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THE MADRID PROTOCOL: A VOLUNTARY MODEL FOR THE INTERNATIONALIZATION OF TRADEMARK LAW

Peter Wilner*

In April of 1996, the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Protocol") went into effect.1 The Protocol, which is administered by the International Bureau ("Bureau") of the World Intellectual Property Organization ("WIPO"), augments a framework for the international registration of trademarks initially created by the Madrid Agreement ("Agreement").2 In September of 2002, the United States House of Representatives passed H.R. 2215.3 Title XII of that bill contains the legislation implementing the Protocol into U.S. Trademark law ("The Lanham Act").4 The Senate passed H.R. 2215 and adopted the advice and consent resolution regarding

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As a participant in the Protocol’s framework, the U.S. can provide its trademark owners with access to international protection via a framework that leaves its domestic system of registration and protection virtually unaltered. This is because the Protocol is designed to allow the states party to it (“Contracting Parties”) to participate in that framework without substantially modifying their own systems. By allowing different systems to coexist within the same international administrative framework, the Protocol serves as a voluntary model for the internationalization of trademark law.

U.S. accession to the Protocol came only after two primary obstacles were overcome. The first was the “Havana Club” controversy, in which Havana Club Holdings (“HCH”) (a joint venture between the Cuban government and a French distributor of wines and spirits) had sought to enjoin Bacardi, a U.S. distributor,


7. See 15 USC §§ 1141e-h; see discussion in Part IV, infra.

8. See discussion in Parts IV and V, infra.

9. “Internationalization,” as applicable to trademark law, can be defined as the construction of relationships between inconsistent systems whereby owners from around the world can gain approximately equal protection in international markets. See Kenneth L. Port, Trademark Harmonization: Norms, Names & Nonsense, 2 Marq. Intell. Prop. L. Rev. 33, 47-48. This can be contrasted with harmonization, which describes a process by which different sets of laws are made to closely (if not completely) resemble one another. The goal is to create a legal atmosphere where individuals, corporations, and governments can act on a level playing field. See James E. Crawford, The Harmonization of Law and Mexican Antitrust: Cooperation or Resistance?, 4 Ind. J. Global Leg. Stud. 407, 411. I call the model “voluntary” because the Protocol allows the Contracting Parties to alter their domestic legislation as they see fit. See discussion in Parts IV and V, infra.

from using the name “Havana Club” for its rum.\(^{11}\) In the United States, both the District Court for the Southern District of New York and the Second Circuit Court of Appeals found against HCH.\(^{12}\) HCH vowed to appeal to the Supreme Court.\(^{13}\) At the international level, however, the Appellate Body of the World Trade Organization’s Dispute Settlement Body found that the legislation upon which the U.S. courts’ decisions are based is largely inconsistent with the TRIPS agreement.\(^{14}\) Meanwhile, the full House, and the Senate Judiciary and Foreign Relations Committees passed legislation implementing the Protocol in 2001 (before the Appellate Body issued its decision). However, the full Senate continued to postpone action on the legislation.\(^{15}\) However, despite the impact of the “Havana Club” controversy,\(^{16}\) it was

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13. See McCaw, supra note 11, at 310.

14. See WTO decision, supra note 11.


16. Senator Jesse Helms, a ranking member of the Senate Foreign Relations Committee, had opposed the legislation in the past because of “Havana Club.” See Guerra, supra at note 4. However, HCH and Bacardi had reportedly reached “an agreement regarding the treaty that [would] not affect the implementing legislation.” See Statement of Orrin G. Hatch Before the Senate Judiciary
ultimately overshadowed by the overwhelming support for the Protocol in both the U.S. government and the business community.\textsuperscript{17}

A second obstacle to U.S. accession was a provision in Article 14 of the Protocol, which permits intergovernmental organizations (such as the Council of the European Union) to join the Protocol as Contracting Organizations\textsuperscript{18} and to exercise a vote distinct from those of its member nations that are themselves Contracting Parties.\textsuperscript{19} This issue was ultimately resolved: where a vote is called for, the EU agreed to conduct consultations with the U.S. and to not allow the number of votes cast by the European Community to exceed the number of members in the Community.\textsuperscript{20} The fact that this issue hindered U.S. accession to the Protocol for so long\textsuperscript{21} emphasizes the U.S.'s desire to participate in a system of international trademark protection that

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17. See discussion in Part II, infra. See Washington Update, Number Eighteen, April 2002, in which INTA published a list of large corporations who have written to their senators in support of the Protocol (the list includes Kodak, Proctor & Gamble, Bayer, Compaq and DuPont), available at www.inta.org.
\end{quote}

\begin{quote}
18. Article 14(1)(b) of the Protocol states:
any intergovernmental organization may also become a party to this protocol where the following conditions are fulfilled:
\begin{enumerate}
\item at least one of the member states is a party to the Paris Convention for the Protection of Industrial Property;
\item that organization has a regional office for the purposes of registering marks with effect in the territory of the organization;
\end{enumerate}
Article 1 states that these members shall be given the same status as states who are members of the Protocol. This status includes, among other things, the ability to vote on amendments to the Protocol.
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21. Implementing legislation was first introduced in the 102nd Congresses; see Guerra, supra note 4; see Madrid Protocol Timeline in U.S., available at www.inta.org.
\end{quote}
respects a Contracting Party's rights as a sovereign entity.\textsuperscript{22} The Protocol creates that system by observing two fundamental principles of international law: first, it obligates a Contracting Party only to that which it consents to be obligated to.\textsuperscript{23} The Madrid system accomplishes this via the creation of a Union in which each member gets one vote in the Union's decisions ("Madrid Union").\textsuperscript{24} Dilution of that vote (by, for instance, effectively giving another member two votes, as would happen if the EU were to vote independently of its member states) would render a member's consent or objection to any subsequent changes to the Protocol less meaningful, thereby compromising its standing as a member of the Madrid Union. In turn, this would decrease its ability to determine the rules to which it was subject and, consequently, would compromise its sovereignty. The arrangement between the EU and the U.S. ensures that this dilution will not occur and that every Party's voice will carry equal weight in the Madrid Union's voting system.\textsuperscript{25}

Second (and more importantly for the purposes of this article), the Protocol leaves substantially intact each member state's exclusive jurisdiction over its own territory and the permanent population living there.\textsuperscript{26} It accomplishes this by accommodating the fundamental differences between the common law and civil law systems of trademark registration and allowing each Contracting Party to substantially maintain its own legal framework.\textsuperscript{27} By this, the Protocol ensures that sovereign states

\begin{footnotesize}
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  \item[22.] See Records of the Diplomatic Conference for the Inclusion of a Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, Madrid, 1989 [hereinafter Madrid Conference], WIPO PUBLICATION NO. 345(E); see discussion infra Part II.
  \item[23.] See Ian Brownlie, Principles of Public International Law, 287-88 (4\textsuperscript{th} ed., 1990).
  \item[24.] See Protocol, \textit{supra} note 1, at Article 10; see Agreement, \textit{supra} note 2, at Article 10.
  \item[26.] See Brownlie, \textit{supra} note 23.
  \item[27.] See discussion infra Part IV.
\end{itemize}
\end{footnotesize}
will retain substantial control over their territories via control over the laws used to govern them.

One author argues that the Protocol disproportionately, and unnecessarily, favors the Country of Origin's system of protection, thereby infringing on the systems of the other Contracting Parties. This, however, is not the case: a look at the general civil law model of trademark protection, the American common law system, and the way that they operate under the Protocol shows that the Protocol infringes on a Contracting Party's system only to the minimal extent necessary to create an efficient international administrative system. Thus, it leaves that system, as well as a Contracting Party's sovereignty, substantially intact. The U.S., the other member states, and the effort to create truly global trademark protection benefit from this framework.

Part I of this article will examine the Protocol's text and look at several arguments that advocated the U.S.'s accession to it. Part II will look at various political discussions surrounding the Protocol to show that different bodies, while they had different immediate concerns, shared the desire for an efficient administrative system that could accommodate different legal regimes, and the belief that the Protocol creates that system. Part III will look at various arguments that were made against U.S. accession to the Protocol. Part IV will examine the general civil law and American common law registration systems and the way they operate under the Protocol in order to show that the Protocol leaves both systems substantially unaltered. This article will then look at H.R. 1125 to show the Protocol's minor effect on, and compatibility with, U.S. trademark law. Part V will argue that the Protocol represents a "voluntary" model for the internationalization of trademark law. Part VI will recommend that WIPO, the Contracting Parties, and

28. The Country of Origin is the country from which the basic application or registration originates. The examining office of that country is the Office of Origin. See discussion infra Part IVC.


30. See discussion infra Part IV.
those not yet party to the Protocol, continue studying the interaction of the Protocol and various domestic registration systems in order to improve that model.

