



# Issue Brief

**THE MADRID PROTOCOL:  
IMPACT OF U.S. ADHERENCE  
ON  
TRADEMARK LAW AND PRACTICE**

*Revised*  
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## INTRODUCTION

After more than a decade since the conclusion of the June 1989 Diplomatic Conference, the United States now is on the verge of joining other nations<sup>1</sup> as a member to the Madrid Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks<sup>2</sup>, or for short, the “Madrid Protocol.” At long last, U.S. trademark owners, in just one year after the November 2, 2002 date of enactment will have access to an international procedure to simultaneously register their trademarks in several countries.

As a separate treaty, the Protocol, like the 1891 Madrid Agreement, is administered under “Common Regulations” by the Geneva-based World Intellectual Property Organization (WIPO). The Madrid Protocol became operational on April 1, 1996 and together the two treaties are referred to as the “Madrid System.” Since 1891, over 700,000 international registrations have been issued, about half of which are still in force. On average, each international registration is extended to more than ten countries, thereby accounting for nearly four million trademark registrations under the system.

### **The Benefits of the Madrid System**

With the expanding membership to the Protocol, U.S. trademark owners will greatly reduce their administrative costs and paperwork by only having to file:

- one application;
- in one place;
- with one set of documents;
- in one language;
- with one fee;
- resulting in one registration;
- with one number;
- and one renewal date;
- covering more than one country.

The costs savings to trademark owners are significant. For example, a trademark owner wishing to register a mark in the U.S. plus 10 other countries currently needs to file 11 separate applications. The costs of these 11 applications, which include official and attorney fees, would at a minimum be over \$15,000. Under the Madrid Protocol, the fee, depending on the amount that the various national offices have agreed with WIPO to charge, would be preset and would be about \$5,800 -- a savings of more than 62% in total fees.

An even greater economic benefit would be realized after an international registration has been obtained. Suppose a company has 1,000 trademark registrations in 10 countries and needs to

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<sup>1</sup> For a current list of member countries, please go to <http://www.wipo.int/madrid/en/index.html>.

<sup>2</sup> For a copy of the treaty, implementing regulations and other useful information, go to <http://www.wipo.int/madrid/en/index.html>

make an amendment due to a simple change in address. Without the Madrid Protocol, that would require 10,000 amendment applications being filed at costs in the thousands of dollars. Under the Protocol, only one amendment application needs to be filed with WIPO at a cost of about \$100.

Another key benefit of the Madrid Protocol is that an application for a registration to be extended to a member country must be examined and acted upon within 18 months. In many countries, a registration through the national office can take up to 4 years, thus denying trademark protection in this age of global communication and rapidly changing markets.

So if the benefits to trademark owners are so attractive, why did it take so long for the U.S. to get around to joining the treaty, despite the avid support of organizations like the International Trademark Association (INTA) whose Board passed a resolution in 1990 urging U.S. adherence to the treaty? Quite simply, it was the lack of coordination between the bureaucratic agencies responsible for intellectual property in both the domestic and international arenas, and to the vulnerability that a popular, non-controversial piece of legislation faces in the U.S. Congress. A brief political history should help to explain.

### **The “Voting Rights Issue”**

There were two major reasons for negotiating the Madrid Protocol. The first was to remove obstacles in the Madrid Agreement such as only being allowed to file an application in French, so as to allow English-speaking countries like the U.S. to join. The second was to establish a link between the Madrid System and the then proposed Community Trade Mark System in Europe. Indeed, in 1987, a two-week meeting of the Committee of Experts focused solely on this link which resulted in a provision in the Madrid Protocol, Article 14 (1)(b), allowing “intergovernmental organizations” to join the treaty as long as one of its member states adheres to the Paris Convention and a regional trademark office exists.

### ***“Asleep at the Switch”***

After much prodding by INTA, legislation was introduced in the U.S. House of Representatives in 1993 to implement the Madrid Protocol even though President Clinton had yet to submit the treaty to the U.S. Senate for advice and consent. During hearings that May, the U.S. Patent and Trademark Office testified that the Administration strongly supported U.S. accession to the Protocol. But although the U.S. was an observer during the negotiations of the Protocol, it was not until the State Department’s lawyers in preparing the ratification package noticed for the first time the provision about intergovernmental organizations. Interpreting this to mean that the European Union would have a vote in addition to its member states and fearing that a precedent would be set for future treaties, the State Department recommended to the National Security Council that the treaty should not be submitted to the Senate. As a result, the Administration made the embarrassing announcement in May 1994 that the U.S. would not join the Protocol. Later that year, the House nonetheless passed the bill. However, the Senate refused to act on the implementing legislation until the treaty ratification package was submitted.

Making matters worse, in October 1994 during the Diplomatic Conference on the Trademark

Law Treaty (TLT), the U.S. and the EU sparred for two weeks over the voting arrangement for what otherwise would have been a non-controversial treaty. This hardened the positions on both sides, and failure to reach a compromise resulted in the TLT not having an assembly to administer the treaty.

### ***INTA Initiative to Break the Deadlock***

In August 1997 INTA met with the newly appointed Under Secretary of State, Stuart Eisenstat, who previously had been U.S. Ambassador to the EU and was known to be sympathetic to the plight of U.S. trademark owners faced with the stalemate over the Madrid Protocol voting rights. Mr. Eisenstat agreed to have his capable staff quietly seek to open a dialogue with the European Commission to see if a consensus-based voting arrangement, which INTA proposed, could be reached. To ensure that the U.S. overture was not dismissed out of hand, INTA led a delegation of European intellectual property associations to impress upon the Commission officials that this was a matter of extreme importance to industry. To raise the visibility of the issue, INTA also worked within the framework of the Transatlantic Business Dialogue – a forum of private sector and government officials – to include the Madrid Protocol as a top priority for the U.S. government and the European Commission. Finally, INTA met with the Vice President of the European Commission, Sir Leon Brittan, to get his support for finding a solution to the voting rights issue and to engage in a discussion with Mr. Eisenstat, his counterpart in the U.S. As a result, the Commission and the State Department agreed that the U.S. should send a formal letter in November 1997 to the EU Presidency proposing a consensus arrangement for the EU and its member states if and when a vote was ever called in the Madrid Assembly.

### ***Set-back & Break-through***

Unfortunately, during this period the link of the Community Trade Mark System to the Madrid System, which was proposed by the European Commission in August 1996 became extremely controversial. The main opposition to the proposal came from certain European trademark practitioners who feared a loss of business because a CTM application could be filed directly through the Madrid System. Under the British Presidency of the EU in the beginning of 1998, the U.S. proposal on the voting rights issue was stalled in this internal battle over EU accession. INTA continued to press the EU to “de-link” these two separate issues. Not until after five EU presidencies, the resignation of the entire European Commission, and compromise voting arrangements between the U.S. and the EU were negotiated for three new intellectual property treaties, did the EU reply to the U.S. proposal on 2 February 2000, stating:

“The European Community and its Member States affirm their commitment to a consensus-based decision process within the Assembly of Madrid Union. However, if a vote is called for, the European Community and its Member States will endeavor to conduct prior consultations with the United States of America and, where appropriate, with other like-minded participants.

Where these consultations do not lead to a common position among the European Community, its Member States and the United States on the subject put to a vote, it is the intention of the European Community and its Member States to use their

voting rights in such a way as to ensure that the number of votes cast by the European Community and its member States does not exceed the number of the European Community's Member States.”

The State Department lawyers blessed this language and the path for the U.S. to join the Madrid Protocol looked clear – or so it was thought.

### **Havana Club “Rum-ble”**

With time running out in the last session of the 106<sup>th</sup> Congress due to the national elections in November of 2000, it became critical that the Clinton Administration move quickly to send the ratification package to the Senate. But with other treaties taking precedence and with an understaffed Legal Advisor's office at the State Department, the package was not submitted for advice and consent until September 5. All the while, dark political clouds were forming on the horizon.

Two companies, Bacardi and Pernod Ricard, were locked in a battle over the rights to use the trademark HAVANA CLUB for rum sold in the U.S. This now well publicized dispute centered around the so-called Section 211 of the 1998 Omnibus Appropriations Act that prohibits courts from enforcing rights of holders of trademarks that were expropriated and were now being used without the consent of the original owner. This meant that Pernod Ricard, who bought the worldwide rights from a Cuban government company but was prohibited from using the mark in the U.S. due to the Cuba trade embargo, could not block Bacardi, or, for that matter, anyone else from using the mark in the American market. Claiming that Section 211 violated the TRIPS Agreement, the EU brought a case against the U.S. under the World Trade Organization's dispute settlement process.

Meanwhile, the Senate Foreign Relations Committee placed the Madrid Protocol on the agenda for its September 27 business meeting. Unexpectedly, language appeared in the draft advice and consent resolution that related to the Section 211 dispute. Objections were raised and the treaty was pulled from the agenda. Although INTA tried to find a compromise to the issue as it related to the Madrid Protocol, Congress adjourned for the elections. The ensuing debacle over the outcome of the presidential election eliminated any chance that the treaty would be considered during the lame duck session of Congress that followed.

With the convening of the 107<sup>th</sup> Congress in January 2001, Pernod Ricard and Bacardi indicated a willingness to find a way to disentangle the Madrid Protocol from the Section 211 dispute. Working as a neutral, INTA helped to develop language to be included in the advice and consent resolution that both companies found acceptable. The language would ensure that the treaty did not change substantive U.S. trademark law and that it was not self-executing; that is, the courts could not look to the treaty and its rules in deciding a trademark dispute.

The next step was getting the language accepted by the State Department and the Senate Foreign Relations Committee. In March, INTA met with Under Secretary of State Alan Larson who agreed to have State's Legal Advisor review the compromise language. At the same time, the

Foreign Relations Committee staff agreed to begin to find a way to incorporate the language into the advice and consent resolution. But with a backlog of presidential nominations to approve, as well as other legislation, progress on the Protocol stalled in the Senate. Fortunately, the U.S. House of Representatives, like it did in three prior congresses, passed the implementing legislation, H.R. 741<sup>3</sup>, for the Protocol on March 14, 2001.

### **Power Shift**

INTA, through its members and its staff, continued to press the Senate Foreign Relations Committee to act on the Protocol. But in June, just when the committee's staff appeared to be able to focus on the treaty, a Republican senator from Vermont decided to become an Independent. The result was a shift in control in the 50/50 Senate from the Republicans to the Democrats. This meant that committee chairmanships would change and the committee agendas be reestablished. Fortunately, the Madrid Protocol had bipartisan support, so there was no need to convince the new Foreign Relations Committee Chairman Joseph Biden (D-Del) of its importance. However, not knowing whether the Bush Administration would ratify treaties previously submitted by the Clinton Administration, the Chairman requested a list of treaties on which the Administration wanted the Senate to act.

To keep the pressure on the Foreign Relations Committee, the Senate Judiciary Committee on July 19 reported the implementing legislation, S. 407<sup>4</sup>, which was nearly identical to the House bill. However, responding to the Administration's request, S.407 gives the U.S. Patent and Trademark Office at least an entire year to prepare for accepting international applications under the Madrid Protocol.

