

**PRACTISING LAW INSTITUTE**

**THE MADRID PROTOCOL  
HOW IT WORKS  
AND ITS IMPACT ON  
U.S. TRADEMARK PRACTICE  
2003**

**ADVISING FOREIGNERS ON EXTENDING  
INTERNATIONAL REGISTRATIONS  
TO THE U.S.**

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## I. INTRODUCTION

On November 2, 2002, the U.S. enacted the Madrid Protocol Implementation Act<sup>1</sup> (“MPIA”) which governs U.S. accession to the Madrid Protocol.<sup>2</sup> The Protocol is part of the Madrid system administered by the International Bureau of the World Intellectual Property Organization (“WIPO”). Under the Protocol, a trademark owner can obtain an International Registration (“IR”) based on an application or registration in its “Office of Origin” for the same mark for the same (or narrower) goods and/or services, and extend the protection of the IR to other jurisdictions. The “Office of Origin” refers to the country or intergovernmental organization that is a party to the Protocol (known as a “Contracting Party”) that submits the international application to WIPO. The international applicant may choose as its Office of Origin any Contracting Party in which it can establish an entitlement to file based on its nationality, domicile or a “real and effective commercial or industrial establishment”. Only one Office of Origin can be selected for a given international application. The IR holder must designate at least one other Contracting Party to which the IR is to be extended, and cannot extend the IR back to the originating Office of Origin.

U.S. adherence to the Madrid Protocol adds a new basis for obtaining registered trademark protection in the U.S.<sup>3</sup> New Section 66(a) permits holders of IRs to request an extension of protection of an IR to the U.S. Special nomenclature is sometimes used in discussing Section 66(a) applications. The owner of the IR is the “holder of the IR” (sometimes identified simply as applicant). An application for registration in the U.S. pursuant to the Protocol is called a “request for extension of protection” (“REP”) (sometimes referred to simply as an application).<sup>4</sup> A flowchart illustrating the processing of REPs in the U.S. is attached as Exhibit A. Following successful examination and publication of a REP, the US Patent and Trademark Office (“PTO”) will grant a “certificate of extension of protection” (“CEP”) to the IR holder (sometimes referred to simply as a registration).<sup>5</sup>

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<sup>1</sup> Pub. L. No. 107-273, subtitle D, sections 13401-13403, 116 Stat. 1913-1921 (2002) (to be codified at 15 U.S.C. § 1141).

<sup>2</sup> The formal name is “The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks”, adopted at Madrid, Spain on June 27, 1989.

<sup>3</sup> The existing bases for filing an application are (1) use in commerce, 15 U.S.C. Section 1(a); (2) bona fide intention to use in commerce, 15 U.S.C. Section 1(b); (3) ownership of an application filed within the preceding six months in a Convention country (see discussion in Part II), 15 U.S.C. Section 44(d); and (4) ownership of a registration in the applicant’s country of origin, 15 U.S.C. Section 44(e). In order for the mark to be registered, the application must be amended to satisfy the requirements of either Section 1(a) or Section 44(e).

<sup>4</sup> Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act, 68 Fed. Reg. 15119, 15137 (proposed March 28, 2003) (proposed Rule 7.25(b)).

<sup>5</sup> Id., proposed Rule 7.25(c).

While it is possible that U.S. corporations could establish an entitlement to obtain an IR from an Office of Origin other than the U.S. and then seek to extend that IR to the U.S., the majority of IR holders seeking extension of an IR to the U.S. are expected to be foreign nationals. This paper examines the new Section 66(a) basis and compares it to the most similar existing basis for registered trademark protection for foreign nationals, Section 44(e). This paper then discusses some special issues that can arise in obtaining registered trademark protection in the U.S. that must be considered when requesting extensions of protection to the U.S.

