The Rocky Road of the U.S. Accession to the Madrid Protocol: Could This Be the Year?

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THE ROCKY ROAD OF THE U.S. ACCESSION TO THE MADRID PROTOCOL: COULD THIS BE THE YEAR?

I. INTRODUCTION

Trademark law serves to ensure a consumer that if she purchases a package of “OREO®” cookies in California, that they will be from the same source and have the same quality as the package of “OREO®” cookies she purchases in Florida. The Lanham Act serves to avoid consumer confusion by providing for a registration, and enforcement mechanism for Trademarks for the entire country. However, there is currently no similar mechanism that operates on an international level. Each country has its own trademark laws, containing mechanisms for enforcement, however, these laws still wouldn’t reassure a consumer in New Zealand that the package of “OREO®” cookies they bought originates from the same source as the ones purchased in the U.S. This situation, however, might change in the near future due to the increase need for international agreements in light of the increase in international marketing and globalization.

The increase in global trade has heightened the importance of registering and protecting trademarks around the world. There is currently an international system whereby trademarks can be registered internationally through one simple procedure. The Madrid System for the international registration of trademarks allows a company to register its trademark in several countries with one application.

3 Id.
4 Id.
However, the United States is not a member of either of the Madrid System treaties. Consequently, under existing law, all U.S. businesses must register their marks in each country in which protection is sought. This is a costly process that causes many companies to forego registering in certain countries. As a result, U.S. companies face the threat of having their trademarks pirated by a company or individual. This poses two possible problems: 1) pirates may ask for payments before turning over the trademarks to the American company, 2) consumers cannot be sure that they get the product they expect when purchasing something with a trademark. Further, because the U.S. has not joined the Madrid System, smaller nations have a disincentive to join either of the Madrid Systems, given the dominance of U.S. business in world trade.

This note discusses the Madrid Protocol and its development. It focuses on the U.S. implementation of this Treaty by two pieces of legislation, which are currently being debated in the U.S. Congress, S. 407 and H.R. 741. The note also discusses the reasons why this legislation has not passed the Congress despite that similar legislation has been introduced in every Congress for the last ten years, and despite the absence of political opposition to the substance of these bills. The discussion also follows the development of an international trademark dispute that is currently on appeal at the WTO, and the effects this ruling will have on U.S. accession to the Protocol.

II. BACKGROUND

The Madrid System of international registration of marks consists of two parallel but independent treaties: the Madrid Agreement Concerning the International Registration of Marks

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6 Id.
7 Id.

A. The Madrid Agreement

1. Background

In 1891, the Madrid Agreement established the first international registration system for trademarks. The Agreement creates an "exclusive club" where nationals of member countries are allowed to apply for and hold trademark registrations that provide simultaneous protection in several countries. Nationals of member countries have the opportunity to file an international application within their own national Trademark office and select which member countries where they seek protection. The international application is then forwarded to the WIPO, which issues an international registration, then publishes the mark and forwards it to the member countries that were selected for examination pursuant to national law. If there is no opposition to the mark, it is then deemed protected in all the countries selected. The philosophy of the Madrid Agreement is that the owner of a

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8 Id.
9 Id.
10 John Welch, Madrid Bound: The United States Approaches Ratification of the Madrid Protocol, INTELLECTUAL PROPERTY TODAY, December 2000, at 34.
12 Id.
14 Id.
15 Id.
trademark registration in one member country can become the owner of a corresponding international registration that would potentially become effective in all of the countries of the Agreement.\(^\text{16}\)

It was originally expected by the international business community that the Madrid Agreement would be extremely popular because of the benefits it provides to businesses by facilitating a single place to register trademarks internationally, while at the same time permitting countries sovereignty over trademark law.\(^\text{17}\) However, in 1991, 100 years later, only 38 states had adopted the Agreement.\(^\text{18}\) Even more disappointing was that many commercially significant countries, such as the United States, Japan, Canada, and the United Kingdom, refused to join.\(^\text{19}\)

2. Problems

In the late 1960's the United States considered joining the Agreement, but concluded it contained provisions disadvantageous to United States trademark owners and unworkable under existing law.\(^\text{20}\) Specifically, five factors were singled out as being problematic.\(^\text{21}\)

\(\text{a. Registration Process}\)

The Agreement requires a home registration in order to file an

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\(^{16}\) COOKSON, supra note 11, at 169.

\(^{17}\) Id.


\(^{21}\) SAMUELS, supra note 13, at 234.
international application.\textsuperscript{22} This requirement disadvantages U.S. trademark owners because the U.S. registration process is lengthier than most other countries.\textsuperscript{23} Therefore, U.S. trademark holders run the risk of a business in another country winning the race to register the same mark.\textsuperscript{24}

\textit{b. Refusal}

The Agreement only gives each country 12 months to refuse an application.\textsuperscript{25} The U.S. has a lengthy examination process, which requires more than 12 months to determine whether a trademark application will be approved.\textsuperscript{26} In order to meet the 12-month obligation, the U.S. Patent and Trademark Office (herein after referred to as USPTO) would have to give priority to the Agreement applications.\textsuperscript{27} This would create a longer wait for domestic applications, which would also cause serious disadvantages for domestic applications.\textsuperscript{28}

\textit{c. Central Attack}

The provision allows for a scheme known as a "central attack," which cancels an international registration if the home country registration is successfully attacked during the first five years.\textsuperscript{29} This would particularly disadvantage U.S. trademark holders because there are more possible grounds for attack under U.S. trademark law.\textsuperscript{30}

\textsuperscript{22} Id. at 235.
\textsuperscript{23} Id.
\textsuperscript{24} Id.
\textsuperscript{25} Id.
\textsuperscript{26} SAMUELS, supra note 13, at 235.
\textsuperscript{27} Id.
\textsuperscript{28} Id.
\textsuperscript{29} Id.
\textsuperscript{30} Id. at 236.
d. Language Barrier

The only official language of the Agreement is French. This would require the USPTO to translate every document submitted under the Agreement from English to French, a process that could prove to be time consuming and expensive.

e. Fee schedule

The Agreement provides for a relatively low fee schedule. The fee under the Agreement would be substantially lower than applications for U.S. registrations, and since the federal registration system is funded entirely through user fees, this would ultimately require U.S. trademark owners to subsidize the foreign applications.

B. The Madrid Protocol

In an effort to address these perceived shortcomings and thereby attract more countries to the Madrid System, the parties to the Madrid Agreement signed the Madrid Protocol in June 1989. The United States was an observer and advisor to these talks but not a participant in the negotiations since only signatories could amend the Madrid Agreement. The Protocol took effect in April 1996, and currently binds 53 countries, including countries that were not part of the Agreement such as Japan and the United Kingdom.

