

SPECIAL**REPORT****U.S. ADOPTS MADRID PROTOCOL PROVIDING FOR
INTERNATIONAL TRADEMARK REGISTRATION**

November 4, 2002

Corrected December 18, 2002

A special thanks to our clients who pointed out the errors in the initial Special Report.

On Saturday, November 2, President Bush signed implementing legislation for U.S. participation in the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("the Madrid Protocol"). The Protocol will enter into force in the United States upon the later of: 1) one year from the date of enactment (i.e., November 2, 2003), or 2) the date that the United States deposits an Instrument of Ratification or Accession. We are optimistic that the U.S. Patent and Trademark Office (USPTO) will promulgate its rules for implementing the Madrid Protocol, and that the United States will deposit its Instrument of Ratification or Accession, within the next year, although there may be some further delay.

Effect of Madrid Protocol Registration

Under the Madrid Protocol, an applicant may obtain one "international registration" by filing one trademark/service mark application and designating individual Madrid Protocol member countries into which the applicant wants the registration to enter into force. A Certificate of Extension of Protection giving national effect to the international registration will be issued by

each designated country that does not refuse to issue such a Certificate based on its substantive examination of the international registration. Presently, over 55 countries are members of the Madrid Protocol.

Once issued, a Certificate of Extension of Protection in the United States will have the same effect and validity, and provide the same rights and remedies, as a U.S. trademark/service mark registration on the U.S. Principal Register.

The central filing system provided by the Madrid Protocol is expected to reduce the expense involved in registering trademarks in multiple individual countries, largely because the number of attorneys' fees associated with preparing and filing the applications will be reduced. Use of the Madrid Protocol should also simplify recordation of changes of address, assignments and the like, but worldwide assignments of international registrations should be scrutinized because international registrations can only be assigned to parties that are a national of, domiciled in or have a bona fide and effective industrial or commercial establishment in a member country.

November 4, 2002

Registration and Extension of Protection to Designated Countries

Generally, to obtain an international registration under the Madrid Protocol, an applicant files an international application in the National Trademark Office of a member country, such as the USPTO.¹ The applicant must be a person or legal entity that is a national of, domiciled in or has a bona fide and effective industrial or commercial establishment in the member country in which the international application is filed. The applicant must also be the owner of a home country application or registration upon which the international application will be based, i.e., a "basic application" or "basic registration." The basic application/registration must correspond to the international application.

In the international application, the applicant will designate, i.e., request extension of trademark protection to, countries in which protection is desired. A request for extension of protection can include a claim of priority to the filing date of a national filing if the request is made within six months of the first national filing.² Generally, all requests for extension of

protection will be included in the international application, which itself should thus be filed within six months of the first national filing to obtain priority rights. However, it is also possible to request extension of protection in additional countries after an international registration issues.

After the international application is filed in the applicant's National Office, the National Office certifies that the international application conforms to the applicant's basic application or registration, and then forwards the application to the International Bureau of the World Intellectual Property Organization (WIPO) in Geneva. WIPO then examines the application for formalities and assigns a registration date and number to each application, which are published in the periodical Gazette of the International Bureau. WIPO only examines applications for formalities; it then forwards the international registration to the designated National Offices for substantive examination.

Any National Office may refuse to issue a Certificate of Extension of Protection based on its substantive examination. However, any refusal by the respective designated National Office must be made within an allotted time frame; a Certificate of Extension of Protection will issue in each designated country whose National Office does not issue a timely refusal. Thus, even failure to examine the application in the allotted time frame by a National Office will result in issuance of a Certificate of Extension of Protection in that country. In the United States National Office, any refusal must be issued within eighteen months after the International Bureau transmits the Request for Extension of Protection to the USPTO; in some other countries, the allotted time frame is only twelve months. Should a National Office refuse to issue a Certificate, the applicant may appoint a local attorney or agent to respond to the refusal under national law and practice.

¹ We understand that the USPTO will likely strongly encourage, if not require, electronic filing of Madrid Protocol applications.

² It may in some instances be advisable to adapt trademark searching procedures to include various Madrid Protocol member countries. By this means, applicants could ensure that conflicting applications or registrations do not exist that could support a claim of priority in a Madrid Protocol registration that could block the applicant's use or registration of a mark. While these instances may be rare due to the extra expense involved, it is advisable to consider such issues prior to filing an application for especially important marks such as house marks and the like.

