

INTERNAL APPEAL MECHANISM AGAINST MONGOLIAN INTELLECTUAL PROPERTY OFFICE DECISIONS: OVERVIEW

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Abstract

Industrial property disputes arise from the complexity of the patent and trademark examination process that require compliance with legal requirements or criteria set by applicable national laws and international agreements. On the other hand, industrial property rights are generally the rights granted by intellectual property offices after a careful and thorough examination process under strict legal guidance. With that regard, intellectual property offices possess distinct internal dispute resolution mechanisms for resolving such disputes, governed variably by their national laws and regulations. Nonetheless, one thing that is common is that those offices review their own decisions for the examinations. In Mongolia, a singular, independent unit handles all industrial property disputes, including inventions, utility models, designs, trademarks and geographical indications, as well as determining the registration of well-known trademarks. Here is where independent unit is legislated to be organized on a “non-permanent” basis, which is distinguished by being composed of representatives from various organizations. The paper presents an overview of the current practices for handling industrial property disputes in Mongolia, including involved disputes, dispute settlement body, procedural aspects and the legal frameworks, as well as provides recommendations for further improvement.

Keywords: Industrial property disputes, non-permanent dispute settlement board, dispute handling proceedings, legal framework

Introduction

Industrial property disputes are inherently connected to the obtaining ownership over intellectual creations. Specifically, among the numerous disputes regarding the ensuring of intellectual property ownership, industrial property disputes can be generally defined as disputes arising from the registration, granting of patents and trademark certificates pertaining to the intellectual property office’s validation of proprietor’s rights. Intellectual property offices around the world have developed distinct internal mechanisms for administrative review of disputes over their examination decisions. In the context, in most countries, the disputes are primarily categorized into patents and trademarks disputes and resolved through the establishment of an independent unit within the offices or without a specialized unit. Particularly, disputes regarding examination decisions are generally resolved through a re-examination process (China National Intellectual Property Administration [CNIPA], 2012) or reviewed by specialized legal or quasi-judicial bodies composed of professionals with technical expertise (Korean Intellectual Property Offices [KIPO], 2023) and others.

As similarly, Mongolian Intellectual property office (hereinafter as “the IPOM”) has established such dispute resolution mechanism its jurisdiction under the Intellectual property law (hereinafter “the IP Law”), which was newly adopted in 2020, is the principal source of industrial property disputes resolving mechanisms. Prior to the enactment of the IP law, from 2006, the disputes were governed under the provisions of Patent law (Article 27) and Law on the Trademark and Geographical Indications (Article 32) (hereinafter as “Trademark law”), respectively, handled over

a unified procedure (Regulation for the Procedure of the Dispute Resolution Board 2013). This legal framework persists today, and alongside IP law, the disputes continue to be regulated by the Patent law (2021) and Trademark law. However, even though it appears to be governed by three laws at the same time, it can be seen the disputes are resolved in accordance with the Regulation for the Procedure of the Dispute Resolution Board, set out by the IP law.

According to the IP law and regulation, such disputes are reviewed and resolved by establishing a non-permanent Board under the IPOM, which is composed of representatives from several organizations. It is intriguing that there are no laws and regulations governing the criteria for selecting and appointing board members. This indicates that members are appointed without mandating specific professional qualifications and practical experience for the examination.

As aforementioned, based on the examination, the IPOM makes pre-grant or post-grant decisions for inventions, utility models, and designs under the Patent Law, and certificates for trademarks, geographical indications under the Trademark Law, as well as using international treaties which Mongolia adhered to. Such examination decisions are examiner-based decisions. Qualified examiners are required to work on the examination process in industrial property (Intellectual property law, 2020). Therefore, reviewing and solving disputes related to the decisions of specialized patent and trademark examiners within the art should, in turn, be considered a professional activity. It should be noted that the study does not provide a full analysis of well-known trademarks but rather focuses on procedural aspects to recognition under the IP law and regulation.

Legal framework

The Mongolian legal system lays a civil law system based on codified law. The IP Law serves as the foundational legal basis for defining the regulatory framework for intellectual property matters, including mechanisms for dispute resolution. Accordingly, Article 11.4 of the Law states that a Dispute Resolution Board on Industrial Property Rights (hereinafter as “Board”) shall function under the Intellectual Property Office, which shall have the authority to review and resolve disputes provided by Patent law and Trademark Law. According to Article 9.1.2 of the IP law, the Board members are appointed by the government member in charge of intellectual property, as well as its regulations of procedure. On 12 December 2024, the First Deputy Prime Minister and Minister of Economy and Development appointed the Board members. Its regulations are governed by Order A/235 of the Minister of Justice and Internal Affairs, dated December 18, 2020. The fact that these two different ministers are involved in the dispute resolution procedures pertains to the transition of the IPOM from the Minister of Justice and Internal Affairs to Minister of Economy and Development in 2024 (Resolution of the State Great Khural, 2024). Due to the transition, the dispute appears to be between two ministers, while the relevant ministry of intellectual property has legislated to establish dispute resolution procedures and appointments.

