

# U.S. Entry into Madrid Protocol Streamlines Global Trademark Protection

As of November 2003, the United States became a party to an international treaty, the Madrid Protocol, making it possible for U.S. trademark owners to pursue trademark protection in more than 50 countries around the world on the basis of a single trademark application and a single filing fee.

The Madrid Protocol was enacted in 1996 as an extension of an 1891 treaty called the Madrid Agreement.<sup>1</sup> Both the Protocol and the Agreement (collectively, the Madrid System) are administered by the World Intellectual Property Organization (WIPO), based in Geneva, Switzerland. The goal of the Madrid System is to streamline the process of obtaining global trademark protection. As a result of U.S. entry into the Madrid System, U.S. trademark owners will be able to greatly reduce their paperwork and administrative costs. They only need to file:

- one application (the basic application)
- in one place (the office of origin)
- with one set of documents
- in one language
- paying one fee
- resulting in one registration (the International Registration or Madrid Registration)
- with one registration number
- and one renewal date
- covering more than one country

Contrast this to the present situation, in which a trademark owner seeking protection in, say, ten countries will likely need to file ten separate applications, in ten different languages, retaining the services of ten different trademark agents, and paying ten separate application filing fees. The economies of the Madrid System become even more pronounced in later years, given the ease with which an international registration obtained via the Madrid System can be renewed, amended, transferred, and so on.

## How It Works

A trademark owner seeking international protection via the Madrid System must first own a trademark application or registration in a member country in which the trademark owner is a national, is domiciled, or has a “real and effective industrial or commercial establishment.” This is known as the basic application or registration, and the trademark office of the home country is known as the office of origin. For U.S. trademark owners, or for foreign trademark owners with the requisite presence in the U.S., an application to the U.S. Patent & Trademark Office (USPTO) could serve as the basic application, and the USPTO would become the office of origin.

As part of its basic application, a Madrid applicant can designate any number of Protocol member countries to which trademark protection is to be extended. The office of origin forwards the Madrid Application to WIPO, which confirms that all necessary information has been provided and all fees paid,<sup>2</sup> and when necessary translates the application into English or French (the two official languages of the Madrid System). Any irregularities are reported to the applicant or the office of origin as appropriate. Once all Madrid requirements have been met, WIPO registers the mark, publishes it in the *WIPO Gazette of International Marks*, sends a cer-

tificate to the owner, and forwards information about the mark to the Protocol member countries designated by the applicant.

The national offices of these designated member countries must treat requests to extend Madrid Registrations received from WIPO as properly-filed national applications. They are then examined on the basis of each country's national law. In some countries, this examination is relatively pro forma and the request for extension of protection will be granted with little additional effort. In other cases, as a request for extension of protection is processed the national office may require the applicant to provide additional information, or to respond to office actions challenging the registrability of the mark. The applicant will likely need to retain a local trademark agent for this purpose.

A national office has a fixed time period—initially 12 months, extendable to 18 months under certain circumstances—to challenge or refuse extension of the Madrid Registration. If the national office fails to act within the prescribed time, the request for extension of protection is automatically granted. Once a Madrid Registration takes effect in a particular country, the trademark owner enjoys the same rights there as if it had acquired a national registration in the traditional manner. Some countries confirm this by issuing a “Statement of Grant of Protection,” analogous to a certificate of registration; others do not provide a separate certificate.

## Rights, Renewals, Extensions

For the first five years of its existence, a Madrid registration is dependent upon the national application or registration upon which it is based. If that basic application or registration is limited or cancelled for any reason—whether by action of the national office of origin or as a result of opposition or

<sup>1</sup>“Business Problems and Planning” is a department of the *Michigan Bar Journal*. The editor is J. C. Bruno of Butzel Long, Ste. 900, 150 W. Jefferson, Detroit 48226.

<sup>2</sup>The editor invites lawyers and judges to submit articles to be considered for publication. Articles should focus on planning opportunities and on practical solutions to common problems encountered in representing businesses. They should be short, practical, and under 1,250 words.

cancellation proceedings instituted by a third party—the Madrid Registration and all rights obtained in member countries by extension of that registration are similarly limited or cancelled. This is referred to (somewhat melodramatically) as a central attack. A trademark owner whose mark has fallen victim to a central attack is permitted to transform its Madrid rights into national rights by filing applications in the pertinent countries within three months.

After five years, a Madrid Registration becomes independent of the basic application or registration, and remains valid in all designated countries despite any limitations or cancellations that may later be imposed by the office of origin.

Once a Madrid Registration has been obtained, it can be extended to additional member countries—for example, as the trademark owner's needs evolve, or as new countries enter the Madrid System.

