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**Statistical Analysis of the United States' Accession to the  
Madrid Protocol**

*Ash Nagdev*



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Spring 2008

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# Statistical Analysis of the United States' Accession to the Madrid Protocol

By Ash Nagdev\*

## I. INTRODUCTION

¶1 Much has been written regarding the United States' accession to the Madrid Protocol.<sup>1</sup> Particularly relevant to this article are discussions that relate to the advantages and disadvantages of such an implementation from the perspective of the United States.<sup>2</sup> Although most scholars agree on these points,<sup>3</sup> no statistical analysis has yet been done to verify or disprove these largely consistent views. The goal of this article is to provide a statistical foundation that is beyond theory or speculation and instead goes to actual implementation of international trademark filings.

¶2 This is not to suggest that previous commentators on this subject were inadequate in their research efforts, for when their articles were written there was simply not enough statistical data to report.<sup>4</sup> Now we are at a moment in time where we can capture an accurate snapshot of trademark implementation via the Madrid Protocol. The statistics gathered may simply lead to confirmation of the agreed upon advantages and disadvantages of the Madrid Protocol implementation. However, it is also possible that the statistics will disprove or weaken these arguments, not to mention raise some interesting questions and ideas. It is important to emphasize that this article does not intend to conclude *what* policies, laws, or circumstances are influencing United States trademark behavior, but rather *if* United States trademark applicants are at all disadvantaged as compared to other member countries with respect to the Protocol.

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<sup>1</sup> See, e.g., Thies Bosling, Securing Trademark Protection in a Global Economy — The United States' Accession to the Madrid Protocol, 12 U. BALT. INTELL. PROP. L.J. 137 (2004); Baila H. Celedonia, Madrid Protocol: Is it the Hoped for Panacea?, in ADVANCED SEMINAR ON TRADEMARK LAW 195-219 (Practising Law Institute, 2001); Maria Guerra, The Rocky Road of the U.S. Accession to the Madrid Protocol: Could This be the Year?, 11 DEPAUL-LCA J. ART. & ENT. L. & POL'Y 525, 525 (2001) (specifying advantages and disadvantages to the United States' accession to the Madrid Protocol) [A.Q. Not sure this pincite says what you think it does]; Linda M. Merritt, The Madrid Protocol: Special Issues for U.S. Practitioners, 12 TEX. INTELL. PROP. L.J. 69 (2003); Charles Samuels, A Big Push Toward E-Government: The United States Patent and Trademark Office and the Implementation of the Madrid Protocol, 14 ALB. L.J. SCI. & TECH. 535 (2004) [hereinafter Samuels, A Big Push]; Jeffery M. Samuels & Linda B. Samuels, International Trademark Prosecution Streamlined: The Madrid Protocol Comes Into Force in the United States, 12 J. INTELL. PROP. L. 151 (2004) [hereinafter Samuels, International Trademark].

<sup>2</sup> See, e.g., Bosling, *supra* note 1, at 162-70; Celedonia, *supra* note 1; Guerra, *supra* note 1, at 525[A.Q. See the query directed to this pincite above]; Merritt, *supra* note 1, at 86-96; Samuels, A Big Push, *supra* note 1, at 548-57; Samuels, International Trademark, *supra* note 1, at 160.

<sup>3</sup> See Bosling, *supra* note 1, at 162-70; Celedonia, *supra* note 1; Merritt, *supra* note 1, at 86-96; Samuels, A Big Push, *supra* note 1, at 548-57; Samuels, International Trademark, *supra* note 1, at 160.

<sup>4</sup> Note that all the cited publications were published prior to 2005. See Bosling, *supra* note 1; Celedonia, *supra* note 1; Guerra, *supra* note 1; Merritt, *supra* note 1; Samuels, A Big Push, *supra* note 1; Samuels, International Trademark, *supra* note 1.

¶3 The focus of the research efforts will be on United States trademark applicants' implementation of the Madrid Protocol and international filings, as compared to the top four Madrid Protocol countries the United States exports goods and services to and imports goods and services from. It just so happens that the top four Madrid Protocol countries the United States exports goods and services to are the same top four Madrid Protocol countries the United States imports goods and services from.<sup>5</sup> Therefore, statistics were gathered in relation to the United States and the following four countries: the United Kingdom, Germany, China, and Japan.

¶4 This article is divided into three separate parts: Background of United States Involvement with International Trademark Treaties, Statistical Analysis, and Conclusions. It is important to give a background of the United States' involvement with international trademark treaties to set the stage for the United States' eventual accession to the Madrid Protocol and to better understand the reasons for the United States' accession. The Statistical Analysis section will compare United States trademark applicants' implementation of the Protocol with the implementation of the four aforementioned countries. The Conclusion section will summarize the findings in the Statistical Analysis section.

## II. BACKGROUND OF UNITED STATES INVOLVEMENT WITH INTERNATIONAL TRADEMARK TREATIES

### A. *Paris Convention*

¶5 The United States' involvement with international trademark treaties began in the late 1800s. In 1883, the United States acceded to the Paris Convention for the Protection of Industrial Property.<sup>6</sup> This agreement was signed by nearly all industrialized nations at the time.<sup>7</sup> Most importantly, however, it marked the first in a series of important steps leading to the United States' eventual accession to the Madrid Protocol.

¶6 Specifically, the importance of the Paris Convention is that it provided trademark owners of member countries with equal access to trademark registration procedures in all other member countries.<sup>8</sup> Furthermore, it established the concept of retroactive priority.<sup>9</sup> This means a trademark applicant has six months from the date of their first application in their home member country to file a corresponding foreign application in order to establish the priority date of their first trademark application.<sup>10</sup>

¶7 Although the agreement provided a minimum standard of international trademark protection in that it sets forth a common standard by which member countries should

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<sup>5</sup> See Madrid Protocol Member Countries, [http://www.wipo.int/treaties/en/documents/pdf/madrid\\_marks.pdf](http://www.wipo.int/treaties/en/documents/pdf/madrid_marks.pdf) (last visited Nov. 9, 2006); Top U.S. Trade Partners, <http://www.ita.doc.gov/td/industry/otea/tp/toptradepartners.html> (last visited Nov. 9, 2006).