## **II. COMPARISON OF SECTION 44(E) AND SECTION 66(A)**

Section 44 of the Lanham Act confers special benefits on foreign nationals whose country of origin is a party to an international trademark convention or treaty (a “Convention”) to which the U.S. also is a party.<sup>6</sup> The principal benefit accorded applications seeking registration under Section 44(e) is that the U.S. registration will be granted upon submission of a registration certificate from the applicant’s country of origin, without any requirement that the mark first be used.

Similarities. There are many similarities between Section 44(e) and new Section 66(a):

- Both require a verified statement of a bona fide intention to use the mark in commerce in relation to the goods and services for which registration is sought.
- Both rely on an underlying earlier filing in another jurisdiction, and
  - the mark must be the same as the mark in the earlier filing, and
  - the goods/services must be the same as or narrower than the goods/services identified in the earlier filing.
- Neither requires a showing of use prior to registration.
- Neither is subject to the restrictions on assignment of intent-to-use applications imposed by Section 10 of the Lanham Act.<sup>7</sup>
- The PTO intends to examine Section 66(a) applications with the same rigor that it examines regularly-filed Section 44(e) applications, including its

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<sup>6</sup> Lanham Act Section 44(b). The Paris Convention is the principal international treaty governing trademarks and unfair competition, with the greatest number of adherent nations, but other treaties and conventions meet the standard set by Section 44(b). See 4 McCarthy on Trademarks §§ 29:25-29:34 (4<sup>th</sup> ed.)

<sup>7</sup> Lanham Act Section 10(a)(1) states, in part, as follows:

[N]o application to register a mark under section 1(b) shall be assignable prior to the filing of an amendment under section 1(c) to bring the application into conformity with Section 1(a) or the filing of a verified statement of use under section 1(d), except for an assignment to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing.

requirement that the goods and services be stated with specificity. Most of the Lanham Act Section 2 rules will apply to examination of REPs.<sup>8</sup>

- Both are granted a constructive date of use that corresponds to the “filing date” of the application, contingent on the grant of the registration/CEP.<sup>9</sup>
- Both permit the claim of filing date priority based on an earlier filing in a Convention country; the Convention priority filing need not be in the same country as the applicant’s country of origin.<sup>10</sup>
- A REP shall have the same effect and validity as any other registration on the Principal Register, and the IR holder shall have the same rights and remedies as the owner of a registration on the Principal Register.
- Both require the periodic filing of affidavits of use in order to maintain the protection granted by the registration.<sup>11</sup>
- Both permit claims of incontestability.<sup>12</sup>
- Both are subject to challenge on the ground of abandonment, which is defined as discontinuation of use with no intent to resume such use.<sup>13</sup>

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<sup>8</sup> Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act, 68 Fed. Reg. 15119, 15137 (proposed March 28, 2003) (proposed Rule 7.25(a)).

<sup>9</sup> Lanham Act Sections 7(c) and 66(b). For REPs, the “filing date” is the earliest of the following:

- (1) the international registration date, if the REP was filed in the international application (i.e., it is not a subsequent designation).
- (2) the date of recordal of the REP, if the REP was made after the international registration date (i.e., it is a subsequent designation).
- (3) the date of priority claimed pursuant to the Paris Convention.

<sup>10</sup> Lanham Act Section 44 sets forth the requirements for a proper claim of Convention priority for regularly-filed national applications; new Lanham Act Section 67 sets forth the conditions under which a claim of Convention priority will be recognized in REPs.

<sup>11</sup> Lanham Act Section 8 governs the requirements for the affidavit of use required to maintain Section 44(e) registrations. New Lanham Act Section 71 will govern the requirements for the affidavit of use required to maintain the CEP.

<sup>12</sup> Lanham Act Section 15 governs the requirements for incontestability for Section 44(e) registrations; new Lanham Act Sections 73 and 74 apply to incontestability claims for CEPs. Note, too, that Section 74 suggests that a CEP becomes incontestable immediately upon its issuance if the IR holder already owns an incontestable U.S. registration of the same mark for the same goods and/or services. See discussion under “Replacement”, below.