Five major changes comprise the Protocol. First, the Protocol does not require an actual home registration, but instead allows for

31 Id.
32 Id.
33 SAMUELS, supra note 13, at 236.
34 Id.
35 WELCH, supra note 10.
international registrations to be based on trademark applications in their home country. 38 This correction eliminates the disadvantage to businesses whose home country registration process is lengthier.

Second, the Protocol now gives each country 18 months to refuse an application. 39 This allows each country more time to look over the application and determine if there are any problems with the registration of the mark within their country. After 18 months, the country loses its right to reject the mark. 40

Next, the Protocol still allows for a "central attack," however it has two mechanisms to remedy this situation. 41 First, after the initial five-year period, the international registration becomes independent of the home registration. 42 Second, the Protocol allows international registrations that have been cancelled in the home country in the initial five-year period to be "transformed" into several individual national applications in the countries in which the registrant requests registration. 43 This transformation would allow the centrally attacked registrant to retain the benefit of the original filing date. 44

Fourth, the Protocol has two official languages, French and English. 45 This would eliminate the need for the USPTO to translate applications. In addition, English is a more practical language to use because it has become the dominant language in international business.

Finally, the Protocol gives members the option of charging an individual fee, instead of requiring a lower priced fixed fee. 46 This

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39 Id.
40 Id.
41 Id.
42 Id.
43 Id.
44 Id.
45 Id.
46 Id.
allows members to set a fee to cover the cost of the national examination process. The fee, however, cannot be more than the fee to file an individual application in that country.

Thus, the Protocol has been rewritten to make it possible for commercially significant countries such as the U.S. to join. In fact, many countries that were not part of the Agreement have signed onto the Protocol, including, as previously mentioned, the U.K., and Japan. However, "the U.S. remains the highest profile hold-out," and it's membership is seen by other signatory nations as key to persuading the countries that have been reluctant to sign the treaty. Members fear that without U.S. participation, the Protocol may never achieve its purpose of providing a one-stop 'shop' for trademark applicants.

The International Trademark Association (hereinafter referred to as INTA) has endorsed the Madrid Protocol as a simple, effective and relatively inexpensive way of registering trademarks internationally. INTA, which is an organization of trademark owners, has given strong support for the Protocol and has heavily lobbied Congress to pass the legislation implementing the Protocol. INTA has also assisted the U.S. in resolving domestic and international disputes that have gotten in the way of implementation. Nevertheless, despite the support the Protocol has received, the U.S. has failed to join.

47 COOKSON, supra note 11, at 169.
48 Id.
49 SAMUELS, supra note 13, at 234.
51 William New, Key Lawmakers Move to Implement Trademark Treaty, NATIONAL JOURNAL'S TECHNOLOGY DAILY PM EDITION, March 5, 2001.
54 Id.
55 Id.
C. Overview of Political Problems

The Madrid Protocol implementing legislation faces no party-line opposition from either the Democrats or Republicans. Further, the Congressional Budget (hereinafter referred to as CBO) office has estimated that implementing the Protocol would have "no significant effect on the federal budget."\(^{56}\) The CBO estimates that it would cost approximately $500,000 to help the USPTO update their computer systems to better communicate with the WIPO.\(^{57}\) Yet, despite all the support from the business and Intellectual Property community, and lack of opposition in the Congress, the numerous attempts of implementation by the U.S. Congress since 1992 have failed.\(^{58}\)

1. Voting Rights Issue

The U.S. State Department's initial objection was to a voting rights provision in the Protocol.\(^{59}\) This provision gives the European Community (EC) an additional vote on top of the votes each EC member country gets.\(^{60}\) Thus, each EC member would be given a full vote, plus 1/15 of a vote.\(^{61}\) Because the United States did not participate in the negotiations that resulted in the Madrid Protocol, they had no input into the question of how members could vote.\(^{62}\) The State Department expressed concern the EC would use their extra vote against the U.S.\(^{63}\) The State Department also opposed this voting structure because it contravened the democratic concept of one vote per country and it feared that this voting structure would establish a precedent that regional multi-

\(^{57}\) Id.
\(^{59}\) Id.
\(^{60}\) Id.
\(^{61}\) Id.
national organizations could acquire an extra vote in future international agreements.\textsuperscript{64}

The voting rights issue was resolved in February of 2000 when the European Community agreed not to use its vote against the United States, but rather to consult with the United States upon casting its vote.\textsuperscript{65} As a result, in September 2000, then-President Clinton sent a letter to the Senate urging U.S. accession to the Protocol.\textsuperscript{66} With the voting rights opposition resolved in the U.S.’s favor and the administration urging its adoption, it was optimistically expected that the United States could become a member of the Madrid Protocol sometime in mid-to-late 2001.\textsuperscript{67}

Legislation to implement the Protocol advanced through both houses of Congress.\textsuperscript{68} The House of Representatives had already passed H.R. 769 in April of 1999.\textsuperscript{69} However, the Senate version, S. 671 and the approval of the Treaty were held up in the Senate Foreign Relations Committee.\textsuperscript{70} Consequently, the hopes of adopting the Protocol by 2001 were killed.

This time, the reason for the bill’s holdup an international dispute over the trade name “Havana Club” for rum.\textsuperscript{71} The dispute involved a lawsuit filed in the U.S. by Havana Club Holdings (hereinafter referred to as HCH), which is a joint venture between the French liquor giant, Pernod Ricard, and the government of Cuba.\textsuperscript{72} HCH sought to enjoin U.S. rum manufacturer, Bacardi, Ltd., (owner of Galleon, S.A.) from using the Havana Club

\textsuperscript{64} Id.
\textsuperscript{65} Brenda Sandburg, \textit{House Gives; The Nod to Key Trademark Bill, American Lawyer Media, THE RECORDER, May 3, 2001, at 1.}
\textsuperscript{68} S. REP. No. 107-46, at 4 (2001).
\textsuperscript{69} H.R. 769, 106th Cong. (1999).
\textsuperscript{70} Id.
trademark. The Chairman of the Foreign Relations Committee, Senator Helms pulled the Protocol implementation bill and Treaty from consideration because he was concerned that joining the Protocol might give HCH an advantage in the trade name dispute.

