

INTERNATIONAL TRADEMARK REGISTRATION UNDER THE MADRID PROTOCOL

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Bruce A. McDonald¹

On November 2, 2003, amendments to the U.S. trademark law became effective, providing a long-awaited opportunity for international trademark registration under the Madrid Protocol.² These amendments to the Lanham Act³ have significantly reduced the cost of international registration of trademarks for some U.S. companies and the extension of trademark protection into the United States for some foreign companies.

Introduction

This paper describes the changes brought about by U.S. accession to the Madrid Protocol and outlines, for the benefit of U.S. trademark owners and practitioners, the procedure for obtaining a single international trademark registration effective in up to 88 countries.⁴ For international practitioners and foreign trademark owners, this paper explains the steps necessary to extend the coverage of an international registration into the United States. Copies of the treaty language and relevant provisions of the Lanham Act are appended as Exhibits A and B respectively.

United States accession to the Madrid Protocol was heralded as the most significant change in American trademark practice since the Lanham Act amendments of 1988.⁵ The projected impact on

¹ Shareholder, Buchanan Ingersoll & Rooney PC, 1700 K St., N.W., Suite 300, Washington, D.C. 20006.

² Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, signed at Madrid, June 28, 1989 (the "Madrid Protocol"), implemented by Title III, Subtitle D of the 21st Century Department of Justice Appropriations Authorization Act, Public Law 107-273, 116 Stat. 1758, 1921 (Nov. 2, 2002) (the "Madrid Protocol Implementation Act").

³ Federal Trademark Act of 1946, as amended (the "Lanham Act"), 15 U.S.C. §§ 1051 *et seq.* The amendments appear in §§ 60 *et seq.*, 15 U.S.C. § 1141 note.

⁴ Albania, Algeria, Antigua and Barbuda, Armenia, Australia, Austria, Azerbaijan, Bahrain, Belarus, Belgium, Bhutan, Bosnia and Herzegovina, Bulgaria, China, Colombia, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Egypt, Estonia, European Union, Finland, France, Georgia, Germany, Ghana, Greece, Hungary, Iceland, Iran, Ireland, Israel, Italy, Japan, Kazakhstan, Kenya, Kyrgyzstan, Latvia, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Madagascar, Mexico, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Netherlands, New Zealand, Norway, Oman, Philippines, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, San Marino, Sao Tome and Principe, Serbia, Sierra Leone, Slovakia, Slovenia, Spain, Susan, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, United Kingdom, United States, Uzbekistan, Viet Nam and Zambia. See <http://teasi.uspto.gov/TEASi/ControllerServlet?actionselection=0&formnumber=1&server=http://teasi.uspto.gov&now=1364852194410>.

⁵ Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 134, 102 Stat. 3935, 3948 (1988). The Trademark Law Revision Act amended the Lanham Act to provide that an application may

strategies for trademark prosecution practice was described as potentially “sweeping,”⁶ and the trade media at the time of accession was replete with analysis.⁷ Whether the impact of the Madrid Protocol has lived up to its billing is another question. In any event, the purpose of this paper is to provide a practical guide for trademark owners and their counsel in determining whether, and to what extent, they will rely on the Madrid Protocol.

I. Summary of Changes in U.S. Trademark Law

As a result of U.S. accession to the Madrid Protocol, U.S. trademark owners gained the ability to file a single international application at the PTO, designating up to 87 countries,⁸ for a single set of fees that corresponds to the number of the countries designated for coverage. U.S. membership in the Madrid Protocol eliminated the need for U.S. trademark owners and practitioners to retain a domestic representative in any of the designated countries, at least prior to encountering a legal obstacle to registration in a particular country. In conformance with the treaty, the Lanham Act now provides a reciprocal right to foreign owners of international registrations to extend coverage of their registrations into the United States without the need to designate a domestic representative. The law thus allows U.S. trademark owners, for the first time, to register trademarks in multiple countries by means of:

- a single application,
- filed in a single language,
- in a single location,
- with a single set of specimens,

be filed based on a *bona fide* intent to use a mark. The 1988 Amendments also reduced the registration term from twenty to ten years.

⁶ Moore and Jakobsen, “Altering the Intellectual Property Playing Field with Sleight of Hand,” *Intell. Prop. Today*, p. 32 (March 2003). A former president of the U.S. Trademark Association, noting that “corporations are already pulling trademark work in house,” stated in a published interview that “[w]ith the Madrid Protocol, businesses may decide to let a legal assistant do the filing for them.” O’Brien, “Sun Shining on Midwest Patent Practices While West Coast Fades,” *Chi. Law.*, p. 8 (March 2003).

⁷ See Nicholson & Smith, “Madrid Protocol About to Take Effect in U.S.; Filing of One Application for Trademark Registration Covers up to 59 Countries,” *N.Y. L.J.* (Oct. 20, 2003); Borchard, “The Madrid Protocol and the Community Trademark,” *Intell. Prop. Litig. Rptr.* (Oct. 14, 2003); Hines, “Practical Considerations of Using the Madrid Protocol,” 5(2) *Mealey’s Litig. Rptr. Trademarks* 16 (2003); International Trademark Association, “Issue Brief: the Madrid Protocol: Impact of U.S. Adherence on Trademark Law and Practice,” 92 *Trademark Rptr.* 1430 (Nov.–Dec. 2002); Welch, “Madrid Bound: The United States Approaches Ratification of the Madrid Protocol” (two-part series), *Intell. Prop. Today* (December 2000, and January 2001); Medansky, “U.S. Signs on to Madrid Protocol,” 25(68) *Nat’l L. Rev.* 68, p. C1 (Jan. 20, 2003); Retsky, “New Law Protects Marks Worldwide,” *Marketing News*, p. 10 (April 14, 2003); Huston and Reynolds, “Foreign Filing Strategies for U.S. Trademark Owners in Light of the Madrid Protocol,” *Intell. Prop. Today*, p. 18 (April 2003). Deligiannis, “Madrid Protocol Globalizes Trademark Protection,” *Corp. Legal Times* (Jan. 2003); Cantor and Chetek, “International Trademark Registrations Now Eased,” 1(24) *Conn. L. Trib.* 15 (Jan. 24, 2003).

