that particularly if you're using the system will be useful to you.

Ok so starting right at the beginning, really you have three different protection options open to you. Firstly you can use the Paris route that we talked about earlier, to go directly into each country in which you are seeking protection. Secondly there's the regional route so you can go to areas of the world where there's one organisation that you apply for a right, and there's legal protection in each of its members, a couple of examples here one is the European Intellectual Property Organisation which is based in Alicante in Spain, and that's where you can get a European right. Also you'll see a couple here from Africa, there's ARIPO which is the English speaking African states and OAPI which is the French speaking African states, so again you can get a right that covers the whole region, with legal effect in each of those countries. Thirdly there's the international route through the Madrid system, so really it depends, it's really a question of your business, the structure of your business, how quickly you need to get to market, where you'd like coverage, how much time you have, that will really decide which route that you decide to take.

So the international route, this is the route that you'd prefer if you want to go into multiple regions, so this then obviously negates going just into the European Union, if you want to go into the European Union and somewhere else you'd want to use the Madrid system. If you want to add new markets over time the Madrid system is perfect for that, so when you do your international application initially, you can designate the contracting parties in which you're going to trade, where you'd like to have trademark protection, but you don't need to have worked out your entire business strategy at that point in time. One of the really good things about the Madrid system is at a later date if you decide, well actually I'm going to export to another country, and it's covered by the Madrid system, you can subsequently designate that territory for protection. And as I mentioned if you've got a limited amount of time this is often the best way to do it and a limited budget.

So first of all the Madrid system is a convenient solution, it's a centralised filing and management system, so it comes all through the World Intellectual Property Organisation in Geneva, one place that you have to remember to communicate with. There's one application required in one language, the three languages of the system are English, French and Spanish so the good thing is in New Zealand you can file in English, and you get protection, if you pay one set of fees protection in multiple marketplaces, and as I mentioned you don't need to have made all your decisions about which jurisdictions you're going into right at the start, you can add additional countries at a later date.

Secondly it's cost effective, it's the equivalent of a bundle of national applications, so you can imagine if you're the person sitting there putting together application forms in multiple different jurisdictions, it's going to take time, if you're instructing your paralegal to do this it's also going to take time and money. You only need one application so this is a big cost saving. You also don't need to translate into multiple languages, which obviously can be quite a costly thing if you're going into linguistically diverse markets,

so if translations are required that's handled by the international bureau at WIPO. Also at first you don't need representation in each of the jurisdictions that you're going into. You would only need to engage local attorney if you have a provision refusal, so if there's an objection to your application or your registration, then you may in fact need local counsel, but you don't need that initially so that stage is taken away.

Another key benefit of the Madrid system is it's got broad geographic coverage, at the moment we have 98 members and they cover 114 different countries, and the reason that we have members covering so many more countries is that we have two international organisations, or regional organisations as part of the system, one being OAPI from the French speaking African countries, and the other being the EUIPO. At the moment this represents in excess of 80% of world trade, so many of the major markets or most of the major markets are covered by the system. You'll see in the recent accessions here, at least one key market for New Zealand business, India became a member in 2013, and we're seeing designations of India absolutely skyrocketing, this is a really good country in which people would like to designate and use the Madrid system, and often it can be a more convenient system to go through Madrid than to file directly into India.

So what I'll do is I'll take you now to the world map, our world map, and as you'll see in red these are all the Madrid system countries. We still have a lot of work to do, we've got really good coverage in Europe, good coverage in Asia, most of Africa but there's some obvious gaps here. There's gaps in terms of Latin America and Canada, so very big marketplaces here, South Africa you'll see is missing and some of the ASEAN countries, but this is the outlook in terms of accessions over the next 3 years. At WIPO not only do we have the international bureau so we process applications, we also do a lot of work to expand the system and make it better for businesses, New Zealand businesses and others, to go to different marketplaces, so we talk to the governments of these different countries, to encourage them to consider acceding to the Madrid system, and to sit down and explain to them all the things that are required in order to be ready. Whether that's looking at the legislation to make sure it's compliant with the Madrid protocol, right the way through to looking at IT systems to make sure that they can send and receive information, and how their examination structure works to make sure they'd be able to cope with the timeframes, that are required in the Madrid protocol, so with this in mind of course it's the sovereign decision of each of the WIPO members if they would like to accede to the Madrid protocol, but we've had some very good indications of these countries are likely to join in the next few years.

