

**INTERNATIONAL REGISTRATION OF TRADEMARKS:
THE MADRID SYSTEM**

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On November 2, 2002, President George W. Bush signed into law the 21st Century Department of Justice Appropriations Authorization Act, which included the Madrid Protocol Implementation Act as Subtitle D, Sections 13401-13403.¹ This legislation approves United States participation in the Madrid System for international registration of trademarks and will allow holders of United States trademarks to easily seek protection of valuable intellectual property rights in certain foreign countries. The implementing legislation will take effect on November 2, 2003, one year following the enactment of the bill.

The Madrid System is governed by two treaties: the Madrid Agreement Concerning the International Registration of Marks (“Madrid Agreement”)² and the Protocol Relating to the Madrid Agreement (“Madrid Protocol”)³ which came into operation on April 1, 1996 (collectively, the “Madrid System”). The International Bureau of the World Intellectual Property Organization (“WIPO”), based out of Geneva, Switzerland, administers the Madrid System, along with over twenty other international treaties relating to the preservation of intellectual property rights. WIPO is also responsible for administering the International Register of trademarks and publishing the WIPO Gazette of International Marks, which publishes each pending request for international protection.

¹ H.R. 2215, 107th Cong. (2002).

² *Madrid Agreement Concerning The International Registration of Marks* of April 14, 1891, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 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 September 28, 1979.

³ *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks*, adopted at Madrid on June 27, 1989.

This memorandum provides a brief summary of the Madrid System and its requirements, advantages and disadvantages. Additional information about the system of international registration of trademarks can be found on WIPO's website at www.wipo.int.

Who can benefit from the Madrid System?

An individual or organization that has a trademark registration or pending application for registration can take advantage of the benefits and efficiencies provided by the Madrid System. Further, the applicant must be a 'qualified owner', meaning the applicant must "(1) be a national of the United States; (2) be domiciled in the United States; or (3) have a real and effective industrial or commercial establishment in the United States."⁴ The United States would then be the applicant's "Country of Origin."

What protections does the Madrid System offer?

A qualified owner can apply for international protection for its trademarks in any member country. A registration on the International Register through the Madrid System confers the same benefits as an individual registration filed in any member country. Current member countries of either the Madrid Agreement or the Madrid Protocol as of October 15, 2002 include: Albania, Algeria, Antigua and Barbuda, Armenia, Australia, Austria, Azerbaijan, Belarus, Belgium, Bhutan, Bosnia and Herzegovina, Bulgaria, China, Croatia, Cuba, Czech Republic, Democratic People's Republic of Korea, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Kenya, Kyrgyzstan, Latvia, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Monaco, Mongolia, Morocco, Mozambique, Netherlands, Norway, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, San Marino, Sierra Leone, Singapore, Slovakia, Slovenia, Spain, Sudan, Swaziland, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, United Kingdom, Uzbekistan, Viet Nam, Yugoslavia and Zambia.

How do you apply for international registrations via the Madrid System?

Qualified owners must send registration applications to the International Bureau of WIPO through the trademark office of the Country of Origin. Generally, applications from individual applicants or their representatives will not be accepted or processed. The United States Patent and Trademark Office ("USPTO") is responsible for sending all such applications where the United States is the Country of Origin.

Three separate applications are provided by WIPO on its website at www.wipo.int/madrid/en/general/filing.htm. The appropriate application depends on whether the country or countries where registration is sought are members of the Madrid

⁴ *Id.* at 13402, Sec. 61(b).

Agreement, the Madrid Protocol, or both. Membership is overlapping and the requirements may vary. For instance, international applications governed exclusively by the Madrid Agreement must be submitted in French and may only be based upon an existing registration. International applications governed exclusively by the Madrid Protocol may be submitted in English and may be based upon existing registrations or pending applications.