⁸ Not counting the United States which, by definition, will not be covered by the international registration since it is already covered in the basic application, but including the European Union in addition to its constituent countries.

- a single set of fees,
- in a single currency, all resulting in
- a single international registration.

Implementation of the Madrid Protocol brought the United States into a multilateral framework for trademark registration established by the Madrid Agreement in 1891.⁹ However, the Madrid Protocol is a separate treaty and is not—despite its name—a “protocol” to the Madrid Agreement. The two Madrid treaties form a framework known as the Madrid System, administered by the International Bureau of WIPO in Geneva.

Any country that is a party to the Paris Convention¹⁰ may become a party to the Madrid Agreement, the Madrid Protocol, or both. Currently 56 countries belong to the Madrid Agreement, 88 countries belong to the Madrid Protocol, 55 countries belong to both, and 89 countries belong to one or both.¹¹ Collectively, these countries constitute the Madrid Union.

II. Relationship of Madrid Agreement to Madrid Protocol

To understand the impact of U.S. accession to the Madrid Protocol, it is necessary to begin with the advantages of international registration under the 1891 Madrid Agreement. The purpose of the Madrid Agreement was to facilitate the international protection of trademarks by simplifying and reducing the cost of registering trademarks in multiple countries. Although the desirability of that aim was never in question, the Madrid Agreement was perceived to have certain shortfalls, and the 1989 Madrid Protocol was intended to correct those deficiencies. However, the essential element of simple and inexpensive international registration under the Madrid Agreement is the *raison d'être* of both treaties.

A. Advantages of Madrid Agreement

1. Single International Registration

The Madrid Agreement was established in 1891 to provide for a single and inexpensive international trademark registration and to eliminate the need for filing and prosecuting separate applications or maintaining separate registrations in multiple countries. The simplicity and economy of

⁹ Madrid Agreement Concerning the International Registration of Marks of April 14, 1891 (the “Madrid Agreement”), as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Nice on June 15, 1957, and at Stockholm on July 14, 1967, and as amended on September 28, 1979, 23 U.S.T. 1353, 828 U.N.T.S. 389.

¹⁰ Convention of Paris for the Protection of Industrial Property of March 20, 1883 (the “Paris Convention”), 13 U.S.T. 1, T.I.A.S. No. 4931, revised at Brussels on December 14, 1900, at Washington, D.C., on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305.

¹¹ As of January 1, 2013, the only country that belonged to the Madrid Agreement but not the Madrid Protocol was Algeria. See <http://teasi.uspto.gov/TEASi/ControllerServlet?actionselection=0&formnumber=1&server=http://teasi.uspto.gov&now=1364852194410>.

the procedure are apparent from the forms¹² and fees¹³ published by WIPO and prescribed by the PTO for Madrid filings. The filing fees for the initial application and for subsequent extensions of protection into particular countries depend on the countries to which coverage is extended but may be calculated by “plugging in” the designated countries and paying a single set of fees that is allocated among the trademark offices of the countries to which the international registration is sought to be extended.

2. Multinational Coverage

The international registration of a trademark by WIPO leads to a “bundle of national registrations” in the Madrid countries designated by the trademark owner. The designation may be made in the original international application or in a subsequent request.

An international registration under the Madrid Agreement, when extended into a country that is a member of the Agreement, is the legal equivalent of a national registration in that country. If no refusal of registration is communicated by the trademark office of that country to WIPO within the relevant time (twelve months under the Madrid Agreement, extended to eighteen months or longer under the Madrid Protocol), the protection of the mark in that country will be the same as if it had been registered in that country.

An international registration has no legal effect apart from its extension into a particular country. This distinguishes it from a “supranational” registration such as the European Community Trade Mark (CTM).

The extension of an international registration into a particular country carries the priority date of the original international application, provided the extension is requested within six months from the priority date of the basic application or registration as permitted by the Paris Convention.¹⁴ Subsequent requests for designation carry their own priority dates. Thus, a single international registration may have separate priority dates in various jurisdictions.

The priority date of an international registration will “trump” a later-filed national application in a particular country only if the Paris Convention priority date of the request for extension into that country—either in the original international application or filed subsequently but within the six-month period permitted by the Paris Convention—predates the national application. In other words, the priority date of a national application filed by a third party after the date of the international registration but before the priority date of the international registrant’s request for extension into that country will “trump” the priority date of the international registration.

Although it is a single registration, protection for an international registration may be refused by some of the member countries, and the protection may be limited or renounced with respect to some of the designated countries. An international registration under the Madrid System may also be invalidated for nonuse or other reason with respect to one or more of the designated countries.

3. Severability and Assignment

¹² <http://www.wipo.int/madrid/en/forms>.

¹³ <http://www.wipo.int/madrid/en/fees/calculator.jsp>.