<sup>6</sup> Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention].

<sup>7</sup> World Intellectual Property Organization, Paris Convention for the Protection of Industrial Property Status, <http://www.wipo.org/treaties/en/documents/pdf/d-paris.pdf>.

<sup>8</sup> Paris Convention, *supra* note 6, arts. 2-3.

<sup>9</sup> Marshall A. Leaffer, *The New World of International Trademark Law*, 2 MARQ. INTELL. PROP. L. REV. 1, 10 (1998).

<sup>10</sup> *Id.*

review foreign filings, it is significant because it influenced future agreements by providing standards to build from.

### B. *The TRIPS Agreement and NAFTA*

¶8 Examples of future agreements which built upon the Paris Convention are the Trade-Related Aspects of Intellectual Property Agreement (TRIPS),<sup>11</sup> which came into effect on January 1, 1995,<sup>12</sup> and the North American Free Trade Agreement (NAFTA), which came into effect on January 1, 1994.<sup>13</sup> The importance of these agreements is that they established the existence of service marks, which were not recognized at the Paris Convention.<sup>14</sup> Both agreements also established the definition of trademark as a sign capable of distinguishing the goods and services of a person or business from those of another person or business.<sup>15</sup> Furthermore, both of these agreements established the right of a trademark owner to enjoin others from using identical or similar marks for identical or similar goods or services, where such use would create a likelihood of confusion.<sup>16</sup> The importance of this provision is that countries must now not only consider a foreign application, but enforce the rights of a foreign trademark owner.

¶9 Other important developments which result from these treaties are a higher level of protection for famous marks and special provisions which protect geographic appellations of origin.<sup>17</sup> For example, the United States has to protect the mark “Champagne” to represent only goods derived from that particular region of France. This sort of recognition and the recognition of other famous marks, like “Pepsi,” was very important to the development of relations between foreign countries.<sup>18</sup> Knowing that a popular American mark would be protected in France will undoubtedly increase the confidence of an American company to expand its business in that region.<sup>19</sup> Otherwise an American company may be hesitant to establish a presence in a foreign country, knowing that it’s

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<sup>11</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, 33 I.L.M. 81 (1994) [hereinafter TRIPS Agreement].

<sup>12</sup> *Id.*

<sup>13</sup> Jeffrey M. Samuels & Linda B. Samuels, *The Changing Landscape Of International Trademark Law*, 27 GEO. WASH. J. INT’L L. & ECON. 433, 435 (arguing that NAFTA and TRIPS provisions closely resemble one another and therefore can be discussed together) [hereinafter Samuels, *Landscape*].

<sup>14</sup> Compare TRIPS Agreement, *supra* note 11, at pt. II, § 2, art. 15 (“Any sign, or any combination of signs, capable of distinguishing the goods and services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.”), with North American Free Trade Agreement, U.S.-Can.-Mex., Dec. 17, 1992, 32 I.L.M. 605, pt. VI, ch. 17, art. 1708 (1993) (“For purposes of this Agreement, a trademark consists of any sign, or any combination of signs, capable of distinguishing the goods or services of one person from those of another, including personal names, designs, letters, numerals, colors, figurative elements, or the shape of goods or of their packaging.”) [hereinafter NAFTA].

<sup>15</sup> See TRIPS Agreement, *supra* note 11, at pt. II, § 2, art. 15; NAFTA, *supra* note 14, at pt. VI, ch. 17, art. 1708.

<sup>16</sup> See TRIPS Agreement, *supra* note 11, at pt. II, § 2, art. 16; NAFTA, *supra* note 14, at pt. VI, ch. 17, art. 1708.

<sup>17</sup> TRIPS Agreement, *supra* note 11, at pt. II, § 2, art. 22; NAFTA, *supra* note 14, at pt. VI, ch. 17, art. 1712. See also JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW 1000 (3d ed. 2001) (detailed description of how famous and well-known marks are protected under TRIPS and NAFTA).

<sup>18</sup> See Bosling, *supra* note 1, at 137 (“Globalization demands effective tools that extend trademark protection beyond national boundaries.”).

<sup>19</sup> Samuels, *Landscape*, *supra* note 13, at 452 (“Adherence will facilitate U.S. business in its efforts to sell registered products and services in overseas markets.”).

famous American mark could be viably stolen and consequently degraded in that country. Overall, this agreement strengthened international uniformity of trademark law.

### C. *The Trademark Law Treaty*

¶10 Although established in 1994, the United States did not become a member of the Trademark Law Treaty<sup>20</sup> until the year 2000.<sup>21</sup> Simply put, this treaty attempted to make the process of filing a trademark in a foreign country less burdensome. To accomplish this task the treaty attempted to harmonize differences in areas of substantive trademark laws<sup>22</sup> that stood as barriers for applicants filing in foreign member countries. After realizing the unrealistic nature of this goal,<sup>23</sup> the treaty set forth a list of maximum requirements a member country can impose on foreign trademark applicants.<sup>24</sup> However, it is important to note that this treaty did not provide the one-stop shop that the Madrid Agreement and Protocol established.

### D. *The Madrid Agreement*

¶11 The one-stop shop for international trademark registrations was finally established by the Madrid Agreement (“Agreement”).<sup>25</sup> Although the United States never acceded to the Agreement,<sup>26</sup> it established the basis for the important Madrid Protocol. The Agreement established a method by which a trademark owner from a member country could file a single application with the World Intellectual Property Organization (WIPO) in Geneva.<sup>27</sup> WIPO would then forward this application to all member countries designated on the application.<sup>28</sup> At this time, each member country would independently evaluate the application and either afford the trademark protection or deny it.<sup>29</sup> Although the Agreement’s intentions were noble from the United States’ perspective, the Agreement was negatively prejudicial for the reasons described below.

