NEWSLETTER
Developments in U.S. and Canadian law
Fall 2002 Edition

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TRADEMARKS

U.S. Considering Implementing Madrid Protocol

For over three years, various departments of the U.S. legislative branch have studied the feasibility of implementing the Madrid Protocol. The U.S. is presently not a member state, but judging from the feedback of these bodies, it may become one very shortly.

Background

The Madrid Protocol permits a national of a Contracting Party (a member state) or a business that has a business establishment located in a Contracting Party to file for and receive a Trademark in any other Contracting Party. WIPO presently lists 70 member states, including most European countries. Filing under the Protocol is more convenient and less expensive: a single application is filed in a single language in the primary jurisdiction.

Although initially, under the 'basic' fee structure (adopted by many of the member states) the filing costs may seem unattractively high (653 Swiss Francs, or approximately $440US plus $50US for every selected member state and $50US for each class of goods or services over three), the savings materialize later on, as the filing party decides to venture into new territories.

Under the Protocol, a party may enter another member state at any time after registration. Thus, if an enterprise wants to explore a new market in a member state, the expense is minimal. Another substantial advantage arises when it is time for renewal (10 years after registration): a single fee of about $100US, and a huge savings as far as docketing expenses.

There are, however, several drawbacks to filing under the Madrid Protocol in the U.S.: the USPTO has a very strict policy on the level of specificity when describing Goods and Services. The Trademark Manual of Examination even specifies that applications based on foreign priority must narrow down the goods and services to an acceptable level. If an applicant files for an application under the Protocol with the limited scope required by the USPTO, this limited scope will affect the applicant's force of coverage in any other member state (where G&S specificity is broader). Therefore, if a party desires broader scope, it may be more prudent to file National applications.

Another disadvantage of filing under the Protocol is the inherent rigidity of the registration process. An applicant is not allowed to change the form of the mark; the mark must remain the same as it was in the basic application.

Are We There Yet?

The Senate Judiciary Committee approved S. 671 ("Madrid Protocol Implementation Act") on February 10, 2000, with a similar version passing in the House in 1999. This measure signified that the US would implement the Madrid Protocol within one year from the date of enactment.

In its May 2001 issue, *USPTO TODAY* stated that "[i]t is projected that the United States will join the Madrid Protocol before the end of calendar year 2001" (Volume 2, No. 5, Trademark Special Edition).

The White House issued this statement:

> The Administration supports House passage of H.R. 741. Amendment of trademark law to implement the international agreement known as the Madrid Protocol will permit U.S. trademark owners to file a single standard application in English with the U.S. Patent and Trademark Office for trademark protection in 49 countries.
> (http://www.whitehouse.gov/omb/legislative/sap/107-/HR741-h.html)

The USPTO administration is also anticipating the Protocol's implementation. In an internet conversation of August 3, 1999 with the then-Commissioner of the USPTO, Mr. Todd Dickinson, the Commissioner stated that "the PTO would very much like to have the US join the Treaty. The hold up is over the European Union voting rights. Once they decide, we can move forward."

At the 124th annual meeting of The International Trademark Association (INTA) in Washington, D.C. (May 18-22, 2002), USPTO Director James Rogan discussed the agency's future priorities and voiced support for Congressional ratification of the Madrid Protocol.

In his February 2002 *Message from the Director Concerning the USPTO Business Plan* (http://www.uspto.gov/web/menu/fin03presidbudg1.pdf), Mr. Rogan voices his support for the Protocol, and laments that the U.S. is still not a member:

> The Madrid Protocol provides a one-stop, streamlined registration process for U.S. businesses that need protection for their trademarks outside of the United States. The trademark owner, by filing one application in the USPTO, in English, can potentially receive protection for the trademark in each member country of the Protocol. Because the U.S. is not yet a member of the Protocol, American businesses operate at a disadvantage to businesses in Protocol member countries because Americans must seek trademark protection on a country-by-country basis.

Mr. Rogan mentions that the USPTO's systems will be ready for the Madrid Protocol:

> In anticipation of the U.S. joining the Madrid Protocol, all new systems will be implemented with a capability to electronically receive and process international registrations and requests for extension of protection. […] A streamlined, electronic system for filing for trademark applications in other countries will help all U.S. businesses, particularly small and medium-sized businesses, that frequently cannot afford to file separate trademark applications in each foreign country.

It is clear that the U.S. will join the Protocol. The only question that remains is when.

When this event finally takes place, it will doubtlessly create enormous advantages to the international community. Instead of filing in the U.S. separately and having to pay the draconian G&S class fees ($325 per each extra class), applicants will be able to cover more G&S scope for less cost. This will also advantage U.S. applicants, who will be able to have TM protection in Europe without having to incur costs related to translation and foreign representatives.