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# Advisory

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## INTELLECTUAL PROPERTY

### New Foreign Application Filing Options for U.S. Trademark Owners

*By Susan N. Weller and Theodore C. Max*

U.S. trademark owners who do business throughout the world are well aware of the significant work and expense that is involved in protecting their trademarks around the world. Since most trademark rights exist and are protected on a country-by-country basis, U.S. trademark owners historically have had to file individual applications in each country in which trademark protection was desired. In 1996, the European Community Trademark (CTM) registration system was introduced. It provided U.S. trademark owners, for the first time, with the ability to obtain one registration covering all 15 members of the European Union. Individual filings are still required in all other jurisdictions. There is, however, good news.

First, U.S. trademark owners who own certain European-based trademark rights will have those rights automatically expanded in 2004. Moreover, beginning on November 2, 2003, U.S. trademark owners can begin to file applications under an international trademark treaty known as the Madrid Protocol (the "Protocol"). The Protocol has been in existence since 1996, and 57 other countries are already participating members. The long-awaited U.S. adherence to the Protocol provides U.S. trademark owners with a new option to consider when seeking international protection for their trademarks.

### European Community Trademarks Expanded

Since 1996, U.S. trademark owners have been able to file one application through European trademark counsel of their choice to obtain trademark protection through one registration that extends to all members of the European Union (EU). Currently, the 15 members of the European Union are the United Kingdom; France; Germany; Italy; Belgium, The Netherlands and Luxembourg (collectively "the Benelux"); Austria; Spain; Portugal; Denmark; Sweden; Finland; Ireland; and Greece. A CTM registration issues without the need to prove actual use of a mark in any of these countries prior to issuance of the registration, and use of the mark in any one of the EU member countries is sufficient to sustain the registration once it has issued.

Owners of existing CTM applications and registrations will be pleased to know that in May 2004, ten more countries will join the European

Union: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic, and Slovenia. The protection afforded by and the scope of all European Community trademark registrations and applications that are granted or are pending at the time the new member states join the European Union in May 2004 will *automatically* be extended to those new member states without the need to take any further steps or pay any additional fees.

U.S. trademark owners who have not yet filed CTM trademark applications but are considering such filings, should do so *before* November 1, 2003, if possible. This is because the owners of existing national trademark rights in the ten new member countries of the CTM *will* be permitted to oppose CTM applications filed between November 1, 2003, and April 30, 2004, based on their earlier national trademark rights, but will *not* be able to oppose any CTM applications filed *before* November 1, 2003. However, although such CTM applications may not formally be opposed at the CTM based on earlier national trademark rights, actual use of a trademark in a new member state may still constitute an infringement of prior national trademark rights and may be subject to challenge at the national level.

### **Madrid Protocol Trademark Registration System**

The Protocol, although also an international trademark registration

system, differs significantly from the CTM in a number of ways.

Under the Protocol, a single application can be filed to obtain a single "International Registration" for a single trademark in any or all of the 58 countries that are members of the Protocol. The current members of the Protocol are included in the chart on Page 3.

Under the Madrid Protocol system, an applicant files a single request in the trademark office of its "home country" requesting that an existing "home country" application or issued registration be extended to any or all of the member countries of the Protocol. Thus, for example, if a U.S. corporation, ABC Corp., has an application pending in the U.S. Trademark Office (its home country trademark office) for registration of a particular trademark, it can file a request with the U.S. Trademark Office that the application be extended to its countries of interest. Once this request is received, the U.S. Trademark Office, will, after certain procedural reviews and formalities, forward the application to the World Intellectual Property Organization (WIPO), which will review the application for technical compliance with the requirements of the Madrid Protocol system. Once the application and the requests have been determined to be adequate, WIPO will forward the individual country application requests to the national trademark offices of each of the identified countries of interest. Each application will then be prosecuted in the individual

national trademark office of each country, under the applicable individual national trademark laws of each country, and, eventually, protection may be afforded in that country through the International Registration.

One of the benefits of the Protocol is the cost savings to a U.S. applicant for trademark filings and registration maintenance. Currently, U.S. applicants must engage the services of local trademark counsel in each country in which an application is to be filed, and the local trademark attorney must prepare and file an application on behalf of the U.S. trademark owner. U.S. trademark owners also generally pay U.S. counsel fees to coordinate filings in *each* country, in addition to the fees charged by local trademark counsel for filing each application in the individual country. Under the Protocol, U.S. counsel need not engage local trademark counsel at this preliminary stage. Rather, U.S. counsel can send a single request to the U.S. Patent and Trademark Office, requesting extension of a U.S. trademark application or registration to one of 57 other countries, without utilizing the services of any local counsel. The U.S. Patent and Trademark Office, WIPO, and the national trademark offices of each designated country handle the filing and processing of the initial application in each country. There will, of course, be local governmental filing fees for the non-U.S. applications at the U.S. Patent and Trademark Office and at