2. The Cuban Rum Crisis

HCH, sells Havana Club rum in many countries throughout the world, except for the United States, where an embargo against the Cuban government currently prohibits its sale. Prior to 1960, the Havana Club label was a registered trademark held by the Arechabala family who exported Havana Club rum into the United States. In 1960, the Castro government seized and expropriated all of the Arechabala family's assets including its rum manufacturing facilities and trademark registrations. In 1994, the Cuban government assigned its U.S. registration for the Havana Club trademark to HCH. HCH is the joint venture between the Cuban government and the French liquor company, Pernod Ricard. Later, in 1996, HCH renewed the registration for a term of ten years.

Meanwhile, in 1995, Galleon S.A. began producing their own line of “Havana Club” rum in the Bahamas and marketing this rum in the United States. Bacardi, a U.S. company, then purchased Galleon and in addition, purchased the Arechabala family's rights to the U.S. registration of Havana Club trademark, which had since lapsed.
"In December 1996, HCH sued Bacardi in Federal District Court to enjoin Bacardi from using the Havana Club trademark, alleging violations of sections 32 and 43(a) of the Lanham Act". In August of 1997, the District Court held HCH had no rights to the Havana Club trademark in the United States. The Office of Foreign Assets Control had revoked the Cuban government's license to assign the Havana Club trademark to HCH. "The determination to revoke License No. C-18147 is made pursuant to §515.805 of the Cuban Assets Control Regulations, 31 C.F.R. Part 515." This ruling was due in large part to the trade embargo that the United States has imposed against Cuba since 1963.

The Court then subsequently granted HCH's motion to amend their Complaint to claim rights to the Havana Club trade name under sections 44(g) and 44(h) of the Lanham Act, and Chapter III of the General Inter-American Convention (IAC) for Trade Mark and Commercial Protection, of which both Cuba and the U.S. are signatories.

During the same time, the U.S. Congress passed §211 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act on October 21, 1998. The law denies the Cuban Government or Cuban nationals intellectual property rights and access to U.S. courts to enforce these rights when the business assets were confiscated without express consent from the original owner or successor-in-interest. Republican Senator Jesse

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84 Id.
85 Id.
87 Havana Club Holding, S.A. v. Galleon, S.A., 203 F.3d at 120.
88 Id. at 121.
89 Pub.L. No. 105-277 105th, §211 "Bars certain transactions with respect to intellectual property in which the Cuban Government or a Cuban national has an interest with respect to a mark or trade or commercial name that is the same as or substantially similar to one that was used in connection with a business or assets that were confiscated unless the original owner or successor-in-interest has expressly consented." (1998).
90 Id.
Helms along with his colleague from Florida, Senator Connie Mack, were instrumental in getting this legislation passed.\textsuperscript{91} The court then rejected the amended complaint stating that because of the Cuban embargo, HCH was not able to sell its product in the United States and therefore had no rights in the trademark or trade name Havana Club.\textsuperscript{92} In addition, the court cited §211 as limiting the recognition of HCH's rights to Havana Club because they were used in connection with property confiscated by the government of Cuba.\textsuperscript{93} The court properly gave effect to the statute because "it did not upset a right plaintiff had under prior law."\textsuperscript{94} HCH also lost its claim for false designation of geographic origin under Lanham Act 15 U.S.C.S. §1125 because the court held that they lacked standing, given the fact that they are not allowed to compete in the U.S. market, and thus could not prove that they are likely to be harmed.\textsuperscript{95}

The Second Circuit United States Court of Appeals affirmed the District Court's findings in Havana Club Holding, S.A. v. Galleon S.A., Bacardi-Martini USA, Inc, in February of 2000.\textsuperscript{96} Later that year, the Supreme Court denied Certiorari, leaving the prior ruling to stand.\textsuperscript{97}

3. \textit{HCH moves dispute to WTO}

Shortly after the 2\textsuperscript{nd} Circuit affirmed the District Court's denial of rights for HCH, the European Community and the United States held discussions about the Havana Club trademark dispute.\textsuperscript{98} The European Community got involved in this dispute at the request of

\textsuperscript{91} Ana Radelat, International Trademark Treaty Becomes Enmeshed in Rum War; Cuba Liquor Industry, CUBA NEWS, No. 10, Vol. 8; Pg. 1 Oct. 1, 2000.
\textsuperscript{93} \textit{Id}.\textsuperscript{94} \textit{Id}.\textsuperscript{95} \textit{Id}.\textsuperscript{96} Havana Club Holding, S.A. v. Galleon, S.A., 203 F.3d 116 (2d. Cir. 2000).
the French liquor company, Pernod Ricard, who holds a 50% interest in HCH.\textsuperscript{99} The EC has often been at odds with the United States' policy towards Cuba, and has repeatedly criticized the U.S's trade embargo against Cuba.\textsuperscript{100}

These talks failed to reach a mutually satisfactory solution.\textsuperscript{101} Subsequently, in June of 2000, the European Community filed a complaint with the World Trade Organization (WTO) alleging that §211 violates long standing international trademark agreements.\textsuperscript{102} More specifically, the EC cited the Trade-related aspects of intellectual property rights (hereinafter referred to as TRIPS) Agreement and the Paris Convention.\textsuperscript{103} The TRIPS Agreement and the Paris Convention are two multi-national treaties that seek to establish minimum standards for protection of intellectual property rights where the foreign applicant would be treated as a national.\textsuperscript{104}

The WTO panel that heard the dispute sided with the United States on all counts with one exception.\textsuperscript{105} It ruled that §211 violated Section 42 of the TRIPS Agreement which says, "Members shall make available to the right holders civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement."\textsuperscript{106}

The WTO panel rejected most of the EC's claims on the premise that the TRIPS Agreement does not extend protection to trade

\textsuperscript{100} Sandburg, supra note 65.
\textsuperscript{101} Id.
\textsuperscript{103} Id.
\textsuperscript{106} Id.
names. The TRIPS Agreement expressly states that it covers: copyright and related rights; trademarks, including service marks; Geographical indications; Industrial designs; Patents; Layout-designs (topographies) of integrated circuits; and undisclosed information, including trade secrets. TRIPS does not expressly mention trade names.

This WTO decision has been criticized as debilitating to the TRIPS Agreement. The decision could potentially hurt U.S. companies that seek to enforce trade name protections abroad. For example, in the event that a U.S. company sought protection for a trade name in another TRIPS Agreement country, it is likely that the WTO would again rule that the TRIPS Agreement does not protect trade names. The consequence of this decision could prove damaging in the long run because U.S. companies actively engage in international disputes to protect their intellectual property rights worldwide.

Not only could the decision have a debilitating effect, but it could also cause retaliation. For example, Cuban Dictator, Fidel Castro, threatened to "strip protection" of approximately 400 American trademarks registered in Cuba over the Havana Club dispute.

