October 2004

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INTERNATIONAL TRADEMARK PROSECUTION STREAMLINED: THE MADRID PROTOCOL COMES INTO FORCE IN THE UNITED STATES

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I. INTRODUCTION

Effective November 2, 2003, U.S. businesses have a streamlined and potentially less expensive means at their disposal to protect trademarks in overseas markets.¹ Through U.S. adherence to the international treaty known as the "Madrid Protocol,"² U.S. trademark owners may obtain protection abroad by filing with the United States Patent and Trademark Office a single international application in English, and designating other Member states in which protection is sought.

II. MADRID AGREEMENT

"The [Madrid] Protocol traces its genesis to the Madrid Agreement Concerning the International Registration of Marks [(Madrid Agreement or Agreement)],³ which was adopted in 1891 to establish an international trademark registration system... administered by the International Bureau of the World Intellectual Property Organization [(WIPO)].⁴ Under the Madrid Agreement, the owner of

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¹ A study conducted by the International Trademark Association determined that a trademark owner wishing to register a mark in the U.S. and ten other countries (Austria, China, Denmark, France, Germany, Japan, Russia, Sweden, Switzerland and the United Kingdom) would realize cost savings of 62% if protection was obtained through use of the Protocol as opposed to filing separate applications in each country. See The Madrid Protocol: Impact of U.S. Adherence on Trademark Law and Practice, 92 TRADEMARK REP. 1430 (2002).
a trademark registration in its home country may file with the home country trademark office an international application seeking protection of its mark in other countries that are also members of the Madrid Agreement. The international application is forwarded to WIPO for review for certain requirements. Assuming the international application meets all requirements, WIPO issues an international registration for the mark.

Each country designated in the international application examines the application, pursuant to national law, to determine whether to extend protection to the mark in issue. Any refusal to extend protection must be made within twelve months of the date of the international registration, or protection is automatically extended. However, under the doctrine known as "central attack," if a registrant's home country registration is successfully challenged, in whole or in part, during the first five years of the life of the international registration, the protection resulting from the international registration in the designated countries is lost.

The United States is not a member of the Madrid Agreement, although it considered joining the treaty in the late 1960s. The U.S. government and organizations representing trademark owners and practitioners ultimately concluded that adherence to the Agreement would be disadvantageous to U.S. trademark owners for several reasons. First, the requirement that a registrant have a home country registration prior to filing an international application was seen to prejudice the interests of U.S. trademark owners because obtaining a registration takes longer in the U.S. than in most other countries. Further, the twelve-month limitation on refusing to accord protection to a mark was believed to be too short, given the pendency periods then experienced at the U.S. Patent and Trademark Office. Also, the central attack provisions of the Agreement would impact negatively on U.S. trademark owners, given the relatively high standards for registration in the U.S. and the different registrability standards.

registration is extended to more than ten countries. See The Madrid Protocol: Impact of U.S. Adherence on Trademark Law and Practice, supra note 1, at 1433.

5 See Madrid Agreement, supra note 3, art. 3(1).
6 See id. art. 3(4).
7 See id. art. 5(1).
8 See id. art. 5(2).
9 See id. art. 6(3).
11 Id.
12 Id.
13 Id.
throughout the world. Moreover, under the Agreement, all documents must be submitted in the French language and the relevant fees are, in many cases, less than those normally assessed by national trademark offices.

III. MADRID PROTOCOL

Between 1986 and 1989, WIPO convened meetings of governmental experts to develop an international trademark registration system that could gain wider acceptance than the Agreement, and to establish a link between the Madrid system and then-proposed Community Trade Mark system in Europe. The result of such meetings was the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol or Protocol), which was adopted in Madrid, Spain on June 27, 1989. Despite its name, the Protocol is a separate treaty from the Agreement, although a common set of regulations governs both treaties, and member countries of both treaties comprise a single Madrid Assembly.

The Protocol includes a number of innovations to address the concerns voiced by the United States and other countries with respect to the Agreement.