Besides being regulated by the IP law, patent and trademark laws also establish the legal basis for patent and trademark disputes. It means that the provisions to the same effect are laid down under these laws to deal with disputes. In terms of legal application order, the IP law, which serves as an umbrella legislation for intellectual property fields, and its regulations may apply. If certain relations are not regulated by those laws and regulations are regulated by patent and trademark laws, these laws may apply. Therefore, it is reasonable to assume that the overall procedures are conducted in accordance with the regulations.

In accordance with the laws, applicants may submit complaints concerning the pre-grant and post-grant decisions and interested parties regarding the post-grant decisions. Particularly, the board is specifically authorized to resolve disputes specified in Patent Law (Article 54) and Trademarks Law (Article 32 and 33). As mentioned before, in Mongolia, disputes consist of all disputes regarding industrial property such as inventions, designs, utility models, trademarks and geographical indications. The following key points of disputes are included (Intellectual property law, 2025. Article 25.1):

- Complaints about the procedures specified in Patent and the Trademark Laws;
- Oppositions against patent applications or published trademark applications under statutory grounds;
- Requests to invalidate the registration of industrial property rights under statutory grounds;

Moreover, the determination of well-known trademark is resolved by the Board. In that regard, a trademark can be determined as well-known through administrative procedure. The list of trademarks that have been registered as well-known shall be published in the official periodical gazette of the IPOM (Article 12.3.3, IP Law). Well-known trademark is trademark that has been widely known in the relevant sector regardless of its registration (Article 3.1.3, Trademark Law). When reviewing a request for recognition as a well-known trademark, the Board considers the opinion of up to five examiners from the Industrial property rights department of the IP office.

Mongolia is party to major international conventions protecting industrial properties, such as the Paris Convention for the Protection of Industrial Property 1883, the Treaty for Establishing the World Intellectual Property Organization 1967, the Patent Cooperation Treaty 1970, the Agreement on Trade-related Aspects of Intellectual Property Rights 1994, the Strasbourg Agreement Concerning the Intellectual Classification, Madrid Agreement Concerning the International Registration of Marks, Protocol related to the Madrid Agreement Concerning the International Registration of Marks, Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. Provisions relating to law on patent and trademark conflict with international treaties, international treaties prevail over the Patent Law (Article 2.2, Patent law) and Trademark law (Article 2.2, Trademark law).

Dispute Resolution Board

The Board has been established at the Intellectual Property Office on a non-permanent basis, which has reviewed and solved industrial property disputes regarding its examination decision. Board consists of appointed members. Appointments of board members are made by the Government member in charge of intellectual property pursuant to Article 9.1.2 of the IP law. The decision to appoint the Board members by Order A/55 of the Deputy Prime Minister and Minister of Economic Development, dated December 2, 2024, is in effect. From the decision, it can be easily seen that the Board consists of a total of seven members, including one representative from the Ministry responsible for intellectual property, four representatives from IP offices, respectively, two other organizations. For instance, according to this order, the board is composed of four representatives of IP offices, including the Heads of the Departments, namely the Head of the Administration and Management Department, the Head of the Industrial Property Department, the Head of the Copyright Department, the Head of the Supervision and Inspection Department and one representatives from the Ministry of Economic and Development, Mongolian Bar Association and the National Legal Institute. Vacant positions are filled by nominations from the original appointing organization, and the Chair of the Board is elected by the majority vote of the members.

Supporting the Board's personnel includes secretary, who is in charge of arranging and managing proceedings but has no voting rights.

The board is established on a non-permanent basis. There are no professional or qualification requirements for the representatives on the Board. From the appointment, it is evident that the Boards members are not subject to mandatory professional or technical qualification requirements for patent or trademark examiners. Given that disputes concern legal protection over intangible assets, and the decisions require nuanced understanding of international and national IP standards, this gap raises concerns about the capacity of the Board to render technically sound decisions. Furthermore, since patent-related cases involve legal, technical, professional analysis, and trademark matters require careful assessment of classifications, and distinctiveness, the absence of specialized examinations may undermine the reliability of adjudications. We first argued in a previous study that appointments without imposing any required professional qualifications and practical experience on patent disputes might cause a violation of other members of society's creative rights, as well as a lack of consistent implementation of the above-mentioned laws, regulations, and international agreements without giving preference to anyone (Odgerel B. 2025, p.35). It is worth noting that this study was in the first to be conducted to address this issue. Due to the complexity of matters reviewed—including invalidation, rejection, and amendment of industrial property applications, the handling of the disputes requires advanced technical and professional qualifications.