I. ARGUMENTS FOR ACCESSION TO THE PROTOCOL

Several commentators point out the significant advantages that will accrue to businesses because of U.S. accession to the Protocol, which provides a means of entry into the Madrid Union. This Union was formerly closed to those that had not acceded to the Agreement. Originally signed in 1891, the Agreement was designed to allow a holder of a registration in one country (“basic registration”) to seek registration in as many other members of the Union as the registrant chose to designate in his international application (which becomes an international registration upon acceptance by the International Bureau of Intellectual Property).

Crucially, it requires that a mark be registered in the country of origin before the proprietor of that mark applies for international registration. Also, applications to the International Bureau must be submitted in French. Each designated country has one year to examine those applications and to extend or refuse protection for marks contained therein. Most importantly, an owner whose mark is the victim of a “central attack,” (the basic registration is cancelled due to a successful opposition before a five-year period

32. See Agreement, supra note 2. Article 1(2) of the Agreement states: Nationals of any of the contracting countries party to this Agreement, secure protection for their marks applicable to goods and services, registered in the country of origin, by filing the said marks at the International Bureau of Intellectual Property (emphasis added).
33. See Id.
35. See supra note 2, art. 5(5).
elapses) will have his international registration cancelled as well.36

These features of the Agreement proved to be bars to U.S. accession. The requirement of a national registration as the basis of an international registration means that applicants from countries that have a pre-registration use requirement and a long examination process are at a significant disadvantage as compared to those from countries that have neither because the latter group will obtain registrations more quickly.37 The requirement that a basic registration be in French exacerbates this disadvantage as international applicants from non-French-speaking countries (such as the U.S.) need to invest time and money in order to have their national registrations translated.38

The requirement that national offices examine applications within one year was also seen as incompatible with U.S. practice as, while the U.S. Patent and Trademark Office might complete its examination in one year, the PTO allows third parties to oppose registration of the mark before that registration is granted. This opposition procedure differs substantially from that in civil law countries and requires that more time be allotted for examination.39 Finally, the Agreement, by making international protection completely dependent on the viability of the basic registration for the first five years of its existence, provides registrants in civil law countries with an advantage over American applicants as it is easier to both register a mark and maintain that registration in a civil law jurisdiction.40

The Protocol, with its more flexible administrative framework, removes these bars to accession. First, an international registration may be based on a national application or a national registration.41 This means that applicants from countries which grant registration

36. See Agreement, supra note 2, art. 6(3); Thorsten Klein, Madrid Trademark Agreement vs. Madrid Protocol, 12 J. CONTEMP. LEGAL ISSUES, 484, 487 (2001).
37. See discussion infra Part IV.
38. See Cotrone, supra note 29, at 82.
39. See discussion infra Part IV.
40. Id.
41. Protocol, Article 2(1)(i); see Cookson, supra note 31, at 173.
without evidence of use no longer enjoy such a pronounced advantage over those from countries which do require such evidence.\footnote{See discussion infra, Part IV D.} Second, that national application or registration ("basic application" or "basic registration") can be in English or French. This means that American applicants will not have to spend extra time or money to translate their basic application or registration before applying for international protection.\footnote{See Protocol Regulations, supra note 34, at Rule 6(1)(b).}

Third, Article 5(2)(b) of the Protocol allows a Contracting Party to extend the examination period from one year to eighteen months and to grant oppositions to the mark after that period has expired, thereby accommodating countries (such as the U.S.) with more substantive examination processes.\footnote{That Article also requires that a country wishing to extend its examination period must declare that it will do so in implementing legislation. § 1141h(c) of the legislation that implements the Protocol in to U.S. law does this.} Fourth, the Protocol significantly modifies the central attack provision of the Agreement: Article 9quinquies of the Protocol allows a trademark proprietor, whose international registration has been cancelled due to a successful opposition to, or withdrawal of, the basic application or the revocation, cancellation or invalidation of the basic registration, \footnote{Article 6(3) of the Protocol lists the conditions under which the country of origin may request the cancellation of an international registration. Essentially, the international registration will be cancelled if the basic application or registration ceases to exist for any reason.} to file directly with the national offices of any of the Contracting Parties that were designated in the international registration and, provided that certain conditions are fulfilled, to claim the date that the international registration was filed as the priority date for the national applications.\footnote{Article 9quinquies states that the individual national applications will only enjoy that date of priority if:}

\begin{itemize}
\item[(i)] such application is filed within three months from the date on which the international registration was cancelled
\item[(ii)] the goods and services listed in the application are in fact covered by the list of goods and services contained in the international registration
\end{itemize}
The Protocol provides the international applicant with a number of additional advantages. For example, international registration has substantially the same effect in the designated countries as would a registration obtained from those countries’ national offices. Consequently, there is a significant reduction in cost to the applicant, as he no longer has to apply to each country separately to gain protection in each jurisdiction. The applicant also saves time as there is a central location for filing documents—they must file with their national examiner, who will forward the international application to the Bureau who, in turn, will forward the application to the Designated Parties’ national offices.

There are potential disadvantages under the Protocol. For example, the scope of protection provided by the international registration is limited, for the first five years of its existence, to the protection provided by the basic registrations or application upon which that international registration is based. For an applicant from the U.S., this means that even if a foreign country provides that a mark may be registered for broad classes of goods (as do many civil law countries), the applicant will be limited to U.S. classifications, which are generally narrower.

Further, even though Article 3(1) of the Protocol provides that an international registration may be based on a basic registration or application, it does not (indeed it cannot) compensate for the fact that a U.S. applicant may still have his international registration registration in respect of the Contracting Party concerned, and such application complies with all the applicable requirements of the applicable law, including the requirements concerning fees.

48. Id.
49. Id.
50. See Terril Lewis, Towards Implementation of the Madrid Protocol in the United States, 89 TMR 918, 929 (1999). After the five-year dependence period has expired, each Contracting Party may extend a mark as much protection as it sees fit; Author’s e-mail exchange with USPTO (on file with author); see discussion in Parts III and IV, infra.
51. See Cotrone, supra at note 29, at 87. Again, this limitation only applies to the five-year dependence period.
revoked if he fails to obtain a national registration, which as noted above, is more of a danger under U.S. law than in civil law jurisdictions. If he does fail to obtain a registration, it will be significantly more difficult and expensive for the registrant to obtain international protection, as he will now have to file with individual national offices. However, as is evidenced below, these seeming inequities are necessary ingredients in the Protocol’s compromise between international administrative efficiency and national sovereignty.

II. THE PROTOCOL AND THE COMPROMISE SOUGHT

Three of the four issues discussed above were also the most widely debated during the Diplomatic Conference regarding the Protocol (“Diplomatic Conference”), which took place in 1989 in Madrid, Spain. Much of the debate surrounded Article 5, which, as noted above, governs how long a country may take to examine a mark before granting or refusing a registration. Particularly controversial was Article 5(2)(c), which states that any party who has declared in its instrument of ratification that it is extending its examination period to eighteen months (as permitted by Article 5(2)(b)) may also specify in that same declaration that, when a refusal of protection may result from an opposition, the office of the Contracting Party may notify the International Bureau of that refusal after the eighteen month period expires as long as: (i) it has, before the expiry of the 18-month time limit, informed the International Bureau of the possibility that oppositions may be filed after the expiry of the 18-month time limit, and (ii) the notification of the refusal based on an opposition is made within a time limit of not more than seven months from the date on which the opposition period begins; if the opposition period expires before the time limit of seven months, the notification must be made within a time limit of one month from the expiry of the

52. See Cotrone, supra note 29, at 86.
53. See Diplomatic Conference, supra note 22.
54. Id. at paragraph 360.
opposition period.

The Swiss delegation felt that eighteen months was a sufficient amount of time for an office to complete its examination procedure and that paragraph (2)(c) constituted an undefined extension of the period of time that an applicant would have to wait in order to find out the extent of the protection his mark would be given. This defeated the main purpose of the Protocol, which was to harmonize to the greatest extent possible the trademark systems of the Contracting Parties by, among other things, providing defined time limits for examination periods. France and the German Democratic Republic supported the Swiss position.

But the delegations from the Federal Republic of Germany and Austria pointed out that the Protocol was also intended as a vehicle for expanding the size of the Madrid Union. To achieve this expansion, the Conference would have to take into account the legal systems in the countries that have not joined. Article 5(2) sets up a 3-tier system of examination for this purpose: subparagraph (a) maintains the 12-month examination period of the Agreement. Subparagraph (b) allows this period to be replaced by an eighteen-month period. Subparagraph (c) provides a more flexible period, which can be utilized by those countries, such as the U.S., which have an opposition system.

