

**TREATIES BRING CHANGES TO
U.S. TRADEMARK LAW AND PRACTICE**

Louis T. Pirkey
*William G. Barber**

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I. INTRODUCTION

Keeping in step with today's worldwide trends to harmonize laws which facilitate international trade and global markets, the United States has recently negotiated four treaties that have changed or, if implemented, will change U.S. trademark law and practice. These treaties are:

(1) The recently-amended General Agreement on Tariffs and Trade ("GATT"),¹ now implemented in the United States;

(2) The North American Free Trade Agreement ("NAFTA"),² now implemented in the United States;

(3) The Trademark Law Treaty ("TLT"),³ in the process of being implemented in the United States; and

(4) The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol"),⁴ currently on hold in the United States.

This Article will examine each of these treaties and the changes each brings (or may bring) to U.S. trademark law and practice.

¹ General Agreement on Tariffs and Trade, *opened for signature* Oct. 30, 1947, 61 Stat. A3, 55 U.N.T.S. 187 [hereinafter GATT].

² North American Free Trade Agreement, Dec. 8, 1993, Can.-Mex.-U.S., art. 1712, 32 I.L.M. 289 [hereinafter NAFTA].

³ Trademark Law Treaty, Oct. 28, 1994, 49 Pat., Trademark & Copyright J. 29 (BNA) (Nov. 10, 1994) [hereinafter Trademark Law Treaty].

⁴ Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, June 27, 1989, art. 10(3)(a), WIPO Pub. No. 204(E) [hereinafter Madrid Protocol].

II. GATT

On April 15, 1994, the intellectual property provisions of GATT were amended.⁵ Pursuant to these new provisions, the U.S. trademark statute ("Lanham Act") was amended in two respects.⁶ Both amendments to the Lanham Act will take effect January 1, 1996.⁷

One of these amendments relates to the time period for abandonment of marks by nonuse. Under section 45 of the Lanham Act,⁸ a mark is deemed abandoned when its use has been discontinued with intent not to resume use. The statute currently provides that nonuse for two consecutive years constitutes prima facie evidence of this type of abandonment. However, pursuant to the GATT/TRIPS amendments, this time period will be increased to three years.⁹

As before the amendment, the period of nonuse raises only a prima facie presumption of abandonment. The mark owner will still be able to rebut the presumption by proving that it intended to resume use of the mark. A party will still be able to prove abandonment based on less than three years of nonuse if it can establish that the mark owner intended not to resume use.

⁵ The agreements amending GATT were the consummation of the Uruguay Round of Multilateral Trade Negotiations. The intellectual property provisions are embodied in The Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, *opened for signature* Apr. 15, 1994, art. 19(1), 33 I.L.M. 81 [hereinafter TRIPS].

⁶ Uruguay Round Agreements Act, 15 U.S.C.A. §§ 1127, 1052 (West Supp. 1995).

⁷ *Id.* The implementing legislation provides that the amendments "take effect one year after the date on which the WTO [World Trade Organization] Agreement enters into force with respect to the United States." The WTO Agreement, also one of the Uruguay Round agreements which governs world trade in goods and services, went into force in the United States on January 1, 1995.

⁸ 15 U.S.C. § 1127 (1994).

⁹ 15 U.S.C.A. § 1127 (West Supp. 1995). This change was made in view of TRIPS, *supra* note 5, art. 19(1).

The other amendment from GATT/TRIPS prohibits registration of marks which misidentify the place of origin of wines or spirits. Specifically, any mark which "[c]onsists of or comprises . . . a geographical indication which, when used on or in connection with wines or spirits . . . identifies a place other than the origin of the goods" will be unregistrable under section 2(a) of the Lanham Act.¹⁰ But there is an important grandfather clause: the prohibition does not apply to marks of this type used on or in connection with wines or spirits prior to January 1, 1996.

The new section 2(a) prohibition stems from longstanding complaints from some countries, mainly in Mediterranean Europe, that wine and spirits producers, particularly in the United States and Asia, have misappropriated or genericized the names of certain regions well known for their wines and spirits. The GATT/TRIPS amendment was the culmination of a long and sometimes bitter struggle on this issue. Both sides appear to be victorious—the Mediterranean countries by obtaining the prohibition, and the other countries by obtaining the grandfather clause. Examples of marks that might be unregistrable under this provision, if not grandfathered, are those that include the geographical indications "Burgundy" or "Champagne" used on goods not made in those places.

