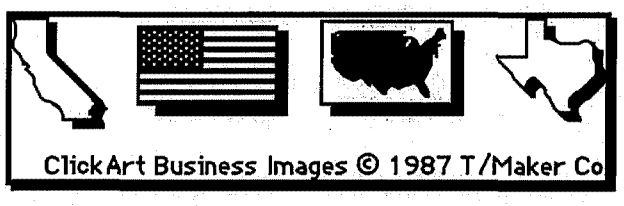
INTERNATIONAL TRADEMARK REGISTRATION CONVENTIONS:

AN ANALYSIS OF UNITED STATES PARTICIPATION



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INTERNATIONAL TRADEMARK REGISTRATION CONVENTIONS: AN ANALYSIS OF UNITED STATES PARTICIPATION

I. INTRODUCTION

With the coming of the twenty-first century, the focus of many U.S. companies, in order to effectively compete, has expanded from domestic markets to international arenas. This phenomena is largely due to the current trend of global integration of economies seen in both Europe, via the European Union, and North America, through the North American Free Trade Agreement (NAFTA). As companies expand into these new markets, there is a need for protecting consumers from misleading information as well as a more effective and efficient means for protecting the name and goodwill of the product.

In order to currently obtain trademark protection abroad, a U.S. applicant is required to obtain trademark registration in each individual country sought by filing an application in national trademark offices with the aid of foreign associates.[1] As a result, trademark protection is subject to the laws of each individual country. This process proves not only to be expensive and cumbersome, but geographically limiting as well.

Although a number of international systems easing the administrative procedures exist, to date there is neither a worldwide trademark system nor a worldwide trademark. To address these concerns, a number of international agreements have been formed to harmonize the protection of trademarks. The United States has joined two of these agreements, the Paris Convention and NAFTA, but has thus far refused becoming a member of the various other treaties dealing with international trademark harmonization.

This paper will attempt to explain some of the primary reasons behind the United State's refusal to join these international treaties as well as the procedural and substantive problems inherent in such agreements.

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[1] Jerome Gilson, *Trademark Protection and Practice*, § 9.05 (1993).

II. THE USE REQUIREMENT

In order to fully understand the U.S. objections to many of the international trademark harmonization attempts, it is important to note those U.S. trademark rules which set its laws apart from the rest of the world. Perhaps the most important distinction is the U.S. demand for proof that a trademark be actually used on goods and services before legal protection can be afforded to the mark's owner. This concept of trademark rights being based upon use has historically been part of the U.S. registration system.[2] This is in contrast to the registration laws of most foreign countries which provide rights for registration and priority based upon a first to file for registration rather than the first to use system employed in the U.S. The Supreme Court further emphasized the use principle as follows:

> "There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed. . . the right to a particular mark grows out of its use, not its mere adoption; its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his; and it is not the subject of property except in connection with an existing business."[3]

Due to this historic importance placed upon the use requirement, U.S. applicants can only receive federal registration upon proof of actual use[4] although an application may be filed in advance of use *via* an intent-to-use application.[5] As a result, unless a U.S. applicant has actually used its mark, it cannot secure full trademark protection under U.S. trademark law.

This U.S. emphasis on the use requirement continues even after a trademark has been granted. Namely, a registration will be canceled after six years unless the registrant files an

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[2] Intent to use or proposed use registration procedures have been considered at various times since the first act of Congress in 1870. The 1870 Act permitted the filing of applications without a requirement of use in commerce, but the Act was held unconstitutional due to the lack of any requirement for use in commerce. See generally *United States v. Steffens (Trademark Cases)*, 100 U.S. 82 (1879).

[3] *United Drug Co. v. Rectanus Co.*, 248 U.S. 90 (1918).

[4] 15 U.S.C. § 1051(d)(1) (1988).