14 Id.
15 See id.
16 The European Union acceded to the Madrid Protocol on July 1, 2004. See World Intellectual Property Organization, Information Notice No. 14/2004, Madrid Agreement and Protocol Concerning the International Registration of Marks (2004), available at http://www.wipo.int/edocs/madrdocs/en/2004/madrid_2004_14.doc. As a result, the Common Regulations under the Madrid Agreement and the Madrid Protocol have been amended in a number of respects. For example, applicants designating the EU in an international registration will be required to indicate a second language, in addition to the language of the international application, before the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), which is the office that administers the Community Trade Mark system. The Common Regulations also have been amended in order to provide that, where the EU is designated in an international registration and to the extent that such designation has been withdrawn, refused, or has ceased to have effect under its applicable law, conversion into a national trademark application with the office of one or more Member States of the EU may be requested through designation of its Member States under the Madrid system. Id. This has been referred to as the “opting-back” provision. See World Intellectual Property Organization Information Notice No. 2/2004, available at http://www.wipo.int/edocs/madrdocs/en/2004/madrid_2004_2.doc. The Common Regulations also have been amended to add Spanish as a third official language of the Protocol. See World Intellectual Property Organization Information Notice No. 28/2003, available at http://www.wipo.int/edocs/madrdocs/en/2003/madrid_2003_28.doc.
17 Madrid Protocol, supra note 2.
19 See Madrid Protocol, supra note 2, art. 10(1)(a).
First, the Protocol permits a trademark owner to file an international application based on either a home country application or registration. Thus, U.S. trademark owners can participate in the international registration system at an earlier point in time than permitted under the Agreement. Second, member countries may elect to take eighteen months to refuse to give effect to an international registration, and that period may be further extended through a notification that an opposition to registration may be filed. Third, the ramifications of central attack are ameliorated to a large extent. While protection in designated countries will still be lost if the home country registration is successfully attacked within the first five years of the international registration, a trademark owner may convert or "transform" the international registration into national applications and retain the original priority date. The Protocol also recognizes English as well as French as official languages, and allows national trademark offices to elect to charge their national fees for the examination of Protocol-based applications. Finally, the Protocol provides a link to the European Community Trade Mark by allowing intergovernmental organizations to join the treaty as long as one of its members adheres to the Paris Convention and a regional trademark office exists.

IV. U.S. ACCESSION TO THE PROTOCOL

The adoption of the Protocol in 1989 was greeted with much enthusiasm and support within the U.S. trademark community, and for a while it appeared that the U.S. would quickly adhere to the treaty. Indeed, the Acting Commissioner of Patents and Trademarks testified before Congress in May 1993 that the Administration strongly supported U.S. adherence to the Protocol. One year later, however, the U.S. Department of State announced that the Administration could not support accession to the Protocol. Specifically, the State Department objected to that provision of the Protocol that permits intergovernmental

20 See id. art. 2(1).
21 See id. art. 5(2)(b), (c).
22 See id. art. 9quinquies.
23 See Common Regulations, supra note 18, Rule 6(1)(b). But see supra text accompanying note 16 (regarding addition of Spanish as a third official language).
24 See Madrid Protocol, supra note 2, art. 8(7)(a).
25 See id. art. 14(1)(b).
organizations, such as the European Union (EU), to become members of the treaty and to cast a separate, independent vote in matters coming before the Assembly of Members. This vote would be in addition to the individual votes of the member countries that are part of the organization.