### **Terrorists, Judges and Rum (again)**

Just as it looked as though the Senate would act on the Madrid implementing legislation after the Labor Day recess, terrorists struck in New York and Washington, followed by Senate office buildings being contaminated with anthrax. The situation greatly delayed any work in Congress. Not until October did the Bush Administration inform the Senate Foreign Relations Committee that the Madrid Protocol was considered high priority for Senate action. In November, the Foreign Relations Committee reported favorably the advice and consent resolution<sup>5</sup> on the treaty, which contained language to assuage the combatants over the HAVANA CLUB trademark. However, to ensure that no "monkey business" could occur on the floor of the Senate, the staff of the Foreign Relations and Judiciary Committees agreed that the implementing legislation should be acted upon by the full Senate before the advice and consent resolution. Time ran out in the first session of the 107<sup>th</sup> Congress before the Senate could act.

With the return of Congress in January 2002, the prognosis for action on the Madrid Protocol looked good. The chairman of the Senate Judiciary Committee, Patrick Leahy (D-Vt), was set to bring S. 407 to the floor. But the clash over the progress of action on Bush Administration

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<sup>3</sup> For a copy of H.R. 741 and Report 107-19, go to <http://thomas.loc.gov/>.

<sup>4</sup> For a copy of S. 407 and Report 107-46, go to <http://thomas.loc.gov/>

<sup>5</sup> For a copy of the Advice and Consent Resolution (Treaty Doc. No. 106-41 and Ex. Report. 104-1, go to <http://thomas.loc.gov/>.

federal judicial nominees resulted in the Republican Leadership placing a “hold” on all legislation from Leahy’s committee.

To extricate the Madrid implementing bill from this political quagmire, INTA urged the staff of the Senate and House Judiciary Committees to seek out another legislative vehicle for the Madrid legislation. Although a vehicle was identified in April, namely the Department of Justice Authorization Bill (H.R. 2215<sup>6</sup>), which had passed both chambers in late 2001 before the judge nominees dispute, the conference on the bill between the House and Senate was not concluded until September. The House approved the conference report on September 26 by a 400 to 4 vote. On October 1 the Senate began consideration of the conference report. To end a filibuster by Republicans, cloture on debate was passed on October 3 by a 93 to 5 vote. Shortly thereafter, the Senate agreed to the conference report by unanimous consent. Although the bill was cleared for the president’s signature, the Judiciary Committee staff in the House and Senate wanted a concurrent resolution containing technical corrections to the DOJ Authorization bill to be passed before sending the legislation to the White House. The House acted on H. Con. Res. 503 on October 8, while the Senate dallied.

With time running out before Congress was scheduled to adjourn for the mid-term elections, INTA urged the Senate Foreign Relations Chairman to move on the advice and consent resolution on the Madrid Protocol now that the implementing bill was passed. The response from committee staff surprisingly was that they were waiting for the president to sign the DOJ bill, which was a new interpretation of the agreement reached to resolve the issues around HAVANA CLUB. To overcome this obstacle, INTA mounted a targeted grass roots letter campaign to members of the Foreign Relations Committee. Several INTA member companies sent representatives to meet with senators and their staff. Just as time was about to run out before adjournment for the elections, the Senate on October 17 passed under unanimous consent the advice and consent resolution on the treaty and the concurrent resolution making technical corrections to the implementing legislation. On November 2, the president signed the implementing bill into law.

### **Final Hurdles**

What happens next? The implementing legislation for the Madrid Protocol does not become effective until one year after the date of enactment or after the president deposits the instrument of accession with WIPO, whichever is later. INTA is working with the USPTO on the implementing rules for the Madrid Protocol<sup>7</sup> and will stay in close contact with the State Department, which has the responsibility of shepherding the ratification package through the final interagency review. If all goes well, U.S. trademark owners may be able to file Madrid applications with the USPTO in November 2003 – some 14 years after the conclusion of the Diplomatic Conference.

### **Purpose of this Issue Brief**

This Issue Brief explores the implications of U.S. adherence to the Madrid Protocol on U.S.

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<sup>6</sup> For a copy of H.R. 2215 and the Conference Report 107-685, go to <http://thomas.loc.gov/>.

<sup>7</sup> For a copy of the draft USPTO rules for Madrid, go to [http://www.uspto.gov/web/trademarks/fr\\_madrid.htm](http://www.uspto.gov/web/trademarks/fr_madrid.htm).

trademark law and practice. After providing a brief overview of the Protocol and how it operates, it discusses the changes in U.S. law and practice that will occur over the next year. Next it examines the affect adherence would have on the operations of the U.S. Patent and Trademark Office. The paper then highlights the benefits the Protocol offers U.S. business seeking international protection for their trademark rights. The appendices provide: a useful comparative table on application requirements of current U.S. law and under the Madrid Protocol; flow charts on the Madrid application process within the USPTO; and a timeline on the history of getting the U.S. to join the treaty.

## I. THE MADRID PROTOCOL: AN OVERVIEW

A basic understanding of the Madrid Protocol is necessary if one is to consider how U.S. adherence will affect U.S. law and practice and USPTO operations. It also is necessary in order to appreciate the benefits adherence offers U.S. businesses.

The Madrid Protocol is not a trademark law and a Madrid Registration, of itself, does not confer rights. The Protocol is a mechanism for obtaining multi-national trademark protection and maintaining international registration rights through a centralized system. It enables trademark owners to benefit from the Paris Convention priority established by their national applications without instituting separate national filings or retaining local counsel.

### **Obtaining Protection**

To obtain protection for a mark in some or all countries that are members of the Protocol, an individual or business that is a national of, is domiciled in, or has a real and effective industrial or commercial establishment in a country that is a Protocol member must own a home country trademark application or registration. This national application or registration is the basis for a Madrid Application and thus is referred to as the “basic” application or registration.

The Madrid Application consists of a standard form that prompts submission of only that information necessary to satisfy the filing requirements of the Madrid System. The Application is sent to WIPO, on behalf of the applicant, by the applicant’s national office. The national office must certify that the content of the Madrid Application is the same as the national application or registration on which it is based.

Upon receipt of a Madrid Application, WIPO enters the information contained in the Application in its database and determines whether the applicable Madrid filing requirements are met and the necessary fees are paid. WIPO reviews the list of goods or services and makes necessary translations into the Protocol’s working languages of French and English. If the Application does not conform with the established requirements, WIPO, depending on the nature of the “irregularity,” will notify both the applicant and its national office.

Once WIPO confirms that the necessary Madrid requirements have been met, it “registers” the mark, publishes it in the *WIPO Gazette of International Marks* and sends a certificate to the holder. At the same time, it conveys information about the Madrid Registration to the national offices of the Protocol member countries to which the trademark owner wants to extend its Madrid Registration.<sup>8</sup>

National offices must treat requests to extend Madrid Registrations received from WIPO as properly filed national applications. Consistent with the simplified filing requirements that are the hallmark of the Madrid System, they cannot require at the outset any additional information from the applicant. Extensions of Madrid Registrations are examined on the basis of each

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<sup>8</sup> Trademark owners may also request extension of their Madrid Registrations to additional member countries at a later date, using similar procedures.

country's own national law, which cannot be in contravention with the Protocol or its Common Regulations. As the request for extension of protection is processed, the national office may require the applicant to provide additional information or to respond to office actions. It is at this point that the applicant will most likely need to appoint a local trademark attorney for such communications with the national office.

If the national office is going to refuse extension of the Madrid Registration, in whole or in part, to its territory, it must do so within the time period established by the Protocol (12 months initial period with extension to 18 months, or, subject to certain conditions, longer where a refusal may result from an opposition). If it fails to act within the prescribed time period, the Madrid Registration will take effect and the trademark owner will enjoy the same rights as it would if it had acquired a national registration.

### **Priority Date**

Madrid Registrations enjoy the right of priority provided for by Article 4 of the Paris Convention. Therefore, the Madrid Protocol enables trademark owners to benefit from the Paris Convention priority attached to their national filings without the need to institute separate national filings.

The date on which a Madrid Application is filed with the applicant's national office is the date of the Madrid Registration, provided WIPO receives the Application within two months of its being filed and the Application meets the requirements set forth in the Common Regulations. (If the Application is not received by WIPO within two months, or if it is not complete, the Madrid Registration bears the date on which the Application is received or made complete.) If no refusal is properly notified by a country to which extension of the Madrid Registration has been requested, protection of the mark in that country will be the same as if the mark had been registered national, as of the date of the request for extension of protection.

A request for extension of protection submitted after the initial Madrid Application is filed is effective from the date on which it is submitted.

### **Dependence, Central Attack and Transformation**

For the first five years, the Madrid Registration is dependent upon the national trademark application or registration on which it is based. If the national application or registration is limited or canceled, the Madrid Registration and all the rights obtained in the member countries of the Protocol based on extensions of that registration are similarly limited or canceled. Such actions are known as "central attack."

Cancellation or limitation of a Madrid Protocol Registration does not necessarily cost the trademark owner its rights and priority. Under the Protocol, trademark owners may transform Madrid rights that fail on the basis of "central attack" into corresponding national rights. They are given three months to institute national filings, which receive the same priority as the failed Madrid Registration.

### **Maintaining Protection**

The term of registration for a Madrid Registration is ten years. Renewal, which also is for a term of ten years, is accomplished through a single filing with WIPO. National protection resulting from extensions of the Madrid Registration expires with the Madrid Registration. By renewing its Madrid Registration, a trademark owner also renews the national rights it has obtained through extension of the Madrid Registration. The Protocol specifically establishes that renewal of rights in the member countries requires only the payment of a fee.

Through a single filing and payment of the necessary fees to WIPO, a trademark owner may assign its rights and handle other “post-registration” procedures (such as changes of name). This centralized system greatly simplifies the process of maintaining international trademark protection.

### **Replacement of Existing National Registrations**

The Protocol provides that where a national registration already exists in a country to which Madrid Registration extends, the Madrid Registration can replace the national registration.<sup>9</sup> These former national rights thereby will be maintained through the centralized administrative system established by WIPO.

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<sup>9</sup> See Article *4bis*, Rule 21.

## **II. THE MADRID PROTOCOL: ISSUES FOR U.S. LAW AND PRACTICE**

The most significant substantive issues of U.S. law and practice associated with U.S. adherence to the Madrid Protocol do not involve U.S. trademark owners use of the Protocol to obtain international protection. Rather, they arise with respect to the requests for extensions of foreign-owned Madrid Registrations the U.S. Patent and Trademark Office will receive from WIPO.

To a lesser extent, there also are issues of importance to non-U.S. companies-- particularly in countries which have not ratified the Madrid Protocol, such as Canada and Mexico--regarding the availability of the Madrid Protocol through national applications which, under certain circumstances discussed in this section, may be first-filed in the U.S. Patent & Trademark Office and thereby achieve international registration through the Protocol.

### **A. U.S. Application Requirements**

The Protocol requires a national trademark office to consider extension of a Madrid Registration to its territory based solely on the information contained in the Madrid Application, as accepted by WIPO. Although a national office may require additional information during the course of its examination process, it must accord to an extension request the same rights accorded a national application on the date the request is effectively filed under the Protocol (see discussion of priority below).