#### 1. Requirement of Registration

¶12 The requirement of registration provided that a trademark must be registered in order to file an application for international registration.<sup>30</sup> Since registration procedures

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<sup>20</sup> Trademark Law Treaty, Oct. 27, 2004, <http://www.wipo.int/clea/docs/en/wo/wo027en.htm> (last visited Feb. 7, 2008).

<sup>21</sup> World Intellectual Property Organization, Trademark Law Treaty Status, <http://www.wipo.int/treaties/en/documents/pdf/ilt.pdf> (last visited Mar. 4, 2008).

<sup>22</sup> Samuels, *Landscape*, *supra* note 13, at 437.

<sup>23</sup> *Id.* at 438.

<sup>24</sup> GINSBURG ET AL., *supra* note 17, at 1005.

<sup>25</sup> *Id.* at 1007.

<sup>26</sup> See Madrid Agreement Concerning the International Registration of Marks, Apr. 14, 1891, 828 U.N.T.S. 389, available at <http://www.wipo.int/clea/docs/en/wo/wo015en.htm> [hereinafter Madrid Agreement].

<sup>27</sup> Samuels, *International Trademark*, *supra* note 1, at 442. [A.Q. Again, no such page]

<sup>28</sup> *Id.*

<sup>29</sup> GINSBURG ET AL., *supra* note 17, at 1002.

<sup>30</sup> J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 29:31 (4th ed. 1996).

vary widely from country to country,<sup>31</sup> those countries with stringent and thus potentially protracted registration processes are at a disadvantage when compared with countries whose registration processes are less stringent and thus shorter. Suppose Company A in Country X wants to register Mark Z on an international scale via WIPO. Further suppose Company B in Country Y also wants to register Mark Z on an international scale via WIPO. Assume that Country X has a more complicated and stringent registration process than Country Y, which ultimately results in a longer registration process. Even if Company A files a trademark application in Country X well before Company B files a trademark application in Country Y, it is possible that Company B could achieve international registration in other countries (excluding Country X) via WIPO before Company A.

¶13 This is because Company B will potentially achieve registration in Country Y before Company A will achieve registration in Country X, even though Company A filed for registration earlier than Company B. This will result in Company B being able to file a trademark application via the Agreement at an earlier date than Company A, which would give priority to Company B over Company A in those countries where both Company A and Company B seek protection. To further illustrate this unfairness, suppose that Company B thought of using Mark Z only after learning that Company A created and used Mark Z. Company B could steal Company A's idea, and obtain international registration simply because Company B filed Mark Z in a country with less stringent registration procedures.<sup>32</sup>

¶14 Since the United States has a complex registration process, as compared to many other countries, the time from application to registration is longer than that of other countries.<sup>33</sup> Therefore, as illustrated by the example above, the requirement of registration puts American companies at a disadvantage compared to companies from other countries whose application to registration process is shorter than that of the United States.

## 2. Central Attack

¶15 “The ‘rule of central attack’<sup>34</sup> set forth in [A]rticle 6(3) of the Madrid Agreement constituted another major cause of concern for the American trademark community.”<sup>35</sup>

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<sup>31</sup> Guerra, *supra* note 1, at 529 (“the U.S. registration process is lengthier than most other countries.”).

<sup>32</sup> As one commentator put it:

An international registration must be based on a corresponding home registration. Therefore, the American company will not be able to proceed with an international registration until the US registration has been granted for a particular mark. American registrations may not usually be completed before ten to twelve months even though there may be no serious objections to the mark or an opposition. The position of an American trademark owner, therefore, is entirely different from a French or Belgium Trademark owner who may proceed with an international registration practically the next day after his home registration which is the same day as the date of filing. . . American trademark owners are anxious to go ahead with foreign applications and not to wait for a year or more while their mark is going through the registration procedure in the United States Patent Office.

Stephen P. Ladas, *The Position Against Adherence: The Madrid Agreement for the International Registration of Trademarks and the United States*, 56 TRADEMARK REP. 346, 353-54 (1966).

<sup>33</sup> *Id.*

<sup>34</sup> Guerra, *supra* note 1, at 529; Leaffer, *supra* note 9, at 14.

<sup>35</sup> Bosling, *supra* note 1, at 153 (citing McCarthy, *supra* note 30, § 29:31; Samuels, *International Trademark*, *supra* note 1, at 443; Leaffer, *supra* note 9, at 14) (“Across the board authors argue that the

This provision set forth that if a trademark owner's base registration is cancelled within five years of the international registration, then the international registration and all national registrations based on it are also cancelled.<sup>36</sup>

¶16 This provision's unfairness is based upon similar reasoning set forth in the Requirement of Registration section. A company is at a disadvantage if the company's home country has liberal trademark laws in regards to third-party attacks on trademarks.<sup>37</sup> This is because the country with these types of liberal trademark laws subjects its companies to a higher risk of cancellation as compared to other companies seeking registration in other countries, which do not have such liberal trademark laws in regards to third-party attacks on trademarks.

This feature is especially troublesome to US firms because it makes the continued lawful use of a mark abroad contingent on staving off any challenge to domestic rights under the Lanham Act scheme. United States law permits any party to petition for cancellation of a trademark within five years after registration on any grounds that could have been asserted to bar registration initially. Such post-registration cancellation is not uncommon. While such challenges are frequently settled, the possibility that such a legal challenge could also destroy the rights to the mark in a dozen or more foreign countries has traditionally made US firms most unenthusiastic about the notion of adhering to the Madrid Agreement. Obtaining separate national registrations, while a bit more cumbersome, is frequently more prudent.<sup>38</sup>

### 3. Time Frame for Rejection

¶17 A third requirement of the Madrid Agreement which drew criticism from United States opponents to the Protocol is the one-year time requirement in which a WIPO application had to be rejected by the country or countries claimed on the application.<sup>39</sup> The fact that the United States' trademark registration processes is generally more rigorous and time-consuming than other countries' registration process puts United States companies at a disadvantage.<sup>40</sup> Since the United States does not internally place a twelve month requirement on domestic registration applications, the United States Patent and Trademark Office (USPTO) would have to prioritize all WIPO applications over their own domestic applications in order to meet the twelve month deadline, particularly when the United States Patent and Trademark Office has a high volume of applications.<sup>41</sup> Not

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central attack provision of article 6(3) is disproportionately disadvantageous for U.S. trademark owners.”).