So as you can see immediately north of us here we've got a number of the ASEAN countries, ASEAN made a commitment as part of the ASEAN economic community for all members to be part of the Madrid protocol very shortly, so we've had good indications of big markets like Indonesia, Malaysia and Thailand will be coming onboard pretty soon. We had a visit, a ministerial visit from Brazil recently and we were told that Brazil is very, very seriously wanting to join within the next couple of years. We've had a couple of false starts with Brazil but this sounds very encouraging, this time they're likely to move forward. Also you'll see Canada on the list there, and of course Canada is a very big sort of commonwealth marketplace, for not only my country Australia but also here in New Zealand as well. So we're hoping that Canada will be a member shortly.

Ok let's look briefly at how the Madrid system works now. The Madrid system can be broken up into basically three stages, firstly at the top you'll see here, stage one is application through a national or regional IP office, this is known as the office of origin. The second one in the middle here is the formal

examination that takes place at the World Intellectual Property Organisation in Geneva, and the third is substantive examination by IP offices, and these are called the offices of the designated contracting party. So we'll break it down a little bit further, it was, before we came over we talked a little bit to Simon and Simon had some observations about some of the users here in New Zealand, and one question was around entitlement, who can use the Madrid system, so you'll see there's three criteria, one of which needs to be met to be entitled to use the system.

First of all you need to have either a real and effective industrial or commercial establishment in New Zealand, or be domicile so to live in New Zealand, or to be a national of New Zealand. So if you've got that connection with the IP office of New Zealand you're able to use the system. This means that if you happen to live in Samoa but you're a kiwi, and you have a basic mark before IPONZ you can still use the system, you're still entitled to use it, you don't need to live in New Zealand, however this is obviously a very easy way to do it.

Secondarily as I mentioned you need to have what's called a basic mark, so you need to have either applied for or have a registration here in New Zealand before IPONZ, because the Madrid system is an extension of your national registration or application. So what happens here is that the IP office receives your application, it looks at the particulars, makes sure that the mark is the same mark, making sure the goods and services are the same, and the applicant is the same, that's then certified and sent to us in Geneva. So the second stage is a formalities examination, that's what we do, so we look at the goods and services to make sure they're correctly classified, we make sure that none of the terms are too vague, we do check the mark again, we also check to make sure it's the right owner, it's the same owner as the basic mark. Once all those requirements have been met, so it goes on and it's recorded in the international register, and we send a certificate of international registration to the holder, and we let the designated contracting parties know that their part of the work now needs to begin. Sometimes of course we do actually have an issue with the application, so the application might have what's called an irregularity, in the main that's one of two things, either the correct fees haven't been provided, or it hasn't been correctly classified, in that case we contact IPONZ and there's a communication with the applicant or with IPONZ to make sure that is rectified. What I'll do later in the presentation, I'll point out a couple of tools we have to help with classification, given this is a fairly big area where we're having some issues, we've created not only products that you can use electronically to search goods and services terms, but we actually have now classification guidelines so what it is that we look for with regard to classification.

So we move onto the last stage and this is the sovereign stage of IPONZ, so if IPONZ is actually designated or if another country is designated, it has either 12 months or 18 months if 18 months has been declared, in which to make a decision so they'll either issue what's called a provisional refusal, which is like a national objection, or an adverse report nationally, or they issue a grant of protection. So if you have a provisional refusal you can contest that before the office, and if you get a provisional refusal from one country, it doesn't mean that that will be an issue with other countries, everyone makes an individual and sovereign decision about registrability. So you can actually contest it before that. Ok and once it's fine we issue what's called a statement of grant of protection, which is the equivalent of a national registration certificate. So it's valid, international registrations are valid for 10 years and they can be renewed centrally through WIPO, so this is another really useful part of the system is that you don't need to worry about different timeframes at a later date, and also contacting different offices to renew your mark you can do that simply through us.

