

Madrid Protocol Simplifies International Trademark Registration

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What is the Madrid Protocol?

The Madrid Protocol is a trademark treaty that provides a process for filing an international application with requests for extensions of protection to any of the 59 member countries of the Protocol.¹ While there are some drawbacks to using the Madrid Protocol, it generally offers a simplified and economical process for trademark owners to protect their trademarks in member countries. The treaty became effective for the United States on November 2, 2003.

In October of 2002, the Senate gave its advice and consent to the Madrid Protocol, which was enacted in Madrid in 1989. Title III of the Justice Department Authorization Act (H.R. 2215; Pub. L. No. 107-273; 65 PTCJ 28, 11/8/02) implemented U.S. accession to the Madrid Protocol by including the Madrid Protocol Implementation Act of 2002 that added sections 60 - 74 to the Lanham Act. The Madrid Protocol implementing legislation took effect one year after the Nov. 2 enactment of H.R. 2215, i.e., November 2, 2003.

Under the treaty, U.S. businesses can pursue trademark protection abroad by registering their marks in the United States and seeking trademark protection in any of those other 58 member countries by submitting a single international application through the United States Patent and Trademark Office (PTO) to the International Bureau (IB) of the World Intellectual Property Organization (WIPO). Similarly, the foreign owner of an application or registration in one of those 58 countries may obtain an international registration from the IB and request an extension of protection for her mark to the United States. Thus, the Madrid Protocol creates an international trademark registration filing system permitting applicants from member countries to obtain registrations in multiple member countries by filing a single application and paying a single fee. The Madrid Protocol does not change substantive U.S. trademark law nor does it alter U.S. trademark prosecution. Rather it establishes procedural mechanisms to expedite the

¹ Albania, Antigua and Barbuda, Armenia, Australia, Austria, Belarus, Belgium, Bhutan, Bulgaria, China, Cuba, Czech Rep., Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kenya, N. Korea, S. Korea, Latvia, Lesotho, Liechtenstein, Lithuania, Luxembourg, Macedonia, Moldova, Monaco, Mongolia, Morocco, Mozambique, Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia and Montenegro, Sierra Leone, Singapore, Slovakia, Slovenia, Spain, Swaziland, Sweden, Switzerland, Turkey, Turkmenistan, Ukraine, United Kingdom, United States of America, Yugoslavia, and Zambia. Notably, both Canada and Mexico are not signatories to the Madrid Protocol; neither are any Central or South American countries. While countries can be members of both the Madrid Agreement of 1891 (the "Agreement") and the Protocol (e.g., many European countries), the following countries are members of the Agreement only and are not available for extension of protection by U.S. applications: Albania, Algeria, Azerbaijan, Bosnia and Herzegovina, Croatia, Egypt, Kazakhstan, Kyrgyzstan, Liberia, San Marino, Sudan, Tajikistan, Uzbekistan and Viet Nam. Protocol-only members cannot extend to an Agreement-only country; an Agreement-only member cannot extend to a Protocol-only country. If a country of origin is an Agreement country, then the Agreement prevails over the Protocol whenever both the Madrid Agreement and the Madrid Protocol are applicable.

filing, acceptance, and examination of international applications in the PTO, and the registration, maintenance, and cancellation of marks based on such international registrations. International registrations obtained through the Protocol provide the registrant with the same protection as national registrations obtained separately by filing national applications in each of the member countries.

In 2000, the U.S. government estimated that a U.S. trademark owner who wanted to register her mark in ten (10) countries faced \$14,000 in fees for ten separate applications. This cost would be reduced to only \$4700 under the Madrid Protocol for that same protection by filing one application and obtaining one international registration.² The Madrid Protocol offers an easier, cheaper and more efficient way for trademark owners to secure worldwide protection as an alternative to submitting separate applications seeking protection in each country. The Protocol provides a “one-stop-shopping” global filing and maintenance system, supplemental to member state’s national filing systems, that centralizes and simplifies the international trademark application process. By making international trademark protection easier and more affordable to obtain, the Protocol becomes a useful tool for trademark owners.

The Madrid Protocol adds another layer of protection to U.S. trademark owners who can get a national registration, a community trademark in the 25 countries of the European Union, and an international registration under the Madrid Protocol.

