KIRKLAND & ELLIS LLP Alert

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THE MADRID PROTOCOL
One Application, Multinational Registration

On November 2, 2002, President Bush signed the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (the "Madrid Protocol"), paving the way for trademark owners in the United States to file simultaneously trademark applications in approximately 60 countries with a single application. On November 3, 2003, the United States Patent and Trademark Office ("USPTO") began accepting applications under the Madrid Protocol. This promises to simplify and reduce the cost of registering trademarks internationally. However, with this new capability come important caveats of which trademark owners should be aware.

What Is The Madrid Protocol

The Madrid Protocol is an attempt to update and remedy problems with the Madrid Agreement ("Agreement"). The Agreement allowed member countries to file a single trademark application in all Agreement member states. However, a number of features of the Agreement prevented broader adoption of the multinational application process. The Madrid Protocol is an effort to resolve many of these issues. Collectively, the Madrid Agreement and the Madrid Protocol comprise the "Madrid System."

Under the Madrid Protocol, a single application and application fee allows a trademark owner to register the same mark in any, or all, of the member countries, called Contracting States. (A list of current Contracting States is attached.) Likewise, trademark owners may change certain information, such as the trademark owner's name or address, with a single filing for all international marks in Contracting States. Trademark owners will still need to make separate applications to non-Contracting States.

How to Apply

To apply for protection under the Madrid System, a trademark owner must (a) be a citizen of a Contracting State (A citizen is anyone who is a national, domicile, or has a real or effective industrial or commercial establishment in the Contracting State); (b) base the international application on an existing trademark application or registration; and (c) designate the Contracting States in which registration of the mark is desired.

When filing a new trademark application, a U.S. owner will file a U.S. application, as usual, along with an international application. For existing U.S. trademark registrations, the owner will file only the international application. International applications filed through the USPTO must, beginning January 2004, be filed electronically. The USPTO will review the application and transmit it to the World Intellectual Property Organization ("WIPO"). The WIPO, in turn, will review the application and issue a Certification of Registration—a misnomer, since the mark is not yet registered at this point—which it then sends on to the trademark offices in the designated Contracting States. Each trademark office has up to 12 or 18 months (depending on the country) to examine the application, during which time it may refuse to register the mark. If a Contracting State's trademark office refuses the application, or if the application is successfully opposed in that country, the International Registration ("IR") will not be effective in that jurisdiction. However, if a Contracting State's trademark office fails to take any action on the mark within the relevant period, the mark automatically registers in that Contracting State. IRs are initially valid for ten years, and may be renewed for additional ten-year periods.

Pros And Cons Of Applying Under The Protocol

A trademark owner should give serious consideration to the benefits and disadvantages of the Madrid Protocol before applying. Although the rewards for filing a single application for multiple countries may be appealing, the trademark owner should take into account the Madrid Protocol's shortcomings.

Perhaps the most significant drawback is the concept of "central attack." Under the Madrid Protocol, if the USPTO refuses an application or cancels a registration within the first five years, the IR is also terminated. Parties to litigation could thus attack a registration in the U.S. in the hopes of invalidating the registration in all Contracting States designated under the IR. Although a trademark owner has the option of transforming an IR into a national application(s) within three months after an application has been refused or a registration cancelled, the desired efficiencies under the Madrid Protocol will have been lost.

Another shortcoming is that under U.S. trademark law, an application requires a narrower description of the goods and services covered by the registration than in many foreign countries. When applying to the USPTO under the Madrid Protocol, the WIPO will use the U.S. application as the basis for the IR and other national applications. Thus, U.S. trademark owners applying under the Madrid Protocol based on a narrow description of U.S. goods might be better served in certain circumstances applying for trademark protection on a more targeted country-by-country basis.

Also, while marks under the Madrid Protocol can be assigned to citizens of other Madrid Protocol countries, this is not true for citizens of non-Protocol countries. Currently, Canada and Mexico, as well as a number of prominent South American countries, are not signatories of the Madrid Protocol. For U.S. trademark owners, this might impact the sale of assets to citizens of non-Contracting States.

Further, under U.S. trademark law, trademark owners can make nonmaterial changes to their registered marks without jeopardizing the original registration. However, the Madrid Protocol does not make allowances for such changes. Therefore, trademark owners with marks that need occasional updates should consider whether registration under the Madrid Protocol is appropriate.

Conclusion

The United States' entry into the Madrid Protocol can significantly improve the ability of trademark owners to register their marks internationally. The ability to register simultaneously a mark in over 50 countries—with a single application and a single fee—can provide significant advantages. But for all of the Madrid Protocol's advantages, some caution should be paid to its shortcomings, including the possibility of exposing a registration to "central attack." Before delving into the world of the Madrid System, a trademark owner should consult with an experienced trademark practitioner.

CONTRACTING STATES AS OF OCTOBER 15, 2003

Western Europe

Austria	France	Ireland	Monaco	Spain
Belgium	Germany	Italy	Netherlands	Sweden
Denmark	Greece	Liechtenstein	Norway	Switzerland
Finland	Iceland	Luxembourg	Portugal	Turkey
				United Kingdom

Eastern Europe

Albania	Czech Republic	Latvia	Poland	Slovenia
Armenia	Estonia	Lithuania	Romania	Turkmenistan
Belarus	Georgia	Macedonia	Russian Federation	Ukraine
Bulgaria	Hungary	Moldova	Slovakia	Yugoslavia

East Asia/Pacific

Australia	China	Mongolia	South Korea
Bhutan	Japan	North Korea	Singapore

Africa

Kenya	Morocco	Sierra Leone	Zambia
Lesotho	Mozambique	Swaziland	

Caribbean

Antigua and Barbuda
Cuba

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