107 Id.
109 Id.
110 WTO Decision A Blow to Intellectual Property Rules, National Journal’s Technology Daily, August 6, 2001 PM Edition (citing statement by Mark Orr, Vice President for North American affairs for Pernod Ricard, “while helpful to the U.S. in this particular case, has probably had a debilitating effect on the TRIPS Agreement.”).
112 Id.
115 Id.
Further complicating this situation, on October 30, 2001, the Supreme Court in Spain took away Bacardi's import monopoly of its own brand. This decision opens the doors for other countries that might want to purchase low-priced Bacardi rum in third countries, and import them into Spain. "The ruling could result in a reduction in Bacardi’s 50 per cent market share in Spain and have a positive effect on other companies, including main rival Pernod Ricard, importer of Havana Club." There is no evidence that this court ruling was in direct retaliation for Bacardi’s victory in front of the WTO, but one has to wonder about the timing of this decision.

On October 4th, 2001, the European Union filed an appeal of the ruling claiming multiple errors of law in not finding inconsistencies between Section 211 and the TRIPS. At the time of this writing there has been no ruling on the appeal. The decision will no doubt have an impact on whether or not the U.S. becomes a member to the Madrid Protocol in the near future.

III. PROPOSED U.S. LEGISLATION

A. Previous Congressional Legislation

H.R. 741 and S. 407 were introduced concurrently in the House and Senate on February 27, 2001. H.R. 741, whose short title is the "Madrid Protocol Implementation Act," was introduced by Rep. Howard Coble, who serves as the Chairman of the House Judiciary Committee's Subcommittee on Courts, the Internet, and

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116 El Tribunal Supremo Prohibe a Bacardi Importar su marca en regimen de Monopolio [Spanish High Court Prohibits Bacardi’s Monopoly on Import of own brand], El Pais (abstract), October 20, 2001.
117 Id.
118 Id.
Coble also introduced similar legislation in the past two sessions of Congress, once in 1997 and then again in 1999. Earlier versions of this legislation had also been introduced by then-Representative Carlos Moorhead in 1995, and by then-Representative William Huges in 1993 and 1992.

S. 407, also known as the "Madrid Protocol Implementation Act," was introduced by both Senator Orrin Hatch and Senator Patrick Leahy. Senator Leahy introduced similar versions of this legislation in 1998 and 1999. A version was also introduced in 1993 by then Senator DeConcini, as S.977.

One could compare the plight of the Madrid Protocol Implementation Act with the plight of actress Susan Lucci to win a Daytime Emmy Award for Outstanding Lead Actress in a Drama Series. Year after year since 1978 (with the exception of 1979, 1980, and 1994), Susan Lucci was nominated to win the Daytime Emmy for Outstanding Lead Actress, but never actually won the award until 1999. Just like Lucci, the Madrid Protocol has been introduced in every Congress since 1992, but has yet to pass, despite the absence of political opposition.

1. 102nd Congress

In 1992, Representative Hughes introduced H.R. 6211, an Act to Implement the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks on October 8, 1992. The bill was referred to the House Committee on Judiciary on the same day, then referred to the Subcommittee on

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126 S. 977, 103rd Cong. (1993).
Intellectual Property and Judicial Administration the next day. The Subcommittee did not hold any hearings, and it subsequently died in the Subcommittee.

2. 103rd Congress

A bill to implement the Madrid Protocol was first introduced in the Senate during the 103rd Congress. Senator Dennis DeConcini introduced S. 977 on May 18th, 1993. The bill was referred to the Judiciary Committee on that same day where it was referred to the Subcommittee on Patents, Copyrights and Trademarks on the 24th of June, where it eventually died.

Meanwhile, in the House, Representative William Hughes introduced H.R. 2129 on May 17th, a day earlier than it was introduced in the Senate. The bill was referred to the Subcommittee on Intellectual Property and Judicial Administration. Hearings were held shortly afterward in the Subcommittee. It passed the full committee, and then passed the full House by a vote of 387-3 on October 3rd. This marked the first time a bill to implement the Madrid Protocol had passed the House of Representatives by an overwhelming majority. The bill was later received by the Senate on October 4th, 1994, and was then referred to the Committee on Judiciary four days later, where no other action was taken.

In May of 1995, the United States announced that it would not join the Madrid Protocol because of the voting rights dispute with

129 Id.
130 Id.
131 S. 977, 103rd Cong. (1993).
132 Id.
133 Id.
134 Id.
135 Id.
137 Id.
138 Id.
139 Id.
the European Union. The U.S. opposition was over concern that this extra vote would tilt against the U.S. However, the United States continued to work with the European Union in order to resolve the disagreement.

3. 104th Congress

In light of the position taken by the U.S. concerning the voting rights issue, the 104th Congress seemed less friendly to implementing the Protocol. The Senate failed to introduce a bill to implement the Protocol. While in the House, Representative Carlos Moorhead introduced H.R. 1270 on March 21, 1995, prior to the U.S.'s announcement. The bill was referred to the Subcommittee on Courts and Intellectual Property, where the Subcommittee held hearings in July. The bill was then forwarded to the full Committee on Judiciary where it was left as unfinished business.

4. 105th Congress

The 105th Congress saw the re-emergence of the Madrid Protocol Implementation Act in the Senate. This time, Senator Patrick Leahy, ranking Democrat on the Senate Judiciary Committee, introduced the bill, S. 2191. The bill was referred to the Committee on Judiciary on the same day it was introduced, June 18th, 1998. There was no further action taken.

In the House, Representative Howard Coble introduced H.R.

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140 Palik, supra note 62.
141 Id.
142 Id.
144 Id.
145 Id.
146 Id.
148 Id.
149 Id.
567 on February 4, 1997. The bill was again referred to the House Committee on the Judiciary, where it was referred to the Subcommittee on Courts and Intellectual Property. This Subcommittee held hearings for the third time on May 22, 1997. The bill was then passed by the Subcommittee, full committee, and for the second time, by the full House on May 5, 1998. The bill was received in the Senate on May 6th, 1998, and referred to the Committee on Judiciary, where no action was taken.

5. 106th Congress

Senator Patrick Leahy introduced S. 671 on March 19th, 1999. The bill was referred to the Committee on Judiciary, where for the first time it passed the Senate Judiciary Committee. The bill was then referred to the Senate Foreign relations Committee where the Committee Chairman, Senator Jesse Helms, held it up over the Havana Club trademark dispute. In addition, Senator Helms also held up the Treaty Ratification, which President Clinton forwarded to the Senate after the voting rights issue was resolved with the EU.