Also, under the treaty, *use* of these types of marks may be proscribed even if the true origin of the wine or spirit is indicated, or the geographical indication is used in translation or accompanied by expressions such as "kind," "type," "style," "imitation," or the like.¹¹ However, the Lanham Act has not been amended to explicitly prohibit *use* of these marks—the amendment deals only with *registration*.

Marks that are subject to the new section 2(a) rejection will not be registrable upon the Principal Register even upon acquisition of secondary meaning, nor will they be registrable on the Supplemental Register.¹² This is an absolute prohibition against registration under the Lanham Act.

¹⁰ 15 U.S.C.A. § 1052(a) (West Supp. 1995). This change was made to comply with TRIPS, *supra* note 5, art. 23(2).

¹¹ TRIPS, *supra* note 5, art. 23(1).

¹² See 15 U.S.C.A. §§ 1052, 1091 (West Supp. 1995).

One question, the answer to which is somewhat unclear under the amendment, is whether a mark that has been *constructively* used prior to January 1, 1996 (by virtue of the filing of an intent-to-use application), but not *actually* used until after January 1, 1996, will be subject to the new section 2(a) rejection. Under section 7(c) of the Lanham Act,¹³ the filing of a federal trademark application constitutes constructive use of the mark. Thus, it could be argued that intent-to-use applications filed prior to January 1, 1996 should not be subject to the new section 2(a) rejection.

However, the constructive use conferred by section 7(c) is contingent on ultimate registration of the mark on the Principal Register—it does not become effective until the registration issues. Thus, it is likely that constructive use alone prior to January 1, 1996 will not save a mark from the new section 2(a) rejection—actual use before that date will probably be required. Certainly, if there is any doubt as to whether a mark that is the subject of a pending intent-to-use application may be rejected under this new provision, the applicant would be wise to begin using the mark prior to January 1, 1996.

III. NAFTA

NAFTA also brought a new statutory bar to registration into U.S. trademark law.¹⁴ Similar to one of the GATT/TRIPS amendments, the NAFTA amendment deals with geographic terms. However, unlike GATT, the change under NAFTA is not limited to any particular goods (such as wines and spirits under GATT)—it applies regardless of the goods or services involved.

Pursuant to NAFTA, the Lanham Act was amended to strictly prohibit registration of marks which are "primarily geographically deceptively misdescriptive" of the applicant's goods or services.¹⁵ Examples of this type of mark include DURANGO for chewing tobacco not grown in

¹³ 15 U.S.C. § 1057(c) (1994).

¹⁴ See NAFTA, *supra* note 2, art. 1712.

¹⁵ See North American Free Trade Agreement Implementation Act, 15 U.S.C.A. §§ 1052(f), 1052(f), 1091(a) (West Supp. 1995) [hereinafter NAFTA Implementation Act] (amending sections 2(e), 2(f), 23(a) of the Lanham Act).

Durango, Mexico¹⁶ and CALIFORNIA MIX for dried fruit and nut mix not made in California.¹⁷ Prior to the NAFTA amendment, such marks were registrable on the Supplemental Register, and on the Principal Register if they had become distinctive of the applicant's goods or services (i.e., acquired secondary meaning). Rejection on the Principal Register was proper under section 2(e)(2) of the Lanham Act,¹⁸ but proof of secondary meaning under section 2(f)¹⁹ could overcome the rejection. Primarily geographically deceptively misdescriptive marks are now unregistrable on either register.²⁰

The NAFTA Implementation Act was enacted in the United States on December 8, 1993. This date is important in several respects. First, the new registration bar applies only to applications filed on or after that date.²¹ Second, primarily geographically deceptively misdescriptive marks which were used on any goods or services prior to December 8, 1993 will still be registrable on the Supplemental Register.²² Finally, if the mark acquired secondary meaning before that date, it will still be registrable on the Principal Register.²³

¹⁶ *In re Loew's Theatres, Inc.*, 769 F.2d 764, 226 U.S.P.Q. (BNA) 865 (Fed. Cir. 1985).