[5] Id. § 1051(a)-(b).

affidavit stating that the mark is still in use.[6] This process is again repeated after ten years.[7] Further, "[n]onuse [of a trademark] for two consecutive years shall be prima facie evidence of abandonment."[8]

The purpose and importance of the use requirement is to ensure efficiency within the U.S. trademark system. Namely, by requiring such stringent measures, the federal trademark register is kept current and is purged of obsolete marks. By eliminating such "deadwood" on the register, the burden of searching is reduced and the number of potential conflicts with existing marks is also lessened. This, in turn, facilitates the adoption of trademarks by new market entrants.[9]

This emphasis on use provides the context for understanding the traditional U.S. hostility to many of the international trademark treaties. Namely, since most countries employ a first-to-file priority system which differs from the first-to-use priority system used by the U.S., the international treaties also employ a first-to-file system. As a result, foreign trademark applicants, through the use of international trademark harmonization treaties, would be able to register their marks in the U.S. without having ever used the mark. This raises U.S. concern due to the possible flooding of the Register with marks of no or little commercial importance. Subsequently, this deadwood would form a substantial obstacle to the ever more difficult search for new trademarks. Unfortunately, merging these seemingly diametrically opposite philosophies proves difficult if not impossible. As will be seen, U.S. applicants are put to a severe disadvantage to their foreign counterparts primarily because of this use requirement

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6 Id. § 1058.
7 Id. § 1059.
8 Id. § 1127.
9 Richard J. Taylor, *Loss of Trademark Rights Through Non Use: Comparative World Wide Analysis*, 80 Trademark Rep. 197, 200 (1990).

III. THE PARIS CONVENTION

The first agreement attempting to harmonize the world's trademark laws was the Paris Convention for the Protection of Industrial Property ("Paris Convention"). The Paris Convention is the principal international treaty protecting intellectual property rights, including patents and copyrights as well as trademarks.[10] In 1887, the United States became a signatory to this treaty[11] which seeks to ensure that each member country grants protection to the nationals of other member countries.

The Paris Convention operates on the notion of "national treatment." Every member nation must extend the same level of protection to nationals of other member nations just as it would to its own citizens. Unfortunately, this provides only a minimum level of protection. The few substantive standards set-out under the treaty simply serve to provide equal protection to all trademark owners regardless of nationality. As a result, the protection obtained under the treaty is only as good as the laws of the member country in which registration is sought.

To obtain trademark registration in a member nation under the Paris Convention, an applicant must either satisfy all of the nation's registration requirements as do the domestic applicants or register the mark in the applicant's home country.[12] This second requirement, known as the *telle quelle* principle, ensures that an applicant's trademark, which is registered in his home country, must be accepted for registration by all other members of the Paris Convention.

As a result of the *telle quelle* principle, a mark may not be refused on the grounds that it has not been used in trade and commerce previous to its registration. It is primarily because of this provision that the United States must treat domestic and foreign trademark applications

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10 Paris Convention for the Protection of Industrial Property, July 7, 1884.
11 33 Indus. Prop. 10 (1994).
12 Paris Convention for the Protection of Industrial Property, July 7, 1884.

differently since, under the Lanham Act, a U.S. applicant is required to show use in trade and commerce as a prerequisite to registration.[13] Conversely, the Paris Convention requires the United States to register the foreign applications registered in their respective home countries without use in trade or commerce. However, if there is non-use in the United States for two years, this serves as *prima facie* evidence of abandonment and registration of the mark may be canceled.[14] The fact that U.S. applicants are required to first satisfy the use requirement while their foreign counterparts are not puts them at a disadvantage in the global registration arena. Namely, U.S. applicants are required to meet much more stringent standards before being granted trademark protection.

Although the Paris Convention does provide some substantive protection for U.S. trademark owners, other criticisms, besides the *telle quelle* provision, exist.[15] Among these is that even though the Paris Convention assures that equal treatment will be afforded to foreign owners and domestic owners, the level of protection is not sufficiently addressed. As a result, some member nations only minimally protect trademark owners against infringement. Another drawback to the Paris Convention is the lack of an effective enforcement mechanism for deterring non-compliance with treaty provisions. Owners are at the mercy of each member nation's governing body to enforce the treaty. Finally, the Paris Convention does not address the creation of a centralized filing system to allow applicant's to file a single application for registration. Rather, applicants are still required to file separate applications for each individual country in which registration is sought which proves difficult and expensive.

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[13] 15 U.S.C. § 1126 (1988).