November 4, 2002

After examination, approved marks designating the United States will be published in the U.S. Official Gazette for opposition by third parties, like U.S. national trademark/service mark applications. The USPTO may issue a refusal based on the filing of an opposition or postpone for a limited time its deadline for refusing a Certificate based on the continuing possibility that an opposition may be filed.

When an applicant designates the United States as a country into which to extend protection, the applicant must provide a statement that the applicant has a bona fide intention to use the mark in commerce. While use must eventually occur in the United States to maintain the Certificate, use need not be claimed for a Certificate of Extension of Protection to issue. Thus, under the Madrid Protocol, a non-U.S. applicant may obtain the equivalent of a U.S. registration without use of the mark. This right is similar to the present U.S. practice under Section 44(e) of the Trademark Act.

The United States will require Affidavits of Use between the 5th and 6th years after issuance of the Certificate of Extension of Protection, as well as in the 10th year. Presumably, these filings will be similar to the Declaration of Use Under Section 8 and the Combined Declaration of Use and Application for Trademark Renewal Under Sections 8 & 9. A Declaration of Incontestability under Section 15 can be filed based on continuous use following the issue date of the Certificate of Extension of Protection in the United States. The exact form and requirements for post-international registration filings in the United States should be clarified when the USPTO rules are promulgated.

In addition, the holder of an international registration can renew the registration for a period of ten years upon expiration of the preceding term. The International Bureau will send an unofficial reminder Notice regarding renewal to

the holder of the international registration and its representative, if any. Failure to renew the international registration will result in expiration of any corresponding U.S. Certificate of Extension of Protection.

Other Considerations

Despite the obvious advantages of the Madrid Protocol, international filing is not always appropriate.

The mark covered by an international registration cannot be amended, in contrast to minor changes that are permitted under U.S. practice (e.g., deleting or adding a hyphen between words). Thus when changes to the mark over time are anticipated, it might be advisable to file national applications.

Additionally, amendments to the good/services required by the practice of the Office of Origin in a basic application/registration must be made in the international registration, and thus will apply in all the designated countries. Because this compliance with a particular country's requirement for a specific identification of goods will result in similar amendment in all countries, broader protection might be available by filing individual applications. However, where an international registration is cancelled in whole or in part (e.g., by restriction of the goods), it is also possible to file a U.S. national application to register the mark for the goods or services to which the cancellation applied while preserving the filing and any priority date of the international registration.

In our experience, the USPTO requires more narrowing amendments to the identification of goods/services than most other countries. Unless the USPTO changes its requirements for international applications, the requirement for amended goods/services may effectively become the international identification of goods/services in all of the countries designated by a U.S. applicant. For our domestic clients who

November 4, 2002

designate foreign countries, the narrower identification of goods/services frequently required by the USPTO will hinder taking advantage of the broader identification permitted by most other countries. For the above reasons, the benefits of the Madrid Protocol might sometimes be outweighed by the disadvantage in obtaining unduly narrow protection in countries other than the United States.

The rules for implementing the Madrid Protocol in the United States will provide specific details regarding filing and maintenance procedures, and consideration of the rules should provide additional insights into the advantages and disadvantages of international registration. We will provide additional comments and recommendations after the USPTO promulgates its rules for implementing the Madrid Protocol.

* * * * *

Oloff & Berridge, PLC is a full-service Intellectual Property law firm based in historic Alexandria, Virginia. The firm specializes in patent, copyright, trademark, and antitrust law and litigation, and represents a large and diverse group of domestic and international clients, including businesses ranging from large multinational corporations to small privately owned companies, major universities, and individual entrepreneurs. This Special Report is intended to provide information about legal issues of current interest. It is not intended as legal advice and does not constitute an opinion of Oloff & Berridge, PLC. Readers should seek the advice of professional counsel before acting upon any of the information contained herein. For further information, please contact us by telephone at (703) 836-6400, facsimile at (703) 836-2787, e-mail at commcenter@oliff.com or mail at 277 South Washington Street, Suite 500, Alexandria, Virginia 22314. Information about our firm can also be found on our web site, www.oliff.com.