The delegate from England (a common law country and Protocol member since 1995) emphasized the particular need for this provision: he stated that in his country, firms relied on the office’s substantive examination before considering an opposition. This practice required that there be a sufficient amount of time for the office to adequately examine the mark and for oppositions to subsequently be brought. Ultimately the Swiss delegation, in light of the majority of the other delegations’ desire

55. Id.
56. Id.
57. Id. at paragraphs 364–365.
58. Id. at paragraphs 375–78.
59. Id. at paragraph 823 (Statement of the European Communities).
60. See Membership list for the Madrid Union, available at www.wipo.int.
61. See Diplomatic Conference, supra note 22, at paragraph 849.
for compromise, withdrew its proposition and gave its support to
the text currently contained in paragraph 2(c).^{62}

Another highly debated provision was Article 6(3), which
essentially provides that the invalidation of the basic application or
registration within five years of the date of the international
registration's issuance will cause the international registration's
cancellation. The first issue was the clarification of what
situations could lead to the cancellation of the international
registration before the five-year period of dependency had expired.
The delegation from Spain suggested that Article 6(3), instead of
listing all of the situations by which the international registration
would cease to have effect, could have one sentence summarizing
all of those situations, as is done in the Agreement. Such a
sentence might state that the international registration would be
cancelled "[i]f the juridical effects of the basic application or basic
registration [ceased].^{63} The delegation from the Federal Republic
of Germany noted that this broad language did not properly
provide for the situation where a national application was still
pending after the expiration of the five-year period, as one could
not know, by that language, whether a still-pending application
would cease to have legal effect or would never have had legal
effect at all. If the latter were the case, canceling the international
registration would undermine the Protocol's system.^{64}

It noted that the system was designed to cover three situations
and those situations needed to be clearly distinguished: (1) where
the national office decided on the application after five years of the
international registration's existence, the international registration
would not be affected by any adverse decision regarding the
national registration as the international registration would have

^{62} Id. at paragraph 905.
^{63} Id. at paragraph 460; Article 6(3) of the Agreement reads: The protection
resulting from the international registration...may no longer be invoked...if,
within five years from the date of the international registration, the national
mark...no longer enjoys...legal protection in [the country of origin].
Article 6(3) of the Protocol lists the specific circumstances under which an
international registration will be cancelled.

^{64} See Diplomatic Conference, supra note 22, at paragraph 471.
become independent of the national registration; (2) if the application had been rejected within the five-year period and was subject to an appeal that would be completed after the period had expired, an ultimate rejection of the application would result in the cancellation of the international registration as the domestic procedure had begun before the expiry of the five-year period;\(^{65}\) finally, (3) even if an initial decision had not been rendered within the five-year period, the mark would still be vulnerable to central attack as long as the opposition process had begun before the expiration of that period.

The Federal Republic of Germany believed that the specific language of 6(3) was necessary to cover all of these situations, which occurred to varying degrees depending on a particular Contracting Party’s system.\(^{66}\) Ultimately, the language of Article 6(3) was adopted with a qualifying clause added to subparagraph (iii), which requires that an application can only be withdrawn if it is the subject of one of the enumerated proceedings, i.e., one begun before the expiration of the five-year dependency period.\(^{67}\)

A third highly debated provision was Article 9quinquies, which allows for the transformation of a cancelled international registration into several national registrations. One issue was whether transformation would only be available if the basic registration were cancelled upon request by the Country of Origin’s national office or whether transformation would be available if that registration were cancelled for other reasons, such as an applicant’s withdrawal of his own application. Spain’s proposed version of 9quinquies provided that transformation would be available both where the Office of Origin had requested the cancellation of the international registration and where the international registration has been cancelled “for any other reason.”\(^{68}\)

The delegation from the European Communities objected to this

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65. Id., at paragraph 479.
66. Id., at paragraph 525.
67. Id., at paragraph 525.
68. Id., at Draft of the Protocol as Presented to the Diplomatic Conference, Article 9quinquies.
language as it felt transformation should be limited to cases of successful central attack. 69 The Federal Republic of Germany objected to this language as well, stating that transformation should not be available if, for example, an applicant, upon seeing that his basic application was about to be cancelled, withdrew that application in order to apply to individual countries for separate registrations. 70 Ultimately, the majority of the delegations supported removal of the language proposed by Spain in order to clarify exactly when transformation would be available to an applicant. 71

Another issue was whether a transformed international registration would result in national applications or national registrations. 72 The delegations of the Federal Republic of Germany as well as the Director General of WIPO confirmed that the only obligation that National Offices had under Article 9quinquies was to accept the date of international registration as the priority date for the national application; if it wished to go further and accept this date as a date of registration, it could, but was not obligated, to do so. 73

Note that the three most intensely discussed issues — length of the examination period, dependency of the international registration on the basic registration, and transformation of a cancelled international registration into national applications — were resolved with an eye toward maintaining a balance between an efficient registration process and a framework that could accommodate different registration systems (which would maintain the sovereign integrity of those systems' users). Note further that the creation of that balance does not call for the harmonization of the laws of the different member states, but the internationalization of the environment in which those laws exist. A look at the deliberations of the Council of the European

69. See Diplomatic Conference, supra note 22, at paragraph 763.
70. Id. at paragraph 769.
71. Id. at paragraph 786.
72. Id. at paragraph 802.
73. Id. at paragraphs 804, 816 (Statement of the Federal Republic of Germany) and 816 (Statement of the Director General of WIPO).
Community and the United States Congress and business community shows that prospective members of the Union saw this internationalization as a prerequisite to their joining the Protocol. 74

Even though the EU is not a member of the Madrid Union, it is useful to look the Council’s deliberations as it represents a major governing body with its own system of trademark registration and protection: the Community Trade Mark ("CTM"). 75 Further, it may yet become a member of the Union, as is permitted by under Article 14(b) of the Protocol. 76 The European Commission, in emphasizing that the Madrid Protocol and the CTM were, in fact, complementary, was actually alluding to two larger points: first, the Protocol would not compromise the integrity of the system as the Protocol is a standardized procedure for the international registration of a mark while the CTM is a regional system for the substantive protection of a mark. 77 Consequently, international applications designating the EU will be examined in the same way as an application from one of the EU’s members, i.e., the integrity of its system would not be compromised. 78 Second, as a result of

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74. The statements excerpted here from members of the U.S. government and business community were made before the U.S. acceded to the Protocol.


76. Article 14(1)(b) of the Protocol states:

.. any intergovernmental organization may also become a party to this Protocol where the following conditions are fulfilled

(i) at least one of the member states of that organization is a party to the Paris Convention for the Protection of Industrial Property;

(ii) that organization has a regional office for the purposes of registering marks with the effect in the territory of the organization...


78. See Proposal for a Council Regulation modifying Council Regulation No. 40/94 of 20 December 1993 on the community trademark to give effect to the
this complementary nature, joining the Protocol would increase a CTM holder's ability to obtain protection in different countries, thereby increasing that holder's ability to compete in the international marketplace.\(^79\) In other words, that holder would be privy to a level of administrative efficiency which would benefit both him as an individual and the CTM system as a whole.

Both the U.S. government and American businesses were also interested in this balance. More importantly, both believed, as does the European Council, that the Protocol successfully achieves that balance by creating an efficient administrative framework that does not substantively alter domestic trademark law. Senators Leahy and Hatch, both members of the Senate Judiciary committee, repeatedly emphasized this point.\(^80\) Senator Hatch has further underscored this argument by noting that foreign trademark owners who wish to designate the U.S. in their Madrid

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applications will have to meet the substantive requirements of U.S. trademark law in order to gain protection there. This will help to ensure that American trademark owners are not disadvantaged by the United States Patent and Trademark Organization’s (“USPTO’s”) stringent requirements for registration.81

The USPTO also expressed its support for the Protocol. USPTO Director James Rogan emphasized the benefit of “one-stop shopping” (i.e. the ability to register a mark in many countries via a single application) that the Protocol will provide for U.S. trademark owners. He also pointed out that the Protocol will cut costs for the applicant by allowing him to register for a single set of fees rather than paying multiple sets of fees for multiple registrations in various countries.82

Even before the Protocol went into effect and the voting controversy referred to above was resolved, the Administration recognized that the Protocol provides a balanced system.83 In 1995, Philip Hampton, the Assistant Commissioner for Trademarks remarked that accession to the Protocol could open up international opportunities to those who are currently unable to afford broad international protection.84 He justified this conclusion by citing the same reason that Director Rogan would cite six years

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later: namely, that a U.S. applicant filing under the Protocol would be able to file in any number of member countries by filing a single application in English and paying one set of fees. Additionally, the applicant would be able to effect renewal or assignment of the mark via a single application and a single set of fees.\textsuperscript{85}

At the same time, Rogan noted that implementation of the Protocol would have no substantive effect on U.S. trademark law. Hampton emphasized, as Senator Hatch subsequently would, that under the Protocol, the U.S. would be able to maintain unaltered its domestic registration system.\textsuperscript{86} More specifically, under the Protocol, a foreign mark owner who requests an extension of protection to the United States must submit an affidavit of a \textit{bona fide} intention to use the mark in commerce. If granted protection, he then must file periodic statements and specimens of use in order to maintain that protection.\textsuperscript{87}

The International Trademark Association ("INTA"), an organization which represents American businesses,\textsuperscript{88} always championed the Protocol's ability to save trademark owners time and expense, particularly for small and medium-sized business owners.\textsuperscript{89} INTA both lobbied the administration and mobilized its members to write their Senators and ask them to both ratify the

\textsuperscript{85} Id.

\textsuperscript{86} Id.