[14] Id. § 1127.

[15] L.A. Ellwood, *Industrial Property Convention and the "Telle Quelle" Clause*, 46 Trademark Rep. 36 (1956).

IV. THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The General Agreement on Tariffs and Trade (GATT) developed under the Uruguay Round as a multilateral trade agreement has concentrated all intellectual property matters under the Trade-Related Aspects of Intellectual Property Rights commonly known as the "TRIPs Agreement." This agreement requires members to adhere to minimum standards for the international protection of intellectual property rights as well as a means for enforcing those rights.

Specifically, TRIPs provides international trademark protection similar to those sections set-out in the Lanham Act concerning the filing and prosecution of trademark applications.[16] The TRIPs Agreement includes a provision which requires a minimum seven-year term of protection for trademarks which is renewable indefinitely.[17] Further, service marks as well as trademarks are included as registerable.[18] Another provision allows trademark registration for any type of subject matter capable of distinguishing the goods and services of one product from those of another.[19]

Finally, TRIPs incorporates specific provisions of the Paris Convention in order to entice Paris Convention member nations to join TRIPs. Namely, regarding the United State's concern regarding the *telle quelle* provision of the Paris Convention, TRIPs eliminates the requirement of use as a prerequisite to applying for trademark registration. Namely, a member country may make registrability, but not application filing, depend on use.[20] However, a lack of use within three years of the application filing date cannot be the sole reason for refusing registration.[21] Further, "[r]equirements for eventual use of a mark would be in the context of fairly liberal time

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16 See e.g., Trademark Act § 6(a) (Disclaimers); § 2(d) (Similar Marks); § 2(e)(1) (Descriptive Marks); § 2(e)(2) (Geographically Descriptive Marks); and § 2(e)(3) (Surnames).

17 TRIPs (Annex III), Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negtotiations, December 20, 1991, Section 2, Article 18 [hereinafter TRIPs].

18 TRIPs, supra note 17, Section 2.

19 TRIPs, supra note 17, Section 2.

20 TRIPs, supra note 17, Section 2, Article 15.

21 TRIPs, supra note 17, Section 2, Article 15.

restraints."[22] As a result, the United States would still adhere to its use requirement as a prerequisite to registration of a trademark under the confines of Article 19 which establishes parameters for use requirements for countries who require use to maintain registration. Unfortunately, since few other countries maintain this use requirement, U.S. applicants would continue to be greatly disadvantaged since only they would be required to meet this stringent standard.

In addition to these substantive provisions, TRIPs seeks to address the issues of enforcement and dispute prevention and resolution of trademark registration. These provisions are similar to those already in place under the current regime of U.S. trademark law. Namely, "[i]n requiring fair, equitable, reasonable, and timely notice in trademark proceedings, in recommending that decisions be reduced to writing and contain adequate explanation for the decision, TRIPs provides for a uniformity and minimum level of protection consistent with United States trademark practice that is currently lacking with respect to international protection of intellectual property rights."[23] Although the TRIPs agreement seeks to establish specific provisions which allow enforcement of intellectual property rights, much of the language is quite broad.[24] Therefore, it remains uncertain the effect interpretation of this treaty will have in the protection of trademark rights.

TRIPs does, however, contain advantages for U.S. trademark owners. Chiefly among these is that U.S. trademark owners will be able to petition a United States Trade Representative to implement enforcement procedures set-out under the provisions of GATT for violations of the TRIPs agreement. Also, most of the provisions of the TRIPs agreement are consistent with current U.S. trademark law and as a result, the level of protection afforded will be similar to that currently found in the U.S. making any transition to an international system less traumatic for U.S. registrants.[25]

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22 Eleanor K. Meltzer, *TRIPs and Trademarks, or - GATT Got Your Tongue?*, 83 TMR 18, 23 (1992).

23 Meltzer, supra note 22, at 36.

24 See e.g., Carlisle Walters, *Multilateral Trademark Issues Affecting the United States*, PLI/PAT 21, PLI Order G4-3906, (1993).