A comparison of the requirements for filing a Madrid Application and the application requirements presently imposed under U.S. law and practice reveals that U.S. application requirements will be met by Madrid Applications.<sup>10</sup>

#### **1. Filing Date Requirements**

The U.S. filing date requirements are codified in the Trademark Rules of Practice (Rule 2.21). In addition to implying that the application must be written, applications must include:

1. the name of the applicant,
2. a name and address to which communications can be directed,

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<sup>10</sup>The requirements for filing a trademark application in the United States are found in the Federal Trademark Statute, 15 U.S.C. 1051 (Section 1 of the Lanham Act) and 15 U.S.C. 1126 (Section 44 of the Lanham Act), and the U.S. Code of Regulations, 37 CFR 2.21-2.59 (Rules 2.21 through 2.59 of the Trademark Rules of Practice).

3. a clear drawing of the mark. (Note: A separate drawing of the mark, since implementation of the Trademark Law Treaty on October 30, 1999, is no longer required.)
4. an identification of the goods and services for which registration of the mark is sought, and
5. the required filing fee for registration of the mark in at least one class of goods or services.

If any of these filing date requirements are not met, the papers will not be considered to constitute an application and they will be returned.

The Common Regulations governing Applications under the Madrid System could generally be interpreted as meeting all of the current U.S. filing date requirements.

### **Color**

With respect to marks for which color is claimed, the Madrid Regulations establish three requirements:

1. one drawing of the mark, in color, if the mark is presented in color in the national application or registration that serves as the basis for the Madrid Application (in this case, however, the mark will be published both in color and in black and white – the reproduction made by the International Bureau -- in the *WIPO Gazette of International Marks*),
2. two drawings of the mark, one in black and white and one in color, if the mark is presented in black and white in the basic application or registration but contains a color claim (in this case, the mark will be published both in black and white and in color in the *WIPO Gazette*), and
3. a statement that color is being claimed, with an indication in words of the color or colors that are claimed and, in respect of each color, the principal parts of the mark to which each color relates.

These Madrid provisions conflict with U.S. practice governing color in one respect: They do not provide for the submission of a black and white drawing in all cases.

However, the lack of provision in the Madrid Regulations for the submission of a black and white drawing of the mark if the mark is presented in color in the basic application or registration<sup>11</sup> is not a problem since the International Bureau makes a black and white

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<sup>11</sup>The Protocol requires the Madrid applicant's national office to certify that the content of the Madrid Application

reproduction which is published in the *WIPO Gazette of International Marks*.

### **Basis for Filing**

Under the Madrid Protocol implementing legislation, the U.S. filing basis for extensions of protection for Madrid Registrations requires a declaration of bona fide intention to use the mark in commerce that is signed by the applicant for, or holder of, the Madrid Registration. The signed declaration of bona fide intention is an essential element of the United States intent-to-use application, and its inclusion as part of the Madrid Application is a critical element to the United States ability to adhere to the Protocol.

Accordingly, the Madrid Regulations provide that a Contracting Party may declare that it requires a signed verification or declaration of intent to use from Madrid Applicants and Registrants seeking to extend their Registrations to its territory. This declaration would be a part of the Application and any subsequent request for extension, without which WIPO would not accept the applicant's request for extension to a country requiring the statement.

In essence, U.S. adherence to the Madrid Protocol adds a fifth basis for registration in the United States in addition to Sections 1(a) and 1(b) and Sections 44(d) and 44(e), i.e., new Section 65(a).

### **Signed Verification or Declaration**

A general verification or declaration signed by the applicant is not required under the Madrid Regulations. Nor is it a requirement in most non-U.S. jurisdictions (many require that a power of attorney or form of authorization be filed either with the application or later if a question is raised).

The Madrid implementing legislation provides a new Section 66 to the Lanham Act which does require a signed verification or declaration of a bona fide intention to use the mark by the Applicant for, or holder of, the Madrid Registration. This is a requirement established by the Lanham Act (Sec. 1(a)) for national applications which must be signed by the applicant as established by Regulation (Rule 2.33). Although elimination of the verification requirement was debated in connection with the revisions of the Lanham Act made by the Trademark Law Revision Act of 1988, it was maintained.

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does not differ from the national application or registration on which it is based. Therefore, the Regulations cannot require that the Application include a black and white drawing in cases where the mark was presented in color in the basic application or registration.

## 2. Other Application Requirements

In addition to the application requirements that must be met in order to obtain a filing date, U.S. law and practice establish other requirements for trademark applications filed with the U.S. Patent and Trademark Office. These application requirements must be fulfilled during the examination process before the application can proceed to registration. If they are not met at the time of application, or in the case of Madrid Registrations when the request for extension is received from WIPO, the USPTO must issue an office action. Increases in the number of office actions issued by the USPTO may increase trademark pendency.

### Language

The U.S. application requirement that applications must be in English will be met under the Protocol: English will be one of the Protocol's working languages

### Identification of Goods and Services

The Madrid Regulations require that Madrid Applications include an identification of the goods or services for which registration of the mark is sought, grouped according to the International Classification System of the Nice Agreement. The goods and services must be set forth in precise terms, preferably using the terms that appear in the "International Classification of Goods and Services for the Purposes of the Registration of Marks Under the Nice Agreement" (the WIPO "Red Book").<sup>12</sup>

If WIPO determines that these Madrid Application requirements are met, the U.S. would be required to process the request for extension. However, identifications worthy of a U.S. filing date and the identifications allowed for registration under current U.S. practice are two different things; the receipt of a filing date in no way guarantees that the final recitation of goods and services will be the same as that of the original request for extension of the Madrid Registration (and the original home country application or registration on which the Madrid Registration is based).

The United States requires that an applicant "specify" its goods or services with particularity and does not allow an applicant to identify an entire Class or even a Class heading in its

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<sup>12</sup>Although the WIPO Red Book is viewed by the USPTO as "controlling" regarding classification disputes, it has never been treated as a compilation of acceptable identifications of goods and services. This may raise certain practical issues as requests for extension of Madrid Registrations are examined. For example, reliance on the Red Book does not address the possibility that certain goods or services appearing in the Book may not be **sufficiently** definite for classification purposes and may have to be qualified (an asterisk (\*) is used to identify such terms). As a consequence, the alphabetical listing in the Red Book will not be useful in resolving all disputes regarding acceptable classifications and identifications. However, as Madrid Applications must include a specification of the class in which the goods or services fall, it is likely that, for the most part, the USPTO will accord a filing date to an application employing goods or services terminology found in the WIPO Red Book.

identification. Although the USPTO generally will accord a filing date to an application reciting most Class headings,<sup>13</sup> which is the type of recitation included in most Madrid Agreement Applications (many countries allow such identifications for purposes of their national law),<sup>14</sup> during examination, the USPTO will require the goods or services to be narrowed to those upon which the mark is used or for which there is a bona fide intention to use the mark (and further limitations may be imposed as a result of an opposition proceeding).<sup>15</sup> Thus, it is likely that many foreign trademark owners seeking to extend Madrid Registrations to the United States will be forced to narrow the goods or services appearing in the Registration.

The interest in assuring that applicants seeking extension of their Protocol Registrations to the United States provide specific identifications of goods and services must be balanced against the equally compelling interests of U.S. trademark owners who may seek to use the Protocol as a means of acquiring international protection. This is because a U.S. national would be limited everywhere to the goods or services identified in its application or registration since the Madrid Registration and extensions of it are based on the home application or registration.

### **Description of the Mark**

The U.S. Trademark Rules of Practice (Rule 2.37) allow for a description of the mark, including the identification of color(s), but neither is mandatory. Similar provisions exist in the proposed Madrid Regulations, but if color is claimed, the Madrid Applicant must make a statement to that effect and must identify in words the claimed color(s) and the principal elements of the mark to which the color relates.<sup>16</sup>

### **Translation of Mark**

In the United States, providing the English translation of a foreign word mark is mandatory. If it is not supplied at the time of filing, it must be supplied during the examination process. A translation is searched in the U.S. under the doctrine of foreign equivalence and is considered in

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<sup>13</sup>At times, the USPTO will not accord a filing date to an application that recites overly broad and indefinite wording, e.g., “Business” (Class 35) or “Miscellaneous” (Class 42).

<sup>14</sup>This is not likely to differ greatly from current situations that arise when an application is filed directly with the USPTO. For example, under current U.S. practice, if the USPTO’s classification or identification requirements result in an applicant having to add an additional class of goods or services to properly classify the goods or services in the initial application, a priority claim still will be valid, even if more than six months have passed between the foreign filing and the time at which the additional class is added.

<sup>15</sup>Rule 2.133(b). The Court of Appeals for the Federal Circuit has affirmed the USPTO’s ability to require a more specific identifications of goods and services than those given in a foreign registration where the identification is overly broad. In re Societe Generale Des Eaux Minerales de Vittel SA., 1 USPQ2d 1296 (TTAB 1986), rev’d on other grounds, 3 USPQ2d 1450 (Fed. Cir. 1987).

<sup>16</sup>See discussion of color above, page 14.

determining overall registrability of the mark. When a translation is submitted at the time of filing, it is inserted into the USPTO's database. This assists in the retrieval of marks that are deemed to be foreign equivalents. If translations are optional, or are inserted after the official search is conducted, an additional search for similar marks, which may not always take place, will cause these foreign equivalents to be missed.

The Madrid Regulations do not make submission of a translation a mandatory part of Madrid Applications. The Regulations provide simply that an applicant may include a translation of any word that may have a meaning in a language other than English or French, not just the language in which the Madrid Application is filed.

### **Home Office Certification**

The Madrid Regulations require the applicant's home office to certify the content of the Madrid Application or Registration as corresponding to the national application or registration on which it is based. This fulfills the U.S. requirement for a home office certification.

### **Domestic Representative**

Current U.S. law no longer requires applicants not domiciled in the United States to designate a person resident in the United States on whom notice or process may be served in proceedings affecting the mark.<sup>17</sup> Under the Madrid implementing legislation, once the USPTO notifies the International Bureau that a request for extension for protection has been refused; the holder of the international registration may designate an agent for notice or service of process.<sup>18</sup> Moreover, although designation of a domestic representative will not be required as part of the application process, it still will be necessary for Madrid Registrants to appoint an authorized domestic representative to act on its behalf if the USPTO issues an office action requiring a response. If no office action issues, the latter may not be required.

## **B. Section 8 Affidavits and Renewal; Proof of Use**

U.S. law establishes two instances when registrants must submit affidavits and proof of use: During the sixth year of the registration term and at ten-year intervals (the section 8 affidavit). (Domestic applicants must also submit proof of use in order to obtain registration.) No similar provisions exist in the Madrid Protocol and, in fact, the Protocol specifies that renewal of a Protocol Registration is accomplished merely through the payment of a fee.

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<sup>17</sup>15 U.S.C. 1051(e).

<sup>18</sup>New Section 68(d).

Although the U.S. is prohibited from requiring proof of use as a condition for renewing extensions of Madrid Registrations, there seems to be no limitation on its ability to require the submission of affidavits and proof of use at any time for purposes of maintaining a registration. The Portuguese system offers an example: Portugal requires a use affidavit every five years after registration<sup>19</sup> in order to avoid cancellation of a trademark Registration if requested by a third party.