The process for an international registration begins when the application is received by the USPTO. Next, the USPTO must certify that the information in the application conforms to the United States application or registration, as the case may be.⁵ Once this confirmation is made, the USPTO will send the application to WIPO.⁶ WIPO will then forward the requests to the designated countries for examination, where the examination process begins and proceeds separately for each country. Each designated country in an application for which protection has been requested has the right to refuse to extend protection of the trademark, provided that such refusal is conveyed to the applicant within eighteen months, or the applicable time period as provided by the Madrid System. If the applicant receives no notification of refusal, protection is automatically extended. If protection is refused, then the applicant can seek assistance from local counsel in responding to the specific grounds for refusal.

What are the required fees?

The required fees are set forth on the WIPO website and must be paid in Swiss francs. A basic fee is required, ranging from 653 to 903 francs (approximately \$450 to \$625), as well as a supplementary fee for each class and each country of 73 francs (approximately \$50). Further, certain countries require individual fees ranging from 94 francs for Greece and 1139 francs for Japan.⁷ A spreadsheet and fee calculator are available on the WIPO website at www.wipo.int/madrid/en/index.html.

What is the term of the international registration?

An international registration is for a term of ten years. WIPO will send a trademark owner a notice six months before the time that a renewal is due. Ten-year renewal terms are then available upon payment of certain fees and submission of the appropriate documentation.

What happens if the US application is abandoned or cancelled?

⁵ H.R. 2215, 107th Cong. (2002), at 13402, Sec. 62.

⁶ *Id.*

⁷ The following member countries currently charge individual fees: Denmark, Estonia, Finland, Georgia, Greece, Iceland, Ireland, Italy, Japan, Norway, Singapore, Sweden, Switzerland, Turkmenistan and the United Kingdom.

The international registration is dependent on the US registration for a period of five years. This means that if the US registration is abandoned or cancelled, or otherwise ceases to have effect in the United States, all international registrations stemming from that application will also be abandoned or cancelled. This dependency includes a refusal to register the trademark by the USPTO. After five years, the international registration will be independent of the original registration.⁸

What are the advantages of the Madrid System?

The Madrid System facilitates the protection of intellectual property globally by drastically reducing fees required to obtain and maintain trademark registrations. Further, it simplifies management of a company's international intellectual property. Renewals and other filings, such as changes of address or of ownership, only need to be filed once and in one language in the International Register through a simple procedural step, instead of through separate filings in each country in which the trademark is registered.⁹ This efficiency also decreases costs associated with such filings because local counsel in each country is not required unless a refusal to register is conveyed to the applicant.

What are the disadvantages of the Madrid System?

A recognition of a trademark pursuant to the Madrid System cannot be used to protect the trademark in a country which is not a member country. Further, a party to whom a registration is being transferred or assigned must also meet the definition of a 'qualified owner' as discussed herein. Thus, corporate entities not meeting the definition may need to create subsidiaries that are 'qualified owners' under applicable law. Finally, because it is so easy to secure foreign registrations, it is now prudent to search the WIPO database of international trademarks or other similar international databases. This may increase the costs associated with performing preliminary trademark searches.

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⁸ H.R. 2215, 107th Cong. (2002), at 13402, Sec. 63 ("With respect to an international application transmitted to the International Bureau under section 62, the Director shall notify the International Bureau whenever the basic application or basic registration which is the basis for the international application has been restricted, abandoned, or canceled, or has expired, with respect to some or all of the goods and services listed in the international registration-- (1) within 5 years after the international registration date; or (2) more than 5 years after the international registration date if the restriction, abandonment, or cancellation of the basic application or basic registration resulted from an action that began before the end of that 5-year period.")

⁹ Changes to a registration may be filed with respect to all countries in which an international registration is recognized, or only certain designated countries.

If you have any questions about the subject matter of this memorandum or issues related to trademarks or other intellectual property matters, please contact Robert A. Bourque (212-455-3595; rbourque@stblaw.com) or Robyn J. Rahbar (212-455-2254; rrahbar@stblaw.com) of the Firm's Intellectual Property practice group.

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