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PROTOCOL RELATING TO MADRID AGREEMENT CONCERNING INTERNATIONAL REGISTRATION OF MARKS

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS ADOPTED AT MADRID JUNE 27, 1989, ENTERED INTO FORCE ON DECEMBER 1, 1995. ALSO TRANSMITTED A FEBRUARY 2, 2000, LETTER FROM THE COUNCIL OF THE EUROPEAN UNION REGARDING VOTING WITHIN THE ASSEMBLY ESTABLISHED UNDER THE PROTOCOL

SEPTEMBER 5, 2000.—The Protocol was read the first time, and together with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed for the use of the Senate

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LETTER OF TRANSMITTAL

THE WHITE HOUSE, *September 5, 2000.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to accession, the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks adopted at Madrid June 27, 1989, which entered into force December 1, 1995. Also transmitted for the information of the Senate are the report of the Department of State with respect to the Protocol and a February 2, 2000, letter from the Council of the European Union regarding voting within the Assembly established under the Protocol.

The Protocol will offer several major advantages to U.S. trademark owners. First, registration of trademarks internationally will be possible without obtaining a local agent and without filing an application in each Contracting Party. If the United States accedes to the Protocol, the Protocol will provide a trademark registration filing system that will permit a U.S. trademark owner to file for registration in any number of Contracting Parties by filing a single standardized application in English, and with a single payment in dollars, at the United States Patent and Trademark Office (PTO). The PTO will forward the application to the International Bureau of the World Intellectual Property Organization (respectively, the "International Bureau" and "WIPO"), which administers the Protocol. Second, under the Protocol, renewal of a trademark registration in each Contracting Party may be made by filing a single request with a single payment. These two advantages should make access to international protection of trademarks more readily available to both large and small U.S. businesses.

Third, the Protocol will facilitate the recording internationally of a change of ownership of a mark with a single filing. United States businesses experience difficulties effecting valid assignments of their marks internationally due to burdensome administrative requirements for recordation of an assignment in many countries. These difficulties can hinder the normal transfer of business assets. The Protocol will permit the holder of an international registration to record the assignment of a trademark in all designated Contracting Parties upon the filing of a single request with the International Bureau, accompanied by a single payment. To carry out the provisions of the Protocol, identical implementing legislation, which is supported by my Administration, was passed by the House of Representatives and introduced in the Senate.

Accession to the Protocol is in the best interests of the United States. Therefore, I recommend the Senate give early and favorable consideration to the Protocol and give its advice and consent to ac-

cession, subject to the declarations described in the accompanying report of the Department of State.

WILLIAM J. CLINTON.

LETTER OF SUBMITTAL

DEPARTMENT OF STATE,
Washington, July 11, 2000.

The PRESIDENT,
The White House.

THE PRESIDENT: I have the honor hereby to submit to you, with a view to its transmittal to the Senate for advice and consent to accession, the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Protocol"), adopted at Madrid June 27, 1989, which entered into force December 1, 1995. Also enclosed for the information of the Senate is a February 2, 2000, letter from the Council of the European Union regarding voting within the Assembly established under the Protocol.

The Protocol traces its genesis to the Madrid Agreement Concerning the International Registration of Marks (1891), revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Nice (1957) and Stockholm (1967), and amended in 1979 ("Madrid Agreement"), which established an international trademark registration system that is administered by the International Bureau of the World Intellectual Property Organization (respectively, "International Bureau" and "WIPO"). As of May 10, 2000, fifty-two countries are Contracting Parties to the Madrid Agreement. The United States is not a Contracting Party to the Madrid Agreement.

Between 1986 and 1989, the International Bureau convened meetings of governmental experts to develop an international trademark registration system that could gain wide acceptance. These experts conceived of a protocol based upon the Madrid Agreement, but with certain changes to attract a broader adherence. On June 27, 1989, at a Diplomatic Conference held in Madrid, the States party to the Madrid Agreement concluded a Protocol, which was signed by 27 of the 29 States then party to the Madrid Agreement. The Protocol establishes an international trademark registration system that is independent of, but in many respects similar to, that of the Madrid Agreement.

Acceding to the Protocol offers significant advantages to U.S. trademark owners. Registering a trademark internationally will be possible without obtaining a local agent and incurring attendant costs. Registration can be accomplished by filing a single standardized application in English, with a single payment, in dollars, at the United States Patent and Trademark Office ("PTO"). Cost savings to U.S. trademark owners are expected to be substantial.

BACKGROUND

The United States has never belonged to an international trademark registration system, but has considered it in the past because of the trade advantages such a system would offer. Trademarks, representing the good will of a business and identifying its products and services, are among the most valuable assets of a business. In most countries other than the United States, trademark rights are obtained only by registration. One major obstacle to the international protection of trademarks is the difficulty and cost of obtaining and maintaining a registration in each and every country.

In the late 1960s the United States considered joining the Madrid Agreement, but concluded that it contained provisions disadvantageous to U.S. trademark owners and was unworkable under existing U.S. law. Specifically, the following provisions of the Madrid Agreement were considered undesirable by the United States:

(1) the requirement that the international application be based on an Office of origin registration (given the long pendency of applications in the United States at that time the requirement for use of a trademark prior to filing, this requirement would have required the U.S. trademark owner to wait beyond a reasonably prudent time before seeking registration internationally under the Madrid Agreement);

(2) the provision called "central attack," which results in the cancellation of the international registration in all Contracting Parties if the Office of origin registration is canceled in the first five years;

(3) requirement that the application be in the French language;

(4) the provision for a maximum 12-month period within which the Contracting Party could refuse to effect the international registration (at that time, the normal time period for completing the first examination of an application by the PTO was substantially more than 12 months; thus, the United States could not be sure that all refusals could be raised within the prescribed time period); and

(5) the provision designating low filing and renewal fees for the national office, which were less than the comparable national fees in the United States.

The Protocol establishes a separate international trademark registration system from, and contains significant modifications to, the Madrid Agreement. These modifications address and resolve the concerns that led the United States to reject accession to the Madrid Agreement. Thus, the Protocol provides:

(1) under Article 2(1), an Office of origin application may be the basis of an international application;

(2) if the basis of an international registration is extinguished during its first five years as set out in Article 6, then Article 9*quinquies* allows the registration to be converted into a national or regional application in a designated Contracting Party and retain its original effective filing date;

(3) the working languages, as set forth in the Common Regulations under the Madrid Agreement Concerning the Inter-

national Registration of Marks and the Protocol Relating to that Agreement ("Regulations") are English and French; thus, for example Rule 6(1)(b) specifies that, "[a]ny international application governed exclusively by the Protocol or governed by both the Agreement and the Protocol shall be in English or French according to what is prescribed by the Office of origin"; in accordance with Rule 6(3)(b), "the recordal in the International Register and the publication in the Gazette of the international registration resulting therefrom . . . shall be in English and French"; Rule 6(4)(a) provides, in turn, that "[t]he translations from English into French or from French into English . . . shall be made by the International bureau";

(4) under Article 5, a Contracting Party may have up to 18 months to refuse to effect an international registration, and, with appropriate notice, an additional 7 months from the beginning of the opposition period to notify the grounds for opposition (over the past few years, the average time to issue a refusal in the examination of a trademark application at the PTO, has been about 5 months); and

(5) under Article 8, a Contracting Party may charge the equivalent of its national (or, in the case of an intergovernmental organization, regional) filing and renewal fees (renewals are for ten-year periods) diminished only by any savings resulting from the international procedure.

As described in more detail below, the Protocol establishes an international procedure for the filing of trademark applications. Adherence will not require the United States to adopt any changes to its substantive trademark laws. Legislation has been introduced, and has already been passed by the House of Representatives, to implement the changes in procedure needed to fulfill the obligations of the Protocol.

THE PROTOCOL PROCESS

In the event that the United States accedes to the Protocol and Congress passes the necessary implementing legislation, the Protocol would operate in the United States as follows.

The Protocol will provide a trademark registration filing system that will permit a U.S. trademark owner to file for registration in any number of Contracting Parties by filing a single standardized application, in English, with a single payment in dollars, at the PTO. Pursuant to Article 3, the PTO must review the international application and certify that it is identical to the underlying U.S. application or registration that is claimed as the basis for the international application. If the international application meets that test, the PTO must forward the international application to the International Bureau. After a formalities check, the International Bureau then registers the application as an international registration and forwards the data in the application to the Contracting Parties that applicant has selected. Thus, international registration may be obtained without obtaining a local agent and without filing a national or regional application with each Contracting Party. Equally important, under the Protocol, renewal of all the of the extensions of protection may be made by filing a single request with a single payment under Article 7.