### **C. Grounds of Refusal**

The Protocol provides that a trademark can be denied protection only on grounds that would apply under the Paris Convention, particularly Article *6quinquies* of the Stockholm text. Section B of this Article provides the following grounds:

1. When the mark is of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;
2. When the mark (i) is devoid of any distinctive character, (ii) consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or (iii) has become customary in the current language or in the bona fide and established practices of the trade where protection is claimed; and
3. When the mark is contrary to morality or public order and, in particular, of such a nature as to deceive the public. However, a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if that provision itself relates to public order.

Section C of Article *6quinquies* further provides:

1. That all the factual circumstances, particularly the length of time a mark has been in use,

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<sup>19</sup>Portuguese Decree-Law No. 16/95 January 24, 1995 requires the “Declaration of Intent to Use.” Art. 195 (1) reads:

Every five years, computed from the date of registration, except the years when renewal fees are due, a declaration of intention to use the trademark shall be filed at the National Institute of Industrial Property, without which it shall be presumed that the trademark is no longer in use.

The law goes on to state that where no declaration of intention to use is filed, third party applicants cannot be opposed and the lapse of the respective registration shall be declared at the request of any interested party. If the lapse of the registration is neither requested nor declared, the registration can be once again considered to be in force, on condition that the proprietor provides proof of use of the trademark. Art. 195(4).

must be considered in determining whether a mark is eligible for protection; and

2. No mark shall be refused for the sole reason that it differs from the mark protected in the country of origin only in respect of elements that do not alter its distinctive character or affect its identity in the form in which it has been registered in that country of origin.

By comparison, Section 2 of the Lanham Act provides that no mark shall be refused registration on the principal register on account of its nature unless it:

1. Consists of or comprises immoral, deceptive or scandalous matter or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute, or a geographical indication which, when first used on or in connection with wines or spirits after January 1, 1996, identifies a place other than the origin.
2. Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.
3. Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.
4. Consists of or comprises a mark that is confusingly similar to a mark (i) previously registered in the USPTO or (ii) a mark or trade name previously used by another and not abandoned (with certain exceptions for concurrent use registrations).
5. Consists of a mark which is (i) merely descriptive or deceptively misdescriptive as applied to the goods or services, (ii) primarily merely geographically descriptive or deceptively misdescriptive of the goods (except for certain registrable indications of origin), (iii) primarily merely a surname, or (iv) comprises any matter that, as a whole, is functional.

The application of most of these standards has been consistently applied in relation to Convention applications for decades without apparent difficulty, and, notwithstanding the example of the long period of “incorrect” application of use requirements prior to Lemon Tree,<sup>20</sup> no difficulty in applying the same standards under the Madrid Protocol is expected.

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<sup>20</sup>S.C.M. Corp. v. Langis Foods, Ltd., 539 F2d 196, 190 USPQ 288 (DC Cir. 1976).

#### **D. Republication of Protocol Applications in the U.S. Official Gazette**

Publication of a Madrid Registration in the *WIPO Gazette of International Marks* is used by current Madrid Protocol members as the notice relative to filing oppositions; these countries do not republish Madrid Registrations in their national official journals. However, the U.S. public will not find it acceptable to subscribe to and review both the U.S. *Official Gazette* and the *WIPO Gazette of International Marks*. Moreover, the significance of publication in *WIPO Gazette of International Marks*, for purposes of opposition in the United States, is not clear.

Similar questions arose before United Kingdom's accession to the Madrid Protocol on December 1, 1995. The outcome was a decision to republish in whole (but not in color) in the Trade Marks Journal all international registrations designating the U.K. after they have been examined by the Patent Office. It is believed that most in the United States would agree with the U.K. practice and conclude that Protocol Registrations should be republished in the U.S. *Official Gazette* following examination by the USPTO. Accordingly, the opposition term commences on publication in the *Gazette*. This position requires the United States to notify that its adherence to the Protocol includes its adherence to the provision allowing the notification of oppositions up to seven months after the initial eighteen month term for notifying of other absolute and relative grounds of refusal. ( New Section 68(c)(2).)

#### **E. Opposition Period**

Although agreement from the applicant is necessary to extend the period for filing an opposition beyond 120 days from publication, U.S. law and practice place no absolute limit on the length of time for filing an opposition. This could result in a conflict with the Protocol's limit of seven months for notifying WIPO of opposition grounds.

One possible solution to this conflict would be to amend U.S. regulations to limit the opposition period; however, this change has been opposed in the past. Another option would be to require prospective opposers to specify the potential grounds of opposition so that the USPTO could notify them to WIPO during the extended seven-month period. Whatever solution is found, it is possible that the U.S. opposition system (and possibly the time frames governing cancellation proceedings) may need to be modified to take into account the possible delays associated with the Protocol's requirement that all information regarding inter partes proceedings must be submitted through WIPO (rather than initially through a domestic representative).

#### **F. Amendments to Marks**

Under U.S. law it is understood that, provided a revised or amended mark is not materially different from the mark as originally registered,<sup>21</sup> the revised version of the mark is as legitimate

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<sup>21</sup>The U.S. Trademark Office has made it clear that when evaluating whether a material alteration of a mark has

as the original for purposes of filing the section 8 affidavit of use and the section 15 incontestability affidavit, as well as for renewals and enforcement. It is not abundantly clear, however, that the same analysis would apply under the Madrid Protocol. For example, the Protocol does not specifically require use of the mark for renewal. Nevertheless, Article 7(2) of the Protocol provides that, “Renewal may not bring about any change in the international registration in its latest form.”

Further, there is no provision allowing for the change of the form of the mark at any time in a Madrid Application or Registration. Thus, if the form of the mark in the basic application or registration is amended during prosecution or at any time during the first five years after the Madrid Registration, all rights gained from the Madrid Registration may be lost. In addition, amendments to the form of the mark during prosecution of the national extension, such as by adding a house mark, are not allowed under the Madrid Protocol.

### **G. Registration Issues (Non-U.S. Applicants)**

Section 44(d) of the U.S. Lanham Act permits the filing of a U.S. trademark application relying on a Convention application only during the six-month priority term. The Madrid Protocol permits filing on the basis of an application or registration, no matter how long after its initial filing. Under the Madrid implementing legislation, a holder of an international registration requesting extension to the U.S. may claim a date of priority based on the right of priority within the meaning of Article 4 of the Paris Convention if (1) the international registration contained a claim of such priority and (2) the international application contained a request for extension of protection to the U.S. or the date of recordal of the request for extension of protection is not later than 6 months after the date of the first regular national filing or a subsequent application.<sup>22</sup>

Section 44(c) of the Lanham Act provides that U.S. registration shall not be granted until registration is granted in the country of origin, unless the applicant alleges use in commerce. Section 44(f) provides that registration shall be independent of the registration in the country of origin. Since the Madrid Protocol is a filing mechanism, under which registration can be granted on the basis of an application in the country of origin, and provides that protection is dependent on, and limited in coverage by, the home country registration for five years, the implementing legislation (Sec. 70(a)) requires that the extension of protection to the U.S. be canceled if the international registration is canceled with respect to some or all of the goods or services listed in the international registration. If a holder of an international registration that has been canceled files an application to transform an extension of protection into a U.S. application (Sec. 70(c)), it should be noted that protection of the mark shall be the same as if the mark had been registered in the U.S. as from the effective date of the request for extension of protection to the United

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occurred, the mark as originally registered must be compared with the proposed amended mark. This policy is intended to avoid a “stepping stone” approach to bring about material change via a series of smaller and more subtle modifications.

<sup>22</sup>See Sec. 67 of the new Title XII of the Lanham Act contained in Sec. 13402 of H.R. 2215.

States or from the international registration date or convention priority date, whichever date applies. Such an application must be filed not later than three months after the date on which the international registration was canceled.

## **H. Assignments**

Under U.S. law, a mark may not be assigned without its associated goodwill. Although there is no similar requirement under the Madrid System, national law will govern the assignment of a mark and its associated goodwill.

Notices of assignment of Madrid Registrations are sent in the appropriate form to WIPO, which records the change. The original assignment document is not deposited with WIPO nor is it made available to national offices. Therefore, ascertaining whether goodwill has been transferred will require a search of records of the relevant national office.

## **I. The Supplemental Register**

A U.S. Supplemental Registration is not prima facie evidence of an exclusive right to use a mark, and thus does not afford protection equivalent to that of a Principal Registration, or an ordinary registration in other countries. The determination of whether a mark is qualified for registration on the Principal or Supplemental Register is based on the distinctiveness of the mark. While under Article *6quinquies* of the Paris Convention it should be permissible to limit Madrid Registrations to the Supplemental Register, the U.S. implementing legislation prohibits Madrid Registrations from being registered on the Supplemental register (Sec. 68(4)). However, if a Madrid applicant can demonstrate acquired distinctiveness, it would be entitled to registration on the Principal Register pursuant to Section 2(f) of the Trademark Act.

## **J. Concurrent Use Applications and Registrations**

The extent to which protection may be granted or denied under the concurrent use provisions of U.S. law is based on rights acquired through use of the mark. The same principle should apply under the Madrid Protocol.

## **K. Joint Applicants**

The filing of jointly owned applications is not prohibited under U.S. law. However, joint applicants must prove they are jointly, actively involved in controlling use of the mark in order to obtain U.S. registration.<sup>23</sup> If such joint, active control is not present, decisional law may

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<sup>23</sup>See Ex parte Edward Taylor and Isabelle Stone Taylor doing business as Baby's Spray-Tray Co. 18 USPQ 292

dictate that the mark is invalid (for failure to exercise joint control over the mark).<sup>24</sup> The Madrid Regulations specifically allow joint applicants. However, they require mere joint ownership, rather than joint exercise of control. This could subject otherwise valid U.S. extensions of Madrid Registrations to invalidation.

#### **L. Cancellation of Madrid Registrations**

The “central attack” provisions of the Protocol will necessitate consideration of how U.S. law will treat the rights flowing from a Madrid Registration during the time after the Registration falls under central attack and when the trademark owner exercises or fails to exercise its right to transform its rights through the filing of a U.S. application. If the trademark owner fails to exercise its transformation right during the three-month window after cancellation of the Madrid Registration, the U.S. Patent and Trademark Office will automatically abandon or cancel the U.S. record.

#### **M. Non-U.S. Companies Filing First and For Madrid In the U.S.**

In order to use the Madrid Protocol, an applicant's country of origin must be a party or member country. A country of origin includes any country that is a party to the Protocol, where the applicant is a national of the Contracting Party, or is domiciled or has a real and effective industrial or commercial establishment in the Contracting Party. This free choice of Office of origin is not available with respect to Madrid Agreement or combined Agreement/Protocol countries, where an applicant's Office and country of origin is defined as any country to the Agreement in which he has a real and effective industrial or commercial establishment; or if he has no such establishment in such a country, the country party to the Agreement in which he has his domicile; or if he has neither an establishment nor a domicile in such a country, the country party to the Agreement in which he is a national. Thus, applicants that are headquartered outside the United States, including in particular in countries that are not members of Madrid System, such as Canada and Mexico, may avail themselves of the Madrid Protocol process if they have such a sufficient relationship to the U.S. Many non-U.S. companies are expected to do this, including those whose biggest markets include the U.S. or who seek the special protections also available under US trademark, patent, tax and other laws.