The term of a Madrid Registration is ten years. Renewal is accomplished through a single filing with WIPO. By renewing its Madrid Registration, a trademark owner also renews the national rights it has established through extension of its Madrid Registration in Protocol member countries. Similarly, if ownership of a Madrid Registration is assigned to a third party, the assignment can be recorded with respect to all designated countries by means of a single filing with WIPO.

U.S. entry into the Madrid System will be a boon not only to U.S.-based trademark owners, for whom it will provide a more economical way to obtain or expand overseas protection, but also to foreign-based trademark owners who are doing business in the U.S. Many such businesses, which have already registered their trademarks in their home countries, can now use the Madrid System to extend protection to the U.S. as well.

### Important Considerations

While the Madrid System offers important advantages to trademark owners, several considerations should be kept in mind.

First, the Madrid System can be used only with respect to countries that are members of the Madrid Agreement or the Madrid Protocol. As of this writing, the Protocol has 61 member nations.<sup>3</sup> A number of countries that

are important trading partners with the U.S., such as Canada and Mexico, are not among them. At least, not yet: the entry of the United States—the world's largest economic power—into the Madrid System is expected to accelerate the entry of additional countries.

Second, while use of the Madrid System greatly reduces the need to retain trademark counsel in other countries, it does not completely eliminate it. For example, responding to requests for information and other office actions from national trademark offices will still need to be handled by in-country agents. This is especially likely to be the case with foreign trademark owners extending their protection into the United States. U.S. trademark law is more restrictive than that of other nations, and the USPTO issues more office actions than other national offices. Requests for extension of protection coming into the United States thus face a fairly high likelihood of facing one or more office actions from the USPTO. By the same token, enforcing one's trademark rights—for example, filing a court action against an infringer—also requires use of local counsel.

Third, differences in national law have a strong impact on registration strategy under the Madrid System. Most other countries allow a much broader array of goods and services to be identified to a particular trademark than the U.S. does. Many countries, unlike the U.S., grant registration even before the trademark has been shown to have been used in commerce. For these reasons, some trademark owners may find it most efficient to make the more narrowly-focused and carefully-scrutinized U.S. application their basic application; any application that can pass muster in the USPTO has strong prospects for success elsewhere. On the other hand, some trademark owners will want to start with an application or registration from another country, so as to extend the broader protection available there to other countries, and then pursue narrower U.S. protection separately.

Finally, the Madrid System requires compliance with short, and rigorously-enforced, time lines, both on the part of the applicant and the office of origin—whose performance the applicant needs to monitor. In the U.S., all Madrid-related applications must be filed electronically, via the USPTO's Trademark

Electronic Application System (TEAS).<sup>4</sup> All communications with WIPO concerning Madrid application and registration matters are likewise conducted exclusively online.

### A Valuable Tool

Even with these constraints, the Madrid System offers important advantages to businesses that are expanding their operations overseas—or to those who already do business internationally but have not yet expanded their trademark protection accordingly. The Community Trademark system has already made it possible to obtain trademark protection throughout the U.K. and most of western and eastern Europe by means of a single registration. The Madrid System will provide similar efficiency for trademark protection in those same countries, and also for countries in the Pacific Rim (Japan, China, Korea, Australia), Africa, and Scandinavia. It is a tool that any business operating beyond U.S. borders needs to consider. ♦

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### FOOTNOTES

1. The full name of the treaty is the Madrid Protocol Relating to the Madrid Agreement Concerning International Registration of Marks. A copy of the treaty, the implementing regulations, and other information is available at [www.wipo.int/madrid/en/index.html](http://www.wipo.int/madrid/en/index.html).
2. Filing a Madrid application costs 653 Swiss francs (about \$475). There is an additional fee for each designated country, typically 73 Swiss francs (about \$55).
3. Current member countries are: Albania, Antigua and Barbuda, Armenia, Australia, Austria, Belarus, Belgium, Bhutan, Bulgaria, China, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Iran, Ireland, Italy, Japan, Kenya, Latvia, Lesotho, Lichtenstein, Lithuania, Luxembourg, Monaco, Mongolia, Morocco, Mozambique, Netherlands, Norway, Poland, Portugal, Republic of Korea, Moldova, Romania, Russian Federation, Serbia and Montenegro, Sierra Leone, Singapore, Slovakia, Slovenia, Spain, Swaziland, Sweden, Switzerland, Macedonia, Turkey, Turkmenistan, Ukraine, United Kingdom, United States of America, Zambia.
4. The USPTO's Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act can be viewed at [www.uspto.gov/web/trademarks/fr\\_madrid.htm](http://www.uspto.gov/web/trademarks/fr_madrid.htm).