¹⁷ *In re Midwest Nut & Seed Co.*, 214 U.S.P.Q. (BNA) 852 (T.T.A.B. 1982). Other marks which have been found to be primarily geographically deceptively misdescriptive include NEW ENGLAND for bread and rolls not baked in the New England area, *In re Pan-O-Gold Baking Co.*, 20 U.S.P.Q.2d (BNA) 1761 (T.T.A.B. 1991); MANHATTAN for cookies not made in New York, *In re The Cookie Kitchen, Inc.*, 228 U.S.P.Q. (BNA) 873 (T.T.A.B. 1986); and NEAPOLITAN for Italian sausage not made in Naples, *In re Jack's Hi-Grade Foods, Inc.*, 226 U.S.P.Q. (BNA) 1028 (T.T.A.B. 1985).

¹⁸ 15 U.S.C. § 1052(e)(2) (1994).

¹⁹ 15 U.S.C. § 1052(f) (1994).

²⁰ 15 U.S.C. §§ 1052(e)(3), 1052(f), 1091(a) (1994).

²¹ 15 U.S.C.A. § 1052(f) (West Supp. 1995).

²² 15 U.S.C. § 1091(a) (1994).

²³ 15 U.S.C. § 1052(f) (1994).

The savings provision relating to the Supplemental Register is worded in an interesting manner. It appears to apply if the mark sought to be registered has been in use since before December 8, 1993 "on or in connection with *any* goods or services"—not necessarily the goods or services covered by the application.²⁴ Thus, suppose a company opened a restaurant in Austin, Texas under the service mark SANTA FE STYLE on January 1, 1993. On January 1, 1995, the company begins selling salsa, under the same mark, which it makes at its Austin restaurant. Under a literal reading of the statute, it appears the company can still register on the Supplemental Register the mark SANTA FE STYLE for salsa. Although it did not begin using the mark for those goods until after December 8, 1993, it began using the mark for restaurant services prior to that date.²⁵

IV. TRADEMARK LAW TREATY

When harmonization of trademark laws and procedures was first discussed some years ago, the primary thrust was to make the substantive trademark laws of each nation compatible with one another. After exploring this concept, the United States and other major countries concluded that this task was too difficult and redirected their focus to procedural harmonization.

The result of these efforts was the Trademark Law Treaty ("TLT"), a trademark harmonization treaty.²⁶ This treaty was signed by the United

²⁴ 15 U.S.C. § 1091(a) (1994) (emphasis added). Compare this language to the savings provision relating to the Principal Register, which requires that the mark has become distinctive "of the *applicant's* goods" (i.e., the goods covered by the application) before December 8, 1993. 15 U.S.C. § 1052(f) (1994) (emphasis added).

²⁵ It is assumed in this hypothetical that the mark SANTA FE STYLE is primarily geographically deceptively misdescriptive of salsa made in Austin. It is also assumed that no other bars to registration under Section 2 of the Lanham Act apply to the mark.

²⁶ See Trademark Law Treaty, *supra* note 3, art. 19(1). Membership in the TLT is not limited to members of the Paris Convention for the Protection of Industrial Property ("Paris Convention"); rather, it is available to all members of the World Intellectual Property Organization ("WIPO"). See *id.*

States and sixty-seven other states in October 1994.²⁷ When implemented, the provisions of the TLT will greatly influence U.S. trademark owners, especially those who protect their marks in members around the world.

The objective of the TLT is to harmonize the procedures used by the members in filing trademark applications, recording changes of name and address of trademark holders, recording changes in ownership, renewing registrations, and in related procedures. At the present time, these procedures differ, sometimes radically, among the countries of the world. These differences cause aggravation and additional expense to a trademark owner who wants to protect its mark in foreign countries.

A frequent complaint of U.S. trademark owners is that many procedures required by certain foreign countries are non-substantive and unduly technical and expensive. Trademark owners view these procedures as revenue-generating measures rather than valid requirements because they often require the payment of substantial official fees to the local trademark office. The TLT dispenses with many of these requirements.

Provisions of the TLT prohibit members from imposing their own requirements. Members will be permitted to mandate only those requirements specifically stated in the treaty.²⁸ Therefore, the TLT's effect is to prescribe "maximum requirements" members may impose.

