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Madrid Protocol Implementation Act: Overview of H.R. 769

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Summary

The Madrid Protocol Implementation Act (H.R. 769) would amend the federal trademark law (known as the Lanham Act of 1946) to implement the changes in United States law that are required to permit United States adherence to the more than 100-year old Madrid Agreement for international registration of trademarks, as supplemented by a 1989 Protocol.

The substantive provisions of the Madrid Protocol and the changes proposed in H.R. 769 are apparently noncontroversial. At least there is no known opposition to the substantive provisions. The bill would allow United States trademark applicants to obtain trademark registration abroad by filing a single international application with the U.S. Patent and Trademark Office ("PTO"), if the United States adheres to the Madrid Protocol. The treaty apparently grants both the European Commission and its separate national governments the right to vote on treaty issues at international meetings. H.R. 769 was considered by the House on April 13, 1999, under suspension of the rules, and on the same day the bill was agreed to by voice vote. On April 14 the bill was received in the Senate and referred to the Committee on the Judiciary.

Analysis of H.R. 769

The Madrid Protocol Implementation Act (H.R. 769) would make the changes in United States trademark law needed to comply with the 1989 Protocol to the 1891 Madrid Agreement for the intentional registration of trademarks,[1] assuming that the United States

[1] The Madrid Agreement was concluded in 1891, and has been revised at Brussels in 1900, at Washington, D.C. in 1911, at The Hague in 1925, at London in 1934, at Nice in 1957, and at Stockholm in 1967, and was amended in 1979. Nationals and domiciliaries of member states or persons who have a real and effective industrial or commercial establishment in a member state are eligible to apply for international trademark registration. The mark is first registered in the national trademark office of the country where the mark originates, followed by international (continued...)

adheres to the Protocol.[2] The effective date of the legislation is the date the Madrid Protocol would enter into force with respect to the United States.

H.R. 769 would add a new Title XII (Sections 60-74) entitled "The Madrid Protocol" following the final Section 51 of the Lanham Trademark Act of 1946.

Section 61 establishes eligibility criteria for an international registration based on a U.S. trademark application, in accordance with the Madrid Protocol. The applicant must be a United States national or domiciliary, or must have a "real and effective industrial or commercial establishment in the United States."

The duties and responsibilities of the U.S. PTO to examine and certify an international application and transmit it to the World Intellectual Property Organization ("WIPO") are specified in Sections 62 and 63.

Sections 64-67 cover the right of a holder of an international trademark registration to claim protection in the United States and to claim priority with respect to a mark.

The bill also outlines the procedure for examination of requests for extension of U.S. protection to marks under the Madrid Protocol and for opposition to the extension of protection (Section 68). The U.S. PTO would generally have 18 months after notification by WIPO of a request for extension of protection to declare that protection cannot be granted in the U.S. The 18 month period can be extended in cases of opposition for a period of 7 months after the beginning of the opposition period or for 1 month after the end of the opposition period, whichever is earlier.

Unless the request for extension of protection is duly refused under Section 68, the PTO issues a certificate to the international rightsholder signifying that the holder has the same rights and remedies as the owner of a registration on the Principal Register (Section 69).

Other provisions address the effect of cancellation or failure to renew an international registration and transformation of an international registration into a U.S. application (Section 70); the required affidavits and fees (Section 71); assignment of an extension of

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[1] (...continued)
registration with the World Intellectual Property Organization in Geneva, Switzerland. A critical provision is that each country has only one year from publication of the international application to declare the reasons why it cannot grant protection to the mark in its territory. Absent a declaration, the international registration has the effect of a national registration.

[2] The United States has never adhered to the Madrid Trademark Agreement, because the U.S. trademark law differs from the treaty obligations. In 1989, international negotiators developed a Protocol, to supplement the Madrid Agreement, largely to accommodate the concerns of the United States and make it easier for the United States to adhere to this venerable agreement on international registration of trademarks. Among the new features of the Protocol are the following: the international application can be based on an application to the national trademark office (without waiting until the national registration is completed); a country may take at least 18 months to declare its opposition to an international application (and even longer under certain circumstances). The Madrid Protocol went into effect in April 1996.

protection (Section 72); incontestability of trademarks (Section 73); and the conditions under which an extension of United States protection to an international trademark registration conveys the same rights as an existing U.S. registration for the same mark (Section 74). The conditions set by Section 74 are that: the same person owns the extension of protection and the existing U.S. registration; the goods and services listed in each are the same; and the certificate of extension is issued after the date of the existing registration.