1. Filing of an international application

Pursuant to Article 2, where the owner of a U.S. trademark application or registration is a national of the United States, or is domiciled, or has a real and effective industrial or commercial establishment, in the United States ("U.S. trademark owner"), that U.S. trademark owner will be able to file with the PTO, which will be considered the Office of origin, an application for international registration along with a request that the international registration be effected in at least one Contracting Party other than the United States. (Pursuant to Article 3*bis*, the international registration may not be effected in the territory of the Contracting Party of the Office of origin. Thus, the trademark owner whose Office or origin is the United States could not obtain protection for its trademark in the United States through the Madrid Protocol system.)

Pursuant to Article 3, the PTO must certify that the particulars in the international application correspond to those in the underlying U.S. application or registration and forward the international application to the International Bureau. Non-U.S. trademark owners may obtain protection in the United States by following the same procedure in their respective Offices of origin and, pursuant to Articles 3*bis* and 3*ter,* specifying the United States as a Contracting Party in which they are seeking protection.

2. Issuance of international registration

The International Bureau must issue the international registration if all filing requirements are met, and, pursuant to Article 3(4), must publish the mark in its International Gazette, a periodic publication containing all relevant data recorded during the period concerning international registrations. Pursuant to Article 3*ter,* the International Bureau must forward the request for territorial extension of the international registration to the Contracting Parties specified, either at the time of filing or later, if the applicant requests a territorial extension of its international registration at some time after the international registration is effected.

In accordance with Article 4 and 5, those Contracting Parties will consider the extension request pursuant to the their applicable legislation. Once the extension request is either approved through the examination process, or the applicable time periods set out in Article 5 pass without a refusal or a successful opposition, the extension of the international registration to a particular Contracting Party has legal effect.

Pursuant to Article 6(i), registration of a mark at the International Bureau is effected for ten years, with the possibility of renewal under certain conditions discussed below. Pursuant to Article 4, the effect of such registration shall be the same as if the mark had been deposited directly with the Office of the particular Contracting Party to which the registration is extended.

3. Request for extension of protection to the United States by the foreign holder of an international registration

When the United States receives a request for extension of protection of a mark in an international registration, the PTO must examine the request in the same manner, and pursuant to the same requirements, as a regularly-filed U.S. application. When the

examination of the extension request is concluded, and all of the formalities and/or refusals raised in the examination process are settled, the mark will be published for opposition.

If the formalities and/or refusals are not settled between the applicant and the examiner, then the applicant may either abandon its application or institute an appeal to the Trademark Trial and Appeal Board, which is consistent with Article 5's provision that a holder shall have the same remedies in the event of a refusal as would be available if the mark had been directly deposited with the PTO. The Trademark Trial and Appeal Board must determine whether the application should be denied or should be published for opposition. The applicant can appeal its determination to the Court of Appeals for the Federal Circuit or ask for a trial *de novo* in a U.S. District Court. If no opposition is filed or is successful, the Director of the United States Patent and Trademark Office must issue a certificate of extension of protection, which will have the same effect and validity as a U.S. registration on the Principal Register, the official U.S. register of distinctive marks.

The Protocol, pursuant to Article 5, requires the national or regional office considering an extension request to notify the International Bureau of all refusals, which would include examination refusals and the possibility of opposition, as well as the ground(s) for opposition, within specified time periods. Under Article 5, Contracting Parties that make appropriate declarations (discussed below) may have up to 18 months, from the date of notification of the extension of protection, to state the grounds for refusing an extension of protection from the international registration, and, with appropriate notice, an additional 7 months from the beginning of the opposition period to notify the grounds for opposition. Absent timely refusal, Article 5 requires the national or regional office (the PTO in the case of the United States) to extend protection to the international registration.

The United States may require non-U.S. trademark owners seeking trademark protection in the United States under the Protocol to declare, at the time the extension of protection is requested, that they have a bona fide intention to use the mark in commerce. Rule 7(2) specifies that, "[w]here a Contracting Party requires, as a Contracting Party designated under the Protocol, a declaration of intention to use the mark, it shall notify that requirement to the Director General. Where that Contracting Party requires the declaration to be signed by the applicant himself and to be made on a separate official form annexed to the international application, the notification shall contain a statement to that effect and shall specify the exact wording of the required declaration."

Rule 9, the rule that sets out the permissible requirements for an international application, provides in subsection 9(6)(d) that "[t]he international application shall also contain, where a designation concerns a Contracting Party that has made a notification under Rule 7(2), a declaration of intention to use the mark in the territory of that Contracting Party. . . ."

Consistent with these rules, the Department of State would, at the time of deposit of the instrument of accession, have the United States notify the Director General of its intention to require, from the date of entry into force of the Protocol in the United States, a

statement of bona fide intention to use a mark in commerce of all holders of international registrations requesting extensions of protection to the United States.

4. Maintenance of an international registration and extensions of protection

Pursuant to Article 3*ter*(2), an extension of protection to additional Contracting Parties may be requested at any time during the life of the international registration. Article 7 provides that an international registration is renewable every ten years upon payment of the appropriate fee(s) to the International Bureau. Rule 31(2) of the Regulations specifies that, "[t]he effective date of the renewal shall be the same for all designations contained in the international registration, irrespective of the date on which such designations were recorded in the International Register."

Additionally, for the extension of protection to remain in force in the United States, the proposed legislation to implement the Protocol requires the periodic filing of affidavits of continued use in commerce of the subject mark. Inasmuch as these affidavits are not considered to be part of the renewal process, they are not governed by the restrictions on renewal set out in the Protocol. Indeed, such affidavits of use have long been required by a few of the current Contracting Parties to the Madrid Agreement and, therefore, there was general agreement from the Committee of Experts that such affidavits fell outside of the restrictions of the Protocol and were allowed as a national practice.

5. Cancellation or limitation of international registration

If the national or regional application or registration forming the basis of an international registration is restricted, abandoned, cancelled, or has expired, pursuant to applicable law, and any of these effects occur as a result of an action commenced within five years of the date of international registration, then, pursuant to Article 6(3), the Office of origin must notify the International Bureau. It must, in turn, similarly cancel or limit the international registration. For example, if, during the five years after international registration, some goods or services have been deleted from the identification of goods or services in the national or regional application or registration that forms the basis for the international registration, then pursuant to Article 6(3), those same goods or services must be deleted from the international registration and any extension requests that exist for the international registration. Similarly, if the national or regional application or registration that forms the basis for the international registration has been abandoned, cancelled or has expired, either during the five years after international registration or as a result of an action that commenced during the five-year period, then, pursuant to Articles 6(3) and 6(4), the International Bureau must cancel the international registration and each Contracting Party that has extended protection to that international registration must cancel the attendant extension of protection. Otherwise, if no such restriction, abandonment, cancellation or expiration occurs during the five years after international registration (or as the result of an action begun in the first five years after international registration), then, pursuant to

Article 6(2), the international registration becomes independent of its underlying national or regional application or registration.

However, if such a cancellation occurs, Article 9*quinquies* of the Protocol permits transformation of existing extensions of protection into national (or regional, in the case of intergovernmental organization Contracting Parties) applications in the Contracting Parties in which the international registration had been extended. The holder of the cancelled international registration may file, within three months of the cancellation of the international registration, national or regional applications for the same mark in relation to the cancelled goods or services in each Contracting Party that had extended protection to the international registration. Provided that the applicant complies with the applicable law, each application will obtain, as a filing date, the date of the international registration or, if the extension of protection was sought after international registration occurred, the date of the recordation of the extension of protection for that particular Contracting Party.

6. Recordation of assignment or change of ownership

Often, U.S. businesses experience difficulties effecting valid assignments of their marks internationally due to the burdensome administrative requirements for recordation of an assignment in many countries. These difficulties can hinder the normal transfer of business assets. Pursuant to Article 9, 9*bis,* and 9*ter,* the Protocol permits the person in whose name an international registration stands to record the assignment of its trademark in all designated Contracting Parties by making a single payment and filing one document, provided that the new holder is entitled to file international applications under the Protocol.