\textsuperscript{87} Under the Protocol implementing legislation, owners requesting protection in the United States are subjected to substantially the same requirements to which foreign applicants are subject under §1126. These are not the same requirements to which domestic applicants are subject under §1051. \textit{See} discussion infra Part IV E.

\textsuperscript{88} \textit{See} \textit{Washington Update, supra} note 17.

Protocol and pass its implementing legislation. It emphasized that any disadvantages the Protocol has (such as increasing the PTO's workload) are far outweighed by the principal advantage it provides for American businesses, which is to streamline the international application and registration process. Moreover, the only other alternatives are to register in each individual country, which can be prohibitively expensive, or to forego protection in particular jurisdictions and risk being subject to piracy, which is of course unacceptable.

III. ARGUMENTS AGAINST ACCESSION TO THE PROTOCOL

Certain commentators argue that the Protocol does not effectively balance the need for an efficient international administrative system with the need to respect national laws. Two authors argue that because of the differences in various countries' legal systems, the Protocol's framework will actually be detrimental to many U.S. trademark owners. One reason for this is the relative difficulty in registering a trademark in the U.S., as opposed to in a civil law jurisdiction (such as most of the countries of the EU). In the U.S., an applicant's mark cannot be registered unless the applicant demonstrates use of that mark in commerce. An owner may submit an application stating their intent to use the mark in commerce ("ITU"). In this case, the applicant will be issued a notice of allowance, which gives then a priority date, and will have to begin use of the mark within six months of that issuance. But only after they submit evidence of use and the mark...

90. See Washington Update supra note 17.
92. See Guerra, supra note 4, at 526.
94. See 15 USC §§ 1051(a)(1), (2).
is reexamined in light of that evidence can it be registered.\textsuperscript{95} In the civil law countries of the European Union,\textsuperscript{96} an applicant does not have to demonstrate use before registration. Rather, the mark is examined by the national office independent of what it is or will be used for. If the mark is subsequently registered, the registrant will have, with minor variation across jurisdictions, five years to begin use of the mark. This allows applicants in civil law countries to more easily obtain and maintain basic registrations.\textsuperscript{97}

Another reason for this argument is the specification of goods required by different countries. In the U.S. the mark may only be registered for those goods or services for which the mark has been used or for which there is a \textit{bona fide} intent to use it. In many civil law countries, such as France and Germany, a mark may be registered for multiple, broad classes of goods without evidence of use or intent-to-use.\textsuperscript{98} Under the Protocol, an applicant can designate for his mark only the class of goods allowed by his country of origin. According to one author, this restriction, combined with differences in registration requirement could amount to a serious limitation for American applicants.\textsuperscript{99} Yet a third reason is the necessity of retaining local counsel. Although ostensibly, an applicant under the Protocol does not have to retain local counsel, a local agent will be better able to advise an applicant on the suitability and availability of a mark in a given jurisdiction.\textsuperscript{100}

Carlo Cotrone finds a more fundamental problem with the Protocol’s structure. He rightfully states that the harmonization of trademark law, that is, a system where trademark law across every

\textsuperscript{95} Id. at §§ 1051(c), (d).

\textsuperscript{96} I have chosen to examine the general civil law model utilized in most of the European Union as it varies little from country to country and contrasts greatly with the U.S. common law model.

\textsuperscript{97} See ETHAN HORWITZ, WORLD TRADEMARK LAW AND PRACTICE (MATTHEW BENDER ed., 2\textsuperscript{nd} ed. 2002); see Celedonia, supra note 89; see discussion infra Part IVB.

\textsuperscript{98} See Horwitz at Germany § 1.04, France § 1.04; Cotrone, supra note 21.

\textsuperscript{99} See Celedonia, supra note 93, at 263-65.

\textsuperscript{100} Id. at 273.
jurisdiction is made substantially the same, is not possible.\textsuperscript{101} He also rightfully states that the objective of an international system should not be the harmonization of laws, as such, but the “internationalization” of national laws. That is, an international system should strive to create a framework where national bodies of law can work in concert but remain (at least substantially) uncompromised.\textsuperscript{102}

However, he finds that the Protocol does not effectively create this framework. As noted above, an international registration is dependent on the basic registration for the first five years of the international registrations’ existence. If the basic registration ceases to exist before that period expires (either because of a successful central attack, or for any of the other reasons enumerated in Article 6(3)), the international registration will be cancelled as well.\textsuperscript{103} Further, the scope of protection is limited to that granted by the registrant’s home country.\textsuperscript{104} This dependency, in Cotrone’s view, divests a Contracting Party of its sovereignty as it effectively subjects the registration in one country to the grounds for cancellation in another. Further, the protection it grants a mark is dictated by limits imposed by the Country of Origin.\textsuperscript{105} It also violates the principle of national treatment as it prevents foreign registrants from obtaining the protection given local registrants.\textsuperscript{106}

Thus, in Cotrone’s view, by placing limits on the protection that a mark holder can obtain, the Protocol actually makes individual national registrations that much more attractive.\textsuperscript{107} He argues that instead of imposing the limits that it does, the Protocol should allow the applicant to claim the full scope of protection offered by each individual country. In this way, not only would each country be able to extend protection to a mark as it saw fit, but would be

\begin{footnotes}
\item \textsuperscript{101} See Cotrone, supra note 29; see infra discussion in Part V.
\item \textsuperscript{102} See Cotrone at 98-99.
\item \textsuperscript{103} See discussion in Part I, supra.
\item \textsuperscript{104} See Celedonia, supra note 93.
\item \textsuperscript{105} See Cotrone, supra note 29 at 100.
\item \textsuperscript{106} Id. at 99.
\item \textsuperscript{107} See id. at 102.
\end{footnotes}
able to cancel a mark on grounds it chose to provide.\textsuperscript{108}

The Protocol does treat applicants differently depending on where they are from and which countries they designate for protection. Also, it does, to a certain extent, favor the law of the Country of Origin over that of a Designated Party. And while this may be seen as a disadvantage to an international applicant and an inequitable treatment of a country’s legal system, one must keep in mind the balance the Protocol strives to achieve. On the one hand, it must create an efficient system of administration in order to serve mark owners. But, on the other hand, it cannot create this efficiency at the expense of the integrity of a Contracting Party’s legal system. Rather, it must allow various systems to exist side by side without substantial modification. The Protocol accomplishes these goals in the best way possible.

IV. THE PROTOCOL AND THE BALANCE IT CREATES

A. The American Common Law Trademark System

That it does so can best be seen by examining the American common law trademark system, the civil law trademark system as it exists in most of the European Union,\textsuperscript{109} and how the Protocol’s framework accounts for their differences. First, the American system: under that system, an applicant must file based on his use of the mark or intention to use the mark in commerce ("ITU").\textsuperscript{110} If the applicant files based on an ITU, he must submit evidence of

\textsuperscript{108} Id. at 102-03.

\textsuperscript{109} The overview of the civil law system that I will present here is the general model shared by most of the countries of the European Union (all of them except Great Britain and Ireland) and the EU itself. See Horwitz, supra note 97.

\textsuperscript{110} See 15 USC §§ 1051(a), (b). "Use in commerce" is defined as use of the mark on goods that are sold or shipped across state lines, i.e., in commerce which "may lawfully be regulated by Congress." See McCarthy on Trademarks (4th ed. 2002), §19:123; 15 USC §1127.
use within six months of the issuance of the notice of allowance.\textsuperscript{111} Upon that submission, the mark will be re-examined.\textsuperscript{112} The Patent and Trademark Office ("PTO") will not deny any mark registration on the Principal Register unless it consists of immoral, deceptive, or otherwise disparaging matter,\textsuperscript{113} consists of a national insignia,\textsuperscript{114} utilizes an individual's name, portrait or signature without his written consent,\textsuperscript{115} consists of a mark which is confusingly similar to a mark already registered with the PTO\textsuperscript{116} or consists of a mark which is merely descriptive or misdescriptive.\textsuperscript{117}

If the Office does not deem the mark registerable, the applicant will have six months to reply or amend his application. This process will be repeated until the examiner finally refuses the mark's registration or the applicant fails to respond within a given six-month period.\textsuperscript{118} If the mark is deemed registerable, it will be published in the Official Gazette for opposition by third parties.\textsuperscript{119} A third party will then have thirty days to oppose the mark. It may do so on any grounds,\textsuperscript{120} including likelihood of confusion,\textsuperscript{121} dilution,\textsuperscript{122} unfair competition,\textsuperscript{123} and cybersquatting.\textsuperscript{124} If the mark

\begin{footnotesize}
\begin{enumerate}
\item[\textsuperscript{111}]. See 15 USC § 1051(d)(1).
\item[\textsuperscript{112}]. Id.
\item[\textsuperscript{113}]. See id §1052(a). § 1051 defines the Principal Register.
\item[\textsuperscript{114}]. See id. § 1052 (b).
\item[\textsuperscript{115}]. See 15 USC § 1052 (c).
\item[\textsuperscript{116}]. See id. § 1052(d).
\item[\textsuperscript{117}]. See id. § 1052(e).
\item[\textsuperscript{118}]. See 15 USC § 1062(b). This process applies to registrations sought on the Principal Register. See 15 USC § 1052. An applicant may also apply for registration on the Supplemental Register. See 15 USC §§ 1091 – 1095. I do not discuss the Supplemental Register in this section as it is not directly relevant to my analysis: marks registered on it have a status inferior to those on the Principal Register. Further, marks on the Supplemental Register do not have a right of priority as do marks on the Principal Register. See §§ 1057(c), 1094. Consequently, marks on the Supplemental Register must survive attacks by owners of marks with such a right before they can come within the purview of the Protocol.
\item[\textsuperscript{119}]. See 15 USC 1062(a).
\item[\textsuperscript{120}]. See id. § 1063(a).
\item[\textsuperscript{121}]. See id. § 1114.
\item[\textsuperscript{122}]. See id. § 1125(c).
\end{enumerate}
\end{footnotesize}
is not successfully opposed, it will be placed on the Principal
Register and a certificate of registration will issue.  