25 See generally Meltzer, supra note 22.

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V. THE NORTH AMERICAN FREE TRADE AGREEMENT

The North American Free Trade Agreement ("NAFTA"), permitted under the GATT Agreement Article XXIV, also establishes a frame work of rules which set up trade practices and policies for its members. Passed on September 17, 1992 between the U.S., Canada and Mexico, NAFTA has been hailed as providing "the most satisfactory protection for intellectual property rights to date."[26] The agreement, intended to harmonize U.S., Canadian and Mexican standards on patents, trademarks and copyrights, also expanded protection for sound recordings, computer programs, product and process patents, as well as service marks.

As seen in the previous agreements, NAFTA requires that "[e]ach Party shall provide in its territory to the nationals of another Party adequate and effective protection and enforcement of intellectual property rights, while ensuring that measures to enforce intellectual property rights do not themselves become barriers to legitimate trade."[27] Further, the agreement states that "[e]ach Party shall accord to nationals of another Party treatment no less favorable than it accords to its own nationals with regard to the protection and enforcement of all intellectual property rights."[28] These two articles read together ensure the trademark owner a minimum standard of protection as well as uniform treatment among member countries.

Although the intellectual property laws of the U.S. and Canada were somewhat similar, Mexican intellectual property law was substantially different. As a result, "[t]he passage of the Mexican law on the protection of industrial property in June 1991 initiated new substantive protection to patents and trademarks in Mexico, which greatly leveled the playing field of intellectual property law on which the three countries would construct NAFTA."[29] Despite these relatively large strides in the scope of intellectual property protection, Mexican

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[26] North American Free Trade Agreement, October 7, 1992, [hereinafter NAFTA].
[27] NAFTA, supra note 26, Article 1701.
[28] NAFTA , supra note 26, Article 1703.
[29] Cristina Del Valle, *Intellectual Property Provisions of the NAFTA*, 4 No. 11 J. Proprietary Rts. 8 (1992).

enforcement of these laws is criticized as insufficient and, as a result, became a focal point during the NAFTA negotiations.

In general, the provisions of NAFTA regarding trademarks mirror current U.S. trademark law. For example, the use of a registered trademark which results in a likelihood of confusion may be prevented by the trademark owner under the agreement. Further, NAFTA provides for registration of a non-generic mark for an initial term of ten years which is renewable. After an uninterrupted period of two years of non-use, the registration of the mark may be canceled under NAFTA provisions. Finally, NAFTA does away with the compulsory licensing of trademarks as well as allowing the owner of the trademark the option of assigning his trademark with or without the transference of the business with which the trademark is associated.[30]

Nearly all of the NAFTA provisions also mirror the TRIPs Agreement with the significant exception being the use requirement. While the TRIPs Agreement creates a ban of the requirement of use as a prerequisite to applying for trademark registration, NAFTA mandates the use requirement. NAFTA's use requirements are, however, less stringent than those found in the Lanham Act. In particular, Article 1708, Section 3 of NAFTA, which corresponds with Article 15(3) of TRIPs, provides that registration may depend on use, but actual use may not be a condition for filing an application.[31] Further, "[n]o application may be refused solely on the ground that intended use has not taken place before the expiry of three years from the date of the application."[32] Therefore, although the use requirement is still a hurdle which must be overcome, all member countries must abide by this requirement which serves to level the playing field in obtaining trademark protection.

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30 Del Valle, supra note 29. Under current U.S. law, the goodwill embodied in a mark must be assigned along with the trademark.

31 Daniel R. Bereskin, *A Comparison of the Trademark Provisions of NAFTA and TRIPs*, 83 Trademark Rep. 1 (1993).

32 Bereskin, supra note 31, at 7. Unless extensions of time are applied for and obtained, under the present legislation in both Canada and the United States, in theory an application could be refused on the basis of non-use within three years of the filing date.

Overall, NAFTA is an improvement in the protection of intellectual property rights of U.S. owners. Namely, it "signals that the United States will not settle for inadequate and ineffective protection for intellectual property rights from its trading partners. The United State's NAFTA negotiators would not accept the [previous] TRIPs Text's provisions in many areas; rather, they used the [previous] TRIPs Text as a starting point and then built upon it, increasing the protection provided."[33] As a result, NAFTA may itself be used in future negotiations as a starting from which to build.