7. Protocol system not exclusive of national and regional trademark registration systems

Use of the procedures established by the Protocol is optional for applicants. Applicants may continue to file individual trademark applications in each Contracting Party in which they seek trademark protection. In the event that they also file an international registration, Article 4*bis* deems the international registration to replace the national or regional registration, under certain conditions, but without prejudice to the rights acquired under the national or regional registration. Furthermore, the Protocol in no way diminishes the right of priority and national treatment that applicants are accorded under the Paris Convention for the Protection of Industrial Property (1883), as revised and amended.

THE ASSEMBLY OF THE MADRID UNION

Article 1 of the Madrid Agreement provides that the countries party to the Agreement "constitute a Special Union for the International registration of marks." Article 1 of the Protocol provides that the Contracting Parties to the Protocol "shall be members of the same Union of which countries party to the Madrid (Stockholm) Agreement are members." Article 10 of the Protocol provides, in turn, that the Contracting Parties to the Protocol are members of the same Assembly as are the Contracting Parties to the Madrid Agreement. Article 10(3)(a) provides that only Contracting Parties

to the Madrid Protocol have the right to vote on matters concerning only the Protocol (and, of course, only Contracting Parties to the Madrid Agreement may vote on matters concerning only the Madrid Agreement).

Articles 10 and 13 establish the functions of the Assembly. Under Article 10(2), these are: dealing with all matters concerning implementation of the Protocol; giving directions to the International Bureau concerning preparation for revision conferences; adopting and modifying provisions of the Regulations; and performing such other functions as are appropriate under the Protocol.

In addition, as is a common practice in multilateral intellectual property treaties that include provisions for an assembly to facilitate treaty implementation, certain provisions of the Treaty may be amended by a super-majority of the Assembly, without the need for a revision conference (*see, e.g.,* Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised and amended (Stockholm, July 14, 1967) (Article 17); Patent Cooperation Treaty of June 19, 1970, as amended and modified (Article 61); Strasbourg Agreement Concerning the International Patent Classification of March 24, 1971, as amended (Article 11); Berne Convention for the Protection of Literary and Artistic Works Paris Act of July 24, 1971, as amended (Article 26); and Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure of April 28, 1977, as amended (Article 14)). Under Article 13(1), proposals for the amendment of Articles 10 (Assembly), 11 (International Bureau), 12 (Finances), and 13 (Amendment of Certain Articles of the Protocol) may be initiated by a Contracting Party or by the Director General of WIPO.

According to Article 13(2), adoption of any amendment to Article 11, 12, or 13 requires a three-fourths majority of the votes cast at the Assembly at which it is addressed. In addition, under Article 13(2), any amendment to Article 10 or Article 13(2) itself, requires a four-fifths majority of the votes cast at the Assembly.

In each case, in accordance with Article 13(3), amendments adopted by the requisite super-majority of the Assembly enter into force for all Contracting Parties to the Protocol one month after written notifications of acceptance, effected in accordance with their respective constitutional processes, have been received by the Director General from three-fourths of those States and intergovernmental organizations that, at the time the amendment was adopted, were members of the Assembly and had the right to vote on the amendment. The large size of the super-majorities and the requirement that notifications of acceptance be effected in accordance with constitutional processes combine to provide substantial assurance that the amendment process will be used sparingly and in a manner that will not disserve U.S. interests.

From the perspective of the United States, the most controversial aspect of the Protocol has been the voting provision contained in Article 10(3)(a), which provides that "[e]ach Contracting Party shall have one vote in the Assembly." Since, in accordance with Article 14, not only States but also intergovernmental organizations may become Contracting Parties, this provision has the effect of allowing an intergovernmental organization (such as the European Community ("EC")) to have an additional vote separate and inde-

pendent from that of its member States if it were to become a Contracting Party to the Protocol. The United States has consistently opposed such voting as an unwarranted expansion of the voting power of intergovernmental organizations and their member States—and a correspondingly unwarranted dilution of U.S. voting power.

The United States harbored significant concerns that the Protocol would establish an unfavorable precedent and that comparable voting provisions would be adopted in other treaties, to the detriment of U.S. interests. In the aftermath of the negotiations that led to the Protocol, in the field of intellectual property alone, the European Union ("EU") proposed concurrent voting for the EC and its Member States in the negotiating texts of numerous proposed treaties. During the negotiation of the Trademark Law Treaty, EU insistence on an independent vote forced negotiators to accept a compromise arrangement whereby all provisions relating to voting were dropped from the agreement—a development that significantly constrains the ability of the parties to effect necessary revisions.

The United States was an observer, not a participant, in the negotiations leading to the Protocol. More than a decade has passed since that negotiation was concluded. Throughout this period, the United States has forcefully and successfully opposed every attempt by the European Union to include comparable voting provisions in other treaties. Last year, in the context of negotiations for the Hague Agreement Concerning the International Deposit of Industrial Designs, the EU and its Member States did not press for an independent vote for intergovernmental organizations such as the EC. That marked a watershed because in prior years the EU had repeatedly described the Hague Agreement context as involving concurrent competence analogous to that in the Protocol and warranting analogous voting provisions. We are now satisfied that the United States opposition to such voting provisions has been heard and that the Protocol cannot be considered a paradigm for voting provisions in multilateral treaties.

While certainly desirable, revising Article 10(3)(a) of the Protocol is not a feasible prospect at this juncture. However, the United States, the EC (which, like the United States, is not yet a Contracting Party to the Protocol), and its Member States have been able to reach an accommodation regarding the voting issue.

At the request of the United States, the EC and its Member States have affirmed, in a February 2, 2000, letter from Margarida Figueiredo, Chairwoman of the Permanent Representatives Committee on behalf of the Council of the European Union, their commitment to a consensus-based decision process within the Assembly of the Madrid Union. They have also indicated that, in the event that a vote is called for, they will endeavor to conduct consultations with the United States and, where appropriate, with other like-minded participants. The February 2 letter also affirms that, where these consultations do not lead to a common position among the United States, the EC, and its Member States on the subject put to a vote, it is the intention of the EC and its Member States to use their voting rights in such a way as to ensure that the number

of votes cast by the EC and its Member States does not exceed the number of the EC's Member States.

Consensus-based decision making has long been used in the Assembly of the Madrid Union. Indeed, we understand that no issue has been put to a vote since the early 1970s. Accordingly, we have concluded that, although the unilateral statement of intent reflected in the Council of the European Union's February 2, 2000, letter is not an ideal resolution of the voting issue and is certainly not an acceptable model for future agreements, it does provide sufficient protection for U.S. interests in the unique context of the Protocol to allow me to recommend that the United States now become a Contracting Party.

FUNCTIONS OF THE INTERNATIONAL BUREAU

Article 11 deals with the duties of the International Bureau of WIPO as they relate to the Protocol. The International Bureau maintains the International Register; makes preparations for the conferences of revision of the Protocol; is authorized to consult with intergovernmental and international non-governmental organizations concerning preparations for such conferences of revision; and carries out any other tasks assigned to it in relation to the Protocol. Pursuant to Article 11(2)(c), the Director General and his designees take part, without the right to vote, in discussions at any conferences of revision. As noted above, this Article can be amended by a three-fourths majority of the Madrid Assembly members that are Contracting Parties to the Protocol.

FINANCES

Article 12 provides that, as far as Contracting Parties to the Protocol are concerned, the finances of the Union shall be governed by the same provisions as those in the Madrid Agreement, except that the Protocol provides an alternative for the collection of national or regional fees rather than the complementary and supplementary fees (and the resulting fee-sharing arrangement) set out in the Agreement. As noted above, this Article, which concerns only the finances of the Union and its budget for administering the Madrid Agreement and the Protocol, can be amended by a three-fourths majority of the Madrid Assembly members that are Contracting Parties to the Protocol. (In contrast, Article 8, which concerns fees for international application and registration, cannot be amended by the Assembly.)

The finances of the Madrid Union include a working capital fund (established by Article 12(6) of the Madrid Agreement, which applies to Contracting Parties to the Protocol by virtue of Article 12 of the Protocol). Article 12(6)(a) of the Madrid Agreement specifies that this fund shall be constituted by a single payment made by each country of the Union, and permits the Assembly to increase the fund if it becomes insufficient. However, Article 12(6)(d) further authorizes the Assembly to suspend the application of the payment provision, so long as the Assembly authorizes use of the reserve fund of the Union as a working capital fund. Such a suspension has, in fact, been in place for over 20 years. The working capital fund was constituted at the level of 2,000,000 Swiss francs in 1979 by a transfer of funds from the reserve fund of the Madrid Union.