Ok so I think everyone is probably interested in sort of how the fee structure works, fees are broken down into two parts, first of all there's the basic fee, which includes three classes of goods and services, for a black and white representation as you can see 653 Swiss francs, and for a colour reproduction 903 Swiss francs. Then you have a second part, either standard fees which are complimentary, so 100 Swiss francs for each designated contracting party and supplementary, or you have individual fees, so some countries have declared individual fees where they have another fee structure. This is complicated so what we have is a fee calculator on our website that helps to do this for you, so what you do is you go into the calculator, you enter where you're going to, how many classes that you have and it will do a calculation for you. An important thing to remember about the fee calculator is that you need to use it immediately before you put your international application in. We have some problems every so often where someone's done a calculation several months beforehand, and then used that figure for their international application, what's happened in the meantime is a country may have declared different individual fees, so the fee has actually changed in between, so one of the takeaways from today if you can remember, is to make sure that you use the fee calculator immediately before putting your international application in.

We are an international organisation part of the United Nations, so it's very important for us to encourage broad use of the system, so for less developed countries there's a 90% reduction in the basic fee, so they would pay only 10% of the fees that you can see at the top of the page. So I'll just talk about a few statistics, these are 2016 statistics, we had 44,000 international registrations in 2016, and in terms of active international registrations there's just over 600,000 active international registrations, and as you can see there, there's designations of 5.7million so in many cases you're talking multiples, usually an international registration has about 7-8 designations, and in terms of market share at the moment 63% of class count use the Madrid system as opposed to going directly through the Paris route. We'd like to raise this a little bit if we're able to, but it really does reflect business decisions, people are making a decision when its best to go directly, and when it's best to use the Madrid system.

As Anjali pointed out, we have a release of all of our 2016 statistics today actually later on in Geneva, unfortunately my statistics end at 2015 because we've got an embargo until then but I will share a couple of figures with you. First of all this is the trend in international applications from 1996 to 2015, only interrupted really negatively during the global financial crisis which makes perfect sense. We had a modest growth in 2015 of .9% just below 1%, but this year our growth rate is going to be, 2016 the growth rate was 7.2% so it's shot up considerably over the last 12 months.

So in terms of the top filing origins, this is the address where people have filed from, so again bearing in mind this is 2015, we can see the United States of America is the top user of the system followed by a number of European countries, so traditional users of the system, however you are starting to see sort of China and a few other countries using the system in a far greater way. When you see the new statistics which will come out as I say later today Geneva time, China has jumped up quite considerably I think there was a very big percentage change in their use of the system.

In terms of top applicants again this has changed for this year, so I've got this slide up but I'll talk a little bit about what's going to be published later today. First of all we found out that the top user for 2016 is actually L'Oreal the French beauty care company, then Glaxo who are a pharmaceutical company from the United Kingdom, BMW were next and then Lidl, Lidl is a shopping centre basically for groceries in

Europe, so the interesting thing about this is a company like BMW jumping up so quickly in the rankings, and it obviously means BMW is about to release a whole heap of new cars, because the new brands are coming through, but really you're seeing use in the, at least the top users are pharmaceutical companies, electronics companies, beauty care companies and then retail with sort of companies like Lidl.

So in terms of designated contracting parties, this makes perfect sense, these numbers are really the biggest, represent the biggest markets in the world for products and services, so people are seeking protection in China, the European Union and the United States primarily. So in terms of New Zealand in 2015, or 2016 you can see applications and registrations dropped off a little bit, I'll talk a little bit about why later on, but there's been gradual increase in usage mainly over the last few years. So in terms of New Zealand use, in 2015 Fisher and Paykel were number one, then Les Mills, Systema Plastics and the New Zealand Rugby Union were the main users, but I think that the statistics that are probably being published out at the front by IPONZ, would be more up to date than what we've got because we're unfortunately dealing with our last set of statistics.

Ok so in terms of New Zealand designation of New Zealand by Madrid members. Ok sorry, so this is where people are coming in from, so the United States of America, the European Union and Australia are the main users of the system coming into New Zealand, so the other way around when you look at where a New Zealand business is going to, well New Zealand businesses are going as you can see to the United States, in most cases followed by Australia, European Union and China, so this reflects the trade patterns in New Zealand very closely.