A primary advantage of the TLT is that it will require only very minor changes in U.S. trademark laws and procedures. At the same time, however, the treaty will bring the laws of other member countries more into line with U.S. practice and procedures. The treaty and its resulting legislation will affect all U.S. trademarks and service marks.

Specific treaty provisions of interest to the United States include the following:

²⁷ Membership is open both to countries and to intergovernmental organizations such as the European Union. Countries and intergovernmental organizations are jointly referred to as "members" in this Article. Members are called "contracting parties" in the treaty.

²⁸ Trademark Law Treaty, *supra* note 3, arts. 3(7), 5(4).

Terms used in the treaty are defined in Article 1. The article does not define what constitutes a legal entity eligible to apply for registrations, leaving that to the laws of members.

Article 2 relates to the nature and kinds of marks covered. Under this article:

(a) Both trademarks and service marks are covered.²⁹ Service marks, of course, are enormously valuable to U.S. and worldwide business. Despite their value, many countries have been reluctant to extend protection to service marks—some countries still do not register them.

(b) Collective, certification, and guarantee marks are not covered by the TLT.³⁰

(c) Hologram, sound, and olfactory marks are not covered.³¹

(d) Three-dimensional marks are not covered in those countries that do not accept such marks for registration.³² However, they will be covered in the United States.³³

A lengthy list of provisions that a member may require in an application for registration of a mark is contained in paragraphs 1 through 4 of Article 3. Most of these provisions are fairly standard and already in use in the United States³⁴ and elsewhere. A notable exception is the requirement in Article 3(1)(a)(xvii) and Article 3(1)(b) that a declaration of intent to use may be required and the option given to the applicant to file a statement of use instead of, *or in addition to*, that declaration. This will require a change

²⁹ *Id.* art. 2(2)(a).

³⁰ *Id.* art. 2(2)(b).

³¹ *Id.* art. 2(1)(b).

³² *Id.* art. 2(1)(a).

³³ See 15 U.S.C. § 1052 (1994) (three dimensional marks are not included in the list of unregistrable matter).

³⁴ See 37 C.F.R. § 2.33 (1995).

in U.S. procedures to permit a combined use and intent-to-use application.³⁵ That is, a party who is using a mark for particular goods or services, and who intends to use the same mark on other goods and services, will be able to file a single application covering all such goods and services.

Article 3(5) requires that members permit a single application to cover goods and services in multiple classes. This would be helpful to U.S. trademark owners who file applications in countries such as Japan—assuming such countries become members of the TLT--which now require a different application for each class. A subsequent provision of the TLT permits phase-in of this requirement.³⁶

Article 3(7) prohibits any other requirements, specifically enumerating some that are currently used in several countries and that many U.S. trademark owners criticize as unduly burdensome and expensive.

Article 4 relates to representation of applicants and trademark holders. It requires that powers of attorney covering all applications/registrations of the applicant/holder, and general powers of attorney, must be accepted.³⁷ Article 4(6) prohibits members from demanding requirements other than those specifically permitted.

The requirements that members may place on applicants to obtain a filing date are limited by Article 5. If members do not require payment of the filing fee to obtain a filing date, they will not be permitted to do so after adhering to the TLT.³⁸ The U.S. practice of requiring foreign applicants to file a certified copy of their home country registration to obtain a filing date³⁹ would be discontinued.

³⁵ See 37 C.F.R. § 2.33(d) (1995).

³⁶ Trademark Law Treaty, *supra* note 3, arts. 22(1) and 22(8).

³⁷ *Id.* art. 4(3).

³⁸ *Id.* art. 5(2)(b).

³⁹ 15 U.S.C. § 1126(e) (1994).

Article 6 provides that a multiple-class application shall result in a single registration. This is already the practice in the United States.⁴⁰

An applicant having a multi-class application may file one or more divisional applications, as provided in Article 7, preserving the filing and priority date of the parent application. This procedure will permit quicker registration of marks when approval of the parent application is being delayed by a conflict that would not affect the divisional application. Again, this is already the practice in the United States.⁴¹

Members are obligated by Article 8 to accept handwritten signatures from foreign nationals.⁴² But members may also accept, if they so provide, printed or stamped signatures, or a seal.⁴³ Article 8(4) specifically prohibits members, after a phase-in period, from requiring notarization or legalization of signatures, except in cases in which a registration is being surrendered.