Accordingly, no payment into the working capital fund has been requested of any Contracting Party that has become a member of the Madrid Union since 1979. A senior WIPO official has advised that it is not now envisaged that any such payments would be required in the future pursuant to Article 12(6) of the Madrid Agreement or Article 12 of the Protocol.

The PTO expects to incur some relatively modest initial costs (*e.g.,* to modify forms and update computer programs) to enable it to process applications under the Protocol. However, every request for an extension of protection will be charged the same fee as is charged for a regular U.S. trademark application. That fee should cover the cost of processing the Protocol application. Moreover, the PTO already accepts electronic filing of applications over the Internet. Thus, much of the Protocol process (*e.g.,* relaying international applications and requests for extensions to the International Bureau and reviewing similar requests for extensions of protection in the United States) could be run with a variation of the current electronic system.

PARTICIPATION BY INTERGOVERNMENTAL ORGANIZATIONS

Article 1 of the Protocol provides that Contracting Parties to the Protocol may be either "Contracting States" or "Contracting Organizations." Under Article 14, each Contracting State must be a party to the Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised and amended. The same article authorizes an intergovernmental organization to become a Contracting Party to the Protocol if: (1) at least one of the member States of the organization is a party to the Paris Convention; and, (2) the organization has a regional Office for the purposes of registering marks with effect in the territory of the organization and that this regional Office is not operating as a common Office to replace one or more of the national Offices of its member States.

Such conditions for an intergovernmental organization to become a Contracting Party are somewhat unusual in that they do not contain the traditional requirements that the organization be duly authorized to become a party and that it submit a declaration of its competency vis-a-vis its member States with respect to matters covered by the Protocol. Nevertheless, given the Article's requirement for a regional Office, coupled with actual experience under the Protocol to date, as described below, these conditions for intergovernmental organization participation in the Protocol appear to be an acceptable substitute to the more traditional standards.

To date, no intergovernmental organization has yet become a party to the Protocol, and the only one that appears likely to do so in the near future is the EC. The EC has a trademark office, independent of that of its Member States, which processes requests under the EC's applicable trademark law. Thus, Member States of the EC and the EC itself each have separate competence to examine a trademark application according to the laws and regulations in its own legal system. This concurrent competence has been in place for some time in Europe, is well defined, and is not causing problems in the trademark area. The Protocol does not create or alter this system of competence for trademark registration in Europe. It merely facilitates that ability of U.S. trademark owners to

obtain trademark protection under the systems of each Contracting Party. Accordingly, the United States would welcome the EC's participation in the Protocol.

Since the Protocol's negotiation in 1989, moreover, there has been no prospect of any other intergovernmental organization membership that would pose concerns for the United States. With the benefit of this experience, we are satisfied that, given the Protocol's procedural nature and the fact that membership is open only to intergovernmental organizations that actually have a regional Office for the purposes of registering marks in effect in the territory of the organization, Article 14's description of the conditions for an "intergovernmental organization" to become a Contracting Party need not preclude or delay our becoming a Contracting Party to the Protocol.

In accordance with Article 14(4), the Protocol entered into force on December 1, 1995, three months after the requisite number of instruments of ratification had been deposited. The language of Article 14(4) would have permitted an intergovernmental organization and its member States to be counted separately toward bringing the Protocol into force, and thus was objectionable to the United States as an unwarranted expansion of the power of intergovernmental organizations and their member States without basis in international law. U.S. concerns about this language have been resolved satisfactorily because: (1) the Protocol entered into force solely on the basis of instruments deposited by States, without participation of intergovernmental organizations; and (2) the language has not become a precedent and has not recurred in subsequently negotiated treaties.

INDUSTRY SUPPORT FOR ACCESSION BY THE UNITED STATES

Accession by the United States to the Protocol has been endorsed in principle by the Section of Patent, Trademark and Copyright Law of the American Bar Association; the International Trademark Association; and the Trademark, Trade Identity and Unfair Competition Committee of the American Intellectual Property Law Association. These endorsements contain the caveat that the United States should accede to the Protocol only if non-U.S. trademark owners seeking trademark protection in the United States under the Protocol are required to declare, at the time the extension of protection is requested, that they have a bona fide intention to use the mark "in commerce," as that term is defined in Section 45 of the Trademark Act, as amended, 15 U.S.C. 1127. As described above, the Protocol does not prohibit such a requirement by the United States, and the Regulations specifically contemplate it.

Industry support for U.S. accession has increased as the number of Contracting Parties to the Protocol has grown, which has enhanced the economic benefits of U.S. participation—and has increased the disadvantages of non-participation. Japan's recent accession to the Protocol, in March 2000, is illustrative.

Currently, the pendency from application filing to the registration of a trademark in Japan is several years. However, as a Contracting Party to the Protocol, Japan must process, and register, requests under the Protocol for extension of protection within the Protocol's strict time limits. As a result, those filers who cannot use

the Protocol will be in the unfortunate position of waiting years for a registration in Japan, while applicants under the Protocol will receive consideration and registration within 18 months (barring the filing of an opposition).

Comparable situations may arise regarding other Contracting Parties. U.S. industry is keenly aware of the increasing importance of the Protocol and has expressed concerns that U.S. trademark owners seeking international protection may be seriously, and increasingly, disadvantaged unless and until the United States becomes a Contracting Party.

IMPLEMENTING LEGISLATION

To carry out the provisions of the Protocol, identical implementing legislation has been introduced in both the House of Representatives (where it has been passed) and the Senate. To ensure that our domestic laws conform with our expanded international obligations, the United States would not deposit its instrument of accession to the Protocol until enactment of all necessary implementing legislation and until after a period of time sufficient to allow the PTO to promulgate implementing regulations and to complete the necessary administrative changes.

DECLARATIONS TO ACCOMPANY U.S. ACCESSION

As noted above, the Protocol contemplates that Contracting Parties may make declarations with respect to certain Protocol articles. The Department of State recommends that U.S. accession to the Protocol be accompanied by three declarations, pursuant to Protocol Articles 5(2)(b), 5(2)(c), and 8(7)(a), respectively, as described below.

The first declaration, authorized under Article 5(2)(b), permits the extension of the time period within which the United States must notify the International Bureau of its refusal to extend protection to an international registration. Article 5(2)(a) requires the PTO to notify its refusal to extend protection to a mark in an international registration, along with a statement of all grounds for the refusal, before the expiry of one year from the date on which the notification of the extension request was sent to the PTO by the International Bureau. Article 5(2)(b) provides, however, that the Article 5(2)(a) time limit of one year may be extended, by a Contracting Party's declaration, to 18 months. The PTO has ascertained that a declaration is necessary to ensure that sufficient time exists for the request for extension of protection to be examined in the PTO and, in the majority of cases, published for opposition.

Accordingly, the Department of State recommends that the following declaration be included in the U.S. instrument of accession:

> Pursuant to Article 5(2)(b) of the Protocol, the United States declares that, for international registrations made under this Protocol, the time limit referred to in subparagraph (a) of Article 5(2) is replaced by 18 months.

The second declaration, authorized under Article 5(2)(c), concerns the possibility of a refusal of protection with respect to any given international registration, as a result of third party opposition to

the granting of protection. If a declaration is made under Article 5(2)(c), the PTO may notify the International Bureau, before the expiry of the 18-month time limit for refusal, of the possibility that an opposition may be filed beyond this time limit and a subsequent refusal may then be notified by the PTO to the International Bureau after the expiry of the 18-month time limit. However, Article 5(2)(c) requires such a refusal to be notified 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 this seven-month time limit, the notification must be made within one month from the expiry of the opposition period.) The PTO has ascertained that a declaration is necessary to ensure that sufficient time exists for a mark that is the subject of a request for extension of protection to be published and for a third party to exercise its right to oppose and specify the grounds for opposition.

Accordingly, the Department of State recommends that the following declaration be included in the U.S. instrument of accession:

> Pursuant to Article 5(2)(c) of the Protocol, the United States declares that, when a refusal of protection may result from an opposition to the granting of protection, such refusal may be notified to the International Bureau after the expiry of the 18-month time limit.