What I'll move onto now is the electronic services that we have that will help you with, not only filing your application but also managing your registration at a later date. So on our website we have three how to guides, how to search before filing, how to file an application and how to manage your registration, these are evolving how to guides, so we really value user feedback, if there's gaps in the information or additional information you require please let us know, and we'll add that to these pages.

So we've got a series of e-services which I'll concentrate now and for the next couple of slides. So first of all the e-services are broken into the lifecycle of a trademark, firstly searching, the filing, monitoring and managing the mark, so starting on the left we have the global brand database, this is where we ask everybody to start, the global brand database is an ideal tool to do a pre-filing search, to make sure that there's no marks that are similar to yours that exist for similar goods and services. The global brand database has 35 national and international collections inside of it, including all of the Madrid data, this is a place to go if the country that you're going to is represented in this database start here, if it's not then we have a link that can take you off to start looking at national registers, but always do a pre-filing search first. One of the good things about the global brand database is it has an image functionality, so you can import, you can drag and drop from your desktop an image and insert it here, and do a search and see if any similar marks to yours exist as well.

Secondarily I mentioned earlier that we have a lot of irregularities from New Zealand based on classification. A good way to help overcome this is to use the Madrid goods and services manager. This tool helps you to compile a list of goods and services that are acceptable not only to WIPO but to a number of our member states, our members. So there's two features within it, you can go in, you can nominate the goods and services you wish to seek protection for, and you can click on check

acceptance by designated contracting party, so you can see whether if you're going to a particular country they would accept that particular terminology, also whether we would accept that terminology. Then you're able to look at your international application and modify your list depending upon the designated contracting party you're going into. Importantly a list of goods and services needs to either be the same as what you've got in your national registration or application, or a subset thereof, but in some cases people use slightly different terminology so that's when this is very valuable.

We have a new database coming very soon called the member profiles database, this talks about the national procedures that relate to the Madrid system in each of our members, this is quite useful depending upon what it is that you need to do, if for example you have a new kind of design like a sound mark, and you want to find out whether that would be acceptable in another country, you can indicate which kinds of signs in these particular marketplaces are acceptable, and they provide a list and you can see oh yes they would actually accept a designation which has a sign contained therein. Also if you want to transform your mark it will give you procedures for transformation, it also gives procedures for replacement and other sort of more technical issues as part of the Madrid system. We should have this up and running by May, the INTA meeting in Barcelona is our target to get this particular database up and running, so I'd recommend that you have a look at it at that stage.

In the next column you've got Madrid Monitor, this is a really important tool, Madrid Monitor is going to replace, for those of you who have used the system for a while, Madrid Monitor will replace ROMARIN, and ROMARIN is our, has been up until this point, the key tool people have used to keep a track of their international registration, that Madrid Monitor is part of our global effort to have fewer but more powerful tools, so this tool not only replaces ROMARIN but also Madrid E-Alert, the Gazette and Real-Time status are all contained within this one tool, so the good thing about this is you can look at your own international registration, you can type your international registration in, the number, or you can type in the mark or the holder, and you can then have a look at your mark, it's got a, every time there's been an entry into the international register this is marked, so you can see how your registration is progressing. If you don't have time to go back and look at it on a regular basis, you can indicate that you'd like to follow that mark, at any time there's entry into the international register you're emailed, so you know that a change has taken place. Not only that if you want to monitor other people in your marketplace you can do that, so you can follow your own mark and also those of your competitors, and be informed about when changes have taken place.

The last column is about Madrid Portfolio Manager, if you have more than a couple of marks this is well worth considering, this is one place where you can go in, you can access all of the documents, so all of the documents for all of your marks in one place. If you need to make a change, if you need to have a new owner or have a new representative, or you want to subsequently designate you can do it all through Madrid Monitor, sorry Madrid Portfolio Manager. We're at the moment trying to improve this product as well, so you'll see over the next 12-18 months a number of improvements and enhancements to this, but if you've got more than a couple of marks do seriously consider starting an account for Madrid Portfolio Manager.