In addition to other reasons, even if the mark is placed on the
Principal Register, a third party may still bring a petition to cancel
the mark on the same grounds, provided it does so within five
years from date of the mark's registration. If there is no adverse
decision or there is no action pending against the registrant at the
end of that period, and an affidavit is filed with the Office per
§1065(3), the mark will become incontestable. But even at this
point, a third party can challenge the mark on grounds including
prior-obtained rights, abandonment of the mark, and a fraudulently
obtained right of incontestability.

**B. The Civil Law Trademark System**

The general civil law model for trademark registration used by
most of the countries of the EU as well as by the EU's own
government is quite different from the American model. First, a
distinction must be made between absolute and relative grounds
for refusal of registration. Generally, absolute grounds for
refusing registration exist when the subject of that registration is
descriptive, is a geographic indicator, is a person's surname, is
functional, or consists of scandalous or immoral material. Relative
grounds for refusal, as the name implies, are grounds for

123. See id. § 1125(a)(1)(A)
124. See id. § 1125(d).
125. See 15 USC § 1063(b)(1).
126. See 15 USC §1064(1).
127. See id. at §1065(1), (2).
128. See id. at §1115 (b).
129. Absolute grounds are similar to those grounds upon which an American
examiner may refuse an application. See 15 USC §§1052 (a), (b), (c) and (d).
See, for example, German Law on the Protection of Trademarks and Other
Signs, Law No. 89/104/EEC, Section 8; Spanish Law 32/1988, of November 10,
1998 on Trademarks, Section 24(2), The Trade Marks Act of Denmark, Law
No. 162 (21/02/1997), CTM Regulation, Article 7. The CTM Regulation is
available at http://oami.eu.int. All other European legislation referred to here
and subsequently is available at http://clea.wipo.int.
refusal based on the conflict between an applied-for mark and a mark that is already registered.¹³⁰

Generally, a trademark office will first examine the mark on a combination of absolute and relative grounds as well as for compliance with formalities. For example, in Germany and Portugal, the respective trademark offices will examine the mark primarily on absolute grounds and for compliance with administrative formalities.¹³¹ But, the German trademark office will also reject an application on the relative ground that the mark is confusingly similar to one that is already registered and/or well-known in Germany.¹³² The Spanish trademark office, on the other hand, looks almost exclusively at whether the applicant has complied with statutory formalities.¹³³

If the mark survives the examination process, it is published for third-party opposition.¹³⁴ That party usually has a short amount of time to file the opposition.¹³⁵ Grounds for opposition can vary greatly from country to country. In Germany, only a proprietor of an earlier-filed, earlier-registered, or earlier well-known mark may oppose a newly published mark.¹³⁶ In Spain, a wider variety of parties may oppose a mark — an opposition may be brought by “an interested party who considers himself prejudiced” by the potential

¹³⁰ See German Law, supra note 129, at section 9; Industrial Property Code of Portugal, Law No. 16 (24/01/1995), Art 33(1).
¹³¹ See German Law, supra note 129, at section 37; EU Regulation, supra note 129, at Article 8; Industrial Property Code of Portugal, supra note 130, at Articles 188 and 189.
¹³² See German Law, supra note 129, at Sections 9 and 10.
¹³³ See Spanish Law, supra note 129, at Sections 16-24.
¹³⁴ See, for example, France, Decree on Trademarks and Service Marks, No. 92-100, section 8; Austria, Trademark Protection Act of 1970 (as amended), Law No. 109 (1993), Section 17 (4), (5); See Horwitz, supra note 97, at Sweden §2.01.
¹³⁵ For example, In Spain, France, and Sweden, the third party has two months to file an opposition. See Spanish Law, supra note 129, at section 26(2), French Law, supra note 134, at section 8, Horwitz, supra note 97, at Sweden §2.01; In Germany, the third party has three months to file an opposition. See German Law, supra note 129. In Greece, the third party has about 4 ½ months. See Trademark Law of Greece, No. 2239 (9/16/94), Article 10(4).
¹³⁶ See German Law, supra note 129, at Section 42(2).
registration. The Benelux countries (Belgium, The Netherlands and Luxembourg) have a similar provision. Even if a mark survives an opposition, it may still be cancelled.

The grounds for cancellation are more or less consistent from country to country. In Germany, either the trademark office or a third party may have the registration cancelled on absolute grounds. Greece has a similar provision. In France and in Spain, a mark may be cancelled by the respective trademark offices on absolute grounds or by a third party on relative grounds. There is less consistency across the EU with regard to incontestability: in France, an action based on an infringement of rights or a breach of contractual or legal obligations can only be brought for three years after publication. In Spain, if an action is not brought against the mark within five years of publication, it becomes generally incontestable. In Germany, for a period of five years from registration, a third party may bring an action based on prior rights in a mark. However, a mark never becomes incontestable. In Portugal, a third party must bring a cancellation action within ten years of a mark’s registration in order to avoid “prejudice” to his rights.

With minor variation, a mark will be cancelled in all civil law

137. See Spanish Law, supra note 129, at Section 26(1).
138. See Benelux Convention Concerning Trademarks (2/12/1992), Article 14A.
139. See German Law, supra note 129.
140. See Trademark Law of Greece, supra note 135, at Article 1017(1)(a-e).
141. See Horwitz, supra note 97, at France § 6.04; Spanish Law, supra at note 129, Sections 47(1) and 48(1). See also the law of Finland, which, in contrast to most European jurisdictions, allows an opposition or cancellation motion on the same grounds (prior use in Finland, prior use of a famous mark outside of Finland, copyright, industrial design, use of a tradename, genericness or descriptiveness), see Horwitz, supra note 97, at Finland, Chapter 5: Oppositions and Cancellations.
142. See Horwitz, supra note 97, at France § 4.03.
143. See Spanish Law, supra note 129, at section 48(2).
144. See German Law, supra note 129, at sections 51(1), (2).
145. See Horwitz, supra note 85 at Germany §4.03.
146. See Industrial Property Code of Portugal, supra at note 117, at Article 214(5).
jurisdictions of the EU if the mark is not used within five years of registration. In Spain, for example, if the mark is not used in this period, a third party may bring an action for the cancellation of the mark and it is up to the proprietor to show that the mark has, in fact, been used in connection with goods and services.\textsuperscript{147} However, the mark will not be cancelled if, during the period between the end of the five-year use period and three months prior to the bringing of that action, the proprietor engages in \textit{bona fide} use of the mark.\textsuperscript{148}

Assuming successful registration, this means that an owner can refrain completely from using the mark in commerce for more than five years.\textsuperscript{149} This differs markedly from American practice, which requires either a demonstration of use or a rapid initiation of use by the domestic applicant before an application will be considered for registration.\textsuperscript{150} Further, not requiring a proprietor to demonstrate use fundamentally alters the grounds on which a mark can be attacked at various points of the registration process. In the American system, a third party can, at multiple points, oppose a mark based on the various ways it is used to sell goods or services. In the civil law system, the same grounds are theoretically available even though the mark is not in use. However, they are,

\textsuperscript{147} See Spanish Law, supra note 116 at section 53(a).

\textsuperscript{148} Id. Other countries in the EU have similar practices. See Horwitz, supra note 85 at Italy \$6.05, Finland, Chapter 5: Oppositions and Cancellations; The Trademarks Act of Denmark sections, supra note 116 at sections 25, 28(3); Austria, Trademark Protection Act of 1970, supra note 121 at section 33a.

\textsuperscript{149} The registration process also does not require evidence of use or intent to use—at most, the applicant only needs to indicate what the goods the mark will be used for. See, for example, French Law, supra at note 121, at section 3(c); Trade Marks Act of Denmark, supra a note 116, at Section 12(1); Horwitz, supra note 85 at Italy \$1.05, ; Portugal, for example, does require that a mark holder file a declaration of an intent to use the mark, but this is required six months before the first five-year period ends, (and the mark becomes generally incontestable), not before the initial registration of the mark, as is required, under certain circumstances, in America; see Industrial Code of Portugal, supra note 117 at Article 195, see discussion in section IV, A, supra.