VI. THE MADRID AGREEMENT

For over one hundred years, the Madrid Agreement, created at the Madrid Revision Conference of the Paris Convention[34], has been an easy way for trademark owners to obtain simultaneous registrations in Member foreign countries. This was intended to provide economic advantages for trademark owners by allowing "a trademark owner who has a country of origin registration in a member country [to] file, using its home country trademark office as the intermediary, an international trademark application with the International Bureau at the World Intellectual Property Organization ("WIPO") in Geneva. "[35] A benefit of filing under this system is that the applicant is allowed to apply for trademark protection in any and all member countries. Further, the application process requires that only a single application, written out in one language, French, paid for by one currency be filed in a central office, WIPO. The applicant may then designate to which member countries he chooses to have this request for registration extended. While the Madrid Agreement simplifies the application process in many ways, it still

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33 Charles S. Levy and Stuart M. Weiser, *The NAFTA: A Watershed For Protection of Intellectual Property*, 27 Int'l. Law 671, 685 (1993).

34 See Madrid Agreement Concerning the International Registration of Marks, April 14, 1891, 828 U.N.T.S. 389 [hereinafter Madrid Agreement]. Although there have been several revisions the most recent was in 1967 in Stockholm.

35 Lynne G. Beresford, *U.S. Adherence to the Madrid Protocol*, 318 PLI/PAT 7, 10, PLI Order No. G4-3870, (1991).

affords the trademark owner the same level of protection that he would have received had he filed individually in each member country.[36]

Although there are currently thirty-seven member nations[37], the U.S. has not joined the Madrid Agreement due to some of the restrictive provisions found within the treaty. The first such provision, putting a U.S. applicant at a substantial disadvantage, is the fact that registration be based on the registration in the country of origin. The trademark application process in the U.S. currently requires one to two years for completion as opposed to foreign registration which may require only a few days. As a result, the U.S. applicant would face the probability of losing the race for trademark protection to its foreign competitors.[38]

Secondly, the Madrid Agreement contains a provision commonly known as the "central attack." The "central attack" mechanism mandates the cancellation of any "extensions of protection" should the home country registration be canceled within the first five years of the international registration. "This would have a particularly unfair impact on U.S. trademark owners since many of the possible grounds of attack on U.S. registrations are not available in other countries."[39] As a result, U.S. trademark owners face the additional task of being challenged through the use of U.S. trademark law but cannot reciprocate using these laws. In effect, U.S. trademark law can only be used against U.S. trademark owners. Additionally, if the U.S. trademark registration is successfully challenged, all foreign registrations under the Madrid Agreement are subsequently also canceled.

Thirdly, the requirement that the application be written out in French is unduly burdensome on U.S. applicants.[40] The translation of such documents would result in a

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36 Roger E. Schechter, *Facilitating Trademark Registration Abroad: The Implications of U.S. Ratification of The Madrid Protocol*, 25 Geo. Wash. J. Int'l. L. & Econ. 419 (1991).

37 Members of the Madrid Agreement Include: Algeria, Australia, Benelux countries (Belgium, Luxembourg, Netherlands), Bulgaria, China, Cuba, Czechoslovakia, Democrat Peoples Republic of Korea, Egypt, France, Germany, Hungary, Italy, Liechtenstein, Monaco, Mongolia, Switzerland, Vietnam, Yugoslavia. WIPO doc no. 430(E), Guide to the International Registration of Marks. [hereinafter Guide to the International Registration of Marks].

38 Jeffrey M. Samuels, *The Madrid Protocol and Trademark Harmonization*, 387 PLI/Pat 231, PLI Order No G4-3921, (1994).

39 Samuels, supra note 38.

40 See Regulations Under the Madrid Agreement Concerning the International Registration of Marks adopted Apr. 22, 1988, Rule 7, reprinted in Guide, supra note 29, at 131. The rule states:

significant increase in workload for the U.S. Patent and Trademark Office (PTO) as they would be required to hire translators specifically for this task. Much of this added expense would be passed off to the trademark owners via increased trademark registration fees.