In the House, Representative Howard Coble introduced H.R. 769 on February 23, 1999. This time, the Subcommittee skipped the hearings, given that they had already held hearings on the subject three times prior. The bill passed the full Committee, then it passed the full House on April 13th, 1999. The third time did not prove to be the charm, as for the third time,

151 Id.
152 Id.
153 Id.
154 Id.
156 Id.
157 Id.
158 Id.
160 Id.
161 Id.
the bill was received by the Senate and died without any sign of progress in the Senate. 162

With the voting rights issue resolved, those who were watching this issue closely expected that the bill would pass during the 106th Congress. 163 In a two part series on the Madrid Protocol, trademark attorney John Welch, writes, "It appears that, before the end of the year 2001, the United States will accede to the Madrid Protocol." 164 However, the Senate Foreign relations committee rejected consideration of the bill as a result of the Havana Club trademark dispute. 165

6. 107th Congress

Both the House and Senate have introduced versions of the Madrid Protocol Implementation Act. 166 H.R. 741 passed the full House on March 14, 2001. 167 S. 407 unanimously passed the Judiciary Committee on July 19, 2001 with an amendment stating re-emphasizing that the Madrid Implementation Act does not make any substantive changes to U.S. trademark law. 168 The bill does not, in fact, make substantive changes to the Lanham Act, the amendment was added only to clear up confusion and to make it clearly acceptable to many of the Senators. 169

The Madrid Protocol Treaty recently passed the Senate Foreign Relations committee by a voice vote on November 15, 2001. 170 This is a major milestone for the Treaty, as the Treaty has never

162 Id.
164 Welch, supra note 10.
165 Id.
166 Id.
168 Id.
made it out of this committee.

The 107th Congress saw a switch in leadership when the Republican Senator from Vermont, Jim Jeffords, defected from the party to become an Independent.\textsuperscript{171} This had the effect of changing the balance of power in the Senate from an even 50-50 Republican-led Senate to a 50-49-1 Democratic-led Senate.\textsuperscript{172}

Because of this shift in power, Senator Leahy, the bill's main sponsor, became the Chairman of the Senate Judiciary Committee.\textsuperscript{173} Overall, this did not make a big difference, because Orrin Hatch, who had been the Senate Judiciary Committee Chairman under the Republican-led Senate had joined on as a co-sponsor to this legislation in the 107\textsuperscript{th} Congress.\textsuperscript{174} Hatch's support had been seen as key to advancing the legislation under the Republican-led Senate, but after the shift, Hatch's support is no longer pivotal, but nonetheless, is an additional benefit.\textsuperscript{175}

The most significant effect of the shift was the fact that Senator Helms lost his Chairmanship to Democratic Senator Joseph Biden.\textsuperscript{176} Because he lost his Chairmanship, Senator Helms no longer has direct control over the Foreign Relations Schedule.\textsuperscript{177} Further, Senator Biden supports the Protocol, and has said he would give the treaty priority because it has already had its required hearing.\textsuperscript{178} Therefore, the power switch will most likely be felt with the leadership and direction in the Senate Foreign Relations Committee. Yet, it still is left to be seen whether the politically powerful Senator Helms will adversely influence

\begin{footnotesize}
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\item\textsuperscript{172} Id.
\item\textsuperscript{173} Website of Senator Patrick Leahy, at http://www.senate.gov/~leahy/ (last visited Dec. 3, 2001).
\item\textsuperscript{174} S. 407, 107\textsuperscript{th} Cong. (2000).
\item\textsuperscript{175} William New, \textit{Key Lawmakers Move to Implement Trademark Treaty}, \textsc{National Journal's Technology Daily}, PM Edition, March 5, 2001.
\item\textsuperscript{176} Website of Senator Joseph Biden, at http://www.senate.gov/~biden/ (last visited Dec. 3, 2001).
\item\textsuperscript{177} Website of Senate Foreign Relations Committee, at http://foreign.senate.gov/ (last visited Dec. 3, 2001).
\item\textsuperscript{178} \textit{Intellectual Property: Senate Fate of a Trademark Treaty Uncertain} [hereinafter FATE], \textsc{National Journal's Technology Daily}, June 29, 2001.
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\end{footnotesize}
consideration of the implementation legislation or consideration of
the Treaty. The entire Senate will soon consider the Treaty where
it requires a two-thirds majority for ratification.

B. Madrid Protocol Implementation Act

Because both the House and Senate versions of these bills are
substantively identical, they will be discussed as one. The
stated purpose of the Madrid Protocol Implementation Act is, "to
amend the Trademark Act of 1946 to provide for the registration
and protection of trademarks used in commerce, in order to carry
out provisions of certain international conventions, and for other
purposes." The bill makes no substantive change to the Lanham
Act, but rather sets up new procedures for trademark applicants
who will eventually want to obtain an international trademark
registration. The bills amend the Lanham Act by adding
sections 60-74. Section 60 defines the key terms. Section 61
addresses who is eligible for obtaining an International
Registration based on a U.S. application. "The owner of a basic
registration pending before the USPTO or the owner of a
registration granted by the USPTO who is a national of the U.S, is
domiciled in the U.S., or has a real and effective industrial or
commercial establishment in the U.S."

Section 62 explains that the international application will be
examined to certify that the information corresponds to the basic
application. It also states that the application will be forwarded

2, at http://thomas.loc.gov, ("H.R. 741 is very similar to S. 407, except that
H.R. 741 would take effect as soon as the Madrid Protocol is ratified by the
Senate")
181 Press Statement for Senator Patrick Leahy, at www.senate.gov/leahy (last
183 Id.
184 Id.
185 Id.
186 Id.
to the International Bureau upon certification. Section 63 is the "Central Attack" provision, which states that the USPTO will notify the International Bureau whenever the basic application has been restricted, abandoned or canceled within the first five years. Section 64 states that the extension of protection should be filed with either the International bureau or the USPTO, as long as the correct fees accompany the request. Section 65 states that the U.S. will extend protection to marks “to the extent necessary to give effect to any provision of the Madrid Protocol.” In addition, it states that if the office of origin of the application is the U.S., then an extension of protection for these marks is not necessary.