The "voting rights" dispute was finally resolved in February 2000. At that time, the European Community and its Member States stated their intention "to use their voting rights in such a way as to ensure that the number of votes cast by the European Community (EC) and its member States does not exceed the number of the European Community's Member States." The "voting rights" dispute was finally resolved in February 2000. At that time, the European Community and its Member States stated their intention "to use their voting rights in such a way as to ensure that the number of votes cast by the European Community (EC) and its member States does not exceed the number of the European Community's Member States."29

However, another dispute, involving rights to the "Havana Club" mark for rum, intervened before the U.S. Senate could advise and consent to the Protocol. This dispute focused on section 211 of the Omnibus Appropriations Act of 1998, which prohibits U.S. courts from enforcing rights of holders of marks that were expropriated and are now being used without the consent of the original owner.30 The EU challenged section 211 under the World Trade Organization's dispute settlement process.31 The advice and consent resolution attempted to resolve the dispute, but when objections were lodged, further action on the treaty by the U.S. was deferred.32

Eventually, in the fall of 2002, Congress enacted the legislation necessary to implement the Madrid Protocol33 and the Senate gave its advice and consent.34

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28 Id.
31 The dispute was between Bacardi and the French company Pernod Ricard. Bacardi had acquired rights in the "Havana Club" mark from its original owner prior to the mark's expropriation by the Cuban government. Pernod Ricard had formed a joint venture with the Cuban government and claimed that the government had given it worldwide rights to use the "Havana Club" mark. See Int'l Trademark Ass'n, The Madrid Protocol: Impact of U.S. Adherence on Trademark Law and Practice, 92 TRADEMARK REP. 1430, 1437 (2002).
32 The Appellate Body of the World Trade Organization, in its February 1, 2002 decision, WT/DS176/AB/R, determined that section 211 violates national treatment rules in Article 3 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) by virtue of its requirements for additional procedures for certain foreign persons. The U.S. Congress is currently considering changes to section 211 to bring the law into compliance with TRIPs.
33 Int'l Trademark Ass'n, supra note 31, at 1437-38.
35 The advice and consent of the Senate was subject to a number of declarations. The declarations provide that the Protocol is not self-executing, extends the time period for refusing to extend protection to the U.S. from twelve months to eighteen months, provides for further extensions of time to refuse to extend protection in the case of oppositions, and that the USPTO will charge Madrid applicants the same fees charged a domestic applicant or registrant. See 148
The legislation was signed into law on November 2, 2002, and provided that the Protocol would take effect either one year from the effective date of the implementing legislation or after the President deposits the instrument of accession with WIPO. The instrument of accession was deposited with WIPO on August 2, 2003. Under the terms of the Protocol, the treaty entered into force with respect to the U.S. three months later—on November 2, 2003.

V. IMPLEMENTING LEGISLATION

The legislation implementing the Protocol adds a new Title to the Lanham Act, Title XII, which is composed of the uncodified sections 60-74, and which largely tracks the provisions of the Protocol and its regulations. The legislation provides that an international application based on a U.S. trademark application or registration must be filed by a U.S. national or domiciliary, or by an entity with a real and effective commercial establishment in the U.S. Upon receipt, the United States Patent and Trademark Office (USPTO) is required to examine the international application for purposes of certifying that its contents correspond with the basic application or registration. After examination and certification, the USPTO will transmit the international application to WIPO. WIPO then reviews the international application to determine whether the filing requirements have been met and the required fees have been paid. If so, WIPO will issue an international registration, publish the registration in the WIPO Gazette of International Marks, send a certificate to the holder, and notify the offices of the designated Contracting Parties in which an extension of protection of the international registration is sought.
The Protocol provides that if the international application is forwarded to WIPO within two months of its filing, then the filing date becomes the date of the international registration. In order to implement the Protocol's central attack provision, the legislation directs the Director of the USPTO to notify WIPO if the basic application or registration is restricted, abandoned, canceled, or expired within five years of the international registration date.

The legislation also addresses requests to extend protection of an international registration to the U.S. The requirement that any request for an extension of protection to the U.S. include a declaration of a bona fide intention to use the mark in commerce is of particular significance. While the Protocol does not speak to this issue, the Common Regulations sanction such a requirement. Proper filing of a request for extension of protection to the U.S. constitutes constructive use of the mark as of the date of the international registration or as of the priority date, if claimed, under the Paris Convention.