An International Registration under the Madrid Protocol is not an “international trademark.”

The Madrid Protocol provides for a process of international registration, not an international trademark. Trademark applicants obtain a bundle of national rights, not a single international right. Each “extension of protection” is the legal equivalent of a national registration in the member countries to which protection is extended, although each such “national registration” is actually a part (or an “extension”) of but a single international registration.

How does the Madrid Protocol work for a U.S. applicant?

An applicant³ files a request for international registration (“request for extension”) in the PTO (i.e., the home country trademark office) based on either a U.S. application or U.S. registration, naming the additional countries in which registration and trademark protection are sought and paying a fee for each designated additional country. The applicant submits the form in French or English (eliminating the need for applying in multiple languages).⁴

² WIPO maintains a web-based fee calculator which provides for entry of the name of the home office and of the various designated offices for extensions of protection and automatic calculation of the fee. See www.wipo.int/madrid/feecal.

³ An applicant must be either a national in, domiciled in or have a real and effective industrial or commercial establishment in the member country where the basic application is filed.

⁴ WIPO translates any forwarded applications in the missing language, and makes the registration available to all offices in English and French. All signatory member offices must accept applications in at least one of these languages.

The PTO reviews the international application to confirm it conforms to U.S. filing requirements and transmits the international application to WIPO within two (2) months to secure the priority of the U.S. filing date.⁵ The U.S. filing becomes the basic application or the basic registration.

WIPO examines the basic application and notifies the PTO of any informalities⁶, which the applicant has three (3) months to correct.

After resolution of any informalities, WIPO forwards the request for extension to the designated countries, each of which may require supplemental materials.⁷

The designated countries each then have eighteen (18) months to examine the request for extension and either accept or reject the application.⁸

Approved applications are published for opposition in those member countries that provide for this procedure as part of their national trademark practice, e.g., in the U.S. WIPO is notified if any opposition is filed, and the grounds for any such opposition are communicated to WIPO within seven (7) months.

If there is neither a rejection nor any oppositions, the member country office issues a Certificate of Extension Protection, which is equivalent to a registration in that country, e.g., if issued by the French national trademark registry, such a Certificate of Extension Protection is the equivalent of a French trademark registration.

If a national office approves the request for extension of protection, protection is the same as if the mark had been registered directly with that national office. The Madrid Protocol gives an international registration a life span of ten (10) years plus one renewal, for which the owner pays WIPO a \$100 renewal fee.⁹

Dependency/Vulnerability of Basic Application to “Central Attack”

For the first five years after issuance of an international registration, that registration depends on, or is linked to, the basic application or home office registration; any changes to this basic application directly affect the international registration and extensions of protection. Thus, if the basic registration is

⁵ An international application filed in the U.S. can benefit from the priority date of the basic U.S. application (under the Paris Convention) provided the international application is transmitted from the PTO to WIPO within two (2) months of its receipt by the PTO. Otherwise, the original filing date (including the priority) will be lost and the date of receipt at the WIPO will be the effective date.

⁶ E.g., improperly or incompletely filled out application form.

⁷ A request for extension to the U.S. by a foreign applicant would have to include a signed declaration of a bona fide intention to use the mark in U.S. commerce if the mark is not already used in commerce in the U.S., i.e., application is filed under Section 1(a) of Lanham Act.

⁸ Bases for rejection in the U.S. include (1) descriptiveness (15 U.S.C. 1052(e)), (2) likely confusion with prior registrations (15 U.S.C. 1052(d)), (3) vague goods/services, or (4) unregistrable subject matter under 15 U.S.C. 1052 (a), (b), or (c).

⁹ Thereafter, successive renewals, each for ten years, are available.

cancelled, the international registration fails and all extensions of protection to other member countries fail as well. This is the so-called “central attack” which permits a competitor to “attack” the international registration “centrally” rather than having to challenge an owner’s trademark rights country-by-country. There is, however, under the Protocol a three-month window for an international registration owner to transform¹⁰ a failed international registration into national applications (to retain priority) in each extension country subject to the national laws in each of those countries where protection had been extended by virtue of the now “failed” international registration.

Upon expiration of the initial five-year period, the international registration becomes independent of the basic application or home office registration and is no longer subject to a “central attack.”

How the Madrid Protocol Affects Trademark Practice in the United States.