Article 9 provides that class numbers of the Nice Classification⁴⁴ be indicated and that goods and services for which registration is sought be grouped together and enumerated under the respective class number.⁴⁵ Article 9(2) provides that goods or services may not be considered similar to each other just because they are in the same class, or dissimilar just because they are in different classes.

⁴⁰ See 37 C.F.R. § 2.86(b) (1995).

⁴¹ 37 C.F.R. § 2.87 (1995).

⁴² Trademark Law Treaty, *supra* note 3, art. 8(1)(i).

⁴³ *Id.* art. 8(1)(ii).

⁴⁴ The Nice Classification is the standard classification established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, June 15, 1957, 23 U.S.T. 1336, 550 U.N.T.S. 45, as revised at Stockholm on July 14, 1967, at Geneva on May 13, 1977, and as amended on October 2, 1979 [hereinafter Nice Agreement]. The Nice Agreement has been adhered to by 38 countries, including the United States, but is also followed by many others.

⁴⁵ Trademark Law Treaty, *supra* note 3, art. 9(1).

The requirements that members may place on changes of name and address of applicants and holders of registrations are limited by Article 10. The United States will need to discard its requirement of filing a change of name document with the U.S. Patent and Trademark Office.⁴⁶

Article 11 relates to changes in ownership. The article prohibits member states from requiring a recitation of transfer of goodwill in order to record a change of ownership of a registration. This is inconsistent with current U.S. law. The article, however, does not require any change in substantive law; that is, the United States may continue its substantive law requirement that assignments of mark rights in gross are invalid.⁴⁷

Correction of mistakes is covered in Article 12.

The duration of each registration and renewal is ten years, as provided in Article 13(7). This article also governs renewal requirements, and would require some changes in section 9 of the Lanham Act.⁴⁸ These changes relate to the furnishing of proof of current use on renewal, and the grace period allowed for renewal after expiration of the registration, which will be increased in the United States from three to six months. The changes required are minor, and the United States would be able to demand proof of use at the time of renewal in other ways.

Applicants or requesting parties must, as provided in Article 14, be given a chance to comment before final refusals are made under Articles 10-13.

Article 15 obligates members to comply with the provisions of the Paris Convention which concern marks.

⁴⁶ TRADEMARK MANUAL OF EXAMINING PROCEDURE § 503.01 (2d ed. May 1993).

⁴⁷ 15 U.S.C. § 1060 (1994).

⁴⁸ 15 U.S.C. § 1059 (1994) (application for renewal term of ten years' duration may be made at any time within six months before the expiration of the period for which the registration was issued or renewed, or application may be made within three months after such expiration and payment of an additional fee).

Article 16 requires that all members register service marks and that all provisions of the Paris Convention which concern trademarks be applied to service marks.

The remaining articles relate to issues such as the phase-in period, procedures for becoming a party to the treaty, the effective date, and languages.

V. MADRID PROTOCOL

A single multi-nation application for registration of marks has been available to residents of many countries for over a century through the Madrid Arrangement.⁴⁹ Due to long-standing objections in the United States to some of its provisions, the United States has never been a member of the Madrid Arrangement.⁵⁰ The objections are based on a belief that, under the Madrid Arrangement, U.S. trademark owners would be disadvantaged in comparison to residents of many other countries. For example, under the Madrid Arrangement, applicants must obtain a *registration* of a mark in their home country before they can apply for international registration of the mark.⁵¹ Registrations can be obtained in most countries much more quickly than in the United States because the United States, unlike many countries, requires use prior to registration,⁵² and subjects applications to rigorous

⁴⁹ The Madrid Agreement Concerning the International Registration of Marks, Apr. 14, 1891, 828 U.N.T.S. 389, as revised at Brussels on Dec. 14, 1900, at Washington on June 2, 1911, at The Hague on Nov. 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 Oct. 2, 1979 [hereinafter Madrid Arrangement]. As of July 1, 1995, forty-four countries, mainly in Europe, are members.

⁵⁰ INTERNATIONAL TREATIES ON INTELLECTUAL PROPERTY 229-30 (Marshall A. Leaffer, ed., BNA 1990).