The Madrid Protocol is not a trademark harmonization treaty. Each country will apply its national law in determining whether to grant an extension of protection. Therefore, the USPTO will examine a request for an extension of protection to the U.S. in the same manner as any other foreign-based application. Thus, as noted above, a request for extension of protection to the U.S. must allege a bona fide intention to use the mark, but, similar to other foreign-based applications, the mark does not have to be used in commerce prior to issuance of a certificate of extension of protection. The legislation provides, however, that an extension of protection may not be granted if the mark in issue does not qualify for registration on the Principal Register.

The USPTO will have eighteen months from transmittal of the notification of the request for extension of protection to notify WIPO of a decision to refuse protection, either as the result of the examination or as the result of an opposition proceeding. The USPTO may obtain additional time to notify a refusal to extend protection if, within the applicable eighteen-month period, the USPTO

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43 See id. art. 3(4).
44 See Lanham Act § 1141c.
45 See id. § 1141f.
46 See Common Regulations, supra note 23, Rule 7.
47 See Lanham Act § 1057(c). Under section 7(c), subject to the issuance of a registration on the Principal Register and certain exceptions, the filing of an application for registration of a mark constitutes constructive use of the mark, conferring nationwide priority as of the constructive use date.
48 See id. § 1141f.
49 See id. § 1141h.
50 See id.
51 See id.
52 See id.
notifies WIPO of the fact that an opposition may be filed after the expiration of the eighteen-month period. In such a case, the USPTO must notify WIPO of the grounds of any opposition “within seven months after the beginning of the opposition period or within one month after the end of the opposition period, whichever is earlier.” If the USPTO fails to meet these deadlines, the Director will issue a certificate of extension of protection.

The legislation codifies the transformation procedure, provided by the Protocol, in the event of central attack. The relevant statute states that in the event the international registration is cancelled in whole or in part, the Director of the USPTO will cancel the corresponding extension of protection to the U.S., but that the holder of the certificate of extension of protection may file a new application with the office. It further states that if such an application is filed within three months after the date the international registration is canceled, the application shall be treated as if it had been filed on the international registration date.

According to the legislation, in order to maintain a certificate of extension of protection to the U.S., the holder of such a certificate must take a number of affirmative actions. First, the certificate holder must, prior to the expiration of the ten-year term of the international registration, renew the international registration by paying the appropriate fee to WIPO. Second, the holder must, within one-year prior to the expiration of the six-year anniversary of the grant of the certificate of extension of protection to the U.S., submit an affidavit of use and pay the appropriate fee. Third, the holder must submit an affidavit of use and pay the appropriate fee prior to the expiration of the ten-year anniversary of the grant of the certificate of extension of protection and at the end of each subsequent ten-year period.

The implementing legislation also provides that a certificate of extension of protection to the U.S. may be assigned, together with the goodwill associated with the mark, only to another entity eligible to file an international application under the Protocol, and that the five-year period of continuous use required for

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53 See id.
54 Id.
55 See id.
56 See id. § 1141j(a).
57 See id. § 1141j.
58 See id.
59 See id. § 1141k.
60 See id.
61 See id. § 1141l.
incontestability status under U.S. trademark law starts to run upon issuance of the certificate of extension of protection.  

VI. IMPLEMENTING RULES

On September 26, 2003, the USPTO issued final rules relating to filings under the Madrid Protocol. The new rules, which are largely set forth in a new Part 7 of the PTO Rules of Practice, address a number of important issues.

First, the rules set forth the requirements for filing an international application originating from the U.S. All such applications must be filed with the USPTO, either in paper or electronic format. In addition, the application must identify at least one basic application or registration; specify that the applicant is a national or domiciliary of, or has a real and effective commercial establishment in, the U.S.; include a reproduction of the mark that is identical to that in the basic application or registration; list the goods or services that the mark is used on or in connection with, which must be identical to or narrower than the list set forth in the basic application or registration; and designate at least one contracting party in which extension of protection is sought. The application must be accompanied by payment of the relevant certification fee as well as the fees required by WIPO.