Because of the Madrid Protocol, trademark applicants will have to search not only U.S. trademark databases but international archives from all Madrid Protocol countries¹¹ when checking whether a mark they want to protect through registration belongs to someone else. This need to “check further” will change the way in which trademark searches are done. Trademark owners here in the U.S. must now be concerned with what’s out there globally.¹² Also they will need to decide whether to file in the United States and extend their application to the other member countries of the Madrid Protocol.

Notably, some signatory countries have “looser” trademark requirements than the U.S. (e.g., the PTO mandates narrow descriptions of goods and/or services) so it is possible for a U.S. applicant to obtain “broader” trademark protection abroad than here in the U.S. Trademark owners will have to consider whether to apply for one international application under more restrictive U.S. laws or to file national applications directly in more liberal countries.

In March, 2003, the PTO issued a notice proposing rules creating a new Part 2 of 37 CFR entitled “Rules of Practice in Filings Pursuant to the Madrid Protocol, and making conforming changes to Part 2 of 37 CFR (68 FR 15119). Final rules were issued September 26, 2003, taking effect November 2, 2003.

The September rules require that certain submissions made to the PTO under the Madrid Protocol be transmitted electronically using the PTO’s Trademark Electronic Application System (TEAS).¹³ These submissions are: (i) an international application; (ii) a subsequent designation (a request that protection be extended to countries not identified in the original international application), and (iii) an applicant’s

¹⁰ Note that the Madrid Agreement does not permit transformation to a national application after a successful central attack, only the Protocol does. See note 1 for a listing of the Madrid Agreement and Madrid Protocol countries.

¹¹ See, e.g., WIPO.org for an online foreign trademark database.

¹² The procedural process of the Madrid System creates certain risk because the period during which pending applications are not captured by or revealed in any database is relatively long. Only after WIPO determines that an application meets the Protocol’s formal requirements is it assigned an international registration number and published. Once published, the international registration is searchable which could be between 10 and 14 months after its initial filing.

¹³ To preserve the filing and priority dates under the Paris Convention is one of the reasons why the U.S. mandates electronic filing.

response to IB's notice of irregularity to an international application.¹⁴ However, on October 24, 2003, the PTO postponed the TEAS filing requirements and is permitting paper submissions for a temporary period ending January 2, 2004. The purpose of permitting paper submissions is to avoid the possibility that applicants may lose important priority rights during the transition to electronic filing. If there is a PTO fee associated with the paper-filed Madrid document, the fee must be included with the submission; however, international fees are not to be submitted through the PTO but, rather, are to be sent directly to the IB. This temporarily suspends the PTO rule under which applicants could submit fees charged by the IB through the PTO rather than directly to the IB.¹⁵

If an applicant wishes to make a Madrid submission on paper, she should use forms provided by the IB for that purpose on the IB web site at <http://www.wipo.int/madrid/en/>.¹⁶

Will the PTO be inundated by the new Madrid Submissions?

In 2001, WIPO registered about 24,000 marks, each of which was an extension to an average of about 12 countries. In the same period of time, the PTO received 296,388 applications. Thus, from the PTO's perspective, the international filings are relatively small in number. Examining historical filing patterns in other countries that have joined the Madrid Protocol, the PTO found that their percentage of foreign applications versus total applications stayed fairly constant. If prior to joining Madrid, they had 25% foreign applications in their filing mix, after joining Madrid, they still had about 25% foreign filings. The number of filings did not change; rather the basis changed. Applicants didn't file under U.S. Section 44 anymore (under the Paris Convention), rather they filed under the Madrid Protocol or the Madrid Agreement, depending on which treaty the particular country signed.

¹⁴ U.S. implementation of the Madrid Protocol in effect creates a world-wide electronic trademark filing system. This electronic filing will get the application to WIPO. WIPO will print out the application on paper and send it to the designated offices. However, note that the legal effect in the designated offices is assured as of the time that the application reaches WIPO electronically. The Madrid Protocol itself does not mandate electronic filing of international applications. However, U.S. implementation of the Protocol requiring electronic filing is the most important new procedure because (1) if the international application is not refused by a designated country office, electronic filing in the U.S. is all that is necessary for a trademark owner to obtain foreign protection, and (2) if the application is refused by a designated country office, the subsequent trademark prosecution procedures are the current national procedures in that country.