The third declaration, authorized under Article 8(7)(a), concerns the fees to which the United States is entitled in connection with an extension of protection of an international registration. Article 8(1) of the Protocol permits the PTO, when it is the Office of origin, to fix and collect fees in connection with the filing of an international application or renewal of an international registration.

Article 8(2) through (6) provides for a system of collection and distribution of the international fees for registration and renewal of a mark with the International Bureau according to a formula, which would divide revenues equitably among Contracting Parties. The Article 8(2) through (6) formula essentially reproduces the system of fees that exists in the Madrid Agreement so that a Contracting Party that elects to be a member of both the Agreement and the Protocol will be able to adopt the same fee arrangement for both. However, Article 8(7)(a) permits any Contracting Party to receive, instead, in connection with each international registration for which an extension of protection is requested, and in connection with the renewal of any such international registration, individual fees that do not exceed the national or regional application filing fee and registration renewal fee, respectively, in effect at the time of declaration.

Article 8(7)(a) requires that, in arriving at the appropriate fee amounts, the national fee be diminished by the savings, if any, resulting from the international procedure. The PTO does not anticipate any savings as a result of the Protocol's international procedure. The PTO has ascertained that a declaration is necessary to ensure that the PTO receives sufficient fees to support the costs associated with its obligations under the Protocol.

Accordingly, the Department of State recommends that the following declaration be included in the U.S. instrument of accession:

Pursuant to Article 8(7)(a) of the Protocol, the United States declares that, in connection with each international registration in which it is mentioned under Article 3*ter* of the Protocol, and in connection with each renewal of any such international registration, the United States chooses to receive, instead of a share in revenue produced by the supplementary and complementary fees, an individual fee the amount of which shall be the current application or renewal fee that the United States Patent and Trademark Office charges at that time to a domestic applicant or registrant of such a mark.

CONCLUSION

The Protocol is of direct and immediate importance to the United States. It will facilitate the entry of U.S. industry into foreign markets by simplifying the acquisition of trademark protection abroad and reducing attendant costs. As described above, it will accomplish this by allowing a U.S. trademark owner to file for registration or renewal with any number of Contracting Parties through a single form filed with the PTO, accompanied by a single payment, and without the need to retain local agents or file individual applications in each Contracting Party in which protection is sought. The Department of Commerce and the Office of the United States Trade Representative join the Department of State in requesting that the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks be transmitted to the Senate for its advice and consent to accession as soon as possible, subject to the declarations previously described.

Respectfully submitted,

ALAN LARSON.

Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks

Adopted at Madrid on June 27, 1989

Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks

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Article 1

Membership in the Madrid Union

The States party to this Protocol (hereinafter referred to as "the Contracting States"), even where they are not party to the Madrid Agreement Concerning the International Registration of Marks as revised at Stockholm in 1967 and as amended in 1979 (hereinafter referred to as "the Madrid (Stockholm) Agreement"), and the organizations referred to in Article 14(1)*(b)* which are party to this Protocol (hereinafter referred to as "the Contracting Organizations") shall be members of the same Union of which countries party to the Madrid (Stockholm) Agreement are members. Any reference in this Protocol to "Contracting Parties" shall be construed as a reference to both Contracting States and Contracting Organizations.

Article 2

Securing Protection through International Registration

(1) Where an application for the registration of a mark has been filed with the Office of a Contracting Party, or where a mark has been registered in the register of the Office of a Contracting Party, the person in whose name that application (hereinafter referred to as "the basic application") or that registration (hereinafter referred to as "the basic registration") stands may, subject to the provisions of this Protocol, secure protection for his mark in the territory of the Contracting Parties, by obtaining the registration of that mark in the register of the International Bureau of the World Intellectual Property Organization (hereinafter referred to as "the international registration," "the International Register," "the International Bureau" and "the Organization," respectively), provided that,

(i) where the basic application has been filed with the Office of a Contracting State or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of that Contracting State, or is domiciled, or has a real and effective industrial or commercial establishment, in the said Contracting State,

(ii) where the basic application has been filed with the Office of a Contracting Organization or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of a State member of that Contracting Organization, or is domiciled, or has a real and effective industrial or commercial establishment, in the territory of the said Contracting Organization.

(2) The application for international registration (hereinafter referred to as "the international application") shall be filed with the International Bureau through the intermediary of the Office

with which the basic application was filed or by which the basic registration was made (hereinafter referred to as "the Office of origin"), as the case may be.

(3) Any reference in this Protocol to an "Office" or an "Office of a Contracting Party" shall be construed as a reference to the office that is in charge, on behalf of a Contracting Party, of the registration of marks, and any reference in this Protocol to "marks" shall be construed as a reference to trademarks and service marks.

(4) For the purposes of this Protocol, "territory of a Contracting Party" means, where the Contracting Party is a State, the territory of that State and, where the Contracting Party is an intergovernmental organization, the territory in which the constituting treaty of that intergovernmental organization applies.

Article 3

International Application

(1) Every international application under this Protocol shall be presented on the form prescribed by the Regulations. The Office of origin shall certify that the particulars appearing in the international application correspond to the particulars appearing, at the time of the certification, in the basic application or basic registration, as the case may be. Furthermore, the said Office shall indicate,

(i) in the case of a basic application, the date and number of that application,

(ii) in the case of a basic registration, the date and number of that registration as well as the date and number of the application from which the basic registration resulted.

The Office of origin shall also indicate the date of the international application.

(2) The applicant must indicate the goods and services in respect of which protection of the mark is claimed and also, if possible, the corresponding class or classes according to the classification established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. If the applicant does not give such indication, the International Bureau shall classify the goods and services in the appropriate classes of the said classification. The indication of classes given by the applicant shall be subject to control by the International Bureau, which shall exercise the said control in association with the Office of origin. In the event of disagreement between the said Office and the International Bureau, the opinion of the latter shall prevail.

(3) If the applicant claims color as a distinctive feature of his mark, he shall be required

(i) to state the fact, and to file with his international

application a notice specifying the color or the combination of colors claimed;

(ii) to append to his international application copies in color of the said mark, which shall be attached to the notifications given by the International Bureau; the number of such copies shall be fixed by the Regulations.

(4) The International Bureau shall register immediately the marks filed in accordance with Article 2. The international registration shall bear the date on which the international application was received in the Office of origin, provided that the international application has been received by the International Bureau within a period of two months from that date. If the international application has not been received within that period, the international registration shall bear the date on which the said international application was received by the International Bureau. The International Bureau shall notify the international registration without delay to the Offices concerned. Marks registered in the International Register shall be published in a periodical gazette issued by the International Bureau, on the basis of the particulars contained in the international application.

(5) With a view to the publicity to be given to marks registered in the International Register, each Office shall receive from the International Bureau a number of copies of the said gazette free of charge and a number of copies at a reduced price, under the conditions fixed by the Assembly referred to in Article 10 (hereinafter referred to as "the Assembly"). Such publicity shall be deemed to be sufficient for the purposes of all the Contracting Parties, and no other publicity may be required of the holder of the international registration.

Article 3[bis]

Territorial Effect

The protection resulting from the international registration shall extend to any Contracting Party only at the request of the person who files the international application or who is the holder of the international registration. However, no such request can be made with respect to the Contracting Party whose Office is the Office of origin.

Article 3[ter]

Request for "Territorial Extension"

(1) Any request for extension of the protection resulting from the international registration to any Contracting Party shall be specially mentioned in the international application.

(2) A request for territorial extension may also be made subsequently to the international registration. Any such request shall be presented on the form prescribed by the Regulations. It shall

be immediately recorded by the International Bureau, which shall notify such recordal without delay to the Office or Offices concerned. Such recordal shall be published in the periodical gazette of the International Bureau. Such territorial extension shall be effective from the date on which it has been recorded in the International Register; it shall cease to be valid on the expiry of the international registration to which it relates.

Article 4

Effects of International Registration

(1)*(a)* From the date of the registration or recordal effected in accordance with the provisions of Articles 3 and 3[ter], the protection of the mark in each of the Contracting Parties concerned shall be the same as if the mark had been deposited direct with the Office of that Contracting Party. If no refusal has been notified to the International Bureau in accordance with Article 5(1) and (2) or if a refusal notified in accordance with the said Article has been withdrawn subsequently, the protection of the mark in the Contracting Party concerned shall, as from the said date, be the same as if the mark had been registered by the Office of that Contracting Party.