¹⁴ Article 4 of the Paris Convention provides that any person who has duly filed an application for registration of a trademark in a country that is a member of the Paris Convention (referred to as the “Union”), shall enjoy, for the purpose of filing in the other countries belonging to the Union, a right of priority for a period of six months following the filing of an application in another country that is a member of the Union. This period is referred to in the trade as “Paris Convention priority.”

An international registration under the Madrid Agreement has the desirable ability to be assigned with respect to only some of the designated countries, although actions for infringement of international registrations must be brought separately in each of the member countries concerned. This feature distinguishes the Madrid registration from a “unitary” regional right such as the Community Trade Mark (CTM). The CTM, unlike the Madrid registration, cannot be refused, limited, or transferred with respect to only a part of the territory covered by the right, although the CTM has the advantage that it can be enforced, unlike the Madrid Registration, by a single legal action covering infringement occurring anywhere in that territory.

4. Simple and Inexpensive Post-Registration Filings

Registration under the Madrid Agreement can result in a substantial reduction of costs incurred over time in monitoring deadlines, investigating uses, preparing declarations and related filings, and similar trademark maintenance in multiple countries. Under the Madrid Agreement, there is only one registration to renew, and changes such as ownership or the name or address of the holder, or a limitation in the recitation of goods and services, can be recorded in the *WIPO Gazette of International Marks* through a single and simple filing at WIPO.

B. Deficiencies of Madrid Agreement

Although the international trademark registration system was created in 1891 by the Madrid Agreement, the United States and a number of other major countries¹⁵ refused to join the Agreement because of the following perceived defects.

1. Registration (Not Mere Application) Required in Home Country

An international registration under the Madrid Agreement can be obtained only after registration of the mark in the home country (the “basic” registration). A mere application for registration of the mark will not suffice. This was a major problem for U.S. trademark owners because, unlike the *pro forma* registration of marks in most countries, trademark registrations in the United States are issued only after substantive and often time-consuming examination by the PTO, and then only after publication in the PTO *Official Gazette* following which interested parties have an opportunity to institute an opposition proceeding. Because registration of trademarks in the United States takes longer than in other countries, registration under the Madrid Agreement would subject U.S. trademark owners to a disadvantage vis-à-vis international applicants in respect to priority.

Under the Madrid Protocol, an “application” in the home country, and not merely a “registration,” will support an application for international registration. To the extent that a trademark application in the United States is essentially equivalent to a registration in other countries, it would be odd if such a semantic difference had kept the United States out of the Madrid System for 112 years, and indeed there are more substantive shortcomings in the Madrid Agreement in the view of those countries that declined to become members.

2. Unlimited Risk of “Central Attack”

Under the Madrid Agreement, an international registration is dependent on the validity of the “basic” or “home” registration for a period of five years from the date of the registration. During that time, cancellation of the basic registration, or a restriction in the recitation of goods and services in the basic registration, can invalidate the international registration in whole or part.

The vulnerability to “central attack” under the Madrid Agreement, measured as of the date of “registration” as opposed to the date of “application,” would place U.S. trademark owners at a

¹⁵ *E.g.*, Australia, Denmark, Finland, Greece, Iceland, Ireland, Japan, Netherlands, Republic of Korea, Singapore, Sweden, Turkey, and the United Kingdom.

disadvantage vis-à-vis other international trademark owners, because their U.S. registrations would be more recent, having been delayed by substantive examination at the PTO, and their international registrations would have correspondingly later priority dates.

More significantly, U.S. trademark owners balked at the possibility of forfeiting all rights under an international registration at *any* time based on the unpredictable outcome of an opposition or cancellation proceeding brought by a third party at the PTO.

The Madrid Protocol resembles the Madrid Agreement in providing for cancellation or restriction of the international registration if the basic application or registration is abandoned, cancelled, or restricted within five years of the international registration date. In fact, with regard to the time period within which such an attack may occur, the Madrid Protocol goes further than the Madrid Agreement in allowing for cancellation or restriction after the five-year period if it is based on action taken within the five-year period.

However, the Madrid Protocol, unlike the Madrid Agreement, gives the international registrant an “out” in the event that his basic application or registration is refused, cancelled, or restricted within the relevant period. Under the Madrid Protocol, a trademark owner whose basic application or registration is refused, cancelled, or restricted within that period may transform his international registration into one or more national applications benefiting from the filing date and any priority date in the original international registration. The possibility of transforming the basic registration into one or more national registrations is the principal distinction between the Madrid Protocol and the Madrid Agreement.

3. Examination Period Too Short

The Madrid Agreement allows only twelve months for the trademark office of a member country to reach a final refusal on an application for extension of the international registration into that country. This period was considered too short by the United States, where trademark applications are examined substantively and where requests for extension of coverage would be subjected to similar scrutiny. Under the Madrid Protocol, the time limit for a country to refuse registration may be extended to eighteen months, and longer if an opposition is filed.

4. Filing Fees Lower Than Corresponding PTO Fees

The official filing fees designated by the Madrid Agreement (and updated periodically) are less than corresponding fees in the United States. This fact would contribute to the disadvantage of U.S. trademark owners in comparison to their foreign counterparts. In contrast to the Madrid Agreement, the Madrid Protocol allows its member nations to charge fees for the extension of international registrations into their territories that are equivalent to their national trademark filing fees.