Second, the new rules provide that requests for extensions of protection to the U.S. may be made in the international application or in a subsequent designation filed with WIPO. WIPO will certify that any such request includes the required declaration of a bona fide intention to use the mark, and will then electronically forward the request to the USPTO. A request for extension of protection to the U.S. cannot claim any other filing basis.

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62 See id. § 1141m.
64 Id.
65 See 37 C.F.R. § 7.11(a) (2004). While, as originally promulgated, the final rules would have required that an international application be filed electronically, the USPTO announced a temporary postponement of this rule, until November 2, 2004. See Modification to Temporary Postponement of Electronic Filing and Payment Rules for Certain Madrid Protocol-Related Rules, 68 Fed. Reg. 74479 (Dec. 24, 2003). Subsequently, the USPTO amended its Rules of Practice to delete the requirement for electronic filing of international applications. See 69 Fed. Reg. 57181 (Sept. 24, 2004).
66 37 C.F.R. § 7.11(a)(1)-(11).
69 See id. § 2.34(b)(3) (2004).
Third, the new rules also require that any opposition, or request for an extension of time to file an opposition, to a Madrid-based application must be electronically filed, and that no opposition may be filed beyond 180 days from the date the mark in issue is published for opposition.

VII. RELATIVE MERITS OF THE PROTOCOL

The Protocol provides U.S. trademark owners with a simplified and streamlined procedure for obtaining protection in other countries. Those who utilize the Madrid system will no longer have to file separate applications in each country where protection is sought. In those instances where a designated country’s trademark office determines, upon initial review, that a mark is entitled to protection, the trademark owner should be able to avoid the costs associated with retaining trademark counsel in that country. The Protocol also imposes obligations on Contracting States to act with some degree of dispatch in examining requests for extension of protection. As a result, U.S. trademark owners may obtain protection in foreign nations more quickly than was previously the case. Further, the Protocol provides a means for assignment and renewal of an international registration, which has a term of ten years, through the filing of a single document and the payment of a single fee to WIPO.

While many owners of U.S. trademarks will take advantage of the Protocol’s benefits, the Protocol may not always represent the best option for obtaining protection abroad. For example, under the Protocol, the scope of protection under an extension of protection may not be broader than that in the basic application or registration. Given that the USPTO requires greater specificity in the identification and recitation of goods and services than do most other countries, U.S. trademark owners may determine that it would be better to file a national application in those countries in which they seek prosecution.

With the recent decision of the European Community to accede to the Protocol, U.S. trademark owners now have four choices for seeking protection in the countries that currently comprise the EC. Trademark protection may be obtained by directly filing a trademark application with a national trademark office, by filing an application for a Community Trade Mark (CTM) with the Office for Harmonization in the Internal Market (OHIM), by filing an interna-

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70 See id. § 2.101(b)(2) (2004).
71 See id. § 2.102(c) (2004).
72 See Madrid Protocol, supra note 2, art. 2.
73 See id. art. 3ter.
74 See id. art. 9. However, an international registration may not be assigned to a person not entitled to file an international application.
75 See id. art. 7.
tional application under the Protocol designating select countries of the EC in which protection is sought (assuming such countries have acceded to the treaty), or the filing a Madrid application designating the EC as a whole.

Obtaining protection by filing a CTM application provides several advantages over filing under the Madrid system. These include greater scope of protection, EU-wide enforcement, and less rigorous use requirements. However, those trademark owners who designate the EC in their international applications under the Madrid Protocol will be able to realize all of the CTM benefits, as well as those associated with the Madrid system, including centralized means to maintain protection and to assign rights.

VIII. CONCLUSION

The Madrid Protocol offers trademark owners an additional vehicle for obtaining protection abroad. While the Protocol may offer advantages over individual country applications for protecting marks in foreign countries, it may not always represent the best option for international protection. Trademark attorneys and other intellectual property professionals will need to consult closely with their clients to determine in which situations it makes economic and legal sense to utilize the provisions of the Protocol.

77 Id.