<sup>13</sup> Lanham Act Section 45. (The Lanham Act also defines abandonment as occurring when any course of conduct by the owner, including acts or omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark.) The U.S. “abandonment” standard differs from the law in most countries where a registration usually confers a protected period of time during which the owner of the registration enjoys the priority afforded by the registration without the obligation to commence use of the mark.

Differences. The primary differences between the two bases are outlined below. Some of these are substantive and will influence the trademark owner's decision about which basis is the best avenue for obtaining protection for a particular trademark.

IR holder can obtain registration without a home country registration. A foreign national seeking registration in the U.S. on the basis of Section 44(e) cannot obtain a U.S. registration until it obtains a registration of the trademark in its country of origin for the same or broader goods/services coverage.<sup>14</sup> Therefore, Section 66(a) offers the ability to obtain registered trademark protection in the U.S. without the need to demonstrate either use in the U.S. or ownership of a registration in the applicant's country of origin.

Dependency. A U.S. registration issued under Section 44(e) is independent of the home country registration,<sup>15</sup> whereas a CEP is dependent on the continued existence of the IR, and for the first five years of the IR, is also dependent on the continued validity of the underlying basic application/registration in the Office of Origin.<sup>16</sup>

Supplemental Register. Section 44(e) applications are eligible for registration on the Supplemental Register, the register of lesser protection for descriptive marks and other marks that do not qualify for the Principal Register, whereas REPs under Section 66(a) are not.<sup>17</sup> Therefore, Section 44(e) is the better filing basis for marks that are likely to encounter a refusal to register on the ground that they are merely descriptive or misdescriptive, or are geographically descriptive/misdescriptive, or are primarily merely a surname, or that are otherwise considered ineligible for registration on the Principal Register absent a showing of acquired distinctiveness.<sup>18</sup>

Replacement. The MPIA enacts the replacement provisions contained in Article 4*bis* of the Madrid Protocol.<sup>19</sup> New Lanham Act Section 74 provides that:

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<sup>14</sup> Moreover, it is not possible to base a U.S. regularly-filed application on a pending home country application after the Convention priority period ends. That is, once the Convention priority "window" has closed, the applicant cannot file under Section 44 in the U.S. until its country of origin registration issues. (Technically, though, an application can be filed and will be granted a filing date even if no basis has been alleged. It is also possible to file an application based on Section 1(b) and then to amend the application to Section 44(e) once the home country registration issues.) In contrast, an IR can be obtained based on a pending application in the country of origin and the protection of the IR can be extended to the U.S. while the country of origin application is still pending.

<sup>15</sup> Lanham Act Section 44(f).

<sup>16</sup> Madrid Protocol, Article 9 quinquies.

<sup>17</sup> Lanham Act Section 68(a)(4).

<sup>18</sup> IR holders will be entitled to registration on the Principal Register if they can establish that the mark has acquired distinctiveness in accordance with Lanham Act Section 2(f).

<sup>19</sup> Madrid Protocol, Article 4*bis* states:

[w]hen a United States registration and a subsequently issued certificate of extension of protection to the United States are owned by the same person, identify the same mark, and list the same goods or services, the extension of protection shall have the same rights that accrued to the registration prior to issuance of the certificate of extension of protection.

In accordance with Article 4*bis*(2), the PTO proposes to make a note of the replacement upon request and payment of a fee by the IR holder.<sup>20</sup> However, such notation is not required for the provisions of Section 74 to apply. Instead, the effect is automatic.<sup>21</sup> The term “replacement” is somewhat of a misnomer because the pre-existing national registration remains in effect unless it expires or is cancelled, and can be independently maintained and renewed. Indeed, it may be more accurate to simply say that this provision overrides the rule against duplicate protection and that it appears to enable the CEP to “scoop up” all of the rights of the earlier U.S. registration, including its priority date and its incontestability status, if applicable. It remains to be seen how this provision will be implemented by the PTO and interpreted by U.S. courts and the Trademark Trial and Appeal Board, and whether the attendant responsibilities for maintenance of a registration, such as the periodic filing of use declarations required by Section 8, will apply to such “scooped up” rights.<sup>22</sup>

