TRADEMARK

Protecting Your Global Trademark Using the Madrid Protocol

By Thomas Telesca

Any successful brand should have a trademark to identify the origin of the goods or services provided. What if the success goes global? Usually, businesses retain local trademark counsel in each country in which the business seeks a mark. However, under the Madrid Protocol, the business only needs to file a single international application with its national trademark office designating member countries where the foreign trademark is sought.

The Madrid Protocol is an international treaty administered by the International Bureau (IB) of the World Intellectual Property Organization, one of seventeen specialized agencies of the United Nations. Its offices are in Geneva, Switzerland. Adopted in 1989, the Madrid Protocol has been in force since 1996. The U.S. became a member in November 2003. Recently, India, Mexico, Rwanda, and Tunisia joined the Madrid Protocol. In 2012, there were more than 44,000 international applications filed under the Protocol.

Registration under the Madrid Protocol does not create an international right. Instead, it creates a bundle of national rights which can be centrally administered by the IB. Although international registration under the Protocol is streamlined and less expensive, it has significant pitfalls. In certain circumstances, it may make more sense to file separate trademark applications at the national level.

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Under the Madrid Protocol, a U.S. business can trademark its brand in member countries by filing a single application designating those member countries, or the European Union if a Community Trademark is sought. The international application can be based on an existing U.S. registration or a new U.S. application.[1] No translations are required, and payment is made in dollars to the U.S. Patent and Trademark Office (USPTO).

After the international application is presented to the IB for its review, the application is submitted to each national trademark office in which registration is sought for examination. The national trademark offices generally have 18 months to object to the registration. This time frame is shorter than for many national applications.

The Madrid Protocol does not alter local laws concerning the acquisition of trademark rights. Any national trademark office can refuse protection based on its own national laws.[2] If successful, the international registration is identical to the protection that would result from a national registration.[3] An international trademark is valid for 10 years and may be renewed in all designated countries through a single administrative process.[4]

The advantages of using the Madrid Protocol are readily apparent, especially to a business with a large trademark portfolio. The Protocol is more efficient and cost-effective. There is no requirement to retain separate local counsel in each country in which a trademark is sought. The time period for prosecution process is shorter because each member country has agreed to a specified time period in which to act, generally eighteen months. A single document can effectuate changes in the international trademark application or changes to the applicant's pedigree information, such as name and address.[5] A single form can also give notice of an assignment or a license for certain countries.[6] The filing and maintenance fees for an international registration are lower over time than maintaining several separate registrations at the national level.

On the other hand, there are disadvantages to using the Madrid Protocol for U.S. businesses. This article highlights a few core deficiencies.[7]

An international registration under the Madrid Protocol is not freely assignable. Assignments are generally restricted to businesses domiciled in member countries.[8] As of this writing, this restriction prevents a U.S. business from transferring an international registration to a business located in Canada, Brazil, Argentina, South Africa, or any other non-member country.

The USPTO's tendency to refuse broad descriptions of goods and services in trademark applications may hamstring the registrant. The description of goods and services in the international application must be the same or narrower than the description in the national registration on which it is based.[9] Foreign trademark offices tend to permit more expansive descriptions of goods and services than the U.S. Trademark Office. If a U.S. business uses the international registration process under the Madrid Protocol, and the trademark is challenged, its narrow description of the goods or services may negatively impact its ability to successfully defend a challenge to its mark.

In this regard, another significant pitfall of the Madrid Protocol lies in the fact that the international registration is subject to a "central attack." If the initial, basic national application is abandoned or the basic national registration is cancelled within the first five years, all of the international registrations will be cancelled too, unless the business converts the international applications or registrations into separate national applications in the designated countries within three months.[10] Converting to separate national applications is an expensive process requiring the trademark owner to engage local counsel and pay additional filing fees.

A central attack may be instituted by a third party who seeks to challenge the basic national application or registration by instituting opposition or cancellation proceedings. U.S. trademark owners should be especially leery of a central

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attack. Opposition and cancellation proceedings are commenced regularly and may be based upon common law rights and not merely the registration itself. It bears emphasis that when a base application or registration is refused, withdrawn, or cancelled within five years of the international registration date, the international registration will be refused, withdrawn, or cancelled to the same extent. This will negate any of the cost savings achieved through the Madrid Protocol, as local trademark counsel will have to be engaged to protect foreign trademark rights.

Overall, if there is a concern that a trademark maybe challenged, or if a business has a substantial presence in a particular country, national registration makes more sense.

Note: Thomas Telesca is an attorney at Ruskin Moscou Faltischek, P.C., where he is a member of the firm's Litigation Department and International Practice Group. Mr. Telesca has extensive experience in a wide range of commercial litigation, including trademark infringement cases. During law school, Mr. Telesca studied international law in Tokyo, Japan at Temple University. Mr. Telesca currently serves on the Board of Directors of the Riverhead Foundation for Marine Research and Preservation.

1. *See* Protocol Relating to the Madrid Agreement Concerning International Registration of Marks, Article 2.
2. *See id.*, Article 5.
3. *See id.*, Article 4.
4. *See id.*, Article 6(1).
5. *See* Common Regulations under the Madrid Agreement Concerning the International registration of Marks and the Protocol relating to that Agreement, effective January 1, 2013, Rule 25.
6. *See id.*, Rules 20*bis* and 24.
7. *See* Matthew Himich, *Madrid Protocol: Is It For You?*, February 10, 2012, available at http://www.mondaq.com/unitedstates/x/164234/Trademark/Madrid+Protocol+Is+It+For+You for a full discussion on the disadvantages of the Madrid Protocol some of which are set forth herein.
8. *See* Madrid Protocol, Article 9.
9. *See id.*, Rule 9.
10. *See id.*, Articles 6 and 9*quinquies*.