\textsuperscript{150} 15 U.S.C. \$1051(a)(b).
by definition, much more difficult to employ before use begins.\textsuperscript{151} Consequently, the elimination of the need to immediately demonstrate use of a mark in commerce makes it easier for a proprietor to obtain and maintain the registration of a mark in a civil law jurisdiction.\textsuperscript{152}

For some, the fact that the Protocol does not immediately allow an American applicant to take full advantage of this system with respect to the countries that use that system undermines the efficiency and equity the Protocol is designed to create.\textsuperscript{153} But as will be shown below, the Protocol does not undermine efficiency and equity. Rather, the framework it creates is informed by a particular approach chosen specifically to achieve those two goals. This approach is particularly appropriate as it both allows for the sought-after compromise documented in Part II and best accommodates the differences, illustrated above, between the American common law system and the civil law system.

\textbf{C. The Protocol's Framework}

There are essentially two approaches the Protocol’s drafters could have taken in achieving that compromise, i.e., the creation of a system that allows for efficient international registration but minimizes encroachment on national legal regimes. The approach not taken by the Protocol would protect the integrity of the Contracting Parties’ legal systems by substantially vitiating some of the requirements of the Country of Origin’s system. This approach, briefly explored above in Part III, would necessitate two principal changes to the Protocol’s framework: (1) rather than restricting the mark to the goods classifications allowed by the country of origin, the Protocol would allow the registrant to

\begin{footnotes}
\begin{enumerate}
\item Confusion and dilution are based on whether a mark’s use conflicts with that of a prior-registered mark. In a civil law system, where no use is required for five years, these grounds are, by definition, much more difficult for third party who wishes to oppose a mark to employ. \textit{See} discussion in Parts IV, A and B, \textit{supra}.
\item See Horwitz, \textit{supra} note 97; see Celedonia, \textit{supra} note 93.
\item See Cotrone, \textit{supra} note 29.
\end{enumerate}
\end{footnotes}
designate classes of goods that are as broad or as narrow as is allowed by the Contracting Parties in whose jurisdictions protection is sought;\textsuperscript{154} (2) the dependency requirement of Article 6(3) of the Protocol would be replaced by a mechanism that allows a mark to be cancelled in a particular Contracting Party's jurisdiction only on the grounds provided for in that jurisdiction.\textsuperscript{155} By this approach, a Contracting Party's legal system would be left fully intact while the applicant may fully enjoy any advantages that system provides.\textsuperscript{156}

Conversely, the second approach, which is employed by the Protocol, incorporates both the class restrictions imposed by the Country of Origin and a dependency scheme. The superiority of this approach is best illustrated by more closely examining the Protocol's registration timeline. First, the international application is submitted to the national Office, which then forwards it to the International Bureau. The Bureau then examines the application for conformity with formal requirements set out in the Common Regulations.\textsuperscript{157} If the Bureau finds that the mark conforms to those requirements, it will register the mark in the International Register, notify both the Office of Origin and the designated Contracting Parties, send a certificate to the holder, and publish the mark in its Gazette.\textsuperscript{158}

The Contracting Parties will then have the period of time prescribed under Article 5(1) and (2) of the Protocol to examine the mark. Under both the American system and civil law systems, a mark may be opposed and cancelled, on different grounds, of course, even after it is registered. With regard to the dependency requirement of Article 6 of the Protocol, the international registration will be cancelled if the basic registration is cancelled due to central attack or ceases to exist for any other reason within

\textsuperscript{154} See Celedonia, supra note 93, at 265; see Cotrone, supra note 29, at 100.

\textsuperscript{155} See Cotrone, supra note 29, at 102.

\textsuperscript{156} Id. at 102-03.

\textsuperscript{157} See Protocol Regulations, supra note 34, at Rule 9, Requirements Concerning the International Application.

\textsuperscript{158} Id. at Rule 14(1), Rule 32(1)(a)(i).
five years of the international registration’s issuance. But if the mark survives that five-year period, upon that period’s expiry, the international registration becomes independent of the basic registration and the registrant can take advantage of the goods classifications allowed by each individual country.

D. The Two Systems Under the Protocol

The dependency requirement of Article 6 is an integral part of the Protocol’s framework. Suppose a proprietor obtains a U.S. registration in 2003 (which will become incontestable in the U.S. in 2008). He then submits his international application to the PTO, which forwards the application to the Bureau. After an examination for compliance with formalities, the Bureau forwards the registration to the designated Contracting Parties for examination. Note that, assuming that the process is successfully completed, the period of dependency, which lasts five years, coincides directly with the five years it takes for a mark to become incontestable in the American system, i.e., at the same time the national registration becomes incontestable, the international registration will become independent of that national (basic) registration. See Fig. 1.

159. See Protocol, supra note 1, art. 6(3).
160. Id. at art. 6(2).
161. Author’s e-mail exchange with the USPTO (on file with author).
162. 15 USC § 33(b).
163. The hypotheticals assume negligible delay between the time the applicant obtains his basic registration, the time that basic registration is forwarded to the bureau, and the time the bureau forwards the international registration to the offices of the designated Contracting Parties.
164. See Protocol, supra note 1, at Article 6(2); an American registration will become incontestable after five years. 15 USC §§ 1065 and 1115 provide defenses to a claim of incontestability, but those defenses are limited compared to what is available before the five-year period expires.
Fig 1: International Registration Based on a U.S. Registration

Period of Dependency

2003
Basic Registration obtained,
International Registration obtained,
Designated Parties Notified

2008
Period of Dependency Ends

All Lanham Act grounds for cancellation
of U.S. registration available

2003
U.S. Registration (Basic Registration) obtained; International Registration obtained

2008
Mark becomes incontestable in the U.S.

That these two periods coincide is particularly important if a third party in the U.S. can successfully show that the registrant’s U.S. registration should be cancelled. In the above scenario, that third party will have five years to commence a cancellation proceeding, the result of which will potentially be the cancellation of both the basic and international registrations. This potential outcome is equitable as a registrant should not be able to claim international protection based on an invalid basic (i.e., domestic) registration. Further, it does not compromise the Contracting Parties’ systems of protection, for those Parties may transform a proprietor’s cancelled international registrations into national applications or registrations and use the date of the international registration as a priority date. In other words, the designated countries may continue to provide protection for the mark if they

165. See Protocol, supra note 1, at art. 6(3).
166. The proprietor must file the national applications within three months in order to claim that priority date. See Protocol, supra note 1, art. 9.
The Protocol’s system actually provides the U.S. applicant with an advantage if he bases his international registration on a basic application rather than a basic registration: assuming a successfully completed 18-month examination period in the U.S. (rounded to two years for purposes of this discussion), the registration, if applied for in 2003 and obtained in 2005, will become incontestable in 2010. However, the Protocol’s five-year period of dependency will have begun in 2003 and ended in 2008. Consequently, there will be two years in which a third party has all statutory methods of attack open to him but will not, even if successful in having the national registration cancelled, be able to have the international registration cancelled. Of course, shortening the examination period brings the Protocol’s dependency period more closely into line with the five-year period before incontestability, which renders the mark even more susceptible to attack; lengthening the period of time has the opposite effect. See Fig. 2.

Fig 2: International Registration Based on a U.S. Application

![Diagram showing period of dependency under Protocol]

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Basic Application obtained.</td>
</tr>
<tr>
<td>2008</td>
<td>Period of Dependency Ends</td>
</tr>
<tr>
<td>2003</td>
<td>International Registration obtained.</td>
</tr>
<tr>
<td>2003</td>
<td>Designated Parties Notified</td>
</tr>
</tbody>
</table>

167. In fiscal year 2001, the average pendency of a trademark application in the USPTO was 17.8 months. The goal in fiscal year 2002 was to reduce that period to 15.5 months. The actual pendency in 2002 was 19.9 months. Much of this delay was due to the need to complete examinations pending from previous years before new applications could be dealt with. The PTO is continuing to implement its electronic filing system and other measures to reduce the pendency period. (The PTO’s fiscal year runs from October 1 to September 31). See 2002 Performance and Accountability Report, 32–34, available at www.uspto.gov/web/offices/com/annual.
The Protocol’s system works to the advantage of the civil law applicant as well: since a civil law jurisdiction registers marks without requiring use, the examination period will be substantially shorter.\footnote{168} Assuming that the civil law registrant’s international registration is based on a basic registration from a civil law country, the five-year use period employed in a civil law jurisdiction will coincide exactly with the Protocol’s five-year dependency period.\footnote{169} She retains this advantage even if she designates the U.S. in her international application: although she must submit to the USPTO a statement of \textit{bona fide} intent to use the mark in commerce in order to gain an extension of protection to the U.S., she will not have to begin use for five years from the issuance of that extension;\footnote{170} while a U.S. proprietor may base his

\footnote{168. Further evidence that the civil law jurisdictions of continental Europe utilize a much shorter examination period is the membership of most of those countries in the Madrid Agreement, which requires that examinations be completed within twelve months. \textit{See} Madrid Community Membership List, \textit{supra} note 60; \textit{see} Agreement, \textit{supra} note 2, at Article5(2).