<sup>36</sup> MCCARTHY, *supra* note 30, § 29:31.

<sup>37</sup> Bosling, *supra* note 1, at 153 (“If the home registration is cancelled for reasons originating from the domestic laws of the applicant’s home country, all of the international registrations based thereon become invalid, even if they are in full accordance with the laws of any or all other member nations.”).

<sup>38</sup> ANTHONY D’AMATO & DORIS ESTELLE LONG, *INTERNATIONAL INTELLECTUAL PROPERTY LAW* 307 (1997). *See also* Bosling, *supra* note 1, at 154 (“This perception was mainly based on the fact that in comparison to the laws of most other nations, U.S. trademark law includes a far greater number of grounds on which the validity of a trademark registration can be attacked.” (citing GINSBURG ET AL., *supra* note 17, at 1003; Samuels, *International Trademark*, *supra* note 1, at 443; Guerra, *supra* note 1, at 529; Leaffer, *supra* note 9, at 14)).

<sup>39</sup> Guerra, *supra* note 1, at 529; Leaffer, *supra* note 9, at 13.

<sup>40</sup> Guerra, *supra* note 1, at 529; Leaffer, *supra* note 9, at 13; Samuels, *Landscape*, *supra* note 13, at 443.

<sup>41</sup> Bosling, *supra* note 1, at 155 (“Consequently, the USPTO would likely encounter difficulties meeting the one year deadline . . . . Eventually, the USPTO would have to grant preferential treatment to Madrid



to mention this prioritization of WIPO applications would inevitably delay the application process for United States trademark applicants solely seeking United States registration.<sup>42</sup>

#### 4. Language

¶18 The Madrid Agreement also required the WIPO application to be written in French.<sup>43</sup> Obviously translating a United States national application to French would increase costs for United States trademark owners seeking international registration via WIPO.<sup>44</sup> Furthermore, this requirement accentuated cultural differences, which may have influenced the United States' lack of cooperation in this Agreement.<sup>45</sup>

#### E. Madrid Protocol

¶19 The United States acceded to the Madrid Protocol on November 2, 2003.<sup>46</sup> The Madrid Protocol is essentially the same as the Madrid Agreement, but with a few amendments designed to meet the objections of nations in opposition to the Madrid Agreement.<sup>47</sup> Most importantly to the United States, the Madrid Protocol eliminates the requirement of registration, alleviates concerns regarding central attack, extends the time frame by which member nations must decide whether or not to register a mark, and permits the application to be filed using the English language.<sup>48</sup>

#### 1. Elimination of Registration Requirement

¶20 All that is required of a WIPO applicant seeking registrations in foreign member countries is a base application.<sup>49</sup> This puts companies wishing to use the United States as

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[Agreement] applications in order to meet the one-year deadline.” (citing Leaffer, *supra* note 9, at 13; Guerra, *supra* note 1, at 529)); D’AMATO & LONG, *supra* note 38, at 308 (“Thus, if the United States joined the Madrid Union, the USPTO might find it necessary to expedite consideration of international registrations to ensure that final decisions on registrability were reached within the one-year time period. That would necessarily result in an even more protracted decision-making process on domestic registration applications.”).

<sup>42</sup> D’AMATO & LONG, *supra* note 38, at 308 (“Thus, small and medium-sized US businesses, which are unlikely to be interested in international registration, have traditionally viewed adherence to the Madrid Protocol as a poor bargain – one with strictly hypothetical advantages, but with a realistic possibility of delay and expense in the conduct of domestic business and affairs.”); Roger E. Schechter, *Facilitating Trademark Registration Abroad: The Implications of U.S. Ratification of the Madrid Protocol*, 25 GEO. WASH. J. INT’L L. & ECON. 419, 421 (1991) (small and medium size businesses are unlikely interested in international applications).

<sup>43</sup> McCarthy, *supra* note 30, § 29:31; Samuels, *Landscape*, *supra* note 13, at 444; Schechter, *supra* note 42, at 429.

<sup>44</sup> Schechter, *supra* note 42, at 430.

<sup>45</sup> Bosling, *supra* note 1, at 156 (“[T]he language barrier issue became one of the most doggedly asserted complaints brought forward by opponents to the Madrid System.”).

<sup>46</sup> See List of Countries Belonging to Madrid Protocol, available at [http://www.wipo.int/treaties/en/documents/pdf/madrid\\_marks.pdf](http://www.wipo.int/treaties/en/documents/pdf/madrid_marks.pdf) (last visited Feb. 12, 2008).

<sup>47</sup> Bosling, *supra* note 1, at 159.

<sup>48</sup> Steven Andreacola, *Lanham Act Meets Madrid Protocol and Trademark Law Treaty: The Application Process*, 12 J. CONTEMP. LEGAL ISSUES 489, 489-93 (2001).

<sup>49</sup> Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, art. 2(1), June 28, 1989, available at [http://www.wipo.int/export/sites/www/madrid/en/legal\\_texts/pdf/madrid\\_protocol.pdf](http://www.wipo.int/export/sites/www/madrid/en/legal_texts/pdf/madrid_protocol.pdf) [hereinafter Madrid

their base application for purposes of a WIPO application at no disadvantage when compared to companies in other countries having less stringent registration requirements.<sup>50</sup>

## 2. Alleviates Central Attack Provision

¶21 Now a cancellation of a base registration does not automatically invalidate the international registrations based on it.<sup>51</sup> A company whose base registration or application is cancelled or refused has three months to file national registrations with each of the international registrations sought on the corresponding WIPO application.<sup>52</sup> Each national application will retain the priority date of the original WIPO application.<sup>53</sup>

## 3. Extends Time Frame for Trademark Offices

¶22 The time frame in which a national trademark office must reject an application is extended from twelve to eighteen months.<sup>54</sup> This extended time frame gives countries with stringent registration processes and a high volume of trademark filings, like the United States, with sufficient time to process both national and WIPO applications without having to unfairly prioritize the WIPO applications.<sup>55</sup>

## 4. Language in English

¶23 Applications can now be filed via WIPO in the English language.<sup>56</sup> This of course allows United States businesses to file applications without having to bother with translating the application into French. Furthermore, it marks a significant step towards alleviating cultural friction between the United States and some member countries of the Madrid Agreement.