Moreover, for IPOM's examiners for industrial property shall be specialized by types of industrial property, and in particularly for patent examiners it is mandatory to fulfill professional or technical qualification requirements to conduct search and examination under the IP law. In a real sense, however, while making decisions on the examination is often complex, reviewing the decisions seemingly even more complicated, involving technical or specialized subject matter. Thus, it would be prudent to reconsider to reform its dispute handling system by establishing a specialized board with the requisite technical, legal and practical experience on industrial property. In addition, the Board is also responsible for determining whether a trademark is well-known in the relevant sector. It should be noted that the study does not provide a full analysis of well-known trademarks but rather focuses on procedural aspects to recognition under the IP law and regulation.

Dispute handling procedure

The entire dispute handling proceedings follow the rules in accordance with the Regulations of Procedure of the Industrial Property Rights Dispute Resolution Board under the IP law. The proceedings are initiated based on written requests. If the request can be rejected at the preliminary stage by an individual member or Board within 5 working days. The requests can be filed by applicant (the *ex partes*) against examiner's decisions or third-party disputes (the *inter partes*) regarding granted rights. The Board's primary decision-making format is formal hearing, which requires a quorum of at least two-thirds of its members. The Board adheres to principles of adversarial proceedings and issues its decisions in the form of a resolution, which becomes effective upon pronouncement. It may also issue non-binding recommendations to relevant parties. If the particular knowledge is required during the proceedings, the IPOM's examiners, or translators may be involved at the request of the parties or at the initiative of the Board. If necessary, an expert with specialized knowledge beyond that of the IPOM's examiners may be involved in the procedures. The appeal must be submitted by someone authorized to represent the *ex partes* or the *inter partes*.

The following decisions are made by Board:

- Upholding the decision if the examiner's decision is deemed valid;
- Invalidating the decision if the examiner's decision is unfounded;
- Affirming a refusal to grant rights if the decision is substantiated;
- Overturn a refusal and remand for further examination;
- Order corrective actions to address statutory violations;
- Dismiss unsubstantiated complaints;
- Recognize or deny a mark's well-known status based on evidentiary sufficiency.

Under the regulation, in case of a decision to invalidate the examiner's decision simply stipulates to send back to the substantive examination. Therefore, it is possible to conclude that the Board's decision-making proceedings under these procedures are not applicable to the re-examination. In the case of re-examinations, disputes are handled by examiners. The Board can be legalized body but not specialized. The examination requires scientific, technical and legal skills, reviewing the examination decisions should require advanced technical and professional qualifications. In addition, industrial property examinations are complex and sometimes lengthy examination processes that require compliance with legal requirements or criteria set by applicable laws. Furthermore, disputes regarding the granting of industrial property rights are likely to be more complex and nuanced than disputes over property.

The time limit for filing disputes is set by the Patent and Trademark law. For patent and pre-grant disputes, ex partes may file a complaint within 30 days of receiving notification. In case of post-grant, appeal should be initiated within 1 year after publishing official periodical gazette of the IPOM. For trademarks, pre-grant disputes may also be filed 30 days of receiving notification, and one year for post-grant disputes. Board proceedings to be resolved within 90 days or extended once by Chairman of the Board for up to 30 days. If ex partes or inter partes are dissatisfied with Boards' decision, they may file a lawsuit at the Court within 30 days (Intellectual property law, 2020. Article 25.2). If the court rules against the Boards' decision, the IP office must implement the court's decision and make changes to its registration.

Conclusion and Recommendations

In Mongolia, a non-permanent board for resolving industrial disputes function under IP office, composed of members from several organizations to review its examination decisions on the granting industrial property rights for inventions, utility models, designs, trademarks and geographical indications. Moreover, the board is also responsible for determining whether a trademark is well-known in the relevant sector. Board members are being appointed regardless of professional qualifications and practical experience for examinations. However, industrial property disputes can arise from the complex and sometimes lengthy examination process that require compliance with legal requirements or criteria set by applicable national laws and international agreements. Thus, it is crucial to consider reforming its dispute handling system by establishing a specialized board with the requisite technical, legal and practical experience on industrial property. Implementing such reforms will be able to significantly enhance the reliability, consistency, and credibility of decisions concerning the granting of industrial property rights.

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