Section 66 sets up the requirement that international applications to the U.S. must be accompanied by a declaration of a “bona fide intention to use the mark in commerce.” Section 67 details the provisions for the right of priority dates for the international applications. Section 68 outlines the examination and opposition process. It states that the international applications for extension of protection shall be examined as applications for registration on the Principal Register. It also states that if the mark is not opposed, then the extension of protection will be granted. If the mark is opposed, then the applicant will be notified that the extension of protection has been denied. The USPTO must notify the international bureau of its

\[\text{References}\]

188 Id.
189 Id.
190 Id.
192 Id.
193 Id.
194 Id.
195 Id.
196 Id.
197 Id.
198 Id.
decision within 18 months or else the USPTO will lose the right to refuse the extension of protection.\textsuperscript{199} This section also requires international applicants to designate an agent for service of process who is a resident in the United States.\textsuperscript{200} Section 69 details the effects of the extension of protection.\textsuperscript{201} It states that the extension of protection grants the international applicant the same legitimacy, and “rights and remedies” as a registration on the Principal Register.\textsuperscript{202}

Section 70 discusses the extent to which the extension of protection in the U.S. shall be dependent upon the international application.\textsuperscript{203} It states that if the International Bureau notifies the USPTO that there has been abandonment or cancellation of certain goods or services from a registration, then the U.S. will also cancel the extension of protection with respect to those goods and services.\textsuperscript{204} It also states that the U.S will cancel the extension of protection if the International Bureau fails to renew the application.\textsuperscript{205} Subsection C of Section 70 allows for “Transformation,” which is the remedy when an international application has been cancelled by the International Bureau or home country.\textsuperscript{206} Transformation allows the cancelled applicant to subsequently file directly with the U.S., while keeping the date of the original international application, as long as it files with the USPTO within 3 months of cancellation.\textsuperscript{207} This is the remedy that the Protocol allows for “Centrally attacked” marks.\textsuperscript{208}

Section 71 sets out the requirements for filing affidavits for use, and fees.\textsuperscript{209} The Director of the USPTO prescribes the fees.\textsuperscript{210}

\textsuperscript{199} Id.
\textsuperscript{200} Id.
\textsuperscript{202} Id.
\textsuperscript{203} Id.
\textsuperscript{204} Id.
\textsuperscript{205} Id.
\textsuperscript{207} Id.
\textsuperscript{208} Id.
\textsuperscript{209} Id.
\textsuperscript{210} Id.
Section 72 sets out the provisions for assignment of an extension of protection. It states that an extension of protection can be assigned only to persons who are affiliated with a contracting party to the Madrid Protocol. Section 73 states that the extension of protection begins on the date when the USPTO issues the certificate of the extension of protection. Section 74 sets out that the extension of protection is fully valid when the extension of protection and existing registrations are owned by the same person and contain the same goods and services to be covered, and when the certificate is issued after the date of the existing registration.

The bill concludes by stating, "This Act and the amendments made by this Act shall take effect on the date on which the Madrid Protocol enters into force with respect to the United States."

C. Current Bill Status

It is an exciting time right now for the international Trademark community. On November 15, 2001, the Senate Foreign Relations Committee passed the Madrid Protocol Treaty by a voice vote. This is exactly where the Treaty and Implementation legislation were held up last Congress. S. 407 has still not passed the Senate Foreign Relations Committee. It appears that the Senate Floor might pass the Treaty, and S. 407 (if it makes it out of the Foreign Relations Committee), before year’s end. The House version, H.R. 741, already passed the full House by voice vote on

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211 Id.
212 Id.
213 Id.
214 Id.
218 Telephone Interview with Lynne Weil, Senate Foreign Relations staff member for the majority (November 21, 2001) (given the fact that the Democrats have a 49-49-1 majority in the Senate and the only opposition to the Protocol is a Republican, Jesse Helms).
IV. ANALYSIS

The angst-ridden history of this bill begs the question, "How could an Intellectual Property bill, void of any political opposition, be rejected by the Congress year after year?" This question is pointedly significant in light of the overwhelming support this bill has from the U.S. business community. According to many, "This should have been a no-brainer for even the previous Congress." Once the State Department ironed out the voting rights issue with the European Union, and given the Administration's endorsement of the treaty, most people in the International Trademark Community, including INTA, expected the bill to finally pass.

It seems this year the legislation may also fall through the cracks, despite the support of Senator Joseph Biden, who now chairs the Senate Committee on Foreign Relations. Priority in the U.S. Congress has been given to legislation concerning terrorism and anti-terrorism measures due to the terrorist attacks of Sept. 11th. Joining the rest of the world in registering trademarks, while once seemed important, now pails in comparison to making sure that our public and armed forces are prepared for preventing another terrorist attack. What's more, the anthrax scares in the Congress have kept the Congress working at a slower pace than their already turtle-like speed.

A. Why Join?

Simplicity, increased efficiency and cost savings are the key selling points for the Madrid Protocol. In their Executive Summary of the Madrid Protocol, INTA highlights the simplicity of the Protocol, "ONE application, in ONE place with ONE set of documents in ONE language with ONE fee in ONE currency resulting in ONE registration with ONE number and ONE renewal date covering more than ONE country."223 All renewals, amendments to applications, and changes of ownership are handled by one office, relieving business of the stress of tracking down several applications in the countries they seek to file.224

The cost savings afforded by the Protocol are also an attractive feature. In 1999, the White House released a press statement about the cost savings involved in registering a mark in 10 different countries.225 The statement estimated that it would cost approximately $14,000 to register in each country individually, whereas it would cost only $4,700 for the same 10 registrations by using the Protocol.226

There are also other benefits of the U.S. joining the Protocol. By joining the Protocol, U.S. companies will be allowed an easy way to register their trademarks in simultaneously in the U.S. and other countries.227 The simultaneous registration will prevent trademark "piracy," where individuals in foreign countries register a U.S. company's trademark, then as for a "ransom" in order to surrender the company's trademark.228 In addition, U.S. accession, will encourage other countries to join so their companies could

224 Id.
226 Id.
228 Id.
more easily gain access to U.S. markets.\textsuperscript{229}

\textbf{B. Good for Business?}

If the U.S. joins the Protocol, the biggest winners would be U.S. businesses that seek new markets for their products, especially the smaller companies who would otherwise not be able to afford the expense of registration in every individual country. These trademark owners could potentially see big savings and increased efficiency.\textsuperscript{230} Senator Orrin Hatch, former Senate Judiciary Committee Chairman and sponsor of S. 407 recognized the importance of implementing the Protocol for U.S. businesses, “For many businesses, a company’s trademark is its most valuable asset as global trading and multinational businesses grow, worldwide protection is becoming extremely important and desirable... the Madrid Protocol and S. 407 present a win-win package for American trademark owners, one that is important to all American businesses engaged in the international marketplace.”\textsuperscript{231} Even, the current Senate Judiciary Committee Chairman, Democratic Senator Patrick Leahy has praised the bill as being helpful to U.S. businesses, “The Protocol would help American businesses, and especially small and medium-sized companies, protect their trademarks as they expand into international markets.”\textsuperscript{232} It is certain that U.S. business believe they stand to benefit from U.S. implementation of the Protocol. For this reason, it is unusual that

\begin{itemize}
\item \textsuperscript{229} \textit{FATE}, supra note 178.
\end{itemize}
this legislation has been kicked around in the Congress for 10 years without ever getting close to passage by both houses of Congress. U.S. businesses are normally accustomed to lobbying Congress to pass legislation favorable to their interests.