## 5. Advantages/Disadvantages to the Protocol

¶24 There are advantages to the United States acceding to the Madrid Protocol.<sup>57</sup> The most obvious is convenience and cost efficiency of paying one fee and using one trademark application as the basis for registration in many different countries.<sup>58</sup> Related to this is that a company does not need to hire a special trademark agent in each country

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Protocol] (last visited Feb. 12, 2008). Of course, a registration will suffice for purposes of filing a WIPO application.

<sup>50</sup> Guerra, *supra* note 1, at 531.

<sup>51</sup> *Id.*

<sup>52</sup> Madrid Protocol, *supra* note 49.

<sup>53</sup> GINSBURG ET AL., *supra* note 17, at 1003; Guerra, *supra* note 1, at 531; Leaffer, *supra* note 9, at 16.

<sup>54</sup> Madrid Protocol, *supra* note 49, art. 5(2)(b).

<sup>55</sup> Bosling, *supra* note 1, at 161 (“This improvement is expected to align the processing time of international applications in the United States with the normal time of examination in the USPTO instead of requiring a preferred treatment of Madrid applications over domestic applications.” (citing MCCARTHY, *supra* note 30, § 22:32)).

<sup>56</sup> MCCARTHY, *supra* note 30, § 29:31; Guerra, *supra* note 1, at 531; Leaffer, *supra* note 9, at 16; Samuels, *Landscape*, *supra* note 13, at 447; Schechter, *supra* note 42, at 433.

<sup>57</sup> Samuels, *Landscape*, *supra* note 13, at 452 (“Adherence will facilitate U.S. business in its efforts to sell registered products and services in overseas markets.”).

<sup>58</sup> Guerra, *supra* note 1, at 552; Leaffer, *supra* note 9, at 16; Samuels, *Landscape*, *supra* note 13, at 452.

the company is seeking registration.<sup>59</sup> Before United States' accession to the Protocol, many countries required a national agent before a United States individual or company could apply for registration.<sup>60</sup>

¶25 Despite these advantages and changes made to the Madrid Agreement, there are still critics of United States accession to the Protocol.<sup>61</sup> The disadvantages rest partly on the differences between United States trademark registration processes and those of other member countries.<sup>62</sup> The breadth of protection afforded a trademark by the USPTO is generally narrower as compared to other member countries who do not employ such a registration system.<sup>63</sup> In fact “[a] considerable amount of time is often spent during the examination process in narrowing the original specification until the U.S. Trademark Examining Attorney will accept it.”<sup>64</sup> It should also be noted that “U.S. trademark practitioners are well aware, the USPTO will not allow registration of a mark for an entire class heading as is allowed in some foreign jurisdictions.”<sup>65</sup>

¶26 The repercussions of this, of course, are that a WIPO application, based on a United States application or registration, will be disadvantaged as compared to companies basing their WIPO application on a country which permits an applicant to file for a broad range of goods and services.<sup>66</sup> An example of such a region is Benelux, which permits registration of marks for class-wide headings and conducts no “substantive examination analysis.”<sup>67</sup> The Protocol does not allow a WIPO application to expand the list of goods and services protected beyond what was afforded in the base registration or application when applying for registration in other member countries,<sup>68</sup> even if these other member countries would have granted broader protection had the applicant bypassed the Madrid Protocol and simply attempted national registration in these other countries. It has been suggested that companies who wish to secure a broader class of goods or services should either file independently in each foreign country in which the company wishes to secure

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<sup>59</sup> MCCARTHY, *supra* note 30, § 29:32.

<sup>60</sup> *Id.*

<sup>61</sup> See, e.g., Bosling, *supra* note 1, at 162-70; Celedonia, *supra* note 1, at 201-19; Guerra, *supra* note 1, at 525; Merritt, *supra* note 1, at 86-96; Samuels, *A Big Push*, *supra* note 1, at 548-57; Samuels, *International Trademark*, *supra* note 1, at 160.

<sup>62</sup> Schechter, *supra* note 42, at 433 (“[The Madrid Protocol] either fails to deal with other issues that arise because of the details of U.S. law, or it creates certain new problems.”).

<sup>63</sup> *Id.* (“Accordingly, the scope of protection of an international registration based on a U.S. application or registration will necessarily be narrower in some jurisdictions than international registrations in the same jurisdiction originating from an Office of Origin that permits a broader designation of goods and services.”); D’AMATO & LONG, *supra* note 38, at 312 (“Under US practice, a fairly detailed specification is required, and much of the application process is often devoted to narrowing the description of goods for which protection is claimed until the PTO is satisfied.”); Celedonia, *supra* note 1, at 206 (“Consequently, nationals of other countries will sometimes have the advantage of being able to file valid applications and obtain registrations for the same mark in their home countries earlier than their U.S. counterparts who rely on the Madrid Protocol.”); Leaffer, *supra* note 9, at 17.

<sup>64</sup> Celedonia, *supra* note 1, at 203.

<sup>65</sup> Merritt, *supra* note 1, at 86.

<sup>66</sup> Bosling, *supra* note 1, at 168 (“Ultimately, this means that U.S. applicants can obtain international protection pursuant to the Madrid Protocol only within the narrow scope of their USPTO home registration.” (citing Samuels, *International Trademark*, *supra* note 1, at 454)).

<sup>67</sup> Celedonia, *supra* note 1, at 204.