(b) The indication of classes of goods and services provided for in Article 3 shall not bind the Contracting Parties with regard to the determination of the scope of the protection of the mark.

(2) Every international registration shall enjoy the right of priority provided for by Article 4 of the Paris Convention for the Protection of Industrial Property, without it being necessary to comply with the formalities prescribed in Section D of that Article.

Article 4[bis]

Replacement of a National or Regional Registration by an International Registration

(1) Where a mark that is the subject of a national or regional registration in the Office of a Contracting Party is also the subject of an international registration and both registrations stand in the name of the same person, the international registration is deemed to replace the national or regional registration, without prejudice to any rights acquired by virtue of the latter, provided that

(i) the protection resulting from the international registration extends to the said Contracting Party under Article 3[ter](1) or (2),

(ii) all the goods and services listed in the national or regional registration are also listed in the international registration in respect of the said Contracting Party,

(iii) such extension takes effect after the date of the national or regional registration.

(2) The Office referred to in paragraph (1) shall, upon request, be required to take note in its register of the international registration.

Article 5

Refusal and Invalidation of Effects of International Registration in Respect of Certain Contracting Parties

(1) Where the applicable legislation so authorizes, any Office of a Contracting Party which has been notified by the International Bureau of an extension to that Contracting Party, under Article 3[ter](1) or (2), of the protection resulting from the international registration shall have the right to declare in a notification of refusal that protection cannot be granted in the said Contracting Party to the mark which is the subject of such extension. 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. However, protection may not be refused, even partially, by reason only that the applicable legislation would permit registration only in a limited number of classes or for a limited number of goods or services.

(2)*(a)* Any Office wishing to exercise such right shall notify its refusal to the International Bureau, together with a statement of all grounds, within the period prescribed by the law applicable to that Office and at the latest, subject to subparagraphs *(b)* and *(c)*, before the expiry of one year from the date on which the notification of the extension referred to in paragraph (1) has been sent to that Office by the International Bureau.

(b) Notwithstanding subparagraph *(a)*, any Contracting Party may declare that, for international registrations made under this Protocol, the time limit of one year referred to in subparagraph *(a)* is replaced by 18 months.

(c) Such declaration may also specify that, when a refusal of protection may result from an opposition to the granting of protection, such refusal may be notified by the Office of the said Contracting Party to the International Bureau after the expiry of the 18-month time limit. Such an Office may, with respect to any given international registration, notify a refusal of protection after the expiry of the 18-month time limit, but only if

(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 this time limit of seven months, the notification must be made within a time limit of one month from the expiry of the opposition period.

(d) Any declaration under subparagraphs *(b)* or *(c)* may be made in the instruments referred to in Article 14(2), and the effective date of the declaration shall be the same as the date of entry into force of this Protocol with respect to the State or intergovernmental organization having made the declaration. Any such declaration may also be made later, in which case the declaration shall have effect three months after its receipt by the Director General of the Organization (hereinafter referred to as "the Director General"), or at any later date indicated in the declaration, in respect of any international registration whose date is the same as or is later than the effective date of the declaration.

(e) Upon the expiry of a period of ten years from the entry into force of this Protocol, the Assembly shall examine the operation of the system established by subparagraphs *(a)* to *(d)*. Thereafter, the provisions of the said subparagraphs may be modified by a unanimous decision of the Assembly.

(3) The International Bureau shall, without delay, transmit one of the copies of the notification of refusal to the holder of the international registration. The said holder shall have the same remedies as if the mark had been deposited by him direct with the Office which has notified its refusal. Where the International Bureau has received information under paragraph (2)*(c)*(i), it shall, without delay, transmit the said information to the holder of the international registration.

(4) The grounds for refusing a mark shall be communicated by the International Bureau to any interested party who may so request.

(5) Any Office which has not notified, with respect to a given international registration, any provisional or final refusal to the International Bureau in accordance with paragraphs (1) and (2) shall, with respect to that international registration, lose the benefit of the right provided for in paragraph (1).

(6) Invalidation, by the competent authorities of a Contracting Party, of the effects, in the territory of that Contracting Party, of an international registration may not be pronounced without the holder of such international registration having, in good time, been afforded the opportunity of defending his rights. Invalidation shall be notified to the International Bureau.

Article 5bis

Documentary Evidence of Legitimacy of Use of Certain Elements of the Mark

Documentary evidence of the legitimacy of the use of certain elements incorporated in a mark, such as armorial bearings, escutcheons, portraits, honorary distinctions, titles, trade names, names of persons other than the name of the applicant, or other like inscriptions, which might be required by the Offices of the Contracting Parties shall be exempt from any legalization as well as from any certification other than that of the Office of origin.

Article 5ter

Copies of Entries in International Register; Searches for Anticipations; Extracts from International Register

(1) The International Bureau shall issue to any person applying therefor, upon the payment of a fee fixed by the Regulations, a copy of the entries in the International Register concerning a specific mark.

(2) The International Bureau may also, upon payment, undertake searches for anticipations among marks that are the subject of international registrations.

(3) Extracts from the International Register requested with a view to their production in one of the Contracting Parties shall be exempt from any legalization.

Article 6

Period of Validity of International Registration; Dependence and Independence of International Registration

(1) Registration of a mark at the International Bureau is effected for ten years, with the possibility of renewal under the conditions specified in Article 7.

(2) Upon expiry of a period of five years from the date of the international registration, such registration shall become independent of the basic application or the registration resulting therefrom, or of the basic registration, as the case may be, subject to the following provisions.

(3) The protection resulting from the international registration, whether or not it has been the subject of a transfer, may no longer

be invoked if, before the expiry of five years from the date of the international registration, the basic application or the registration resulting therefrom, or the basic registration, as the case may be, has been withdrawn, has lapsed, has been renounced or has been the subject of a final decision of rejection, revocation, cancellation or invalidation, in respect of all or some of the goods and services listed in the international registration. The same applies if

(i) an appeal against a decision refusing the effects of the basic application,

(ii) an action requesting the withdrawal of the basic application or the revocation, cancellation or invalidation of the registration resulting from the basic application or of the basic registration, or

(iii) an opposition to the basic application

results, after the expiry of the five-year period, in a final decision of rejection, revocation, cancellation or invalidation, or ordering the withdrawal, of the basic application, or the registration resulting therefrom, or the basic registration, as the case may be, provided that such appeal, action or opposition had begun before the expiry of the said period. The same also applies if the basic application is withdrawn, or the registration resulting from the basic application or the basic registration is renounced, after the expiry of the five-year period, provided that, at the time of the withdrawal or renunciation, the said application or registration was the subject of a proceeding referred to in item (i), (ii) or (iii) and that such proceeding had begun before the expiry of the said period.

(4) The Office of origin shall, as prescribed in the Regulations, notify the International Bureau of the facts and decisions relevant under paragraph (3), and the International Bureau shall, as prescribed in the Regulations, notify the interested parties and effect any publication accordingly. The Office of origin shall, where applicable, request the International Bureau to cancel, to the extent applicable, the international registration, and the International Bureau shall proceed accordingly.

Article 7

Renewal of International Registration

(1) Any international registration may be renewed for a period of ten years from the expiry of the preceding period, by the mere payment of the basic fee and, subject to Article 8(7), of the supplementary and complementary fees provided for in Article 8(2).

(2) Renewal may not bring about any change in the international registration in its latest form.

(3) Six months before the expiry of the term of protection, the

International Bureau shall, by sending an unofficial notice, remind the holder of the international registration and his representative, if any, of the exact date of expiry.

(4) Subject to the payment of a surcharge fixed by the Regulations, a period of grace of six months shall be allowed for renewal of the international registration.

Article 8

Fees for International Application and Registration

(1) The Office of origin may fix, at its own discretion, and collect, for its own benefit, a fee which it may require from the applicant for international registration or from the holder of the international registration in connection with the filing of the international application or the renewal of the international registration.

(2) Registration of a mark at the International Bureau shall be subject to the advance payment of an international fee which shall, subject to the provisions of paragraph (7)*(a)*, include,

(i) a basic fee;

(ii) a supplementary fee for each class of the International Classification, beyond three, into which the goods or services to which the mark is applied will fall;

(iii) a complementary fee for any request for extension of protection under Article 3[ter].