5. Limitations on Assignability

One feature of the Madrid Agreement, characterized as a significant drawback by some observers, was *not* “fixed” by the Madrid Protocol. This drawback is the limitation imposed on recordation of an assignment of an international registration. Although a Madrid registration may be assigned with respect to only some countries, the assignment of an international registration by a trademark owner who is a national of a Madrid Agreement and/or Madrid Protocol country may only be recorded at WIPO if the assignor and assignee are parties to the same treaty. This peculiarity brings into play the impact of national laws on the legality of such an assignment.

Under the Madrid Agreement and the Madrid Protocol, the assignment of an international registration may be recorded in a single filing with a single fee, and may be recorded as to some but not

all of the contracting jurisdictions.¹⁶ However, the assignee in each instance must be a person who would be entitled to file an international application under the Madrid System, that is, a person who is a national or a domiciliary of, or has a real and effective industrial or commercial establishment in, a member country. Although this limitation affects only the recordation of an assignment, rather than the legality or validity of the assignment, it is a significant limitation for a purchaser who wants the ability to record an assignment of the rights he has purchased. The inability of a potential purchaser of trademark rights to record the assignment may have a significant impact on whether and in what form a business transaction is conducted.

As to the legality of an assignment of an extension of protection in a particular country, and the impact of the refusal by WIPO to record the assignment, national law will govern. In the United States, Section 72 of the Lanham Act, as amended, incorporates this limitation by providing:

An extension of protection may be assigned, together with the goodwill associated with the mark, only to a person who is a national of, is domiciled in, or has a *bona fide* and effective industrial or commercial establishment either in a country that is a Contracting Party or in a country that is a member of an intergovernmental organization that is a Contracting Party.¹⁷

C. Overlapping Membership in Madrid Agreement and Madrid Protocol

The number of countries to which an international registration may be extended corresponds to the national origin of the basic application or registration and may include the signatories to the Madrid Agreement, the Madrid Protocol, or both. For international applications based on U.S. trademark registrations, potential protection is limited to the territory of the Madrid Protocol members. Consequently, the matrix of overlapping membership in the two treaties will not interest most U.S. trademark owners.

However, the open and closed sets of territory resulting from overlapping treaty membership may be critical to multinational companies who are eligible to register their marks internationally under the Madrid Protocol or the Madrid Agreement and for whom coverage is critical in one or both of the territories represented by those treaties. Such dual eligibility may result from ownership of identical applications or registrations in multiple countries (assuming membership of the applicant's government in both treaties). Recognizing this distinction, WIPO provides one form for international applications governed exclusively by the Madrid Protocol, and a separate form for applications governed by both the Madrid Agreement and the Madrid Protocol.

In addition to requiring consideration by some applicants at the time of filing, overlapping membership in the Madrid treaties may require a court to determine which is applicable to a particular dispute. The possibility of a conflict between the Madrid Agreement and the Madrid Protocol is addressed by the "Safeguard Clause" in the Madrid Protocol.¹⁸ The Safeguard Clause provides that where the basic international application or registration is in a country belonging to both the Agreement and the Protocol, the application or registration will, with respect to any other country also party to both the Agreement and the Protocol, be governed exclusively by the Agreement. In other words, designations made by an applicant or holder from a country that is party to both treaties will be governed by the Protocol as regards countries bound only by the Protocol, and by the Agreement as regards countries bound by the Agreement, whether or not the latter countries are bound also by the Protocol.

D. Relationship to Other Recent Trademark Treaties

¹⁶ This feature is somewhat peculiar as it allows a single mark to represent difference sources for the same products or services in different geographic locations under a regime of international intellectual property protection in which "harmonization" has been the driving impetus.

¹⁷ 1 5 U.S.C. § 1141(l).

¹⁸ See Madrid Protocol Article 9sexies ¶ 1.

United States accession to the Madrid Protocol is part of a move toward harmonization of international intellectual property standards generally, and specifically toward conformance to substantive and procedural standards in international trademark protection. The trend is reflected in the Lanham Act amendments of 1988¹⁹ and the 1999 Trademark Law Treaty Implementation Act.²⁰

E. Relationship to Other International Trademark Organizations

One of the main goals of the Madrid Protocol is to facilitate links among and between organizations such as the European Community and the African Intellectual Property Organization (OAPI). When the EU became a party to the Protocol, it became possible for an international application to be based on an application or registration filed with the Office for Harmonization in the Internal Market (OHIM). Similarly, it became possible to obtain the effects of a European Community registration by designating the European Community in an international application or subsequent to the international registration.

F. Volume of New Filings Resulting From U.S. Accession to Madrid Protocol

International registration under the Madrid System is widely used by trademark owners in the Madrid countries. Accession to the Madrid Protocol by the United States was therefore expected to result in a quantum increase in reliance on the Madrid System for the international registration of trademarks. The question at the time was not whether trademark owners would use the Madrid System, but whether they would relinquish their national registrations in multiple countries in reliance on the Madrid System.

In the actual event, it would appear that most U.S. companies remain uncertain about the nuances and possible pitfalls of the Madrid Protocol, and those that have filed international applications have in large part maintained their existing registrations and even filed new applications in the various countries where trademark protection is sought. Especially for trademark owners with sufficiently large investments in their international brands relative to the cost of foreign trademark registration in multiple countries, the question has been not so much whether to utilize the Madrid System but whether to rely on the Madrid System exclusively in some or all countries where it is available. On the other hand, for smaller companies in respect to whom the cost of foreign registration is more significant, the availability of the Madrid Protocol has offered an enhanced opportunity for international brand expansion.