<sup>68</sup> Leaffer, *supra* note 9, at 17.

rights, or file a WIPO application based on an application in a foreign country, which allows for a broader classification of goods and services.<sup>69</sup>

¶127 Another disadvantage is based upon the “[r]elative [d]ifficulty of [o]btaining a [h]ome [r]egistration in the United States.”<sup>70</sup> Because one’s WIPO trademark application can be based upon a base application, if this base application is cancelled or refused, the applicant will have three months to independently file national applications in each foreign country in which he or she sought protection in.<sup>71</sup> Since it is more difficult to obtain registration in the United States than in other countries, there is a relatively high likelihood of having to file independently in each foreign country.<sup>72</sup> At this stage, the convenience and cost-effectiveness of the Protocol is nullified and reversed.<sup>73</sup> One could avoid this complication by filing national trademark applications in other countries.

¶128 The last disadvantage of filing a WIPO application in the United States is based on the requirement to state either a use or a bona-fide intent to use.<sup>74</sup> National applications in many other member countries do not impose this requirement,<sup>75</sup> therefore, trademark applicants in those countries may have a significant advantage over their United States counterparts, simply because they have fewer hurdles to jump before filing an application or obtaining registration. Suppose Company A has obtained Mark Z in the United States for a particular list of goods and services M. Further suppose that Company A has made a decision not to expand Mark Z into other goods and services N for at least an undetermined set of time, and, therefore, could not justify stating a bona-fide intent to use on goods and services N. Unless Company A files national applications for Mark Z protecting additional goods and services N in countries that do not impose the use or intent to use requirement, then Company A may be prevented from obtaining this registration via the Protocol at a later date, when use or a bona-fide intent to use exists. This problem is typified when one considers piratical trademark applicants in those countries who could file for Mark Z protecting goods and services N before Company A begins to use or intends to use the Mark Z in connection with goods and services N.

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<sup>69</sup> Bosling, *supra* note 1, at 168 (“Mark owners who put great weight on obtaining international protection for broad categories of goods and services may still want to consider filing national applications in the countries where they plan to use their marks.”); Celedonia, *supra* note 1, at 204 (“[I]t may be better to undertake direct national filing in order to obtain broader protection.”); Merritt, *supra* note 1, at 86 (“Accordingly, a U.S. trademark owner seeking protection of its mark in one of these jurisdictions could obtain substantially broader protection for the mark by naming additional goods and services in a national application . . .”).

<sup>70</sup> Celedonia, *supra* note 1, at 205.

<sup>71</sup> Madrid Protocol, *supra* note 49, art. 9(5).

<sup>72</sup> Bosling, *supra* note 1, at 168 (“This [requirement] imposes a special challenge on U.S. mark owners, since their applications are more likely to be denied or cancelled than applications filed by foreign mark owners in their respective home countries.”).

<sup>73</sup> Merritt, *supra* note 1, at 94 (“The cost savings and other advantages that may have resulted from seeking protection initially through the Protocol will, of course, be lost.”).

<sup>74</sup> *Id.* at 88 (“[I]n order to file an application for the mark in the United States, the applicant must have used or have a bona fide intent-to-use the mark on all of the goods and services named in the application.”); Celedonia, *supra* note 1, 206 (“In the United States, a valid trademark application must contain a statement either that the applicant has used, or that it has a bona fide intent to use, the mark in commerce. In the United States, an applicant cannot get a filing date until it has either used or alleged an intent to use the mark in commerce.”).

<sup>75</sup> Celedonia, *supra* note 1, at 206 (“By contrast, national applications in many other countries do not require a statement of the applicant’s use or bona fide intent to use the mark, and many do not require proof of use before the registration issues.”); Merritt, *supra* note 1, at 88.

### III. STATISTICAL ANALYSIS

¶29 Three years have passed since the United States acceded to the Madrid Protocol, and there is now sufficient data to draw well-founded conclusions based on actual trademark activity. The next section of this article will analyze United States international trademark activity as compared with those from four other Madrid Protocol member countries: Germany, the United Kingdom, China, and Japan. The reason for the statistical comparison is to provide a basis to conclude whether or not United States trademark applicants are *actually* advantaged or disadvantaged with respect to the Madrid Protocol.<sup>76</sup> This is based on the logical assumption that if a particular member country is *actually* disadvantaged in regards to the Protocol, then the country's international trademark filings, as compared to other member countries, will represent this disadvantage.<sup>77</sup> Of course, comparing every member country's trademark activity to that of the United States would be unreasonable.<sup>78</sup> By choosing the top four member countries the United States exports goods and services to and imports goods and services from, the focus of this comparison is on those member countries which are most relevant to United States trademark applicants.<sup>79</sup>

¶30 If United States trademark applicants are advantaged or disadvantaged as compared to the aforementioned member countries, then the data gathered in this section will convey a disparity between these countries in international trademark activity. Of course, the purpose of this article is not to make a determination of *what* policies, laws, or circumstances are driving a specific disparity, but rather *if* there is in fact an actual disparity from the United States' perspective.<sup>80</sup>

¶31 The first table shows how United States trademark applicants reacted when they sought registration in one of the foreign member countries that the United States most heavily exports to.

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<sup>76</sup> This article assumes that data stemming from actual implementation, as compared to conjecture based on trademark law comparisons between member countries, provides a more accurate basis for concluding the United States' disposition in regards to the Protocol.

<sup>77</sup> The basis for stating that one party is advantaged or disadvantaged is by means of comparison. One party is simply not advantaged or disadvantaged; the party is advantaged or disadvantaged as compared to other parties.

<sup>78</sup> There are over sixty countries belonging to the Madrid Protocol. *See* List of Countries Belonging to Madrid Protocol, *available at* [http://www.wipo.int/treaties/en/documents/pdf/madrid\\_marks.pdf](http://www.wipo.int/treaties/en/documents/pdf/madrid_marks.pdf) (last visited Nov. 9, 2006).

<sup>79</sup> This assumes that United States trademark applicants are generally more concerned with how their trademark activity compares with China, United Kingdom, Germany, and Japan than, for example, Albania.