This may not be a heavy burden to establish. The expression "real and effective industrial or commercial establishment" was taken from Article 3 of the Paris Convention. It was felt that the original provision, which referred only to "an establishment," was too broad and had to be restricted. By using the French term "serieux" (which was translated as "real" in English) it was

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(Comm r Pats. 1956).

<sup>24</sup>TMEP 802.03(d); Durango Herald, Inc. v. Riddle 719 F. Supp. 941 (D.C. Co. 1988).

believed that purely fraudulent and fictitious establishments would be excluded. "Effective" seems to mean that some sort of industrial, commercial, sales, marketing or management activity of the company must take place there (as opposed to a mere storage facility or warehouse), but need not be the principal place of business or headquarters. For example, in Australia, something more than a mailbox may suffice.

The U.S. Patent and Trademark Office, like in most countries, presumes the statements made in an applicant's declaration to be true; although of course, these statements may be challenged by a third party in oppositions, cancellations, infringement litigation and other proceedings. Thus, the applicant company and its counselors may determine in the first instance, if the standards required by the treaty have been satisfied. Caution must be exercised, however, not to run afoul of the more restrictive country and Office of origin entitlement rules that apply to Madrid Agreement countries or countries that are both Agreement and Protocol countries.

Once Madrid implementing legislation becomes effective, companies in non-member countries and even in member countries--whether for legal, commercial, tax or other reasons-- thus may be expected to use the U.S. Patent and Trademark Office as the Office of Origin for international registrations under the Madrid Protocol. Again, entities with a real and effective industrial or commercial establishment in a Madrid Agreement country may be precluded.

### III. THE MADRID PROTOCOL: ISSUES FOR U.S. TRADEMARK OWNERS

#### A. Effect on Trademark Pendency

Generally speaking, the rate of U.S. trademark application filings tends to rise and fall with the economy. In the 1990s, for example, the number of trademark applications had increased to the extent that six to eight months could pass before an examiner at the USPTO even opened an applicant's file. However, after nearly ten straight years of increases in application filings, the number of new trademark applications fell dramatically beginning in April, 2001.<sup>25</sup> An applicant's waiting period for initial review is now down to two to four months.

To predict what effect, if any, U.S. adherence to the Protocol is going to have on the number of new application filings with the USPTO is difficult in today's somewhat uncertain economic environment. While the number of applications may rise slightly, it is quite possible that non-U.S. trademark owners who have an interest in obtaining protection in the U.S. would likely do so, regardless of whether the U.S. is a member of the Protocol. As a consequence, these trademark owners are likely to be filing directly in the U.S. already.

Other countries did not experience a immediate flood of new "applications" (i.e. requests for extension of protection) upon joining the Madrid Protocol. This could be due, at least in part, to the inevitable learning curve/time lag during which trademark owners and practitioners are becoming comfortable with the Protocol's procedures and with the legal effect of international registrations.

Even though an immediate or dramatic increase in U.S. filings is unlikely, the USPTO is preparing itself for large increases to minimize any disruptions that may occur. From the time Congress passed the implementing legislation, the USPTO has at least one year to prepare and implement the appropriate rules and procedures for operating under the Protocol. Also, in August 2001, the USPTO published for comment a proposed rule change that would make electronic filing of certain types of trademark documents mandatory.<sup>26</sup> The USPTO believes that mandatory electronic filing will increase efficiency, improve the accuracy of the information in its automated systems, and eliminate delays caused by mailing, manual data capture, and paper processing.<sup>27</sup>

If increased filings produce dramatic increases in first action substantive examination pendency rates, it is possible that the USPTO will have to give examination priority to Madrid extensions to meet the deadlines imposed by the Protocol.

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<sup>25</sup> According to Dechert's 2002 Annual Report on Trends in Trademarks, approximately 221,725 applications for U.S. trademark registration were filed in 2001, down from nearly 287,689 in 2000. The net decrease of 66,000 applications represents a 23% drop from 2000. See Dechert's 2002 Annual Report at [www.dechert.com](http://www.dechert.com).

<sup>26</sup> 66 Fed. Reg. 169 (August 30, 2001).

<sup>27</sup> *Id.*

## **B. Effect on Trademark Searching and Clearance**

Since the implementation of the Trademark Law Revision Act of 1988<sup>28</sup> (TLRA) on November 16, 1989, trademark practitioners have recognized the need for comprehensive, accurate, and up-to-date trademark clearance searches in the U.S. The TLRA permits trademark applications to be filed based upon a mere intent-to-use the mark in commerce. The application filing date (whether based on use, intent-to-use, or a non-U.S. application or registration) confers a right of priority, nationwide in effect, contingent on the registration of the mark on the Principal Register on or in connection with the goods or services specified in the registration, against all other persons except prior users and applicants and non-U.S. trademark owners with earlier effective filing dates.<sup>29</sup> For this reason, comprehensive up-to-date searching of USPTO records is critical to ensure the availability of a proposed mark.

Participation in the Madrid Protocol affects U.S. trademark searching and clearance in several respects. First, if it becomes clear that trademark registration in the U.S. by non-nationals is more efficient and/or less costly under the Madrid System, then more non-national applications (or extension requests) are likely to be filed. This would increase both the number of marks to be searched and the potential for conflict. Second, the "period of uncertainty" (the time during which a search will not reveal all possible conflicts) is longer, thus increasing the risk that a third-party application may have been filed in the interim, or the risk that a third-party application with superior Convention priority only later comes to light. Finally, U.S. trademark owners are likely to expand their search parameters to include WIPO's trademark records (which are now available online), which will increase search costs.

### **1. Period of Uncertainty**

At the present time, the period of uncertainty in U.S. trademark searching and clearance is approximately seven months. This accounts for six months of time to cover Paris Convention priority filings plus a month before information pertaining to new applications is generally loaded or made available electronically for searching on the USPTO's database.<sup>30</sup> This time period is likely to increase to eight months or more with U.S. adherence to the Madrid Protocol.

Madrid applications are initially filed with the applicant's office of origin. That office must certify within two months: (1) that the mark in the Madrid application is the same as that in the basic application or registration; (2) that the applicant is the same person or entity listed as the owner of the basic application or registration; and (3) that the goods and services identified in the Madrid application are covered by those identified in the basic application or registration.<sup>31</sup> The office of origin then transmits the Madrid application to the International Bureau of WIPO.

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<sup>28</sup> Pub. Law No 100-667, 102 Stat. 39.

<sup>29</sup> 15 U.S.C. §1057(c).

<sup>30</sup> As of February 2002, information pertaining to new applications is available on the U.S. Trademark Electronic Search System (TESS) within 27 days of its receipt.

<sup>31</sup> Article 3(1) of the Protocol Relating to the Madrid Agreement (1989).

Thus, if the applicant files its Madrid application at the end of the six-month Paris Convention priority period, and the office of origin takes the full two months it is allotted to transmit the Madrid application to the International Bureau, eight months may elapse before the International Bureau receives information pertaining to the Madrid application.

The International Bureau then ensures that all of the filing requirements are met and that the goods and services are classified correctly.<sup>32</sup> If the Madrid application is in order, the International Bureau will record the "registration" in the International Register, publish the registration in the *WIPO Gazette of International Marks*,<sup>33</sup> and notify "without delay" the offices of the designated countries to which extension of the registration is sought.<sup>34</sup> If the application is defective, however, the International Bureau will communicate directly with the applicant. The applicant will then have up to three months from the date of communication to correct the defects. Once corrected, the International Bureau will then notify the respective national offices. Thus, in the event that there is an application defect, almost a year can elapse before a national office, such as the USPTO, receives official notification of the pertinent particulars that would enable it to enter the data from the Madrid registration into its search file. Nonetheless, the Madrid registration will generally reflect the filing date on which the Madrid application was filed with the office of origin.<sup>35</sup> However, the great majority of Madrid applications do not contain irregularities and, as such, the International Bureau will typically notify the designated countries within two weeks of its receipt of the Madrid application.

The effects of the delay in receiving information about Madrid applications will be reduced, in part, because the Madrid Regulations require WIPO to place in its automated system all information it receives pertaining to Madrid applications within three days of receipt.<sup>36</sup> This automated system is accessible to the trademark offices of Contracting Parties and to members of the general public.<sup>37</sup> To the extent the USPTO follows its present intention of duplicating the

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<sup>32</sup> Article 3(2) of the Protocol Relating to the Madrid Agreement (1989).

<sup>33</sup> The *WIPO Gazette of International Marks* is published by the International Bureau every two weeks. It contains all relevant data on new Madrid registrations, renewals, subsequent designations, and other changes affecting Madrid registrations.

<sup>34</sup> Article 3(4) of the Protocol Relating to the Madrid Agreement (1989).

<sup>35</sup> If the International Bureau does not receive the Madrid application within a period of two months from the date on which it was received (or deemed to have been received) by the office of origin, the Madrid registration will instead bear the date on which the application was actually received by the International Bureau. Article 3(4) of the Protocol Relating to the Madrid Agreement (1989).

<sup>36</sup> Rule 33(2) of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement provides: "If an international application or a designation under Rule 24 is not recorded in the International Register within three working days following the receipt by the International Bureau of the international application or designation, the International Bureau shall enter in the electronic data base, notwithstanding any irregularities that may exist in the international application or designation as received, all the data contained in the international application or designation."

<sup>37</sup> Rule 33(3) of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement.

WIPO database in its own database, this information should be readily accessible in the U.S.<sup>38</sup>

While there is no practical way to avoid this extended period of uncertainty, a second follow-up search of the WIPO database two months after filing and a regular review of the *WIPO Gazette of International Marks* may serve to alert the vigilant applicant to potential problems.

## **2. WIPO Searches**

Participation in the Madrid System will likely lead U.S. trademark practitioners to include WIPO searches as a regular part of their trademark search and clearance procedures, even if the applicant only intends to seek registration in the U.S. These searches should include both Agreement and Protocol registrations in an attempt to identify all possible conflicts. While WIPO searches will not replace searches of the respective national registers, they will nevertheless give prospective trademark owners less uncertainty when adopting a mark.

While a comprehensive WIPO search may indeed be useful in alerting trademark owners to the possibility of conflict, the information contained in the WIPO search system may be insufficient to determine the exact scope of protection enjoyed under the potentially conflicting Madrid Registration. The national offices are required to notify the International Bureau of initial objections (sometimes referred to as provisional refusals) and of the final decision on an application. While there is an interval between these even when the situation is known only to the parties; in such a case, if it is important to be aware of the current state of affairs, it may be necessary to supplement the check of the International Register by enquiring with the national office concerned.

## **C. Classification**

Pursuant to the terms of the Nice Agreement, the USPTO is obligated to use WIPO's International Classification of Goods and Services for the Purposes of the Registration of Marks, to classify every product and service into one of 45 classes.<sup>39</sup> Due to different interpretations of the International Classification system, however, there are instances in which the USPTO's classification of a particular good or service may be different from that chosen by another member country.<sup>40</sup> Thus, it is possible that the International Bureau will disagree with the classification of goods and services found in Madrid applications filed by U.S. applicants. In the case of disagreement, the Madrid System prescribes that the International Bureau's determination will control.<sup>41</sup> There does not appear to be any avenue by which an applicant may appeal the International Bureau's determination.