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(1) “Where a mark that is the subject of a national or regional registration in the Office of a Contracting Party is also the subject of an international registration and both registrations stand in the name of the same person, the international registration is deemed to replace the national or regional registration, without prejudice to any rights acquired by virtue of the latter, provided that

- (i) the protection resulting from the international registration extends to the said Contracting Party under Article 3ter(1) or (2),
- (ii) all the goods and services listed in the national or regional registration are also listed in the international registration in respect of the said Contracting Party,
- (iii) such extension takes effect after the date of the national or regional registration.

(2) The Office referred to in paragraph (1) shall, upon request, be required to take note in its register of the international registration.

<sup>20</sup> Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act, 68 Fed. Reg. 15119, 15137 (proposed March 28, 2003) (proposed Rule 7.28(b)).

<sup>21</sup> The automatic effect results from the Protocol’s language that the IR is “deemed to replace” earlier national applications and the MPIA’s language that the CEP “shall have the same rights that accrued to” the earlier national registration.

<sup>22</sup> It is clear that the earlier registration can be maintained and renewed separately. See Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act, 68 Fed. Reg. 15119, 15137 (proposed March 28, 2003) (proposed Rule 7.29). It is not clear whether or not the earlier registration can be allowed to lapse with no harm to the “scooped up” rights. Consider the following example. A 1989 registration is due for renewal and the filing of a Section 8 declaration in 2009. Meanwhile, the trademark owner obtained a CEP of the same mark for the same goods in 2008. The CEP will not be due for the filing of a Section 71 use declaration until 2014. Can the trademark owner permit

Renewal and Maintenance. The CEP will remain in force for the term of the IR upon which it is based, subject to the filing of Section 71 affidavits, as discussed below.<sup>23</sup> Thus, renewal is accomplished by renewing the IR with WIPO and paying the fees to continue to designate the U.S.<sup>24</sup> as a country to which protection has been extended. However, the CEP will be cancelled if the affidavit of use or excusable nonuse required by Section 71 is not filed directly with the PTO (a) between the fifth and sixth-year anniversary of the date on which the CEP was issued (i.e., no sooner than 5 years but no later than 6 years following the date on which the CEP issued), and (b) at the end of the ten-year anniversary of the date on which the CEP was issued, and (c) at the end of every ten-year period thereafter. The Section 71 affidavit must list the goods/services recited in the CEP on or in connection with which the mark is in use in commerce<sup>25</sup> and must include a specimen showing the current use of the mark in commerce, and the appropriate fee must be paid. While Section 44(e) registrations are subject to the same requirement pursuant to Section 8 of the Lanham Act, the requirement is somewhat more burdensome for IR holders since the due dates for the filing of the Section 71 affidavit will never coincide with the date of renewal of the IR. As a result, additional docketing will be required, which produces more opportunities for inadvertent oversights resulting in loss of protection. It is anticipated that U.S. law firms and other service providers will offer a maintenance service to IR holders to ensure that the necessary maintenance requirements are satisfied.

Modification of Trademark. The U.S. permits amendment of the registered mark “for good cause” (e.g., to reflect modernization of stylized forms of the mark) upon application by the owner and payment of a fee, so long as the amendment does not materially alter the character of the mark.<sup>26</sup> By contrast, there is no mechanism to update the form of the mark that is the subject of the IR.<sup>27</sup> This may be an important factor to

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its 1989 registration to lapse, and not file the Section 8 declaration that is due in 2009, with no harm to its rights? If so, from what date can a prima facie presumption of abandonment following three years of non-use be calculated? From 2008, when the CEP issued? From 2009, when a Section 8 was due for the 1989 registration but was not filed? If a period of non-use had commenced in 2006, does issuance of the 2008 CEP “reset the clock” to 2008?

<sup>23</sup> Lanham Act Section 71.