<sup>80</sup> Although there may be other factors beyond those of differences in trademark laws amongst the countries which may influence these statistics, this article is not specifically addressing *what* policies or laws need to be changed, but *if* policies or laws need to be changed. Of course, this article assumes that if United States trademark applicants are in fact disadvantaged in regards to the Protocol, then this fact will be effectuated in the statistics by a disparity between United States trademark applicants' activity and trademark activity from the aforementioned foreign countries.

TABLE 1.

	Germany <sup>81</sup>	United Kingdom <sup>82</sup>	China <sup>83</sup>	Japan <sup>84</sup>
United States Trademark Applicants Seeking Protection via Madrid Protocol (from 2004–Present) <sup>85</sup>	1102	1163	3347	3479
United States Trademark Applicants Seeking Protection via National Registration (from 2004–Present)	2125	4882	N/A	14737
Percentage of United States Trademark Applicants Seeking Protection via Madrid Protocol (from 2004–Present)	34.2%	19.2%	N/A	19.1%

This table illustrates that foreign national applications in Germany, the United Kingdom, and Japan appear to be more popular amongst United States foreign trademark applicants than filing in these countries via WIPO. It appears that United States' trademark applicants would rather spend the extra money in application fees and hiring a foreign agent to file national trademark applications in these foreign countries than to seek the convenience and cost effectiveness of the Madrid Protocol. The disadvantages stated above regarding the United States' accession to the Madrid Protocol are most likely the basis for this statistical finding.

¶32 The following two tables are an exact replica of the previous table, except they restrict activity to a single year. The first table describes 2004 activity, while the next table describes 2005 activity.

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<sup>81</sup> TRADEMARKSCAN - Germany, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "ger-tm").

<sup>82</sup> TRADEMARKSCAN - United Kingdom, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "uk-tm").

<sup>83</sup> No online Chinese Trademark Database available in English.

<sup>84</sup> TRADEMARKSCAN - Japan, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "ip-japan").

<sup>85</sup> TRADEMARKSCAN - International Register, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "wipo-tm").

TABLE 2.

	Germany <sup>86</sup>	United Kingdom <sup>87</sup>	China <sup>88</sup>	Japan <sup>89</sup>
United States Trademark Applicants Seeking Protection via Madrid Protocol (2004) <sup>90</sup>	448	430	1048	976
United States Trademark Applicants Seeking Protection via National Registration (2004)	910	1639	N/A	5664
Percentage of United States Trademark Applicants Seeking Protection via Madrid Protocol (2004)	33.0%	20.8%	N/A	14.7%

TABLE 3.

	Germany <sup>91</sup>	United Kingdom <sup>92</sup>	China <sup>93</sup>	Japan <sup>94</sup>
United States Trademark Applicants Seeking Protection via Madrid Protocol (2005) <sup>95</sup>	432	446	1420	1524
United States Trademark Applicants Seeking Protection via National Registration (2005)	830	1730	N/A	5921
Percentage of United States Trademark Applicants Seeking Protection via Madrid Protocol (2005)	34.2%	20.5%	N/A	20.5%

<sup>86</sup> TRADEMARKSCAN - Germany, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "ger-tm").

<sup>87</sup> TRADEMARKSCAN - United Kingdom, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "uk-tm").

<sup>88</sup> No online Chinese Trademark Database available in English.

<sup>89</sup> TRADEMARKSCAN - Japan, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "ip-japan").

<sup>90</sup> TRADEMARKSCAN - International Register, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "wipo-tm").

<sup>91</sup> TRADEMARKSCAN - Germany, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "ger-tm").

<sup>92</sup> TRADEMARKSCAN - United Kingdom, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "uk-tm").

<sup>93</sup> No online Chinese Trademark Database available in English.

<sup>94</sup> TRADEMARKSCAN - Japan, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "ip-japan").

<sup>95</sup> TRADEMARKSCAN - International Register, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "wipo-tm").

It appears from these tables that many United States foreign trademark applicants are fairly consistent in their trademark activity from year to year, particularly with regard to the United Kingdom and Germany. The two tables simply reaffirm the fact that when United States foreign trademark applicants seek registration in the top countries to which the United States exports goods and services to, they will take extra precautions to ensure that their trademark receives the full breadth of protection in those countries. Generally, this full breadth of protection is granted by filing national trademark applications in those respective countries, rather than filing a WIPO application for protection in that country.<sup>96</sup>

¶33

However, this data is incomplete without a comparison to the other member countries mentioned in this article. If trademark applicants in each of these countries react in a similar fashion to United States trademark applicants, then at the very least we can find that United States trademark applicants are not disadvantaged in the Madrid Protocol compared to these other member countries. The next table presents findings in this area.

TABLE 4.

	<b>Germany</b>	<b>United Kingdom</b>	<b>China</b>	<b>Japan</b>
Foreign Trademark Applicants Seeking Protection in United States via Madrid Protocol <sup>97</sup>	4467	1259	1539	1204
Foreign Trademark Applicants Seeking Protection in United States via National Registration <sup>98</sup>	15317	10592	7921	12485
Percentage of Foreign Trademark Applicants Seeking Protection in the United States via Madrid Protocol	22.6	10.6	16.3	8.8

These foreign countries clearly use the Madrid Protocol far less than their United States counterparts. This implies that, as compared to these foreign countries, the United States is not as strongly disadvantaged in regards to the Madrid Protocol as one may be led to believe. In fact, because United States trademark applicants are using the Madrid

<sup>96</sup> Bosling, *supra* note 1, at 168 (“Mark owners who put great weight on obtaining international protection for broad categories of goods and services may still want to consider filing national applications in the countries where they plan to use their marks.”); Celedonia, *supra* note 1, at 204 (“[I]t may be better to undertake direct national filing in order to obtain broader protection.”); *see also* Merritt, *supra* note 1, at 86 (“Accordingly, a U.S. trademark owner seeking protection of its mark in one of these jurisdictions could obtain substantially broader protection for the mark by naming additional goods and services in a national application . . .”).

<sup>97</sup> TRADEMARKSCAN - International Register, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier “wipo-tm”).