III. Procedure for Filing an Application for International Registration

A. Where to File

Because the PTO subjects applications to substantive examination and is apt to restrict the breadth of goods and services recited in them,²¹ multinational corporations, and trademark owners with “basic” applications or registrations outside the United States may have an incentive to apply for international registration through the trademark office of another country.²²

¹⁹ The Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 134, 102 Stat. 3935, 3948 (1988), amended the Lanham Act to provide that an application may be filed based on a *bona fide* intent to use a mark. The 1988 Amendments also reduced the registration term from twenty to ten years.

²⁰ See Pub. L. No. 105-330, 112 Stat. 3064, easing requirements for obtaining filing date and harmonizing renewal requirements with international standards.

²¹ The PTO, unlike the trademark offices of most other countries, prohibits the recitation of broad classes of goods and services, e.g., “clothing” or “computer software,” and instead requires precise specifications, e.g., “shirts” or “financial accounting software.”

²² The opportunity to make such an election will be problematic because it assumes the trademark owner has applications or registrations in more than one country that are not all based on a

The issue of “forum selection” will not be discussed here except to observe that the possibility of an election may exist for some trademark owners. This chapter assumes that the trademark owner desires to file an application in the United States, for whom the first issue will be whether he is eligible to do so.

B. Eligibility to File International Application at the PTO

The Lanham Act, as amended, provides that the owner of a “basic” application²³ pending at the PTO or a basic registration²⁴ granted by the PTO may file an international application at the PTO if that person is a U.S. national, domiciled in the U.S., or has a real and effective industrial or commercial establishment in the U.S.²⁵ However, the Madrid System cannot be used by a party that lacks the necessary connection with a member of the Madrid Union, nor can it be used to protect a trademark outside the Madrid Union.

IV. Contents of International Application

An international application filed at the PTO must replicate the form already in use by WIPO. Although international applications may not be filed directly at WIPO, forms for international applications are published by WIPO, and the Madrid Protocol Implementation Act provides for “written application in such form, together with such fees, as may be prescribed” by the PTO.²⁶ However, the use of such forms has been largely eclipsed by the utility and simplicity of electronic filing at the U.S. PTO.

In regard to international applications filed at the PTO, regulations governing the filing of international applications at the PTO became effective on November 3, 2003.²⁷ Regardless of where it is filed, however, the essential components of an international application consist of the following information:

A. The Contracting Party

single “basic” application or registration. Moreover, an application for international registration of a mark must be certified by the trademark office in the “country of origin,” where the applicant is either

domiciled or has a real and effective industrial or commercial establishment.

²³ A “basic application” is one filed with the Office of a Contracting Party and that constitutes the basis for an application for international registration. Lanham Act, § 60(1), 15 U.S.C. § 1141(1). A “Contracting Party” means a country or inter-governmental organization that is a party to the Madrid Protocol. *Id.* § 60(3), 15 U.S.C. § 1141(3).

²⁴ A “basic registration” is one granted by an Office of a Contracting Party and that constitutes the basis for an application for international registration. Lanham Act, § 60(2), 15 U.S.C. § 1141(2).

²⁵ Lanham Act, § 61, 15 U.S.C. § 1141a.

²⁶ Lanham Act, § 61(a), 15 U.S.C. § 1141a(a).

²⁷ See Rules of Practice for Trademark-Related Filings Under the Madrid Protocol, 37 C.F.R. Parts 2 and 7, effective November 3, 2003, and final rulemaking published at 68 Fed. Reg. 55748 (Sep. 26, 2003).

The application must first identify the “Contracting Party”²⁸ whose office is the “Office of Origin.”²⁹

B. The Applicant

The international application must designate the name, address, telephone number, and facsimile of the applicant; the preferred language for correspondence (English or French); the nationality of the applicant if the latter is a natural person; and, if the applicant is a legal entity, the nature of the entity and the State (and territorial unit within that State, if appropriate), under the law of which the legal entity is organized.

C. Entitlement to File

The international application must set forth in detail the basis on which it is filed, specifically:

1. By checking appropriate boxes, the applicant must specify:
 - a. Where the Contracting Party is a State, whether the applicant is a national of that State; or
 - b. Where the Contracting Party is an organization, the name of the State of which the applicant is a national;
 - c. Whether the applicant is domiciled in the territory of the Contracting Party; or
 - d. Whether the applicant has a real and effective industrial or commercial establishment in the territory of the Contracting Party.
2. Where the address of the applicant is not in the territory of the Contracting Party, the applicant must indicate:
 - a. The domicile of the applicant in the territory of the Contracting Party; or
 - b. The address of the applicant's industrial or commercial establishment in the territory of the Contracting Party.

D. Representative

The applicant is permitted, but not required, to identify a representative for purposes of official communication regarding the application.

E. Basic Application or Registration

²⁸ “Contracting Party” means any country or inter-governmental organization that is a party to the Madrid Protocol. Lanham Act § 60(3), 15 U.S.C. § 1141(3).

²⁹ “Office of Origin” means the office of a Contracting Party with which a basic application was filed or by which a basic registration was granted. Lanham Act § 60(15), 15 U.S.C. § 1141(15).

The application must identify the serial number and filing date of the basic application³⁰ or basic registration.³¹

D. Priority Claimed

If the applicant claims a priority date earlier than the filing date of the international application, the application must identify the Office of the earlier filing; the number of the earlier filing (if available); the date of the earlier filing; and, if the earlier filing does not relate to all of the goods and services listed in the recitation of goods and services contained in the international application, the application must identify the goods and services to which the earlier filing date does relate.