<sup>24</sup> *Guide to the International Registration of Marks Under the Madrid Agreement and the Madrid Protocol* (2002 version), part B, ch. II §§ 70.01, 72.01-73.01.

<sup>25</sup> “Use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. Lanham Act Section 45. “Commerce” means all commerce which may lawfully be regulated by the U.S. Congress. *Id.*

<sup>26</sup> Lanham Act Section 7(e); Trademark Manual of Examining Procedure § 1609.02 (3<sup>rd</sup> ed.).

<sup>27</sup> Article 9*bis* of the Protocol lists a number of changes to an IR that WIPO will record, but the list does not include changes to the form of a mark. In addition, Article 7(2) of the Protocol states that “[r]enewal may not bring about any change in the international registration in its latest form.”

consider for marks that include designs, devices and stylization elements such as a particular typefont.

### **III. SPECIAL ISSUES OF U.S. PRACTICE**

It is important that the following issues of U.S. law and practice be appreciated by the IR holder and its agent before a REP to the U.S. is filed.

Bona fide intention to use mark in commerce. Except for applications that are filed under Section 1(a), U.S. law requires the trademark owner to verify that it has a bona fide intention to use the mark in commerce on or in connection with the goods and services identified in the U.S. application.<sup>28</sup> The MPIA imposes the requirement for verification of a bona fide intent to use in commerce on IR holders who designate the U.S. as a Contracting Party to which protection is sought to be extended.<sup>29</sup> While the PTO does not evaluate the good faith of the verification of a bona fide intention to use unless there is evidence of record that clearly indicates that no such intention exists, this issue can be raised by third parties in contested proceedings.<sup>30</sup> Likewise, the PTO is satisfied with verification that the bona fide intention exists or existed on the application filing date,<sup>31</sup> but the issue of whether or not the applicant has or had a sufficient bona fide intention to use throughout the life of the application can be raised by third parties in contested proceedings. There is little guiding case law interpreting what is a sufficient bona fide intention to use; whether having a bona fide intention to use on some but not all of the goods and services invalidates the application in its entirety or only as to the goods and/or services for which no bona fide intention to use exists; and whether deletion of goods/services for which no bona fide intention to use existed on the filing date during the course of subsequent prosecution “cures” an overly broad initial list. What is certain, though, is that third parties who oppose REPs will seize upon a lengthy and unlikely list of goods/services listed in the application as a basis for alleging that the requisite bona fide intent did not and does not exist. Thus, IR holders and agents filing international applications designating the U.S. should be aware of this important element of U.S.

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<sup>28</sup> Lanham Act Section 1(b); see also the definition of “use in commerce” in footnote 25.

<sup>29</sup> Lanham Act Section 66(a).

<sup>30</sup> The Trademark Manual of Examining Procedure explains that the PTO “will *not* evaluate the good faith of an applicant in the ex parte examination of applications. Generally, the applicant’s sworn statement of a bona fide intention to use the mark in commerce will be sufficient evidence of good faith in the *ex parte* context. Consideration of issues related to good faith may arise in an *inter partes* proceeding”. TMEP § 1101 (3d ed.).

<sup>31</sup> 35 C.F.R. § 2.34(a)(2) states that “[i]f the verification [of the applicant’s bona fide intention to use] is not filed with the initial application, the verified statement must allege that the applicant had a bona fide intention to use the mark in commerce as of the filing date of the application.”



practice and should limit the list of goods/services for which extension to the U.S. is sought when appropriate.<sup>32</sup>

Specificity of goods and services. The PTO requires that the identification of goods and recitation of services for which registration (or extension of protection) is sought be identified with specificity. Its specificity requirements are fairly strict. For example, the phrase “computer software” is unacceptably indefinite under U.S. practice, and usually will be accepted only after the applicant has identified the function of the computer software and the field in which it is used. Therefore, unless the goods/services identified by the IR (in its entirety or as limited for the U.S. REP) satisfy the U.S. standards for specificity, the PTO will issue a provisional refusal and will require that the goods/services be amended to satisfy its requirement for specificity. The IR holder then must respond to the refusal within a designated time period or the application/REP will be deemed abandoned.<sup>33</sup> The PTO will accept responses from the IR holder itself, or from a person who is authorized to represent the IR holder before the PTO. At present, the PTO rules require such authorized persons to be located in the U.S. In practice, this usually will mean that foreign IR holders will need to retain U.S. counsel to respond to refusals issued by the PTO.