Current Members of the Madrid Protocol Trademark Registration System		
Albania	Antigua and Barbuda	Armenia
Australia	Austria	Belarus
Benelux (includes Belgium, The Netherlands and Luxembourg)	Bhutan	Bulgaria
People's Republic of China	Cuba	The Czech Republic
Denmark	Estonia	Finland
France	Georgia	Germany
Greece	Hungary	Iceland
Ireland	Italy	Japan
Kenya	Democratic People's Republic of Korea	Latvia
Lesotho	Liechtenstein	Lithuania
Republic of Macedonia	Republic of Moldova	Monaco
Mongolia	Morocco	Mozambique
Norway	Poland	Portugal
Romania	Russian Federation	Republic of Serbia and Montenegro
Sierra Leone	Singapore	Slovakia
Slovenia	South Korea	Spain
Swaziland	Sweden	Switzerland
Turkey	Turkmenistan	Ukraine
United Kingdom	United States (as of 11/1/03)	Zambia

WIPO, and some national trademark offices will charge individual fees for the filing of a new application. Nevertheless, the initial cost savings to U.S. trademark owners should be substantial. It is only if office actions are issued or other substantive legal issues are raised in connection with the national applications, that the services of a local trademark attorney must be engaged.

Applications filed under the Madrid Protocol can claim the

six-month priority filing benefit under the Paris Convention, and assignments or changes of name or address can be accomplished for all countries by a single filing with the U.S. Patent and Trademark Office.

### What's the Catch?

Although there are number of benefits under the Madrid Protocol system, no system is perfect. Thus, U.S. trademark owners need to consider and evaluate the features of the Madrid Protocol system,

compare them to the other foreign filing options, and decide which system will best provide cost-effective protection for a particular trademark.

There are three international trademark filing options for U.S. trademark owners, which can be used alone or in combination:

1. File individual applications directly in each country of interest; and/or
2. File in the U.S. using the Madrid Protocol system; and/or

3. File using the European Community Trademark system.

There are many advantages and disadvantages to each option. Which option is used will depend upon the particular trademark owner's mark, the areas in which it seeks protection, the goods and services for which registration is sought, and the relative strength of the mark. Each mark should be evaluated individually, and the trademark owner and its U.S. trademark counsel must decide which is the best system to utilize after thorough analysis.

One of the most important strategy decisions a trademark owner will have to make in deciding whether to utilize the Madrid Protocol system or another foreign registration option will focus on the strength and viability of its "home" application or registration. This is because an International Registration issued under the Madrid Protocol system, which must be based upon a home application or registration, is completely dependent upon that home application and/or registration for five years after filing. Moreover, the protection which will be afforded in each foreign country must be

identical to the protection provided by the home application and/or registration. The marks must be identical, the goods and services must be identical, and the owners must be identical. If the goods and services in the U.S. home application or registration are restricted or narrowed, these limitations will extend to the foreign counterparts. If the U.S. home application is abandoned prior to issuance of a registration, all foreign applications which are then pending or registrations which have already issued based upon the abandoned home application will also be abandoned or cancelled. If a U.S. home registration is cancelled within the five-year dependent period, all still-pending foreign applications or issued registrations will also expire. After the five years dependent period, the non-U.S. rights become independent of the U.S. home rights, and any change in the status of the home registration or application after the five-year period, will have no effect on the foreign rights.

It is also important to note that a Protocol application *cannot* be based upon a U.S. application or registration on the Supplemental Register. It can only be based on

a Principal Register application or registration. Moreover, if a home application is filed seeking registration on the Principal Register, and during prosecution is amended to seek registration on the Supplemental Register, then any foreign applications or registration that were filed based upon the U.S. home application will become void since the home application will no longer support them.

### Summary

U.S. adherence to the Madrid Protocol is a very exciting trademark law development. It provides many opportunities and benefits to U.S. trademark owners that previously only have been available to non-U.S. entities. It is important that U.S. trademark owners take actions to make sure that they have a cost-effective international trademark strategy in place to take advantage of this new development.

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*If you would like further information, please contact the Mintz Levin attorney who ordinarily handles your legal affairs.*

### Service Marks Now Registrable in India

Effective September 15, 2003, service marks, collective marks, and geographical indications are now registrable in India. Previously, only marks used on tangible goods were protected under Indian Trademark Law. With the implementation of these new provisions, Indian trademark law is now fully compatible with the Agreement on Trade Related Aspects of Intellectual Property Rights (the "TRIPS Agreement").