(3) However, the supplementary fee specified in paragraph (2)(ii) may, without prejudice to the date of the international registration, be paid within the period fixed by the Regulations if the number of classes of goods or services has been fixed or disputed by the International Bureau. If, upon expiry of the said period, the supplementary fee has not been paid or the list of goods or services has not been reduced to the required extent by the applicant, the international application shall be deemed to have been abandoned.

(4) The annual product of the various receipts from international registration, with the exception of the receipts derived from the fees mentioned in paragraph (2)(ii) and (iii), shall be divided equally among the Contracting Parties by the International Bureau, after deduction of the expenses and charges necessitated by the implementation of this Protocol.

(5) The amounts derived from the supplementary fees provided for in paragraph (2)(ii) shall be divided, at the expiry of each year, among the interested Contracting Parties in proportion to the number of marks for which protection has been applied for in each of them during that year, this number being multiplied, in the case of Contracting Parties which make an examination, by a coefficient which shall be determined by the Regulations.

(6) The amounts derived from the complementary fees provided for in paragraph (2)(iii) shall be divided according to the same rules as those provided for in paragraph (5).

(7)*(a)* Any Contracting Party may declare that, in connection with each international registration in which it is mentioned under Article 3[ter], and in connection with the renewal of any such international registration, it wants to receive, instead of a share in the revenue produced by the supplementary and complementary fees, a fee (hereinafter referred to as "the individual fee") whose amount shall be indicated in the declaration, and can be changed in further declarations, but may not be higher than the equivalent of the amount which the said Contracting Party's Office would be entitled to receive from an applicant for a ten-year registration, or from the holder of a registration for a ten-year renewal of that registration, of the mark in the register of the said Office, the said amount being diminished by the savings resulting from the international procedure. Where such an individual fee is payable,

(i) no supplementary fees referred to in paragraph (2)(ii) shall be payable if only Contracting Parties which have made a declaration under this subparagraph are mentioned under Article 3[ter], and

(ii) no complementary fee referred to in paragraph (2)(iii) shall be payable in respect of any Contracting Party which has made a declaration under this subparagraph.

(b) Any declaration under subparagraph *(a)* may be made in the instruments referred to in Article 14(2), and the effective date of the declaration shall be the same as the date of entry into force of this Protocol with respect to the State or intergovernmental organization having made the declaration. Any such declaration may also be made later, in which case the declaration shall have effect three months after its receipt by the Director General, or at any later date indicated in the declaration, in respect of any international registration whose date is the same as or is later than the effective date of the declaration.

Article 9

Recordal of Change in the Ownership of an International Registration

At the request of the person in whose name the international registration stands, or at the request of an interested Office made *ex officio* or at the request of an interested person, the International Bureau shall record in the International Register any change in the ownership of that registration, in respect of all or some of the Contracting Parties in whose territories the said registration has effect and in respect of all or some of the goods and services listed in the registration, provided that the new holder is a person who, under Article 2(1), is entitled to file international applications.

Article 9[bis]

Recordal of Certain Matters Concerning an International Registration

The International Bureau shall record in the International Register

(i) any change in the name or address of the holder of the international registration,

(ii) the appointment of a representative of the holder of the international registration and any other relevant fact concerning such representative,

(iii) any limitation, in respect of all or some of the Contracting Parties, of the goods and services listed in the international registration,

(iv) any renunciation, cancellation or invalidation of the international registration in respect of all or some of the Contracting Parties,

(v) any other relevant fact, identified in the Regulations, concerning the rights in a mark that is the subject of an international registration.

Article 9[ter]

Fees for Certain Recordals

Any recordal under Article 9 or under Article 9[bis] may be subject to the payment of a fee.

Article 9[quater]

Common Office of Several Contracting States

(1) If several Contracting States agree to effect the unification of their domestic legislations on marks, they may notify the Director General

(i) that a common Office shall be substituted for the national Office of each of them, and

(ii) that the whole of their respective territories shall be deemed to be a single State for the purposes of the application of all or part of the provisions preceding this Article as well as the provisions of Articles 9[quinquies] and 9[sexies].

(2) Such notification shall not take effect until three months after the date of the communication thereof by the Director General to the other Contracting Parties.

Article 9quinquies

Transformation of an International Registration into National or Regional Applications

Where, in the event that the international registration is cancelled at the request of the Office of origin under Article 6(4), in respect of all or some of the goods and services listed in the said registration, the person who was the holder of the international registration files an application for the registration of the same mark with the Office of any of the Contracting Parties in the territory of which the international registration had effect, that application shall be treated as if it had been filed on the date of the international registration according to Article 3(4) or on the date of recordal of the territorial extension according to Article 3ter(2) and, if the international registration enjoyed priority, shall enjoy the same priority, provided that

(i) such application is filed within three months from the date on which the international registration was cancelled,

(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 in respect of the Contracting Party concerned, and

(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees.

Article 9sexies

Safeguard of the Madrid (Stockholm) Agreement

(1) Where, with regard to a given international application or a given international registration, the Office of origin is the Office of a State that is party to both this Protocol and the Madrid (Stockholm) Agreement, the provisions of this Protocol shall have no effect in the territory of any other State that is also party to both this Protocol and the Madrid (Stockholm) Agreement.

(2) The Assembly may, by a three-fourths majority, repeal paragraph (1), or restrict the scope of paragraph (1), after the expiry of a period of ten years from the entry into force of this Protocol, but not before the expiry of a period of five years from the date on which the majority of the countries party to the Madrid (Stockholm) Agreement have become party to this Protocol. In the vote of the Assembly, only those States which are party to both the said Agreement and this Protocol shall have the right to participate.

Article 10

Assembly

(1)*(a)* The Contracting Parties shall be members of the same Assembly as the countries party to the Madrid (Stockholm) Agreement.

(b) Each Contracting Party shall be represented in that Assembly by one delegate, who may be assisted by alternate delegates, advisors, and experts.

(c) The expenses of each delegation shall be borne by the Contracting Party which has appointed it, except for the travel expenses and the subsistence allowance of one delegate for each Contracting Party, which shall be paid from the funds of the Union.

(2) The Assembly shall, in addition to the functions which it has under the Madrid (Stockholm) Agreement, also

(i) deal with all matters concerning the implementation of this Protocol;

(ii) give directions to the International Bureau concerning the preparation for conferences of revision of this Protocol, due account being taken of any comments made by those countries of the Union which are not party to this Protocol;

(iii) adopt and modify the provisions of the Regulations concerning the implementation of this Protocol;

(iv) perform such other functions as are appropriate under this Protocol.

(3)*(a)* Each Contracting Party shall have one vote in the Assembly. On matters concerning only countries that are party to the Madrid (Stockholm) Agreement, Contracting Parties that are not party to the said Agreement shall not have the right to vote, whereas, on matters concerning only Contracting Parties, only the latter shall have the right to vote.

(b) One-half of the members of the Assembly which have the right to vote on a given matter shall constitute the quorum for the purposes of the vote on that matter.

(c) Notwithstanding the provisions of subparagraph *(b)*, if, in any session, the number of the members of the Assembly having the right to vote on a given matter which are represented is less than one-half but equal to or more than one-third of the members of the Assembly having the right to vote on that matter, the Assembly may make decisions but, with the exception of decisions concerning its own procedure, all such decisions shall take effect only if the conditions set forth hereinafter are fulfilled. The International Bureau shall communicate the said decisions to the

members of the Assembly having the right to vote on the said matter which were not represented and shall invite them to express in writing their vote or abstention within a period of three months from the date of the communication. If, at the expiry of this period, the number of such members having thus expressed their vote or abstention attains the number of the members which was lacking for attaining the quorum in the session itself, such decisions shall take effect provided that at the same time the required majority still obtains.

(d) Subject to the provisions of Articles 5(2)*(e)*, 9^{sexies}(2), 12 and 13(2), the decisions of the Assembly shall require two-thirds of the votes cast.

(e) Abstentions shall not be considered as votes.

(f) A delegate may represent, and vote in the name of, one member of the Assembly only.

(4) In addition to meeting in ordinary sessions and extraordinary sessions as provided for by the Madrid (Stockholm) Agreement, the Assembly shall meet in extraordinary session upon convocation by the Director General, at the request of one-fourth of the members of the Assembly having the right to vote on the matters proposed to be included in the agenda of the session. The agenda of such an extraordinary session shall be prepared by the Director General.

Article 11

International Bureau

(1) International registration and related duties, as well as all other administrative tasks, under or concerning this Protocol, shall be performed by the International Bureau.