Appointment of U.S. Representative. The foreign IR holder is unable to designate a U.S. representative when it extends the protection of the IR to the U.S.<sup>34</sup> However, as mentioned above, if a provisional refusal issues, the IR holder will have the opportunity to retain U.S. counsel to respond to the refusal and to be entered in the record as the U.S. representative. If no U.S. representative is appointed, then if the REP is opposed or if a petition for cancellation is filed against the CEP, it appears that the Trademark Trial and Appeal Board will forward such notices to the IR holder itself.<sup>35</sup> If a notice is returned to the Office undelivered, additional notice may be given by publication in the Official

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<sup>32</sup> Item 10(b) on WIPO’s standard international application form, form MM2, enables the IR holder or agent to easily limit the goods/services by merely checking a box and then listing the goods/services for which protection is sought in a particular Contracting Party.

<sup>33</sup> At present, failure to respond results in abandonment of the entire application. However, the PTO proposes to amend its practice so that the application will be deemed abandoned only as to the goods/services that are provisionally refused as indefinite. Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act, 68 Fed. Reg. 15119, 15130 (proposed March 28, 2003) (proposed Rule 2.65).

<sup>34</sup> WIPO will recognize only one representative for each IR. *Guide to the International Registration of Marks Under the Madrid Agreement and the Madrid Protocol* (2002 version), part B, ch. I § 10.05. Thus, while a U.S. representative could be the single representative recognized by WIPO in a particular IR, this would be unusual when the IR is owned by a foreign national.

<sup>35</sup> Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act, 68 Fed. Reg. 15119, 15131-32 (proposed March 28, 2003) (proposed Rules 2.105 and 2.113).

Gazette.<sup>36</sup> Given the uncertainty of adequate and timely notice by these methods, it is advisable to appoint a U.S. representative.

Formalities; Amendments to Application. WIPO's standard application form, form MM2, enables the IR holder to submit with its application many of the formal statements that the U.S. requires during prosecution. These include a translation of any non-English wording in the mark; a transliteration of the mark; a disclaimer; statements about colors claimed; and a description of the mark. Thus, IR holders who submit a REP that includes all appropriate statements and sets forth an identification of goods and services that satisfies the U.S. requirements for specificity may avoid receiving a provisional refusal (assuming, of course, that no absolute or relative grounds of refusal are raised by the PTO). However, at this time it does not appear that form MM2 enables the IR holder to claim ownership of its prior registrations, if any, for the same mark covering the same or related goods and services. Such a claim of ownership is required to overcome a provisional refusal by the PTO citing these earlier registrations. At present, there does not appear to be a way for an IR holder to affirmatively place a statement like this in the record so as to avoid issuance of a provisional refusal on this basis.<sup>37</sup>

#### **IV. CONCLUSION**

U.S. adherence to the Protocol offers opportunities and challenges for trademark owners and practitioners. The addition of a new basis for obtaining registered trademark protection in the U.S. may be a useful alternative to Section 44(e) for some trademark owners but is not the best route for all marks. Moreover, special requirements of U.S. law and practice require IR holders and their representatives to give extra attention to a request for extension of an international registration to the U.S. and many IR holders will find that it is necessary to retain U.S. counsel to respond to provisional refusals, defend oppositions and cancellation proceedings, and to file the appropriate maintenance documents over the life of the registration.

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<sup>36</sup> Id. (proposed Rule 2.118).

<sup>37</sup> Since the PTO's proposed regulations for implementation of the Madrid Protocol are not yet final, it is possible that a procedure permitting amendments of this type to be filed prior to examination of the REP may be added.