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<sup>38</sup> One must consider possible delays between the time WIPO transmits updated information and the availability of this information in the USPTO's database. Additionally, there is always the possibility of transmission errors.

<sup>39</sup> 37 C.F.R. 6.1; *See also* Trademark Manual of Examining Procedure Section 1401.

<sup>40</sup> As noted by the Trademark Trial and Appeal Board, the decision as to the proper classification of goods and services is a purely administrative matter, within the sole discretion of the USPTO. *In re Tee-Pak, Inc.*, 164 U.S.P.Q. 88 (TTAB 1969).

<sup>41</sup> Article 3(2) of the Protocol Relating to the Madrid Agreement (1989).

Although WIPO classification controls with respect to the Madrid registration, the USPTO may not necessarily accept it as controlling with respect to the national ("basic") application or registration. This conflict may force an applicant to delete the goods or services in question in order to maintain both its basic application or registration and the Madrid registration.

#### **D. Fees and Abandonment of Madrid Protocol Applications for Non-Payment**

Protocol Rules require that fees payable in connection with Madrid registrations must be paid in advance to the International Bureau or to the office of a contracting party.<sup>42</sup> These fees may include the basic filing fee, supplemental fees for each class of goods beyond three International Classes, and complementary fees for extension of the Madrid registration to other countries.<sup>43</sup>

As indicated above, the International Bureau may disagree with the classification of goods and services in a Madrid application. For example, the International Bureau may determine that the goods or services fall into more classes than the applicant identifies. If this occurs, the International Bureau will notify the applicant and request additional fees. The applicant is then given three months from the date of notification to pay these fees. Article 8(3) of the Protocol establishes that if the matter is not resolved within this three-month period, the Madrid application will be considered abandoned. In such an instance, the International Bureau will refund any fees paid in connection with that application, after deducting an amount corresponding to one-half of the basic fee.<sup>44</sup>

#### **E. Ease in Obtaining International Protection**

##### **1. Securing International Priority Date**

Under individual national filing rules, applicants often must submit certified copies of their home country applications in order to confirm filing priority under the Paris Convention. The Madrid Protocol greatly simplifies this process. The Madrid application must indicate the name of the national or regional office in which the earlier application was filed, together with the date of filing and (where available) the number of the application. No certification is necessary to establish a priority filing date in the countries to which protection is to be extended through a Madrid registration. However a national office may require additional information prior to granting extension of the Madrid registration to its country.

##### **2. Speed of Prosecution by National Offices**

One of the attributes of the Madrid System is the limit placed on the amount of time a national

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<sup>42</sup> See Rules 34(1) and 35(1) of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement.

<sup>43</sup> Article 8(2)(i)-(iii) of the Protocol Relating to the Madrid Agreement (1989).

<sup>44</sup> Rule 11(5) of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement. 28

office has to act once it receives a request for extension of a Madrid registration to its territory. If the office does not act to refuse protection during the allowed time, the protection of the Madrid registration is granted automatically. This time limit may offer trademark owners the prospect of receiving protection in a country sooner than would occur through the direct filing of a national application.

In contrast to the Madrid Agreement, which establishes a strict twelve-month period for notifying WIPO of a refusal, the Madrid Protocol allows a national office up to eighteen months to consider a request for national extension. This period of time may be extended in countries having an opposition system if, within the initial eighteen-month period, the office notifies WIPO of the possibility of a refusal based on an opposition. In these cases, the offices are allowed an additional seven months *from the date the opposition period begins* to notify WIPO of a refusal. If the opposition period expires prior to the time limit of seven months, the notification must be made within one month of the expiry of the opposition.

### **3. Possibility of Refusal in an Extension Country**

One of the effects of the Madrid System is that a trademark owner faces the prospect that its Madrid Registration extension will be refused on the basis of citations of marks owned by one of its related companies. Another possible cause of refusal is that some national offices currently appear to find a plethora of grounds for rejections on the basis of lack of novelty in Madrid Agreement Registration extensions. These countries may wish to restrict foreign-owned marks to protect national markets or possess an overzealous respect for Madrid Registrations.

### **4. Amendments to Marks**

The Madrid System does not permit a trademark owner to amend its mark in order to obtain extension in a member country. While under national filings the applicant may be allowed to revise its mark slightly or to add a house mark in order to avoid a conflict, this is not possible with a Madrid registration. Indeed, one of the requirements of a Madrid application is the statement that "the mark that is the subject of the international application is the same as in the basic application or the basic registration as the case may be."<sup>45</sup> In addition, Rule 25, entitled "Request for Recordal of Change," only provides for changes that relate to ownership, name or address, limitation of goods or services, renunciation of goods or services or cancellation of goods or services.<sup>46</sup> Nor does the Madrid System permit trademark owners to amend their marks upon renewal (*See above*, Amendments to Marks).

## **F. Extent of International Protection**

### **1. Dependency and Central Attack**

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<sup>45</sup> See Rule 9(5)(iv), Rule 9(6)(iv), and Rule 9(7) of \_\_\_\_\_ the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement.

<sup>46</sup> Rule 25 of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement.

For the first five years, a Madrid registration is dependent on the home country application or registration on which it is based. Thus, if a U.S. application or registration is limited or canceled, the Madrid registration, and all extensions under it, are similarly limited or canceled. After expiration of this five-year term, however, the Madrid registration is independent.

If its application or registration is limited or canceled during the period of dependency, a trademark owner may, within three months, file an application to register the same mark for the same goods with any member of the Protocol for which it previously sought or obtained extension of its rights under the Madrid System. In doing so, it maintains any priority that it had. These national applications must comply with all the requirements of applicable national law, including the payment of fees.

## **2. Goods and Services**

Under the Madrid System, the identification of goods or services found in the home country application or registration will define the extent of the trademark owner's rights in other countries. If a country permits broad identification of goods or services for national applications and registrations, the scope of protection its nationals can obtain under the Madrid System will also be broad. The opposite is also true. A country requiring narrow definitions of goods or services in its national practice will limit the scope of protection its nationals can obtain under the Madrid System. The U.S. clearly falls in the latter category.

A U.S. business filing a U.S. application with a broad identification of goods and services that proceeds to file a Madrid application faces the prospect that its Madrid rights will be limited, if during prosecution of its domestic application the goods or services are limited. This might limit the value of the Madrid System to many U.S. trademark owners who, by filing national applications, otherwise might be able to obtain broader international protection for their marks.<sup>47</sup>

## **G. Maintaining International Protection**

Once a Madrid registration is obtained, it is renewable simply by paying the required fees to WIPO. These fees consist of the WIPO renewal fee and applicable supplementary and complementary fees. Affidavits or declarations of use may be required by member countries, as Portugal now does. However, such requirements must be independent of renewal.

## **H. Assignments and Changes of Name**

Under the Madrid System, assignments and changes of name are recorded by a simple filing. However, a drawback to using the Madrid System is that a Madrid registration may be assigned

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<sup>47</sup> One possible course of action may be for the U.S. applicant to file an intent-to-use application covering a broad description of goods or services and immediately file a § 301 application claiming Convention priority. If the applicant is then required to limit or specify with particular goods or services (to meet USPTO guidelines), the Protocol registration could be transformed into national applications in the extension countries, preserving the broader coverage. However, descriptions broader than the actual intent-to-use might give rise to the possibility of attack against the resulting U.S. registration on the ground that the original application did not assert a *bona fide* intention to use.

only to a party that itself is qualified to file a Madrid application under the Protocol. This means that the assignee must be domiciled or have an establishment that is a real and commercial one in a country that is a member of the Madrid Protocol.<sup>48</sup>

Trademark owners who presently use the Madrid System have learned to live with this restriction. If the prospective assignee is not domiciled or does not have a real and commercial establishment in a country that is a Protocol member, the mark may be transferred to a subsidiary located in a country that is.<sup>49</sup>

## **I. License Records**

The option of recording licenses with the International Bureau is available. However, since national law controls the validity of a national extension of a Madrid registration, the recordal of licenses under national law still may be required. For example, Member States may object, requesting that recordation in the National Office only, or giving no legal effect to the WIPO recordation.

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<sup>48</sup> Because an assignment or change of ownership of an international registration can be recorded only if the transferee is a person (or entity) who is entitled to file international applications, complications can arise where the assignee is not domiciled or established in a country that is a member of both the Protocol and the Agreement. This is because an assignee whose country of origin is a member of the Protocol only (and not the Agreement) can only be recorded as owner of those extensions of an international registration to countries that are members of the Protocol. Similarly, if an assignee's country of origin is a member of the Agreement only (and not the Protocol), the assignee can only be recorded as owner of those extensions of an international registration to countries that are members of the Agreement.

<sup>49</sup> Due to tax implications, however, such an option may not always be feasible. Further, a trademark owner may not wish to entrust its mark to a subsidiary as it may be difficult to secure repatriation of the mark when it becomes necessary.

## **J. Costs under the Madrid Protocol**

### **1. Filing Fees**

Under the Madrid Protocol, four types of fees are required in addition to those fees needed to obtain and maintain a national registration: 1) the basic filing fee charged by WIPO; 2) the supplemental fee for each class of goods and services beyond three classes; 3) the complementary fee for designation of each country to which extension of the Madrid registration is sought; and 4) the individual fee each country may charge to process and transmit the Madrid application. It is not necessary to incur national agent or attorney fees when filing a Madrid application or requesting an extension of a Madrid registration.

The official fees under the Madrid System<sup>50</sup> are established by the Madrid Assembly, with each member country having one vote. The application, renewal, and other processing fees charged by WIPO are retained by WIPO to cover its expenses.

As an alternative to the fee system established under the Madrid Agreement,<sup>51</sup> the Madrid Protocol authorizes each national office to notify WIPO if it wishes to receive the equivalent of its national filing fee, diminished by the savings resulting from the Protocol procedure. As of February 1, 2002, only 20 out of the 55 states party to the Protocol have elected to receive individual fees, instead of a share in the complementary fees. This means that all other countries may be designated simply by paying 73 Swiss francs. The United States, as contained in the Senate advice and consent resolution, has opted to receive an individual fee the amount of which shall be the current application or renewal fee charged by the USPTO to a domestic applicant or registrant of such mark.

### **2. Agent Fees**

The Madrid System allows trademark owners to seek trademark protection in a variety of countries without incurring agent or attorney fees. If there are any objections to a Madrid registration in countries where extension is sought, however, the trademark owner must appoint a local agent or attorney to represent its interests before the national office.

Fortunately for trademark owners, the vast majority of countries currently in the Madrid System do not issue refusals of requests for extension of protection. During the first two years following the implementation of the Madrid Protocol on April 1, 1996, France accepted 96% of international registrations designating it, Germany 76%, Norway 74%, the Russian Federation 66% and Switzerland 81%. The highest rate of refusals comes from Spain, which refuses 51% of registrations designating it. An international registration designates on average 12 countries with over 40% of international registrations receiving no refusals at all.