<sup>98</sup> TRADEMARKSCAN - U.S. Federal, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier “fed-tm”).



Protocol at a higher rate than these foreign counterparts, it would appear that the Madrid Protocol provides more of an advantage to United States trademark applicants than trademark applicants in the aforementioned countries.

¶34

However, filing national applications is not the only method by which a trademark applicant can bypass the laws of its home nation. The next set of tables will compare WIPO applications submitted by each country. The focus of this comparison is on the percentage of a particular country's trademark applicants who file WIPO applications with a base registration in a foreign country, rather than in one's home country, before filing an international application via WIPO.

TABLE 5.<sup>99</sup>

	<b># Of Marks filed using Protocol and Base Registration in Home Country</b>	<b># Of Marks filed using Protocol but Base Registration in Foreign Country</b>	<b>% Of Marks filed using Protocol but Base Registration in Foreign Country</b>
United States Trademark Applicants (2004 to Present)	5809	414	6.7%
English (UK) Trademark Applicants (2004 to Present)	2136	857	28.6%
German Trademark Applicants (2004 to Present)	19003	1666	8.1%
Japanese Trademark Applicants (2004 to Present)	1928	133	6.5%
Chinese Trademark Applicants (2004 to Present)	3104	70	2.2%

It is evident from this data that United States trademark applicants do not upwardly deviate considerably from the practices of the other foreign countries mentioned, regarding filing a base application in a foreign country prior to filing a WIPO application. This data does not support the assertion that United States trademark applicants believe they are disadvantaged with regard to the Protocol to an extent significantly greater than that of the other countries analyzed. Had United States trademark applicants believed they were more disadvantaged than trademark applicants of the other member countries mentioned, this belief would have manifested itself in either a relatively high percentage of foreign filings abroad prior to filing a WIPO application.<sup>100</sup> If that option was not available or viable to the applicants,<sup>101</sup> they would not have used the Madrid Protocol at

<sup>99</sup> TRADEMARKSCAN - International Register, <http://www.westlaw.com> (last accessed Nov. 7, 2006) (using database identifier "wipo-tm").

<sup>100</sup> According to the data presented, the United Kingdom has a much higher rate than the other countries listed of using a base registration for WIPO in a foreign country. The other member countries compared in this table are relatively similar.

<sup>101</sup> Madrid Protocol, *supra* note 49, art. 2, sec. 1(1) (the basic application or registration can only be in the country (a) of which the applicant is a national, or (b) of which the applicant is domiciled, or (c) where the applicant has a "real and effective industrial or commercial establishment").

all,<sup>102</sup> resulting in a relatively high percentage of national applications in foreign countries, as discussed in the first table of this Section. Both of these comparisons weaken the assertion that United States trademark applicants are disadvantaged by the Madrid Protocol.

¶35 Of course it is possible that the trend of United States trademark applicants is more indicative of what is actually occurring or will actually occur in the future. The next table describes how United States trademark applicants behaved on a year-by-year basis from 2004. The theory is that, if the disadvantages in dealing with the Madrid Protocol are in fact present, then these applicants, as their familiarity with the Madrid Protocol increases, these applicants would either decrease their use of the Protocol or increase the use of a foreign filing prior to filing a WIPO application. In fact, the opposite has occurred.

TABLE 6.<sup>103</sup>

	Number Of Marks filed using Protocol and Base Registration in Home Country	Number Of Marks filed using Protocol but Base Registration in Foreign Country
United States activity in 2004	1576	172
United States activity in 2005	2543	153
United States activity in 2006	2253 (prorated)	129 (prorated)

The data mentioned so far supports the implementation of the Madrid Protocol as an effective tool for United States practitioners. As familiarity with the Madrid Protocol increases, it appears United States trademark applicants are relying more heavily on base registrations in the United States as opposed to a foreign country. Furthermore, it appears the sheer number of trademark applicants using the Madrid Protocol is increasing.<sup>104</sup> A peripheral cause for concern is the predicted slight drop off in total WIPO applications in 2006 from United States trademark applicants. However, data for 2006 is only prorated and is therefore too speculative to bring the issue to surface. Not to mention the drop-off is not significant enough to draw any conclusions.

#### IV. CONCLUSION

¶36 Based on actual data, an argument cannot be made that United States trademark applicants are at a severe disadvantage with regard to the Madrid Protocol when compared to a select group of nations. The aforementioned analysis shows two methods by which a country could bypass their own trademark laws and file in a foreign country: (1) filing a national application in a foreign country; and (2) filing a national application in a foreign country and using that application as the base application for a WIPO

<sup>102</sup> Among the countries analyzed in this article, the United States is second only to Germany for WIPO trademark filings from 2004 to present. With regard to all member countries, the United States filed the third most trademark applications in 2005, jumping from sixth place in 2004. See Press Release 437, WIPO, Record Number Of International Trademark Applications In 2005 With Germany Leading For 13<sup>th</sup> Consecutive Year (Feb. 9, 2006, available at [http://www.wipo.int/edocs/prdocs/en/2006/wipo\\_pr\\_2006\\_437.html](http://www.wipo.int/edocs/prdocs/en/2006/wipo_pr_2006_437.html)) (last visited Nov. 9, 2006).

<sup>103</sup> *Id.*

<sup>104</sup> In particular, there was a significant rise in filings between 2004 and 2005.

application. After comparing this activity between the United States and a select group of member countries, there is no statistical deviation that suggests that the United States is at a disadvantage with regard to the Madrid Protocol. Of course, as compared to every member country of the Madrid Protocol, United States trademark applicants may not be the ones who benefit the most from implementation of the Madrid Protocol, but this data shows that they are not benefiting the least.

¶37 However, a deeper concern may be that *all* nations mentioned in this article do not find the Madrid Protocol to be sufficiently advantageous as compared to filing nationally in a foreign country. This larger concern, however, may only be fully addressed if complete harmonization of substantive trademark law is achieved. As long as there is an advantage to filing nationally within a foreign country, one can continue to expect national applications to be the predominant method by which applicants seek protection in a foreign country.