⁵¹ Madrid Arrangement, *supra* note 49, art. 1(2).

⁵² See, e.g., 15 U.S.C. § 1051 (1994).

examination⁵³ and opposition procedures.⁵⁴ Thus, U.S. trademark owners would not be able to file an international application under the Madrid Arrangement as quickly as residents of most other member countries.

Another perceived disadvantage to U.S. trademark owners lies in the "central attack" provisions of the Madrid Arrangement.⁵⁵ Under the Madrid Arrangement, an international registration, including all of its protection in various countries, automatically lapses if the home country registration upon which it is based is invalidated for any reason within the first five years of the international registration. Because maintenance of trademark registrations in the United States is more difficult than in many countries,⁵⁶ a central attack against a U.S. trademark registration might be more likely to succeed than against registrations in other countries.

Although these problems were largely resolved (or at least significantly improved) in the recently-signed Madrid Protocol,⁵⁷ the United States has not signed the Madrid Protocol due to a political objection relating to voting rights of the European Union and other intergovernmental organizations.⁵⁸ If this political stalemate is resolved and the United States

⁵³ See, e.g., 37 C.F.R. § 2.61-2.64 (1995).

⁵⁴ See, e.g., 15 U.S.C. § 1063 (1994); 37 C.F.R. §§ 2.101-2.107, 2.116-2.136 (1995).

⁵⁵ "Central attack" is the term used for the invalidation of an international registration by cancellation of the home country registration upon which it is based.

⁵⁶ For example, to maintain a U.S. registration, the registrant must establish that it is using the mark in U.S. commerce between the fifth and sixth anniversary of the registration, and again at the time of each renewal. See 15 U.S.C. §§ 1058-1059 (1994). Many countries have no such use requirements.

⁵⁷ Madrid Protocol, *supra* note 4, art. 10(3)(a).

⁵⁸ See *id.* (giving each contracting party, whether a country or an intergovernmental organization, one vote in the Assembly). The Clinton administration has expressed concern that the European Union would use the Madrid Protocol as precedent to acquire similar voting rights in other treaties. When a similar dispute threatened to derail the subsequently-negotiated TLT, the Diplomatic Conference reached agreement by deleting

joins the Madrid Protocol,⁵⁹ U.S. trademark owners will be able to file a single application, in English, to register a mark—whether a trademark, service mark, or both⁶⁰—and obtain an "international registration" that may then extend protection to other member countries and territories of the Madrid Protocol.⁶¹ The "international registration" is the vehicle for extending protection to the jurisdictions of the Madrid Protocol.

Under the Madrid Protocol, one may register a mark on the International Register by filing an international application.⁶² Before applying to register, the applicant must have registered the mark (i.e., have received a "basic registration") or *applied to register* the mark (i.e., have filed a "basic application") in the trademark office ("office of origin") of a member of the Madrid Protocol.⁶³ This is a significant improvement from the United States' perspective over the Madrid Arrangement, because U.S. applicants will not have to await issuance of a U.S. registration before filing an international application, and because filing in the United States can now be based on an intent to use the mark.⁶⁴

all voting rights provisions from that treaty.

⁵⁹ A bill to implement the Madrid Protocol in the United States (which would be subject to the treaty's ratification by the United States and entry into force in the United States) was recently introduced in Congress. H.R. 1270, 104th Cong., 1st Sess. (1995). Similar bills were introduced in the last two Congresses, but those efforts stalled. See H.R. 6211, 102d Cong., 2d Sess. (1992); H.R. 2129, 103d Cong., 1st Sess. (1993); S. 977, 103d Cong., 1st Sess. (1993).

⁶⁰ Madrid Protocol, *supra* note 4, art. 2(3).

⁶¹ Membership in the Madrid Protocol is open to countries who are members of the Paris Convention and to certain intergovernmental organizations. *Id.* art. 14. Member countries are called "Contracting States" in the treaty, and member organizations are called "Contracting Organizations." *Id.* art. 1.

⁶² *Id.* art. 3.

⁶³ *Id.* art. 2(1).

⁶⁴ See 15 U.S.C. § 1051(b) (1994).