169. Again, for the purposes of this discussion, I have assumed negligible delay between the time the office in a civil law jurisdiction grants a registration, transmits it to the International Bureau, and the Bureau grants the International Registration.

170. This requirement is consistent with the way foreign marks are already treated under \textsection~1126 of the Lanham Act and is already reflected in the Protocol implementing legislation. Minor adjustment to the statutory language is needed to make this explicit. \textit{See infra} discussion in Section IV E.}
application on a statement of *bona fide* intent-to-use, he cannot obtain a registration without, among other things, submitting evidence of actual use and then having his mark re-examined in light of that use.\(^\text{171}\) See Fig. 3

**Fig. 3: International Registration based on civil law registration**

<table>
<thead>
<tr>
<th>Dependency Period under Protocol</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2003</strong></td>
</tr>
<tr>
<td>Basic Registration obtained,</td>
</tr>
<tr>
<td>International Registration</td>
</tr>
<tr>
<td>obtained,</td>
</tr>
<tr>
<td>Designated Parties Notified,</td>
</tr>
<tr>
<td>Period during which all</td>
</tr>
<tr>
<td>grounds for cancellation</td>
</tr>
<tr>
<td>in civil law jurisdiction are</td>
</tr>
<tr>
<td>available</td>
</tr>
<tr>
<td><strong>2008</strong></td>
</tr>
<tr>
<td>Period of Dependency Ends</td>
</tr>
</tbody>
</table>

These three examples demonstrate that the Protocol, rather than vitiating a Contracting Party’s sovereignty, leaves the sovereignty of both the Contracting Parties and the Country Of Origin substantially uninfringed by respecting their different legal models: it protects the American common law system by providing a five-year period of dependency during all or most of which third parties within the U.S.’s jurisdiction may bring action to cancel the mark, as is their right under American trademark law. The civil law system is also substantially maintained under the Protocol as the dependency period coincides with the period during which a

\(^{171}\) See 15 U.S.C. §§ 114h(3), 1051(b).
registrant may refrain from using the mark. This is true even if the applicant designates the United States in their international application.\textsuperscript{172}

This method of balancing the two systems is proper as an applicant should not be able to base an international application on an application or registration from his home country while being given the means to circumvent its legal system via an application or registration in a foreign jurisdiction. If the applicant wants to avoid his country's legal system, he can file directly with a given country's national office. The Protocol takes the correct approach by giving the Country of Origin the initial prerogative to both determine the scope of international protection, via the classification of goods prescribed by that country, and by giving it the initial prerogative to deny an applicant international protection. It then shifts those determinations to the designated contracting parties either via independence of the international registration five years from the beginning of that registration's existence or via transformation after the international registration is cancelled. To strike this balance any other way would be to completely subordinate one country's legal system to that of another.

The correctness of this approach also has to do with the different registration requirements of both systems. Any system of international trademark registration must allow pre-use registration to continue in all civil law jurisdictions. At the same time, a common law jurisdiction such as the U.S. cannot be expected to accept a treaty that does not respect its requirement of use before registration. The Protocol accounts for both of these systems; it does this by allowing civil law jurisdictions to continue pre-use registration and by allowing the U.S. to implement the Protocol in a way that is consistent with other provisions of the Lanham Act.

\textbf{E. U.S. Trademark Law and the Protocol Implementing Legislation}

The fundamental premise of U.S. trademark law is the

\textsuperscript{172} See infra discussion in Part IV E.
requirement that a mark owner demonstrate use of a mark in commerce before being granted a registration. The Lanham Act modifies that requirement for with respect to the registration of foreign marks. § 1126(e) provides that:

A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible, otherwise on the supplemental register in this act provided. Such applicant shall submit... [a statement of] the applicant’s bona fide intention to use the mark in commerce, but use in commerce shall not be required prior to registration (emphasis added).

Assuming the mark meets the requirements of § 1052 and is not opposed or withstands opposition, the registration will issue.

With regard to the use requirement for marks registered under § 1126, 1058(b) states in pertinent part:

During the 1-year period immediately preceding the end of the applicable time period set forth in subsection (a), the owner of the registration shall pay the prescribed fee and file in the Patent and Trademark Office –

(1) an affidavit setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce...
(2) an affidavit setting forth those goods or services recited in on or in connection with which the mark is not in use in commerce and showing

173. See Port, supra note 9, at 38-39. Note that § 1052 of the Lanham Act does not contain a use requirement.
174. See Lanham Act § 1063(b)(1).
175. The applicable time period is the first 6-year period following the date of registration and each 10-year period following the date of registration. See § 1058(a)(1), (3).
that any such nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark.

Under the Lanham Act, a foreign mark, assuming it is either unopposed or successfully withstands an opposition, can be registered without a demonstration of use and a statement of use is not required until five years after the registration is granted. In other words, the U.S. treats that mark almost exactly as does a civil law jurisdiction.

An examination of the Protocol implementing legislation demonstrates its consistency with this structure: in close parallel to § 1126(e), §1141f(a)(1) requires that a request for an extension of protection include a statement of *bona fide* intent to use the mark:

A request for extension of protection of an international registration to the United States...shall be deemed to be properly filed in the United States if such a request, when received by the International Bureau, has attached to it a declaration of bona fide intention to use the mark in commerce...

§ 1141h(a)(1) provides for publication of the mark upon successful examination:

A request for extension of protection described in [§ 1141f(a)] shall be examined as an application for registration on the Principal Register...and if on such examination it appears that the applicant is entitled to the extension of protection under this title, the Director shall cause the mark to be published in the Official Gazette...

176. See Lanham Act § 1063.

177. See infra discussion in Part IV B.
§ 1141h(a)(2) provides a third party with the opportunity to oppose the mark within thirty days of that publication. 178 Assuming the mark is not opposed or withstands opposition, the extension of protection will issue.179 A key distinction, however, between extension of protection under § 1141 and registration under § 1126 is that under § 1141, a mark not registerable on the Principal Register will be refused an extension of protection; it cannot gain that protection via registration on the Supplemental Register.180 Under § 1126, a mark may be registered on either the Principal or Supplemental register.181 In this way, seeking an extension of protection under § 1141 can be riskier than applying for registration under §1126.

The use requirement outlined in § 1058 can already be read to apply to § 1141 extensions of protection just as it does to § 1126 registrations: the 6-year use period applies to all registrations “issued pursuant to the provisions of [the Lanham Act].” A slight modification to the language of § 1058 or to the Code of Federal Regulations will make its relationship to § 1141 more explicit by clearly stating that this period applies to both registrations and extensions of protection issued pursuant to the provisions of the Lanham Act.182 The foregoing analysis shows that the Protocol is

178. This section is analogous to §§ 1063(a) and (b). Subsection (b)(1) provides that marks successfully registered under § 1126 shall be published for opposition. Subsection (a) gives a third party thirty days after publication to bring that opposition.
179. See § 1141i(a).
180. See § 1141h(a)(4).
181. See § 1126(e).
182. The PTO’s proposed rules of practice regarding the Protocol implement a similar modification. See Rules of Practice In Filings Pursuant To The Madrid Protocol, 68 Fed Reg. 15,137 (2003) (to be codified at 37 C.F.R. pt. 7). § 7.36(b) of the proposed rules states, in pertinent part:
During the following time periods, the holder of an international registration must file an affidavit or declaration of use or excusable nonuse, or the registered extension of protection will be cancelled:
On or after the fifth anniversary and no later than the sixth anniversary after the date of registration...
(2) Within the six-month period preceding the end of each ten-year period after the date of registration, or the three month grace period immediately
entirely compatible with existing U.S. legislation. What follows is a discussion of why the registration processes under §§ 1126 and 1141 and the process to which domestic U.S. applications are subjected can coexist under the Lanham Act, how that compatibility informs the Protocol’s general structure, and how that structure serves as a voluntary model for the internationalization of trademark law.

V. A “Voluntary” Model for the Internationalization of Trademark Law

A. Substance vs. Procedure

We can begin by asking a general question. A way to pose that question is to ask whether countries who seek to harmonize their laws procedurally can really do so without also harmonizing those laws substantively. But asking the question in this way ignores the fact that substantive and procedural provisions can never be entirely separated: in terms of trademark law, the substantive criteria by which a trademark application is examined, and by which a registration is maintained, largely determine the procedural framework in which that application and registration exist. To illustrate, if a civil law jurisdiction had the substantive requirement that an applicant demonstrate use of the mark in commerce before successful registration, then the process of registration would necessarily be altered – at the very least, there would be some type of pre-registration examination process, making the registration of a mark take longer. Consequently, it would look much more like the American common law system.

