

## Trademark

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**Madrid Protocol: The One-Stop Shop for International Trademark Protection***By Tina D. Kourasis and Melissa S. Dillenbeck*

On November 2, 2002, President Bush signed into law implementation legislation for the Madrid Protocol. Soon, the United States will finally be able to take advantage of the “one-stop” filing mechanism for international trademark protection that traces its origins back to 1891. The Madrid Protocol, which is operated by the World Intellectual Property Organization (WIPO), has been widely used throughout Europe and currently binds approximately 70 countries, including Australia, China, Japan, and the European Union.

To obtain international protection under the Madrid Protocol, a U.S. applicant designates the foreign countries of the Madrid Union in which the applicant desires protection, and requests that the U.S. Patent and Trademark Office submit the application for international registration to WIPO. If the application meets the filing requirements, the mark is registered with WIPO, which notifies each national office in those countries where protection has been requested. Using its own examination and registration procedures, each designated country has 18 months to approve or refuse protection. When the process is complete, the applicant can own a bundle of foreign trademark rights, all bearing the same International Registration number.

Notably, an international registration remains dependent on the U.S. registration for five years from the date of the U.S. registration. The dependency of the international registration on the U.S. registration makes it vulnerable to “central attack.” That is, if the U.S. registration is cancelled for any reason (e.g. non-use) within 5 years after issuance, the international registration based on the U.S. registration will also be cancelled. The Madrid Protocol, however, offers a second chance for international protection if “central attack” occurs. If the U.S. registration is cancelled, the international registration may be

“transformed” into national applications in the member countries, while retaining many of the benefits from the original international registration.

The international registration has a ten-year term, and may be renewed perpetually for additional ten-year terms.

**Advantages and Disadvantages of the Madrid Protocol**

Advocates note that the Madrid Protocol is a “one-stop” shop for international trademark protection. The Madrid Protocol may significantly reduce costs for international trademark protection because the U.S. applicant need only file one application and pay fees to the U.S. Patent and Trademark Office, instead of filing and paying fees in each separate foreign country where protection is sought. Moreover, the need for foreign counsel may be diminished or even eliminated under the Madrid Protocol, thereby reducing legal fees. We estimate that the savings in attorneys fees and government filing fees for protection in ten countries under the Madrid Protocol may be \$8,000 to \$10,000 over the cost of separately registering a mark in each country.

Filing under the Madrid Protocol may be most beneficial for small businesses that desire international trademark protection, due to the significant costs associated with filing trademark applications in individual foreign countries. However, one potential drawback with the Madrid Protocol is the dependency of the international registration on the U.S. registration. Because the United States requires a narrowly defined description of goods for registration of a mark, (e.g. toys, namely, puzzles, building blocks, and dolls), the scope of coverage for the international registration will be similarly limited. Currently, many foreign countries allow applicants to register a mark in connection with a broad description of goods (e.g. toys).

It is important to note that although President Bush has signed the implementation legislation, it will be almost a year before trademark owners can take advantage of the Madrid Protocol system. The U.S. Patent and Trademark Office must promulgate rules to facilitate international registration pursuant to the Madrid Protocol, and the U.S. State Department must deposit the instrument of accession with WIPO. Once in place, the Madrid Protocol will be a very significant step forward for U.S. companies toward efficient, effective global trademark protection.

If you would like additional information regarding the topics discussed in this memorandum, please contact Tina Kourasis, Melissa Dillenbeck, or any of the following Gardner Carton & Douglas attorneys.

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