International applications under the Madrid Protocol will be filed with the International Bureau of WIPO through the intermediary of the applicant's home country trademark office.⁶⁵ The application must meet the following requirements:

(1) it must be presented on the form prescribed by the Protocol Regulations;

(2) it must be certified by the office of origin as corresponding to the basic application or registration;

(3) it must indicate the goods and services covered, and, if possible, the corresponding International Class(es);

(4) if color is claimed as a distinctive feature of the mark, the application must state so, and it must be accompanied by a notice specifying the claimed color(s) and include color copies of the mark; and

(5) it must include a request for extension of protection, specifying the member countries where the applicant desires protection.⁶⁶

Following receipt of a proper international application, the International Bureau will immediately register the mark (i.e., issue the "international registration") and notify the trademark offices involved.⁶⁷ The international registration will be dated as of the date the international application was received in the office of origin, provided it is received by the International Bureau within two months thereafter. The mark will then be published in a periodical gazette. However, as of the time of registration and publication, the international registration will grant no protection. Protection for the mark must be obtained by extension of the international registration to the members.

⁶⁵ Madrid Protocol, *supra* note 4, art. 2(2). U.S. applicants would file their international applications with the United States Patent and Trademark Office acting as intermediary for the International Bureau.

⁶⁶ *Id.* art. 3.

⁶⁷ *Id.* art. 3(4).

The applicant must specify the members where it desires protection in the international application⁶⁸ and pay the applicable fees in advance to the International Bureau. These fees generally include a "basic fee, a "supplementary fee" for each class covered over three, and a "complementary fee," or alternatively an "individual fee," for each member to which extension of protection is requested.⁶⁹ In addition, the office of origin may charge a fee for receiving and processing the international applications and renewals.⁷⁰

The registrant can make subsequent requests for extension after the international registration issues, paying the fee for each member requested.⁷¹ The International Bureau will again notify the trademark offices involved. Extensions after the international registration will be effective on the date they are recorded in the International Register.

Foreign applicants requesting an extension of protection to the United States will likely have to comply with certain basic requirements of U.S. trademark applications. Most notably, they will probably have to submit, with the request, a declaration similar to that required in intent-to-use applications, attesting that the applicant has a bona fide intention to use the mark in U.S. commerce, believes it is entitled to use the mark in U.S. commerce, and believes no one else has the right to use the mark or a similar mark in U.S. commerce in a manner likely to cause confusion.⁷²

A notified trademark office may deny protection if the mark would not be registrable under the applicable trademark laws if the application had

⁶⁸ *Id.* art. 3ter(1).

⁶⁹ *Id.* art. 8(2). The complementary fee set by the International Bureau applies to all member countries unless a country sets its own individual fee. However, the individual fee may not be higher than the amount that would be charged for a ten year renewal of a registration in that country, and the amount is to be discounted by the savings resulting from the international procedure. *Id.* art. 8(7)(a).

⁷⁰ *Id.* art. 8(1).

⁷¹ *Id.* art. 3ter(2).

⁷² See 15 U.S.C. § 1051(b)(1)(A) (1994).

been deposited directly in that member.⁷³ However, protection may not be refused, even partially, based only on the number of classes, goods, or services covered. Extensions in each country may also be opposed, just like national applications.⁷⁴

The grounds for refusal of protection in any member (whether by *ex parte* examination or by the filing of an opposition) will be sent to the International Bureau,⁷⁵ which will notify the holder of the international registration. The registrant will have the right to respond to the refusal just as if it had applied directly in the applicable member.⁷⁶

If a member does not finally refuse the extension within eighteen months of after the date of the international registration, the registration becomes effective in that member.

An international registration under the Madrid Protocol will have the same effect as a national or regional trademark application in all countries and intergovernmental organizations to which extension of protection has been requested, including the right of priority provided under the Paris Convention.⁷⁷ If the extension is not finally refused, the international registration will then have the same effect as a national or regional registration.⁷⁸ If protection is extended, the international registration will replace any previously issued national or regional registration covering the same goods and services (without prejudice to any rights acquired by the national or regional registration).⁷⁹

⁷³ Madrid Protocol, *supra* note 4, art. 5(1).

⁷⁴ *Id.* art. 5(2)(c).

⁷⁵ *Id.* art. 5(2)(a).

⁷⁶ *Id.* art. 5(3).

⁷⁷ *Id.* art. 4(1)(a), 4(2).