E. The Mark

The application must contain a reproduction of the mark exactly as it appears in the basic application or basic registration. Where the reproduction is in black and white and color is claimed as an element of the mark, a color reproduction of the mark must appear in the application.

F. Colors Claimed

If the application claims color as a distinctive feature of the mark, the color or combination of marks must be described and, for each such color, the principal parts of the mark that are in that color (as may be required by the relevant Contracting Party—for U.S. applicants, the PTO).³² If the mark itself consists of a color or combination of colors, that fact must be stated.

G. Miscellaneous Indications

Where applicable, the application must indicate such information as:

1. Transliteration;
2. Translation into English or French as required by the relevant Contracting Party;
3. If the words contained in the mark have no meaning, that fact must be identified;
4. If relevant, the application must indicate whether the mark is (a) three-dimensional; (b) sound; or (c) a collective mark, certification mark, or (d) guarantee mark;³³

³⁰ “Basic application” is defined as “the application for the registration of a mark that has been filed with an Office of a Contracting Party and that constitutes the basis for an application for the international registration of that mark.” Lanham Act § 60(1), 15 U.S.C. § 1141(1).

³¹ “Basic registration” means “the registration of a mark that has been granted by an Office of a Contracting Party and that constitutes the basis for an application for the international registration of that mark.” Lanham Act, § 60(2), 15 U.S.C. § 1141(2).

³² “U.S. Applicants” in this context refers to persons submitting an application to the PTO as opposed to the trademark office of another Contracting Party.

³³ The term “guarantee” mark is not defined in the Lanham Act amendments and a discussion of its meaning is beyond the scope of this paper.

5. A written description of the mark, if such a description is contained in the basic application or the basic registration;
6. Verbal elements of the mark, if relevant;
7. Any disclaimers, if relevant, stating, e.g., "No claim is made to the exclusive right to use [DISCLAIMED TERM] apart from the mark as shown."

H. Recitation of Goods and Services for Which International Registration is Sought

The application must list the goods and services for which registration is sought, indicating the International Class in which such goods and services are covered. If the applicant desires to limit the list of goods and services in respect to one or more designated Contracting Parties, the application must clearly list such goods and services with an indication of the International Class to which they belong.

I. Designated Contracting Parties

The application form contains a matrix of boxes corresponding to the Madrid Protocol members; the applicant simply checks the boxes corresponding to those countries in which coverage is sought.

J. Signature by Applicant or Representative

The application must be signed by the applicant or his representative, as required by the Office of Origin. The Lanham Act amendments do not require the applicant to designate a representative. However, requests for extension of an international application filed at the PTO by a foreign applicant must contain a declaration of "*bona fide* intention to use the mark in commerce."³⁴ The term "declaration of *bona fide* intention to use the mark in commerce" means a declaration that is signed by the applicant for, or holder of, an international registration who is seeking extension of protection of a mark to the United States and that contains a statement that:

1. the applicant or holder has a *bona fide* intention to use the mark in commerce;
2. the person making the declaration believes himself or herself, or the firm, corporation, or association in whose behalf he or she makes the declaration, to be entitled to use the mark in commerce; and
3. no other person, firm, corporation, or association, to the best of his or her knowledge and belief, has the right to use such mark in commerce either in the identical form of the mark or in such near resemblance to the mark as to be likely, when used on or in connection with the goods of such other person, firm, corporation, or association, to cause confusion, mistake, or deception.³⁵

K. Certification and Signature of International Application by Office of Origin

The Office of Origin must certify:

1. the date on which the request to present the application was received;

³⁴ Lanham Act § 60(5), 15 U.S.C. § 1141(5).

³⁵ *Id.* In his comprehensive treatment of this issue, John Welch states, "Interestingly, the Implementation Act does not address the possibility that the owner has already used the mark in the United States." See Welch, *supra*. However, it would appear, upon reflection, that a foreign applicant with prior use in the United States ought not to file a request for extension of his international registration into the United States, but would be better off to file a use-based application in the United States.

2. that the applicant is the same as the applicant named in the basic application or the holder named in the basic registration, as appropriate;
3. that the mark depicted in the international application is the same as in the basic application or the basic registration;
4. that, if color is claimed as a distinctive feature of the mark in the basic application or the basic registration, the same claim is included in the international application; or, that if color is claimed in the international application without having been claimed in the basic application or basic registration, the mark in the basic application or basic registration is in fact in the color or combination of colors claimed, and
5. that the goods and services recited in the international application are covered by the list of goods and services appearing in the basic application or the basic registration.

Upon the filing of an international application at the PTO, the PTO will examine the application for the “formalities” listed above, and certify that the information in the international application corresponds exactly to that of the basic application or registration. If the application meets those formalities, the PTO will transmit the international application to the International Bureau at WIPO.

WIPO then examines the application for its own formalities, i.e., to confirm that it meets the WIPO filing requirements, and if so, WIPO issues the international registration and publishes the mark in the *WIPO Gazette of International Marks*. The international registration will bear the date on which the international application was filed with the office of origin, provided that the application is received by the PTO within two months of that filing date; otherwise it will bear the date of receipt by WIPO.

L. Designation of Member Countries to Which International Registration is Sought to Be Extended

An international registration standing alone has no legal effect. Instead, the application must designate one or more “Contracting Parties” in which the mark is to be protected, although additional designations may be filed subsequently.