Finally, any refusal to register the mark under the Madrid Agreement would allow for only a twelve month refusal term. Such a time period, falling short of the one-two year normal U.S. registration term, would require the U.S. PTO to give priority to Madrid applications and estop the PTO from trying to refuse any registration after the expiration of the twelve month term. This would, again, be a significant disadvantage for U.S. applicants.

It could be argued that a solution to these drawbacks is to increase the number of trademark examiners within the Patent and Trademark Office ("PTO"). This could be accomplished by subsidizing these new hires with increased application fees. However, "if those fees are increased across-the-board, smaller U.S. firms with no interest in the advantage of international registration, would subsidize both larger U.S. firms and firms based in other nations who avail themselves of the Madrid Agreement opportunity to register in the United States."[41]

The U.S. hostility toward the Madrid Agreement further stems from the U.S. emphasis on the use requirement. As one U.S. trademark lawyer stated:

> "[M]y basic trademark philosophy [is] that . . . trademark right[s] should follow use of goods in commerce. Thus, the [Madrid] Agreement, which permits a trademark registrant in one country to extend his registration into twenty other countries, even though he oftentimes has no intention of doing business under the mark in those countries, is in direct contradiction to this philosophy. . . . [T]he pressing need of today is not to extend a mark automatically to a multiplicity of countries but rather to be able to find new marks for adoption and use by a tremendously larger number of businesses for a tremendously increased number of new products. . . . Thus, my first preference would be to see the Agreement of Madrid abolished."[42]

"In particular, applications for international registration, requests for the recording of a change correspondence regarding such applications and requests, refusals of protection, final decisions following refusals, notifications of invalidation and information provided by the International Bureau on the state of the International Register, particularly extracts from that Register, shall be in French."

41 Schecter, supra note 36, at 451.

42 Anthony R. DeSimone, *United States Adherence to the Agreement of Madrid*, 56 Trademark Rep. 320 (1966).

It is because of these attitudes regarding U.S. law along with the particular emphasis on the use requirement philosophy that the U.S. concerns with the Madrid Agreement become most evident.

VII. THE TRADEMARK REGISTRATION TREATY

In 1971, in order to bring about greater participation in an international trademark registration system, WIPO initiated a conference to develop the Trademark Registration Treaty ("TRT"). The TRT was intended to integrate the provisions of the Madrid Agreement in order to appease current Madrid Agreement members and, at the same time, address the concerns of the Paris Union members who did not join the Madrid Agreement, including the United States.

The purpose of the TRT was not to change substantive trademark law, rather it was designed as a filing treaty to simplify trademark application filing as well as the administering of registrations. Although the TRT was not regarded as a true multi-national trademark registration treaty, it did allow for the applicant to directly apply for trademark registration with WIPO thereby creating a "centralized" application process.

The TRT went to a diplomatic conference in 1973 and was signed by the United States the same year. Due to inherent conflicts with U.S. trademark laws, however, it was not ratified by Congress despite proposed legislative changes to the Lanham Act.[43] The TRT is considered a failure since it was only ratified by the five Paris Union countries which brought the treaty into force."[44]

The primary conflict concerning U.S. trademark laws with the TRT provisions related to the Lanham Act's use requirement. The TRT required a three year suspension of this trademark use requirement, which would have substantially affected United States trademark law.[45] In

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43 Trademark Registration Treaty Implementing Legislation, 973 Official Gazette U.S. Pat. & Trademark Off. T.M.O.G. 3 (Aug. 1, 1978).

44 Arpad Bogsch, *The First Hundred Years of the Madrid Agreement Concerning the International Registration of Marks*, 30 Indus. Prop. 389, 406 (1991).

45 Minde Glenn Browning, *International Trademark Law: A Pathfinder and Selected Bibliography*, 4 Ind.

particualr, the TRT required the suspension for a term of three years of user requirements which proved to be the most controversial aspect of the TRT since it would have required substantial changes being implemented into the current language of the Lanham Act. Specifically, in order to accommodate the provisions of the TRT, U.S. trademark law would have to have been amended from a first-to-use priority system to a first-to-file priority system. As a result, ownership rights to a trademark would be created through the mere act of registration. Although there were many proponents for this change,[46] it proved to be much too large of a step for ratification by Congress.