H.R. 769 was favorably reported by the House Judiciary Committee on March 24, 1999, and on April 12 the Committee issued House Report 106-81. On April 13 a motion was made to suspend the rules, and the bill was agreed to by voice vote. On April 14 the bill was received in the House and referred to the Committee on the Judiciary. The bill in the 105th Congress (H.R. 567) passed the House, but there was no Senate action because of concerns about the voting rights of the European Union.

Arguments for and Against H.R. 769

There is no current apparent opposition to the substantive provisions of H.R. 769 or to the 1989 Madrid Protocol.[3] The amendments to the trademark law would not take effect unless and until the United States ratifies and becomes bound by the Protocol. The legislation, together with ratification of the Protocol, would allow U.S. businesses and individuals to obtain one-stop international trademark protection by filing a single international application rather than applying separately in each country where protection is desired.

This one-stop international application procedure is arguably especially beneficial to small businesses which do not have the resources to obtain trademark registration world-wide at the national level.

The Clinton Administration has not forwarded the treaty to the Senate to request its advice and consent because of concerns about the voting rights of the European Union.[4] Representatives of the AIPLA and the INTA have criticized the Administration for its delay in requesting advice and consent to the treaty on the ground of the United States'

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[3] Representatives of the American Intellectual Property Law Association (AIPLA) and the International Trademark Association (INTA) testified in favor of the United States ratification of the Madrid Protocol. Hearing on xxw105beginH.R. 567xxw105end Before the House Subcommittee on Courts and Intellectual Property, 105th Congress, 1st Session, May 22, 1997.

[4] Statement of Shaun Donnelly, Deputy Assistant Secretary of State, Hearing on xxw105beginH.R. 567xxw105end Before the House Subcommittee on Courts and Intellectual Property, 105th Congress, 1st Session, May 22, 1997. Amendment of the Protocol has been considered but would be a difficult task since a new diplomatic conference would have to be convened to amend Protocol. The State Department representative testified that the United States is exploring with the European Commission ("EC") the possibility of a "gentleman's agreement" under which the EC could vote if one of its member states did not vote at the same time. There are difficulties with this solution, also, according to Mr. Donnelly. These include a perception that this solution constitutes U.S. endorsement of an independent vote for the EC, and that it fails adequately to address the "competency" issue (i.e., which party is responsible for legal implementation of treaty obligations, if the EC and its member states disagree over their respective responsibilities).

objection to the voting rights of the European Commission. These representatives argue that the EC voting rights issue is an aberration and that ratification of the Madrid Protocol would not represent any precedent on EC voting rights for other agreements.[5] They point out that the more recently developed WIPO Copyright Treaty and Performances and Phonograms Treaty contain voting rights clauses acceptable to the United States.

The Administration continues to negotiate with the EC and WIPO about a compromise solution that accommodates the concerns of the United States. Although treaties are normally concluded among states, the United States welcomes the participation of a regional economic integration organization like the EC provided there are certain safeguards. These include prohibitions against concurrent voting and against counting accession of the regional organization toward bringing the agreement into force; provisions that avoid any imprecision in allocating the competence between the regional organization and its member states; and provisions strictly limiting the types of intergovernmental organizations that are allowed to become parties to the agreement.[6]

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[5] Administration Continues to Resist Ratification of Madrid Protocol, 54 BNA PATENT, TRADEMARK & COPYRIGHT JOUR. 87,88 (May 29, 1997).

[6] Id. at 88. Another international trademark agreement, the Trademark Law Treaty of 1994, does not suffer from the same EC voting rights problem as the Madrid Protocol. The implementing legislation , P.L. 105-330, was signed by the President on October 30, 1998.