¹⁵ The PTO is also suspending temporarily the requirement (i) that international application fees for all classes and fees for all designated extension countries and (ii) that all international fees for a subsequent designation, be paid at the time of submission. If submitting an international application, or a subsequent designation on paper, the applicant must pay the PTO certification fee at the time of submission; however, the applicant must pay international fees directly to the IB. During this interim period, these IB fees may be submitted before or after submission of the international application or subsequent designation.

¹⁶ Such Madrid submissions should be sent to Commissioner for Trademarks, P.O. Box 16471, Arlington, VA 22215-1417, Attention: MPU.

Drawbacks of the Madrid Protocol.

There are drawbacks to using the Madrid Protocol. One has been previously identified, i.e., the vulnerability to a “central attack.” This vulnerability may make it more attractive and likely for competitors to challenge a U.S. registration in an attempt to invalidate foreign rights as well.

Moreover, since the PTO typically requires a narrower description of goods and services than many foreign offices, the international registration based on a filing with the PTO will be limited to the narrow U.S. description of goods and services which in turn, will limit protection in the designated countries. Consequently, a U.S. applicant using the Madrid Protocol may only obtain narrower protection in foreign countries than she would otherwise obtain through national filings. This result could be mitigated by combining international registration with selected national filings where broader rights are sought.

Theoretically, the time period for responding to refusals issued by designated offices may be rather short because there is no provision for such a designated office to notify the applicant’s local trademark agent directly; rather the designated office notifies WIPO which, in turn, notifies the applicant. Generally, the applicant then has to contact a local trademark agent who deals with the designated office which issued the notification initially. Time is wasted by this notification procedure, often considerably curtailing the actual response period.

The ability to assign an international registration is restricted either to nationals of the base country, or persons or entities domiciled, or having a real and effective industrial or commercial establishment, in the base country. Notably, in a merger or transfer of a trademark registrant’s headquarters to a non-member country, rights flowing from the international registration may be lost.¹⁷

Enforcement of international registrations may prove more difficult because the international registration (The Certificate of Registration -- or a Certified Copy -- and the Statement of Grant) issued by the national office in which enforcement is sought is either in French or in English and that national office may require the production of a certified and often legalized translation in its native language which can delay enforcement proceedings.

The prospect of a mass of international registrations being “extended” into the U.S. also potentially reduces the number of available marks to U.S. applicants. Whether this proves to be a problem is yet to be seen.

In Conclusion

The primary advantage of using the Madrid Protocol is that it provides a simple and cost effective way to obtain trademark protection in member countries by filing one application, which is the equivalent of “filing” a separate trademark application in each of the extension countries without having to appoint and incur the expense of local attorneys in the different countries. Moreover, there are no burdensome

¹⁷ The key point to remember is that an assignee must be entitled to use the Madrid System if she wants WIPO to record her as the new owner of the international registration, even if a deed of assignment were executed transferring beneficial ownership of the international registration to the assignee. Note that it may be customary, as well as in the interest of the assignee, for the assignee to record assignments with WIPO. However, WIPO has no relationship with the assignee, only the former owner of the international registration. The assignee must request the former owner’s home country trademark office (the Office of Origin) to forward the request to WIPO to record the assignment.

administrative requirements and no need to provide certified copies of home registrations, translations of certificates of incorporation or powers of attorney. The Protocol also “centralizes” trademark administration by making managing and maintaining trademark rights easier across multiple countries, e.g., an international registrant is able to restrict the list of products, record a change of name or of the owner’s address, and renew her mark “centrally” through only one application.

Apart from these purely administrative advantages, there is a legal benefit from using the Madrid Protocol; namely, such trademarks obtained through international registration benefit from the advantages of the Paris Convention under which the Madrid Protocol is a Special Agreement. Obtaining a priority filing date has been noted above as one such advantage. Another is that the Paris Convention limits the grounds on which an examining office may refuse registration only to the grounds applicable in the case of a mark filed directly with that refusing office.

Further, the Madrid Protocol allows for a flexible or “expansive” registration that permits a registrant to designate additional countries by filing in the home country a request for protection in member countries either to which the international registration had not been initially extended or to which the Protocol had been adopted only since the international registration had been first issued.