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<sup>50</sup> For a list of current fees, see <http://www.wipo.int/madrid/en/index.html>.

<sup>51</sup> Under the Madrid Agreement, national offices were only entitled to receive a share of the income generated by the official fees charged by WIPO.

Many U.S. law firms that will assist trademark owners in requesting that U.S. applications be extended to Madrid Protocol countries have not yet addressed what they will charge a client. Nonetheless, assuming that such fees would be the standard fee charged for a U.S. application plus \$225 for each designated country, the comparison of costs between filing through the Madrid System and filing individual may be as depicted in the charts on page 34.

### **3. Renewal and Other Costs**

The potential for real cost savings in the Madrid System is realized in the simplified process by which protection is maintained. Because registrations are maintained directly through WIPO, the costs of national agent fees are avoided.

WIPO sends a renewal reminder directly to the trademark owner six months before the expiration of each ten-year term of protection. Renewal is handled directly with WIPO or through the home trademark office. The home office may impose a handling fee. The following fees are required by WIPO for renewal of an international registration: 1) a basic renewal fee;<sup>52</sup> 2) a supplemental fee for each International Class of goods/services in excess of three classes for each designated country that does not require an individual fee; 3) an individual fee for each designated country that requires one (this fee cannot exceed the home office renewal fee diminished by the savings resulting from the Protocol procedure); and 4) a complementary fee for each designated country that does not require an individual fee.

The recordal of changes in chain of title (such as changes of name, assignments, mergers) of a Madrid registration is handled in the same fashion as a renewal. WIPO does not require any documentation to support a recordal of a change of ownership other than a simple form and a 150.00 Swiss franc fee. This has the advantage of saving additional costs, such as those associated with legalizations.

## **CONCLUSION**

The effect of the U.S. joining the Madrid Protocol will be most significant in cost savings. Nonetheless, use of the Madrid System will probably be a gradual process as more and more practitioners become familiar with the international registration procedures and the legal certainty of an international registration. Ultimately, it is up to the trademark owner, in consultation with his or her trademark counsel, to determine on a case-by-case basis whether to file nationally, or through a regional system, or use the Madrid System.

INTA intends to assist practitioners in their understanding of the Madrid System through educational programs and publications. Check the INTA web site [www.inta.org](http://www.inta.org) frequently for news about upcoming programs and resources.

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<sup>52</sup> As of February 1, 2002, this fee is SF653.00.

**ESTIMATE SUMMARY FOR MADRID PROTOCOL**

COUNTRY	U.S.-BASED ATTORNEY FEES	OFFICIAL FEES	NUMBER OF CLASSES	NON-U.S. ASSOCIATE FEES	TOTAL
USA	\$650.00	*\$720.00		n/a	\$1,370.00
Austria	225.00	**43.00		n/a	268.00
China	225.00	204.00	1	n/a	429.00
Denmark	225.00	387.00	3	n/a	612.00
France	225.00	**43.00		n/a	268.00
Germany	225.00	**43.00		n/a	268.00
Japan	225.00	671.00	1	n/a	896.00
Russia	225.00	**43.00		n/a	268.00
Sweden	225.00	117.00	1	n/a	342.00
Switzerland	225.00	354.00	2	n/a	579.00
United Kingdom	225.00	306.00	1	n/a	531.00
				TOTAL	\$5,831.00

\* For new trademark applications, includes U.S. fee of \$325 and the one time WIPO fee of SF 653. If a U.S. trademark registration already exists, only the WIPO fee plus a possible handling charge by the USPTO will be charged.

\*\* Complementary fee set by WIPO for each designated country. Some countries apply their own individual fees.

**ESTIMATE SUMMARY FOR SEPARATE NATIONAL APPLICATIONS**

COUNTRY	U.S.-BASED ATTORNEY FEES	OFFICIAL FEES	NON-U.S. ASSOCIATE FEES	TOTAL
USA	\$650.00	\$325.00	\$ 0.00	\$ 975.00
Austria	610.00	85.00	642.00	1337.00
China	610.00	121.00	340.00	1,071.00
Denmark	610.00	276.00	641.00	1,527.00
France	610.00	192.00	411.00	1,213.00
Germany	610.00	262.00	429.00	1,301.00
Japan	610.00	158.00	955.00	1,723.00
Russia	610.00	300.00	370.00	1,280.00
Sweden	610.00	116.00	398.00	1,124.00
Switzerland	610.00	478.00	621.00	1,709.00
United Kingdom	610.00	285.00	438.00	1,333.00
			TOTAL	\$14,593.00

# **APPENDICES**

A - Comparison of Application Requirements

B – Application Process Flow Charts

C - Timeline on U.S. Adherence

# **Appendix A**

**APPENDIX A**

**Comparison of Application Requirements  
(Note: Madrid Protocol Application Requirements  
as contained in U.S. Implementing Legislation)**

	<u>U.S. APPLICATIONS</u>			<u>MADRID PROTOCOL APPLICATIONS</u>
	Sec. 1(a)	Sec. 1(b)	Sec. 44	
<b>Filing Date Requirements:</b>				
Written application	Yes	Yes	Yes	Yes
Domicile and citizenship	No*	No*	No*	No
Date of first use	No*	---	No*	No
Goods and/or services	Yes	Yes	Yes	Yes
Mode or manner of use?	No	No	No	No
Verification/Declaration signed by applicant (or someone with the requisite authority)	No*	No*	No*	No
Statement indicating a bona fide intent to use mark	---	No*	No*	No <sup>1</sup>
Drawing	Yes	Yes	Yes	Yes
Specimens	No*	---	No	No
Filing Fee	Yes	Yes	Yes	Yes
Domestic representative, if foreign applicant	No*	No*	No*	No
Certified copy/certification of national application/registration ?	---	---	No*	Yes
<b>Other Requirements:</b>				
Name and address for communications	Yes	Yes	Yes	Yes

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<sup>1</sup> The signed statement of *bona fide* intent to use the mark is required only when the Contracting Party has notified the Director General that it requires a separate and signed declaration.

**U.S. APPLICATIONS**

**MADRID  
PROTOCOL  
APPLICATIONS**

	Sec.1(a)	Sec.1(b)	Sec.44	
Basis for filing	No*	No*	No*	Yes <sup>2</sup>
<b>Requirements for Written Application:</b>				
English language	Yes	Yes	Yes	Yes
One side of paper	No	No	No	No
Signed by applicant	No*	No*	No*	No <sup>3</sup>
Class(es)	No*	No*	No*	Yes
Description of mark, if applicable	No*	No*	No*	Yes <sup>4</sup>
Description of colors, if applicable	No*	No*	No*	Yes
Identification of prior registrations	No*	No*	No*	No
<b>Examination Requirements:</b>				
Transliteration of mark	Yes	Yes	Yes	Yes
Translation of mark	Yes	Yes	Yes	No

Note: Items identified with an asterisk (\*) are generally not required as a prerequisite for obtaining a filing date in the United States. However, such items are necessary before the application will be approved for publication.

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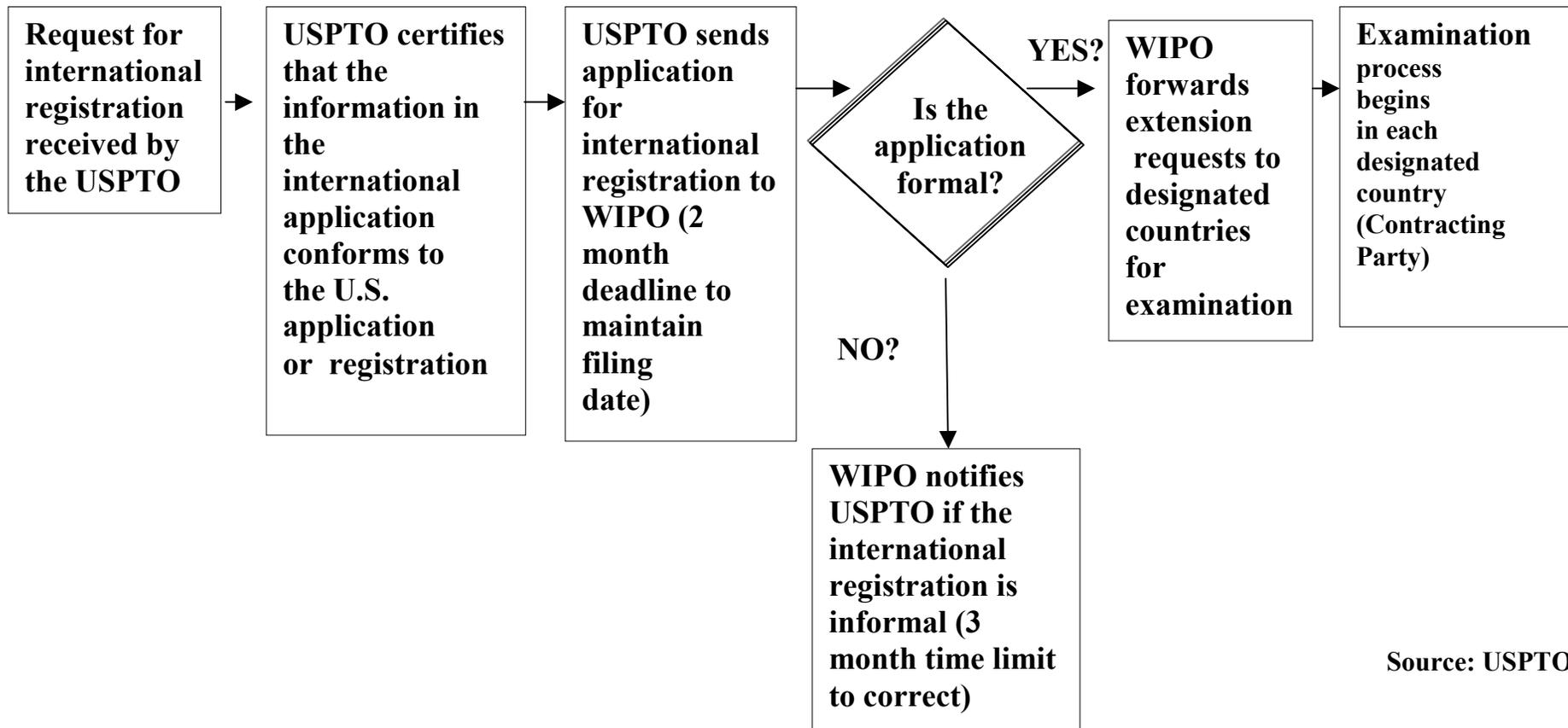
<sup>2</sup> The applicant must specify whether the international application is based on a basic application or registration.

<sup>3</sup> Not required unless specifically required by the office of origin (but the absence of which will not be questioned).

<sup>4</sup> Will be required if contained in the basic application/registration.