Some large U.S. companies having significant operations in foreign countries that are members of the Madrid Protocol, have the opportunity to register their trademarks internationally via the Protocol based on their residence in the Protocol country.\(^2\) However, most have chosen not to do this because of legal and tax implications.\(^3\)

Despite all the positive attention the Protocol has received, it is not without its critics.\(^4\) Critics believe that the cost savings that are not as great as they seem.\(^5\) The increase in expected expense will likely hurt the smaller U.S. businesses.\(^6\) In addition, because the Madrid Protocol fees are denominated in Swiss Currency, the trademark holders are also at the mercy of the fluctuating exchange rate.\(^7\)

In all likelihood, accession into the Protocol will be good for U.S. businesses, especially in the long run. In the short run, the businesses will have to become acquainted with how the system works and make decisions on whether to use the Protocol or not.

C. Bad for Lawyers?

While the accession to the Protocol seems to favor U.S. business interests, U.S. trademark lawyers expect to loose business.\(^8\) Trademark lawyers have expressed concern that the Protocol will cut down on their work on behalf of foreign companies applying for registration from the USPTO.\(^9\) For example, if ABC

\(^{233}\) COOKSON, supra note 11, 169.
\(^{234}\) Id.
\(^{235}\) WELCH, supra note 10, at 30.
\(^{236}\) Id.
\(^{238}\) WELCH, supra note 10, at 30.
\(^{239}\) Sandburg, supra note 65.
\(^{240}\) Id.
Company of Germany wanted to register their "ABC" trademark, they would normally hire a U.S. attorney to file and follow the application through the registration process. However, under the Protocol, ABC Company would not need to hire local counsel in the U.S., but rather, would file an extension of protection to the U.S. based on their German application or registration. If no one opposes their registration, they would have no need for a U.S. attorney at any stage of the registration process, effectively cutting out the middleman. However, this fear is highly exaggerated since the USPTO has a high rate of refusal for first time applications.\(^{241}\)

In the likely event that Protocol applications are opposed, or refused registration, the services of U.S. trademark attorneys will be required to appeal the decision and advance the application along towards registration.\(^{242}\) This is the scenario that trademark lawyers will be banking on.\(^{243}\)

John L. Welch, suggests in his article, *Madrid Bound: The United States Approaches Ratification of the Madrid Protocol*,\(^{244}\) that U.S. trademark attorneys will likely raise the rates for picking up applications at the opposition stage, in order to recover the revenue they'll loose for being bypassed at the initial application stage.\(^{245}\) In addition, he adds that European lawyers will be at a greater disadvantage because the registration process in many European countries is not as thorough, and will likely not refuse as many applications, eliminating the need for a European attorney to pick up the application at that point.\(^{246}\)

Ironically, INTA, in their Executive Summary for the Madrid System, states that accession to the Protocol will cause an increased workload for local attorneys.\(^{247}\) INTA further attempts to reassure lawyers by explaining that lawyers in existing Protocol

\(^{241}\) Welch, *supra* note 10.

\(^{242}\) *Id.*

\(^{243}\) *Id.*

\(^{244}\) *Id.*

\(^{245}\) *Id.*

\(^{246}\) Welch, *supra* note 10.

countries have not seen their workload cut as a result of joining the Protocol, but instead have seen a change in the character of their work.\footnote{Id.}

It is likely that if and when the U.S. joins the Protocol, lawyers, especially U.S. lawyers, will see an increase in work due to an initial influx of applications. Foreign lawyers will also see an increase due to all the foreign corporations that seek protection for their trademarks in the U.S.\footnote{Id.}

U.S. lawyers are also concerned that the increase in filings coupled with the eighteen-month deadline for examination of Protocol applications will cause the USPTO to “water down” their stringent registration process.\footnote{Sandburg, supra note 65.} Moreover, there is concern that the USPTO will conform their standards for registration in accordance with some countries whose registration process is seen as a “rubber stamp.”\footnote{Id. (quoting trademark lawyer, Douglas Hendricks, [Registration in many countries] “is almost a rubber stamp... There is some thought we might lower our standards to match theirs and become a registration mill instead of a vetting agency”).}

The USPTO has anticipated a rise in applications, and has asked for $500,000 to update their computer system to be able to deal with the flood of applications they're expecting.\footnote{S. Rep. 107-46 (2001).} Therefore, these measures of advanced planning, along with the speculative nature of anticipating a flood of applications makes it highly questionable whether the USPTO will relax their registration standards. It is unlikely that they will resort to having to relax their standards. However, it is likely that if the USPTO finds that they can not deal with increasing applications with the existing staff, they may resort to hiring new attorneys and subsequently, raising the rates for applications in order to cover this expense.

In the very unlikely event that the USPTO does lower their registration standards, the opposition stage will weed out many of the foreign applications that will be seeking registration. Lawyers
for trademark owners frequently police the publication of trademarks for opposition and will file oppositions, which will then be considered by the USPTO examining attorney. If the standards are lowered so low as to allow for the registration of foreign trademarks with confusingly similar U.S. counterparts, U.S. lawyers will have more to litigate. Therefore creating even more work for them, and more headaches for trademark owners.

Therefore, the scenario that INTA has posed where U.S. trademark lawyers will not see a reduction in work, but rather, a modification in the type of work that they currently spend time with. It is not likely that trademark owners, foreign or domestic will be able to entirely cut out the middleman.

Nevertheless, the U.S. should join the Protocol because it is a good way to simplify international registration. The Protocol could be modified, if problems arise, and it not uncommon for lawyers to suggest change when mechanisms do not function as they are supposed to.

D. Sovereignty

Maintaining sovereignty over the nation’s trademark laws are of utmost importance to the U.S., as it would be for many other countries. In fact, in Senator Leahy’s statement concerning the Protocol, he twice emphasized that the Protocol makes no substantive change to U.S. trademark laws. Countries are not going to be willing to make changes to their own laws to protect foreign trademarks.