VIII. THE MADRID PROTOCOL

Beginning in the 1980's, WIPO made efforts to develop a treaty that would meet the needs and concerns of European Community nations[47] that had not signed onto the original Madrid Agreement. While the U.S. and Japan did not directly participate, they did sit in as observers on these discussions as they became keenly interested in the proposed changes to the Madrid Agreement. As a result of these discussions and negotiations, the "Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks" (commonly known as the Madrid Protocol) was created on June 27, 1989.[48] The goal of the Protocol was to create a multinational registration system for the protection of trademarks among member nations. Further, the Protocol, much like the Madrid Agreement, allows trademark owners of member

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Int'l. & Comp. L. Rev. 339, 341 (1994); citing J. Thomas McCarthy, *McCarthy on Trademark and Unfair Competition*, § 29.10(3) (3d. ed. 1992).

46 See generally, Gabriel M. Frayne, *History and Analysis of TRT*, 63 Trademark Rep. 422 (1973); Anthony R. DeSimone, *In Support of TRT*, 63 Trademark Rep. 492 (1973); William E. Schuyler, *A Chance to Modernize Our Trademark Statute*, 63 Trademark Rep. 478 (1973).

47 Namely, Denmark, Greece, Ireland, and the United Kingdom. Norm J. Rich, *United States Participation in the Madrid Protocol: What is the Price of Admission?*, 5 Temp. Int'l & Comp. L. J. (1991).

48 Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, June 27, 1989, 8 World Intellectual Property Organization, Industrial Property Law and Treaties Text 3-007 at 1 [hereinafter Madrid Protocol].

countries to receive multi-trademark registrations for other member countries in a more cost efficient manner.[49]

Although the Protocol stemmed from the Madrid Agreement, and even though much of the text of the Protocol is parallel to that of the Agreement, the Protocol is an independent treaty. "The wording of the Protocol largely follows the text of the MTA [Madrid Trademark Agreement] and, whenever possible, tracks the same language. Yet, in principle, it is a completely autonomous treaty, which means that, after taking effect, any international trademark applications filed pursuant to the Protocol are exclusively subject to its provisions."[50]

The existence of these similar yet independent treaties causes concern due to the fact that member nations may be parties to both agreements. In order to avoid potential confusion, a provision entitled the "Safeguard Clause" was added to the text of the original proposal.[51] This clause, in effect, states that where an applicant is filing a registration in a member nation that is a party to both agreements and where the applicant's home country is also a party to both agreements, the registration must be governed by the terms of the Madrid Agreement.[52] The reasoning for the inclusion of this clause was established to secure the notion that the main objective for the establishment of the Protocol was not to trump the Madrid Agreement but merely to entice non-members of the Agreement to join the Protocol and help establish a international trademark registration system.[53]

The Madrid Protocol, while similar in many respects to the Madrid Agreement, implements several innovations which make this new treaty much more attractive to countries

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[49] Participating countries to the formation of the Madrid Protocol include: Egypt, Belgium, Denmark, Germany, France, Great Britain, Hungary, Italy Yugoslavia, Liechtenstein, Luxembourg, Morocco, Mongolia, People's Republic of Korea, Portugal, Soviet Union, Spain, Switzerland and joining the talks later were Austria, Finland, Greece, Ireland, Monaco, Netherlands, Rumania, Senegal, and Sweden. Gerd F. Kunze, *The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989*, 82 Trademark Rep. 58 (1992).

[50] Kunze, supra note 49, at 58.

[51] Kunze, supra note 49, at 81.

[52] Kunze, supra note 49, at 82.

[53] Kunze, supra note 49, at 83.

such as the U.S. The first of these changes allows an international application to be based on the home country application rather than the registration as required under the Madrid Agreement.[54] "Thus, under the Protocol a U.S. firm need not delay the pursuit of protection abroad until the U.S. PTO completes its sometimes lengthy ex-parte review and until all risk of a domestic opposition passes. Rather it could proceed at once to secure registrations abroad, with a significant advantage of a much earlier priority date in any contest with another claimant for the same mark."[55] The U.S. companies would, therefore, be allowed to file international applications at a much earlier time than under the Madrid Agreement which requires actual complete registration in the home country as a prerequisite to the filing of an international application.