Similarly, a change in procedure will inevitably require some change in substance. Section 1126(e) of the Lanham Act illustrates this point: as has been explored above, a foreign registration under that section is not subject to the same procedure following...
as is a domestic application under § 1051. In fact, the registration process under § 1126(e) looks more like the civil law model described in Part IV than the U.S. common law model. The reason is that in order for the U.S.'s system to accommodate an expanded set of participants, it was adjusted to fit a process that the common law model did not originally contemplate. The adjustment entailed the incorporation of a process more like that administered in many foreign applicants’ countries of origin. The incorporation of this new procedure brought about an alteration in the requirement of use before registration – the substance of the common law model.

Since one cannot completely separate procedure and substance, a better way to frame the question is ask whether the different systems of trademark protection can coexist within the same international procedural framework while still remaining substantively separate, albeit with certain characteristics in common. The answer is yes, as long as that framework leaves intact each member state’s exclusive jurisdiction over its own territory and the permanent population living there. The Lanham Act illustrates how this can be done: even though the requirements of § 1126 are quite different from those to which a U.S. applicant is subject under § 1051, the two can coexist under the Lanham Act because they apply to two discrete sets of applicants.

The language of § 1058 aside, the requirements of §1141 can coexist with those of § 1051 for the exact same reason. § 1141e(b) states that:

Where the United States Patent and Trademark Office is the office of origin for a trademark application or registration, any international registration based on such application or registration cannot be used to obtain the benefits of the Madrid Protocol in the United States.

183. See Brownlie, supra note 23.
184. See 15 USC §§ 1051(a)(1), (b)(1), and (d)(1).
185. 15 USC § 1126(b) restricts the application process defined in § 1126 to non-U.S. applicants.
The language cited above makes clear that the only applicants who can obtain the benefits of the Protocol in the United States are those whose country of origin is not the United States, i.e., foreign applicants. Just as with §1126, the requirements of §1141 apply to a set of applicants entirely discrete from that to which the requirements of §1051 apply. In this way, the U.S. retains control over its own citizens. That the Protocol’s structure allows for this manner of implementation makes it a model for trademark internationalization as each member state retains the domestic control so crucial to its sovereignty.186

B. A Voluntary Model for the Internationalization of Trademark Law

The U.S. Congress has made certain changes to the procedural and substantive rights to which U.S. applicants and registrants are subject under the Lanham Act. Three recently-passed provisions of the Lanham Act are the provision for the ITU, discussed above in parts IV A and E, the Federal Dilution Statute, embodied in §1125(c) of the Lanham Act, and the Anticybersquatting Consumer Protection Act, embodied in §1125(d) of the Lanham Act.187 Port contends that these provisions unjustifiably bring U.S. trademark law substantively closer to the civil law model by granting U.S. applicants and registrants rights in a mark that are not based on the use of that mark in commerce.188

Port may be right – the provisions he discusses may indicate the

186. See Brownlie, supra note 23.
187. §1125(c) allows an owner to enjoin another person’s commercial use of a trademark if that use is found to “[cause] dilution of the distinctive quality of the mark.” §1125(d) allows an owner to enjoin the use of a domain name that consists of his mark if the registrant registers that domain name in bad faith. For a full discussion of these provisions, the ITU provision, and their impact on U.S. trademark law, see Kenneth L. Port, The Congressional Expansion of Trademark Law: A Civil Law System in the Making, 35 Wake Forest L. Rev (2000).
188. See Port, supra note 187. (Port believes that these provisions were passed in contravention of the social, economic and legal justifications that underlie American trademark law).
movement of U.S. trademark law toward a civil law model. Further, this movement may be unjustified.\textsuperscript{189}

But whatever the actual effect of these provisions on the U.S. model, and whatever Congress's motives for passing them, their passage has no bearing on the Protocol's success as a model for the internationalization of trademark law, as the passage of these or like provisions is not required for participation in the Protocol's system. Further, they are not necessary for the Protocol to work.\textsuperscript{190}

Under the Protocol, a contracting party's introduction of new provisions into its domestic system is that party's prerogative. The maintenance of this prerogative is what makes the Protocol a viable model for the "voluntary" internationalization of trademark law. That is, a contracting party may voluntarily make its laws more like those of the other Contracting Parties. Alternatively, it may choose not to. Either way, the Protocol's framework, and a Contracting Party's ability to participate in that framework, will be unaffected.

It has been argued that the Community Trademark ("CTM"), which provides a framework for trademark registration in the European Union, contains the legal principles on which a global trademark system could be based.\textsuperscript{191} It has also been argued that

\textsuperscript{189} Whether the U.S.'s movement toward a civil law model is as drastic as Port believes is questionable. First, as Port points out, Congress never indicated a desire to harmonize U.S. law with the civil law model when passing these measures; at best, its motives were ambiguous. Second, while these provisions do provide rights that had not existed previously, U.S. applicants still must demonstrate use in order to register a mark and maintain that registration. Third, whatever changes these provisions created, the American common law and civil law models of trademark protection are still very different.

\textsuperscript{190} Along with the Protocol, the Trademark Law Treaty, which places a limit on the number of formalities that each country may impose on an applicant, creates part of the framework for international trademark law. For a discussion of the Trademark Law Treaty, see Marshall A. Leaffer, \textit{The New World Of International Trademark Law}, 2 Marq. Intell. Prop. L. Rev. 1, 18-23. The Text of the Trademark Law Treaty is available at www.wipo.int.

that the CTM can serve as a model for eventual substantive harmonization of national trademark laws. While the CTM is an impressive system, it cannot serve as a model for either internationalization or eventual substantive harmonization of different trademark systems. This is true for two reasons: first, the CTM shares the general civil law registration model that is employed by all but two of the EU member states; for most members, the CTM represents, at most, a minimal departure from their own systems. While the CTM demonstrates that it is possible for the civil law system to accommodate the common law system, it is doubtful that common law nations outside the EU would consent to being subordinated to that system. Second, the CTM creates a substantive trademark right intended to exist alongside the right given by each EU member state. As the author explains, this substantive right was intended to closely parallel the substantive rights already granted by most of those states. But again, most of those member states are civil law jurisdictions. Consequently, it is possible for the CTM to grant a substantive right that is the same as, or similar to, that granted by those member states. However, as illustrated above in Part IV, the American common law system of trademark protection and the general civil law model differ greatly, granting different substantive rights at different points in the registration process. It is highly unlikely that the U.S. (or, for that matter, any other common law state) would ever accede to a global system that grants a civil-type substantive right that exists in parallel to its own.

The Protocol, on the other hand, provides a viable model for the internationalization of trademark law for two reasons: (1) its system of international registration only consists of an examination for formalities; it leaves substantive examination

192. See Blakely, at 348–349.
193. See CTM Regulation, supra note 75.
194. See Blakely, supra note 19, at 347.
195. See id. at 338, 346-347.
196. See id. at 339.
197. See discussion in Part IV.
of the mark to the Country of Origin and the Contracting Parties; (2) in contrast the CTM, it confers no post-registration substantive right; rather, it leaves the granting of the substantive rights to the Country of Origin and then, after the five-year dependency period expires, shifts that prerogative to the designated Contracting Parties. In this way, the Protocol is minimally invasive of the Contracting Parties' own systems. On a broader level, the contracting parties maintain their sovereignty as they can change their respective legislation as they see fit without compromising their ability to participate in the Madrid system and without affecting that system's ability to function. This balance between individual sovereignty and administrative efficiency is what makes the Protocol a viable model for the future of international trademark law.

VI. CONCLUSION

The Protocol creates an environment that allows different systems of trademark law to coexist. First, it allows a contracting party to join the Protocol with little or no modification to its own laws. Second, the Protocol properly gives the Country of Origin the initial prerogative to provide a mark with substantive protection and shifts that prerogative to the Designated Parties after an appropriate period. Finally, an individual Contracting Party may alter its own laws as it sees fit without affecting its ability to participate in the Protocol's system or compromising that system's ability to function. These provisions ensure that the sovereignty of the individual Contracting Parties is left intact even while their individual trademark systems are brought under one administrative framework.

For the U.S., this translates into access for American trademark owners to global protection via a system that does not compromise the U.S.'s jurisdiction over its own territory. On a global level, the Protocol provides a truly viable model for the internationalization of trademark law. As a member of the Protocol, the U.S. should work with WIPO, the other Contracting Parties, and others who are not yet members of the Protocol (especially countries who
have a common law legal system) to develop a better picture of what the interaction between the Protocol and different domestic trademark systems actually looks like. This picture will help WIPO improve the Protocol’s framework and strengthen the balance between national sovereignty and international administrative efficiency that it creates.

198. England, Australia, and the U.S. are the only members of the Protocol who use the common law system. England joined on December 1, 1995, while Australia joined July 11, 2001. More time is needed to properly observe the interaction of the common law and civil law systems within the Protocol’s framework before any conclusions can properly be drawn. See Madrid Community membership list, available at www.wipo.org. One matter worthy of investigation is the impact on U.S. mark owners of foreign registrants’ being able to register in the U.S. without first having to demonstrate use of a mark in commerce. While this already takes place under § 1126(e) of the Lanham Act, under the Protocol, it will occur on a much larger scale.