For applications filed by parties from countries belonging to the Madrid Agreement and the Madrid Protocol, “Contracting Party” means a member of the Madrid Agreement or the Madrid Protocol.³⁶ In contrast, a country must belong to the Madrid Protocol to be designated as a “Contracting Party” in an international application filed at the PTO.³⁷ In other words, countries belonging to the Madrid Agreement may not be designated in an international application filed at the PTO, or thereafter, unless they are also members of the Madrid Protocol.

After an international registration is issued on the basis of an application at the PTO or a registration granted by the PTO, the holder of the international registration may subsequently request an extension of protection to additional countries by filing such a request either at the PTO, or directly at WIPO.³⁸

³⁶ Note, however, that a Contracting Party may be designated only if that Contracting Party and the Contracting Party whose trademark office is the Office of Origin are both party to the same treaty (Agreement or Protocol).

³⁷ Lanham Act, § 60(3), 15 U.S.C. § 1141(3).

³⁸ Lanham Act, § 64, 15 U.S.C. § 1141d.

A schedule of fees currently in effect at WIPO, designated in Swiss francs, is published by WIPO. The PTO has incorporated that schedule.³⁹

V. Certification and Examination of International Applications

After the applicant files an application and/or request for extension of protection to designated countries, WIPO examines the application for formalities and, if those formalities are met, issues the registration (if the designation appears in an application) and/or designation and publishes that information in the *WIPO Gazette of International Marks*. WIPO then notifies the trademark office of each country that has been designated for protection, whether such designation appears in the original application⁵⁸ or is subsequently designated. From the date of the international registration or subsequent designation, the protection of the mark in each of the designated countries is the same as if the mark had been registered in that country.

Each designated country has the right to refuse protection within the time limits specified in the Agreement or Protocol, as appropriate. However, unless such a refusal is communicated to WIPO within the applicable time limit, the protection in each designated country will be the same in each country as it would be if the mark was registered by the trademark office in that country. The time limit for most countries to notify WIPO of a refusal to register is twelve months. However, under the Madrid Protocol, countries may extend this period up to eighteen months (or longer in the case of a refusal based on an opposition).

Under the Madrid Protocol Implementation Act, the holder of an international registration may extend the protection of that registration to the United States.⁴⁰ He or she may designate the United States in his original international application or at any subsequent time during which the international registration remains valid. Such designation must be accompanied by a declaration that the holder has a *bona fide* intention to use the mark in commerce.

VI. Priority Date

Unless the extension of protection is refused by WIPO or the PTO, the designation that is published in the *WIPO Gazette of International Marks* and/or the *PTO Official Gazette* constitutes constructive use of the mark and confers the same rights as those that would pertain to any other registration.⁴¹ The date of such designation for purposes of priority will be the earliest of:

- (1) The international registration date, if the request for extension of protection was filed in the international application;
- (2) The date of recordal of the request for extension of protection, if the request was made after the international registration date; or
- (3) The “Paris Convention” priority date, *i.e.*, the date of the foreign application or registration on which the international registration is based, *provided that* such date is not more than six months after the date of the first regular national filing within the meaning of Article 4(A)(3) of the Paris Convention, or a subsequent application within the meaning of Article 4(C)(4) of the Paris Convention.

³⁹ <http://www.wipo.int/madrid/en/fees/calculator.jsp>.

⁴⁰ Lanham Act Section 65, 15 U.S.C. § 1141e,

⁴¹ See Lanham Act, § 7(c), 15 U.S.C. § 1057(c).

VII. Refusal or Restriction of Application

If a mark would not be eligible for registration on the Principal Register of the United States, a request for extension filed at the PTO will be refused. In such case the PTO is required to notify WIPO of the refusal and the grounds for such refusal. The extension of an international registration to the United States will be cancelled by the PTO, in whole or part, if the PTO is notified by WIPO that the international registration has been cancelled as to some or all of the goods or services. The owner of an international registration cancelled in whole or part may file an application for registration under Sections 1 or 44 of the Lanham Act that recites the cancelled goods and services that were covered by the request for extension, and may claim a priority right if the application is filed within three months from the date when the international registration was cancelled.

VIII. Practical Results of U.S. Accession to Madrid Protocol

A. Consequences for U.S. Trademark Owners

Whether and to what extent a U.S. trademark owner should rely on international registration under the Madrid Protocol, in lieu of multiple national filings, must be assessed on a case-by-case basis. Nonetheless, the essential purpose of the Madrid Protocol is to reduce the cost of international trademark registration. U.S. accession to the treaty was strongly advocated by the International Trademark Association for this reason. Indeed, a reduction in the cost of foreign trademark registration has been the principal result of U.S. accession to the treaty.

The difficult question is whether, where, when, and to what extent a particular trademark owner should relinquish his existing national registrations in reliance on registration under the Madrid Protocol.

The only substantive risk in opting for international registration under the Madrid Protocol in lieu of multiple national filings would appear to be the possibility of a “central attack.” The grounds for opposition and cancellation of trademarks in the United States PTO are sufficiently numerous that the possibility of a central attack on the U.S. basic application or registration must be evaluated as an essential consideration in determining whether to file an application for international registration under the Madrid Protocol. A central attack, if successful, will require the U.S. applicant or registrant to transform his international registration into national filings, which will involve the expense that the trademark owner sought to avoid, added to the expense of the international registration. One commentator has stated that, for trademark owners who have not extensively searched and confirmed the availability of a particular mark, filing an international application under the Madrid Protocol will be like “rolling the dice.”⁴² Many U.S. companies have therefore adopted a “wait and see” position and either refrained from filing applications for international registration under the Madrid Protocol, or have done so in conjunction with the national filings in which they were already engaged.