⁷⁸ *Id.* art. 4(1)(a).

⁷⁹ Madrid Protocol, *supra* note 4, art. 4*bis*.

Members may not invalidate protection of an internationally registered mark without giving the registrant the opportunity to defend its rights.⁸⁰

International registrations under the Madrid Protocol will be effective for ten years,⁸¹ and may be renewed for additional ten-year terms upon the payment of fees.⁸² A six-month grace period for renewal will be available upon payment of a surcharge.⁸³

Under the Madrid Protocol, an international registration will become independent of the basic application or the basic registration on its fifth anniversary.⁸⁴ After that time, an international registration will remain in force even if the national or regional registration upon which it was initially based ultimately lapses or is cancelled.

Prior to its five-year anniversary, an international registration will be cancelled, and protection provided therein will lapse if and to the extent that the basic application or basic registration ceases to become effective with respect to all or some of the goods and services listed in the international registration. The same result applies if a proceeding (such as an appeal of a rejection, an opposition, or a cancellation proceeding) which results in the basic application or basic registration becoming ineffective commences prior to the fifth anniversary of the international registration, even if the proceeding is not concluded until after the fifth anniversary.⁸⁵

However, should an international registration be cancelled in this way, it may in essence be converted to national or regional applications in the countries or intergovernmental organizations where the international registration had effect. To be eligible for this procedure, the national or

⁸⁰ *Id.* art. 5(6).

⁸¹ *Id.* art. 6(1).

⁸² *Id.* art. 7(1).

⁸³ *Id.* art. 7(4).

⁸⁴ *Id.* art. 6(2).

⁸⁵ Madrid Protocol, *supra* note 4, art. 6(3).

regional applications must be filed within three months of cancellation of the international registration, and may only cover goods and services contained in the international registration.⁸⁶ The corresponding national or regional applications will be accorded the same filing date and priority (if any) as the cancelled international registration. This alleviates another of the United States' major objections to the Madrid Arrangement, which provides no such conversion procedure in response to a central attack.

An international registration may be transferred with respect to any member where it has effect, or with respect to any goods or services listed in the registration, to any person eligible to file international applications. The change in ownership will be recorded by the International Bureau upon request.⁸⁷ The International Bureau will also record various other matters relating to an international registration as listed in Article 9*bis*.

The Madrid Protocol will enter into force three months after it is ratified by four countries or organizations, provided that at least one of them is a party to the Madrid Agreement and at least one is not.⁸⁸ As of September 1, 1995, the Madrid Protocol has been ratified by the required four countries (Spain, Sweden, Great Britain, and most recently China), and it is set to go into force on December 1, 1995.⁸⁹

The Madrid Protocol could be a significant benefit to U.S. trademark owners. Advantages would include:

- the simplicity of filing a single application in a centralized system, as opposed to individual applications in countries where protection is desired;
- the convenience of filing an international application in the English language;

⁸⁶ *Id.* art. 9*quinquies*.

⁸⁷ *Id.* art. 9.

⁸⁸ *Id.* art. 14(4)(a).

⁸⁹ The Madrid Protocol probably will meet in early 1996 to approve regulations, and applications will likely be accepted sometime during 1996.

- the cost savings of not having to hire a trademark attorney or agent in every country where protection is desired—foreign associates would typically need to be engaged only in those countries where a request for extension of protection is rejected; and
- the cost savings of having to maintain only one international registration, as opposed to individual registrations in various countries and regions—this would greatly reduce the costs of recording name and address changes, assignments, and renewals.

However, whether the United States will ever join the Madrid Protocol is uncertain at best, due to the volatile and yet unresolved voting rights issue.⁹⁰

VI. CONCLUSION

The GATT and NAFTA offer substantial benefits through enhanced protection to U.S. mark owners—especially those who own well-known marks—in the other countries that have adhered to those treaties. Among the benefits, both treaties extend protection to service marks and both make it easier to establish that a mark is well known in the territory.

The TLT and Madrid Protocol will facilitate protection of marks in other members around the world.

These treaties are very important and beneficial to U.S. mark owners. The relatively minor changes we had or have to make in our own trademark law is indeed a small price to pay for the benefits received.

⁹⁰ See *supra* note 58.