Instead, the Madrid Protocol works by allowing all the countries to maintain their own laws in tact. The Protocol will even tolerate countries adding the requirements they would normally

254 Id.
ask of entities who apply to the USPTO individually. For example, section 71(a)(A)(b), requires all international applicants to hand in an affidavit of use which the USPTO requires before registration. This is a specific U.S. requirement that Protocol allows, because the Protocol has no enforcement mechanism.

The uniformity of laws could cause many problems in the future. What is the extent to which the Protocol is willing to allow nation-specific requirements? A unified system of protection would be most helpful to trademark owners. This would make it easier for them to know the extent of their rights in foreign countries. An agreement of this type would incorporate a registration system, like the Madrid Protocol, and an agreement like the TRIPS Agreement where you would have a standard minimum of protection and enforcement mechanism.

However, if history is any indicator, the chances of many countries ratifying an agreement of this magnitude are slim. It has taken the global community over a century to embrace the Madrid System, and even today, many countries find problems with the System. Is a problem of sovereignty? Should countries be willing to give up a measure of sovereignty in order to have more uniformity of rights and protections?

The Havana Club episode is a good example why the United States would probably never be willing to give up sovereignty in order to join an international system for registration of trademarks. In 1999, then-Senate Foreign Relations Committee Chairman, Jesse Helms pulled the Madrid Protocol implementation bill, and the Treaty ratification from consideration because he was concerned that accession into the Protocol would give Havana Club Holdings an advantage in the on going trademark dispute over the Havana Club trade name.

Cuba has been a member of the Madrid Protocol since

256 Id.
258 Id.
259 Id.
260 See supra note 56.
December 26, 1995.\textsuperscript{261} If and when the United States joins the Protocol, it would likely find itself in a situation where Cuba or a Cuban entity files an extension of protection under the Protocol. The USPTO would have to examine the application in order to consider it for registration in compliance with the Protocol. However, Article 5 of the Protocol requires that refusals to register should only be based on grounds recognized by the Paris Convention.\textsuperscript{262} The Paris Convention offers only three acceptable reasons for refusing trademark applications, if it conflicts with an existing mark, if it lacks distinctiveness, and if it "contrary to morality or public order" or if it deceives the public.\textsuperscript{263}

The USPTO would not be able to cite §211 as a reason for refusal of registration.\textsuperscript{264} However, in the case of Havana Club, the PTO might be able to invoke section (B)(1) of Article 6 of the


\textsuperscript{262} Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, at 4. Article 5(1). "Any such refusal can be based only on the grounds which would apply, under the Paris Convention for the Protection of Industrial Property, in the case of a mark deposited direct with the Office which notifies the refusal," at http://www.wipo.int/madrid/en/index.html (last visited Dec. 3, 2001).

\textsuperscript{263} Paris Convention for the Protection of Industrial Property, Article 6 (B)(1-3) "Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases: 1. when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed; 2. when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed; 3. when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order. This provision is subject, however, to the application of Article 10(b)." http://www.wipo.int/treaties/ip/paris/index.html (last visited Dec. 3, 2001).

\textsuperscript{264} Id.
Paris Convention, which allows refusals for marks that are likely to infringe existing marks. This is, of course, contingent upon the USPTO’s prior recognition of Bacardi’s ownership of the Havana Club trademark in the U.S.

On the other hand, if there were no recognition of Bacardi’s prior ownership rights, the USPTO would have no basis for refusal, and would be forced to register the mark, or refuse the mark and risk violating the Protocol. The U.S. would probably not want to breach the Protocol and set a bad precedent in favor of disregarding international law. This could, again, set off retaliation against U.S. marks worldwide. If the mark were recognized, it would have the same effect and validity and the same rights and remedies as a registration on the Principal Register, which would allow the trademark owner, HCH, access to our courts.

Allowing HCH rights to our courts would likely violate §211, because HCH’s assets were confiscated from the Arechebala family by the Cuban government immediately after the revolution.

This scenario would present an international dilemma for the United States. Once which it will likely decide in favor of its own interest in sovereignty over their own laws, thereby disrupting international laws.

V. CONCLUSION

At the time of this writing, it is too early to tell whether the Madrid Protocol Implementation Act will finally make it to the President’s desk before this session of Congress is over. In spite of the news that the Treaty recently passed the Senate Foreign Relations Committee, there are still many steps required in the legislative process before the Protocol could become law in the U.S. The Senate Foreign Relations Committee must now pass the

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265 Id.
266 Id.
268 See, supra note 65.
Implementing legislation, and then the full Senate must pass both the Treaty and the Implementation legislation. The Treaty will then go to the President, whereby the legislation will be discussed in a joint House-Senate Committee. The speed with which the following steps are taken depends on many factors that can only be controlled by the members of Congress. The bill still faces opposition from Senator Jesse Helms, at least until the WTO decides the appeal concerning the Havana Club trade name dispute.269

If the WTO rules in favor of the U.S., it is more likely that the implementation legislation will move forward. The WTO has not made any ruling on the EC's appeal yet, and one can only speculate what the panel will conclude. If, however, the WTO decides in favor of the EC, the U.S. might "feel pressured to comply by changing §211 because the U.S. has complained in the past about EU non-compliance in other WTO cases, and because the U.S. would not want to set a poor precedent on an intellectual property-related case."270 This would likely cause further delays to the legislation.

In addition, the September 11th terrorist attack, and the recent rash of Anthrax scares could prove to be the new obstacle for the legislation. The attacks have already closed down the Congress a few days, and have caused a new influx of legislation.271 Despite the intention of moving the legislation forward, the Senate might find itself too caught up with fighting terrorism that international registration of trademarks might not seem as such a priority. It is anyone's guess whether this legislation will pass this Congress. However, the news of the Treaty passing the Senate Foreign Relations Committee is definitely a good indicator that Senate Foreign Relations Committee Chairman, Senator Joseph Biden, is

269 Interview with Thomas Brady, Senator Jesse's Foreign Relations staff member (November 21, 2001) (Staff member stated that Senator Helms still intends on posing opposition to the Madrid Protocol, at least until the Havana Club dispute is resolved in the U.S.'s favor).
270 FATE, supra note 178.
keeping true to his commitment to give the Protocol priority. 272

Upon reaching the President’s desk, the legislation and Treaty
will be greeted more hospitably, since President Bush has released
a statement in support of the Implementation Act. Therefore, U.S.
and foreign businesses seeking the “one-stop-shop” approach to
trademark registrations will have to wait and see what happens in
the next few months.

Maria Guerra

272 FATE, supra note 178.