Ok I'll just talk about a few developments for those of you who are using the system on a more regular basis, firstly last year we introduced the Madrid International Registrations Information system, or MIRA for short, this was a backend IT system to help us do our job more efficiently. It's a web based IT system and we put it in in March of last year, it took a little while to bed it down and fix a few issues that

we had with it, which resulted in some delays in our processing. So you'll see that and if you're one of the attorneys here sometimes, we're a little slower last year to get back to everyone, yes our penancy times did increase as a result of both the introduction of the new IT system, as we were fixing it, and making sure it was working as effectively as possible, and as I said we had a 7.2% increase in applications, so two things happened at once which slowed things down a bit, but the good news is we have plans to get everything back to basically the pre 2016 levels of production, will be available again by the end of the year or the beginning of next year, so we're doubling our efforts and we've got a number of management tools in place to make sure that we're getting all the communications out to people as quickly as possible. During this period we also prioritised those transactions which were time sensitive, so provision refusals where you have a certain period of time in which you need to respond, and also renewals these were our priorities so we made sure we got those out the door as fast as possible.

I will now cover some legal developments and other issues, I'll just go a little bit quicker. In terms of common regulations we have three sets of changes coming in with the common regulations, one set of changes will be on the 1st July, and one important part of that will be to provide for the recording of changes in legal nature of a mark, then in November 2017 we have a number of other changes coming in, and then the final set of changes will be at the beginning of 2019. The key part of that will be the ability to have division and merger of international registrations. Obviously that's a big change so it needs plenty of time for consultation, and to make sure we do that correctly, but that will be coming in 2019. We have a working group meeting and I know that there'll probably be a couple of people in the room that will be at that meeting, coming up in June, we're looking at a simplification of the replacement procedure, so replacement is when you have a national application or registration, and you have an international registration and you'd like to replace one with the other. We'll also be looking at examining of limitations, so there'll be some discussion with our designated contracting parties about how that's undertaken.

We also have a Madrid system roundtable as part of this, and of course observers, there's a number of observers so private sector bodies and representative groups that attend as well, so they're able to be involved in the discussion of how we improve the Madrid system, so two things there, one with there's a questionnaire on correspondence of marks, so how this is being treated in each of the designated contracting parties, and what this means is how closely the mark in the international registration resembles the mark on the national application or registration, and also classification guidelines will be presented.

So I mentioned Madrid Goods and Services Manager earlier as being one key way in which you can avoid irregularities based on classification, another is the introduction of the classification guidelines, so we've worked very hard to make sure we describe what it is that we look for in the international bureau, so it's the principles that we apply, so then you can start to shape your statement of goods and services appropriately. There's also practical information about even things as simple as the format of the list, sometimes there's issues with people using different sorts of punctuation in between goods and services, so this gives you all the information you need, so to get the, to have fewer problems with classification do those two things, look at Madrid Goods and Services Manager, and also have a look at the classification guidelines.

Another key thing that's changing, just about to change is how the WIPO current account works, there's a few different ways you can pay for different transactions in the Madrid system, firstly there's bank and postal transfer, and secondarily there's the WIPO current account. This is actually an excellent way to pay for all of those different transactions, we've reduced the amount of money that you require in order to open an account, this is based on feedback we've had, the small and medium enterprises need a lower threshold, so basically the initial payment is only 2,000 Swiss francs to start it. You need a minimum balance of 200 Swiss francs and we will actually notify you if it gets down towards that figure. There'll be a form pretty soon to open an account on our website, and we will send you a regular statement to let you know how much money is in that account. One of the reasons that this is actually quite useful of course is sometimes fees need to be paid fairly quickly, and if you've got a current account it's a very simple matter of indicating that you'd like a payment to be made.

Also occasionally when something comes to us, and you need an extra class of goods and services, this is an excellent way in which you can pay slightly more to actually cover off those extra goods and services, so I would encourage you to have a look at this.

So in order to keep up to date on all of these sorts of issues, we issue a number of different things, first of all the Madrid website has regular information published on it, we have Madrid notices which break down into news items, where we talk about a change that might have taken place, or something new like the classification guidelines, but also we have our regular legal notices, and the legal notices talk about things like when someone's got a new declaration, when there's a change in the individual fees, so you can subscribe to this and it can be sent to you on a regular basis. Also we bring everything together into a quarterly Madrid highlights newsletter, and again this is subscription based, so what you do is you go into the website, and you just indicate that these are the things you'd like to subscribe to, and we'll send those out to you regularly.

So that's it for me and thank you very much for your attention.

[End of transcript]