It has been suggested that to attain the maximum degree of protection in multiple countries, some U.S. trademark owners, particularly owners of “house” brands seeking broad coverage for goods and services that may be “rolled out” in the future, should continue to engage in multiple national filings.⁴³ Additionally, multiple national applications continue to be filed by companies with relatively descriptive marks, as they are thought more likely to be preliminarily rejected on “absolute grounds” by foreign trademark offices unless secondary

⁴² Cortrone, “The United States and the Madrid Protocol: A Time to Decline, a Time to Accede,” 4 Marq. Intell. Prop. L. Rev. 75 (2000).

⁴³ See, e.g., Zelnick, “The Madrid Protocol—Some Reflections,” 82 Trademark Rptr. 651 (1992). It was that author’s view at the time that the United States should either refrain from acceding to the Madrid Protocol or modify the Lanham Act to permit broader specification of goods and services. *Id.*

meaning can be shown, and demonstration of secondary meaning requires a domestic representative in the particular country.⁴⁴

On the other hand, trademark owners that roll out new products such as pharmaceuticals, and other companies with major investments in the introduction of specific products, may benefit particularly from the cost reduction of international registration under the Madrid Protocol. Such companies have (or should have) selected an arbitrary and distinctive mark for their product and have (or should have) conducted extensive trademark clearance searches in multiple countries. Considering such factors, it has been suggested that companies having made such a commitment and investment in the introduction of a new mark are less likely to encounter objections in foreign countries and are more likely to rely on the Madrid Protocol in lieu of multiple national filings.⁴⁵

Smaller trademark owners, seeking international trademark protection for the first time, may have begun with a product or service in the United States and subsequently sought to extend their business into the international market using the same brand name. Because they have already made a commitment to their trademark, they are less likely to conduct further clearance searches and are more likely to encounter objections in foreign applications. The savings from a Madrid Protocol filing may “evaporate” for such U.S. trademark owners when a local representative must be hired to respond to such an objection.

It has been suggested in general that the cost savings of international registration under the Madrid Protocol will be attractive mainly to companies that are not concerned if the foreign protection of their marks is limited to the scope of their U.S. registrations. It has also been suggested that companies with major investments in a house mark or famous brand name will be more likely to spend the additional resources in filing national registrations in multiple countries in order to obtain the broadest possible protection for their trademarks.

Essentially, trademark owners and their counsel will have to balance the cost reduction in the Madrid filing against (1) the likelihood that obstacles will be encountered in the designated countries, and (2) the benefit of foreign counsel in the network of associates maintained by the trademark owner’s U.S. counsel. Further, the expense of multiple foreign trademark registrations should not be assessed in a vacuum but rather in proportion to the overall cost of business for the trademark owner overseas. Companies with very large investments in brand names overseas, for whom advertising expenditures and other costs of doing business are larger in proportion to the cost of multiple foreign trademark registrations, may prefer to avail themselves of the expertise of the foreign counsel with whom the company’s trademark counsel is associated.

B. Duty of Counsel

United States accession to the Madrid Protocol has made it necessary for counsel to advise clients on the opportunity for international registration under a simplified procedure that is less expensive than multiple national filings—with cost savings that increase in proportion to the number of countries involved. This information should be imparted to clients at or before the time they file a basic application. Moreover, clients should be advised that the filing of a U.S. application triggers the six-month period available for a claim of “Paris Convention priority.”

Counsel may additionally be required to conduct clearance searches on a broader geographical scale, including examination of the *WIPO Gazette of International Marks*, as well as the records of the national trademark offices in countries where clients may desire to expand their business.

⁴⁴ Leaffer, “The New World of International Trademark Law,” 2 Marq. Intell. Prop. L. Rev. 1 (1998); see also comprehensive discussion by Welch, *supra*.

⁴⁵ See Baum, “Madrid Protocol: Will United States Join? If So, What Will It Mean for U.S. Companies?” N.Y. L.J., May 20, 1996.

While counsel may have an increased duty to be aware of applications and registrations in foreign trademark offices, the ability to examine such records has increased dramatically in the past decade and continues to accelerate in tandem with the advance of electronic communications and database management. Counsel can now access reliable databases containing current information from the trademark offices of many countries. The data of foreign trademark offices can be easily searched, collectively and/or individually, as appropriate, from the attorney's desktop. Thus, while U.S. counsel will disclaim expertise in the trademark law of foreign countries, and should continue to seek a clearance opinion in any country that is of specific interest to his client, the reality is that foreign trademark investigations have become easier and less expensive.

Conclusion

United States trademark owners should evaluate the opportunities and risks of international registration under the Madrid Protocol on a "company-by-company, product-by-product, mark-by-mark, and country-by-country" basis. Counsel for trademark owners with a real or potential interest in doing business overseas should consult with their clients about the potential for significant cost savings under the newly available procedures resulting from U.S. accession to the Madrid Protocol.

United States accession to the Madrid Protocol in 2003 was a long awaited development that was expected to substantially benefit a number of U.S. trademark owners seeking international coverage as well as owners of foreign trademarks seeking the extension of protection in the United States. Whether and to what extent a particular trademark owner should rely on international registration under the Madrid Protocol must be evaluated on a case-by-case basis. Conservative business judgment will result in a certain amount of redundant filing as U.S. trademark owners and practitioners gain familiarity with the new procedure. In the long term, however, the Madrid Protocol will result in a reduction in the costs and difficulty of foreign trademark prosecution and maintenance.