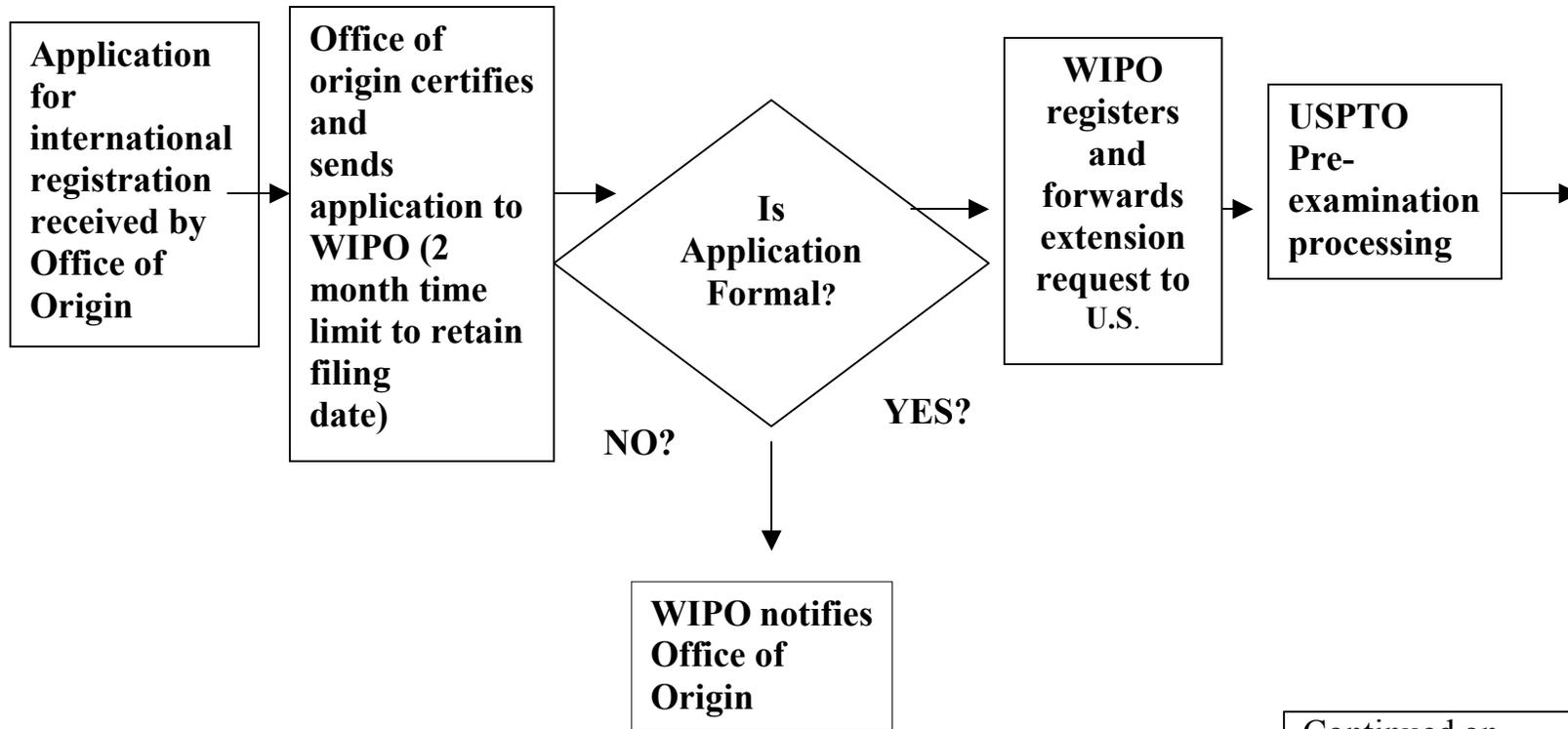
# **Appendix B**

# U.S. Applicant/Registrant Seeking International Registration



Source: USPTO

# Non-U.S. Trademark Owner Seeks an Extension of Protection to the United States

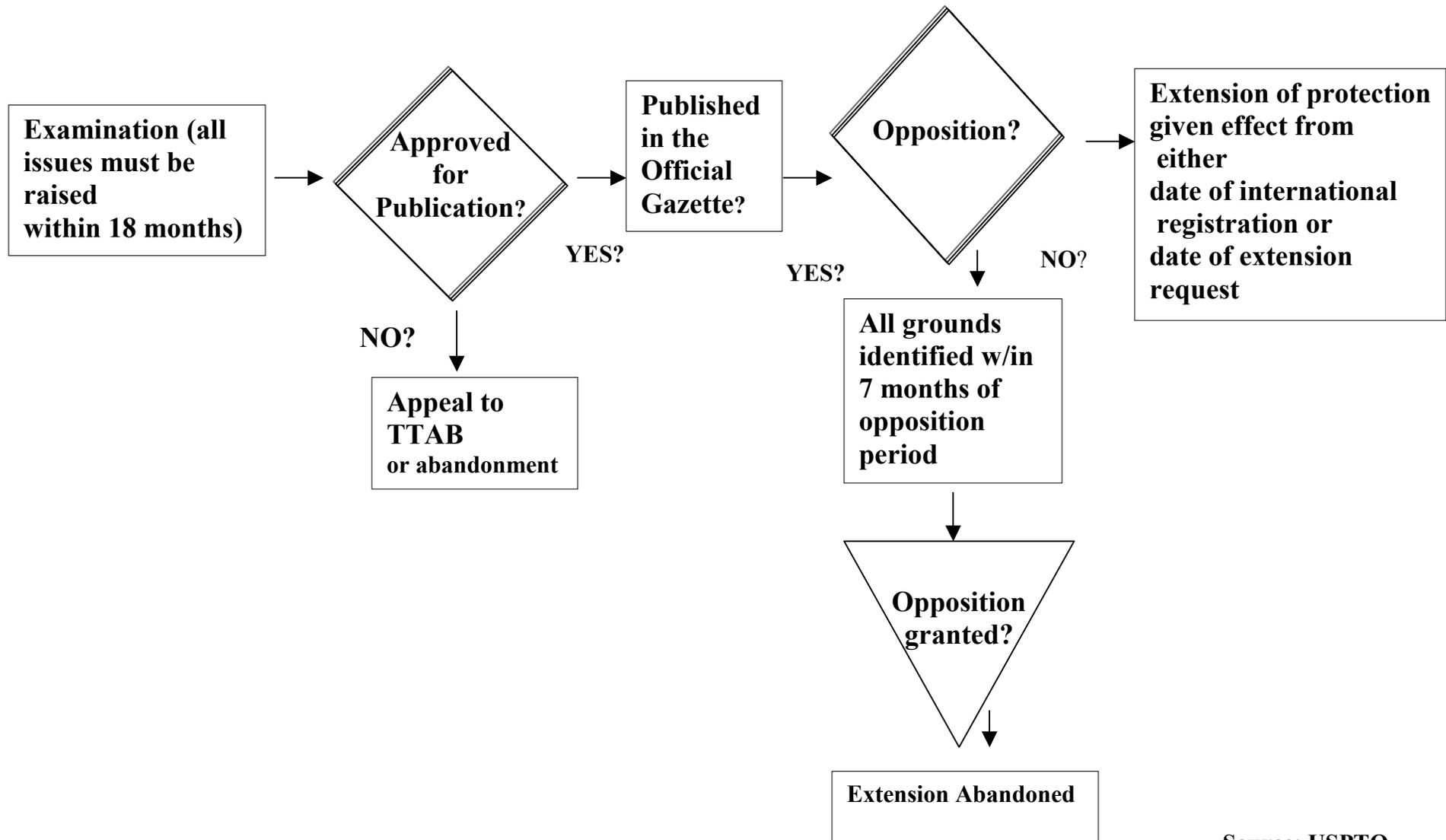


Continued on next page

Source: USPTO

# Non-U.S. Trademark Owner Seeks an Extension of Protection to the United States

continued



# **Appendix C**

## **Madrid Protocol Time Line**

### **June 1989**

Madrid Protocol Diplomatic Conference concludes

### **September 1990**

INTA and other IP associations support U.S. adherence.

### **May 1993**

USPTO testifies in support of treaty during House of Representatives hearing.

### **May 1994**

State Department announces United States will not join treaty due to EU voting rights issue.

### **October 1994**

The United States and the European Union (EU) deadlock over voting rights during Trademark Law Treaty Diplomatic Conference. House of Representatives passes implementing legislation (H.R. 2129) but Senate refuse to act until the treaty is submitted by the President.

### **July 1995**

Implementing legislation (H.R. 1270) reported by House Judiciary Subcommittee on Courts and Intellectual Property, but no further action taken.

### **April 1996**

The Madrid Protocol and EU Community Trade Mark Systems become operational.

### **November 1997**

United States approaches EU about a consensus voting arrangement for the Madrid Protocol.

### **January 1998**

Voting rights proposal stalled due to controversy over EU joining the Protocol.

### **May 1998**

House of Representatives passes implementing legislation (H.R. 567) but Senate refuse to act until the treaty is submitted by the President.

### **March 1999**

EU Commission resigns.

### **April 1999**

House of Representatives passes implementing legislation (H.R. 769).

### **June 1999**

Diplomatic Conference on WIPO Industrial Designs treaty agrees to consensus voting for EU similar to 1996 WIPO Copyright and Performances treaties.

### **July 1999**

New College of Commissioners appointed.

### **February 2000**

EU accepts U.S. voting arrangement proposal.

### **March 2000**

Senate Judiciary Committee reports implementing legislation (S.671).

**September 2000**

President Clinton submits treaty to Senate for advice and consent, but political battle over HAVANA CLUB trademark delays action on Madrid by Senate Foreign Relations Committee.

**November 2000**

National elections result in delayed determination of who won the Presidency and leaves the Senate in a 50/50 split between Republicans and Democrats. 106<sup>th</sup> Congress ends without Senate action on Madrid Protocol.

**January 2001**

New Bush Administration takes office. Compromise on HAVANA CLUB and Madrid Protocol proposed.

**March 2001**

House of Representatives passes Madrid implementing legislation (H.R. 741).

**June 2001**

Democrats take control of U.S. Senate.

**July 2001**

Senate Judiciary Committee reports implementing bill (S. 407) for floor action.

**August 2001**

New Senate Foreign Relations Committee Chairman requests list of priority treaties from Bush Administration. President and Congress go on vacation until September.

**September 2001**

Terrorist attacks on New York and Washington, and anthrax contamination of Senate office buildings disrupts congressional schedules.

**November 2001**

Senate Foreign Relations Committee reports favorably the advice and consent resolution on the treaty, which includes compromise language on HAVANA CLUB dispute. Congressional session ends before action taken.

**January 2002**

Clash over progress of Senate Judiciary Committee action on federal judge appointments results in Republican hold on all legislation reported out by the Judiciary Committee.

**April 2002**

Senate and House Judiciary staff agree to include Madrid implementing legislation in Department of Justice Authorization Conference Report.

**September 2002**

House overwhelmingly approves DOJ Authorization conference report.

**October 2002**

After cloture vote of 93-5, Senate by unanimous consent passes DOJ Authorization conference report on October 3. Bill is not sent to president for signature until House and Senate pass a concurrent resolution on technical corrections to the bill. On October 17, Senate passes concurrent resolution and agrees to the advice and consent resolution on the treaty.

**November 2002**

President signs bill (H.R. 2215) into law on November 2. The Administration has until at least November 2, 2003 to promulgate the implementing rules and to deposit the instrument of accession with WIPO.

**March 2003**

USPTO publishes draft implementation rules. Comments due by May 27.