(2)*(a)* The International Bureau shall, in accordance with the directions of the Assembly, make the preparations for the conferences of revision of this Protocol.

(b) The International Bureau may consult with intergovernmental and international non-governmental organizations concerning preparations for such conferences of revision.

(c) The Director General and persons designated by him shall take part, without the right to vote, in the discussions at such conferences of revision.

(3) The International Bureau shall carry out any other tasks assigned to it in relation to this Protocol.

Article 12

Finances

As far as Contracting Parties are concerned, the finances of the Union shall be governed by the same provisions as those contained in Article 12 of the Madrid (Stockholm) Agreement, provided that any reference to Article 8 of the said Agreement shall be deemed to be a reference to Article 8 of this Protocol. Furthermore, for the purposes of Article 12(6)*(b)* of the said Agreement, Contracting Organizations shall, subject to a unanimous decision to the contrary by the Assembly, be considered to belong to contribution class I (one) under the Paris Convention for the Protection of Industrial Property.

Article 13

Amendment of Certain Articles of the Protocol

(1) Proposals for the amendment of Articles 10, 11, 12, and the present Article, may be initiated by any Contracting Party, or by the Director General. Such proposals shall be communicated by the Director General to the Contracting Parties at least six months in advance of their consideration by the Assembly.

(2) Amendments to the Articles referred to in paragraph (1) shall be adopted by the Assembly. Adoption shall require three-fourths of the votes cast, provided that any amendment to Article 10, and to the present paragraph, shall require four-fifths of the votes cast.

(3) Any amendment to the Articles referred to in paragraph (1) shall enter into force one month after written notifications of acceptance, effected in accordance with their respective constitutional processes, have been received by the Director General from three-fourths of those States and intergovernmental organizations which, at the time the amendment was adopted, were members of the Assembly and had the right to vote on the amendment. Any amendment to the said Articles thus accepted shall bind all the States and intergovernmental organizations which are Contracting Parties at the time the amendment enters into force, or which become Contracting Parties at a subsequent date.

Article 14

**Becoming Party to the Protocol;
Entry into Force**

(1)*(a)* Any State that is a party to the Paris Convention for the Protection of Industrial Property may become party to this Protocol.

(b) Furthermore, any intergovernmental organization may also become 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 effect in the territory of the organization, provided that such Office is not the subject of a notification under Article 9[quater].

(2) Any State or organization referred to in paragraph (1) may sign this Protocol. Any such State or organization may, if it has signed this Protocol, deposit an instrument of ratification, acceptance or approval of this Protocol or, if it has not signed this Protocol, deposit an instrument of accession to this Protocol.

(3) The instruments referred to in paragraph (2) shall be deposited with the Director General.

(4)*(a)* This Protocol shall enter into force three months after four instruments of ratification, acceptance, approval or accession have been deposited, provided that at least one of those instruments has been deposited by a country party to the Madrid (Stockholm) Agreement and at least one other of those instruments has been deposited by a State not party to the Madrid (Stockholm) Agreement or by any of the organizations referred to in paragraph (1)*(b)*.

(b) with respect to any other State or organization referred to in paragraph (1), this Protocol shall enter into force three months after the date on which its ratification, acceptance, approval or accession has been notified by the Director General.

(5) Any State or organization referred to in paragraph (1) may, when depositing its instrument of ratification, acceptance or approval of, or accession to, this Protocol, declare that the protection resulting from any international registration effected under this Protocol before the date of entry into force of this Protocol with respect to it cannot be extended to it.

Article 15

Denunciation

(1) This Protocol shall remain in force without limitation as to time.

(2) Any Contracting Party may denounce this Protocol by notification addressed to the Director General.

(3) Denunciation shall take effect one year after the day on which the Director General has received the notification.

(4) The right of denunciation provided for by this Article shall not be exercised by any Contracting Party before the expiry of five years from the date upon which this Protocol entered into force with respect to that Contracting Party.

(5)*(a)* Where a mark is the subject of an international registration having effect in the denouncing State or intergovernmental organization at the date on which the denunciation becomes effective, the holder of such registration may file an application for the registration of the same mark with the Office of the denouncing State or intergovernmental organization, which shall be treated as if it had been filed on the date of the international registration according to Article 3(4) or on the date of recordal of the territorial extension according to Article 3ter(2) and, if the international registration enjoyed priority, enjoy the same priority, provided that

(i) such application is filed within two years from the date on which the denunciation became effective,

(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 in respect of the denouncing State or intergovernmental organization, and

(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees.

(b) The provisions of subparagraph *(a)* shall also apply in respect of any mark that is the subject of an international registration having effect in Contracting Parties other than the denouncing State or intergovernmental organization at the date on which denunciation becomes effective and whose holder, because of the denunciation, is no longer entitled to file international applications under Article 2(1).

Article 16

Signature; Languages; Depositary Functions

(1)*(a)* This Protocol shall be signed in a single copy in the English, French and Spanish languages, and shall be deposited with the Director General when it ceases to be open for signature at Madrid. The texts in the three languages shall be equally authentic.

(b) Official texts of this Protocol shall be established by the Director General, after consultation with the interested governments and organizations, in the Arabic, Chinese, German, Italian, Japanese, Portuguese and Russian languages, and in such other languages as the Assembly may designate.

(2) This Protocol shall remain open for signature at Madrid until December 31, 1989.

(3) The Director General shall transmit two copies, certified by the Government of Spain, of the signed texts of this Protocol to all States and intergovernmental organizations that may become party to this Protocol.

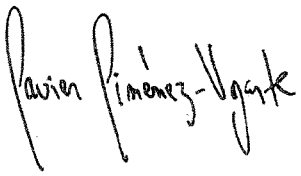
(4) The Director General shall register this Protocol with the Secretariat of the United Nations.

(5) The Director General shall notify all States and international organizations that may become or are party to this Protocol of signatures, deposits of instruments of ratification, acceptance, approval or accession, the entry into force of this Protocol and any amendment thereto, any notification of denunciation and any declaration provided for in this Protocol.

Je, soussigné, certifie que le texte qui précède est une copie conforme du Protocole relatif à l'Arrangement de Madrid concernant l'enregistrement international des marques adopté à Madrid le 27 juin 1989.

I hereby certify that the foregoing text is a true copy of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks adopted at Madrid on June 27, 1989.

Certifico que el texto que precede es copia auténtica del Protocolo concerniente al Arreglo de Madrid relativo al Registro Internacional de Marcas adoptado en Madrid el 27 de junio de 1989.



Javier Jiménez-Ugarte

Secrétaire général technique Ministère des affaires étrangères	**Technical Secretary General Ministry of Foreign Affairs**	**Secretario General Técnico Ministerio de Asuntos Exteriores**
le 15 décembre 1989	**December 15, 1989**	**15 de diciembre de 1989**

Send by Cable Pls as well as fax.

COUNCIL OF
THE EUROPEAN UNION

Brussels, 02 -02- 2000

0695

Mr Alan. P. LARSON
Under-Secretary for Economic and Business Affairs
United States Mission to the European Union
Boulevard du Regent, 40
1000 – BRUSSELS

Sir,

On 20 November 1997 Ambassador A. Vernon Weaver wrote to Ambassador Kasel proposing an understanding between the United States and the European Community and its Member States concerning the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol").

I am pleased to inform you that the Council of the European Union and the Representatives of the Governments of the Member States meeting within the Council have approved the following Statement of Intent:

"The European Community and its Member States affirm their commitment to a consensus-based decision process within the Assembly of the Madrid Union. However, if a vote is called for, the European Community and its Member States will endeavour to conduct prior consultations with the United States of America and, where appropriate, with other like-minded participants.

Post-It™ brand fax transmittal memo 7671	# of pages ▸ 2
To Jim ROBERTS	From A. WESTLING
Co. EB/TPP/MTA/IPC	Co. USEU
Dept. STATE	Phone # 202-326-31
Fax # (202) 647-1537	Fax # 314-3315

Rue de la Loi 175
1048 BRUSSELS

Where these consultations do not lead to a common position among the European Community, its Member States and the United States on the subject put to a vote, it is the intention of the European Community and its Member States to use their voting rights in such a way as to ensure that the number of votes cast by the European Community and its Member States does not exceed the number of the European Community's Member States."

Yours faithfully,

Margarida FIGUEIREDO
Chairwoman of the Permanent Representatives Committee

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