The second major change is its essential amelioration of the "central attack" provision of the Madrid Agreement. The central attack feature, requiring termination of all international registrations if the home country registration was attacked within the first five years of its term under the Agreement, now allows for a three month conversion period for all international registrations. If the home country registration is successfully attacked within the first five years of its term, the trademark owner will be granted a three month period upon which he may refile applications in each of the international countries. If those applications become filed, the date of the trademark registration will be retroactive to the filing date of the original international application.[56] "Such a prospect for conversion effectively severs the connection between the extension registration and the home country registration and would permit free exploitation, licensing, or transfer of foreign trademark rights, without any concern that an eleventh hour challenge in the U.S. PTO or in the U.S. court system could subvert foreign rights."[57]

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[54] Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, June 27, 1989, 8 World Intellectual Property Organization, Industrial Property Law and Treatise Text 3-007, at 1 [hereinafter Madrid Protocol].

[55] Schecter, supra note 36, at 437.

[56] See Madrid Protocol, supra note 48, Art. 9.

[57] Schecter, supra note 36, at 440.

Thirdly, while under the Agreement all documents must be written in French, the Protocol states that the official language under this treaty will be English as well as French.[58] This feature is attractive to both the U.S. PTO who would no longer need to hire translators as well as U.S. applicants who find this system more accessible.

The last major innovation extends the time period for refusal on international applications from 12 months to 18 months.[59] This additional time will diminish the possibility of preferential treatment being given to foreign applicants under the Madrid Protocol as well as reduce the concern that the U.S. PTO might need to hire additional examiners in order to accommodate the increased workload.

The process of filing under the Protocol entails submitting an application to the U.S. PTO requesting that the application be used for international registration under the Madrid Agreement. The PTO would then certify the application and forward it to WIPO, which as in the Madrid Agreement serves as the central office. WIPO, after reviewing that application prepares a new Madrid Protocol application which would then be sent back to the U.S. PTO.[60] Once the PTO reviews and approves the new application, it is sent back to WIPO for final review. If the Protocol application is approved, WIPO publishes the mark in Les Marques Internationales.[61] The central office then forwards the extensions of registration to each country that the applicant had designated for individual approval. The countries would judge each application based on its own individual laws in determining whether to approve or deny the registration. Subsequently, ". . . WIPO's endorsement to extend protection under the Madrid Protocol merely subjects the mark to the local laws of each participating country. This 'rubber stamping' illustrates that neither the Madrid Agreement nor the Madrid Protocol can truthfully

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58 Draft Regulations Under the Madrid Agreement and the Madrid Protocol, WIPO Doc. No. GT/PM/IV/2, Rule 5(2) at 12 (Sept. 11, 1991).

59 See Madrid Protocol, supra note 48, Art. 5(2) (b).

60 Guide to the International Registration of Marks, supra note 37, Art. 2(1).

61 See Madrid Protocol, supra note 48, Art. 3(5).

be considered trademark laws. . . thus, the Madrid Protocol system simply acts as a catalyst for restructuring procedures of international trademark registration."[62]

There are some significant advantages to the Madrid Protocol system for the United States. One obvious advantage is cost savings. U.S. applicants would no longer have to file individual registrations in each country but would rather only be required to complete one application written in English or French, filed with the PTO. There would also be a reduced need for local counsel for the initial registration process. Naturally, this would result in a substantial reduction in the expense in the application procedures. Another advantage is that renewals can be accomplished by one single payment made to the central office, WIPO. WIPO, therefore, would operate as an intermediary between applicants and each individual country holding copies of all trademarks and registrations in a central filing bank. This is in contrast to the current practice which requires that renewals be filed with each separate country. As a result, U.S. trademark owners would be benefited by an easier and simpler system if the U.S. were to join the Protocol.

In addition to having an easier renewal process the assignment process would also be substantially simplified. "Under the Protocol the assignment of an international registration is accomplished through a single request with WIPO, which will then record in the International Register the change in the name of the owner. This will significantly improve the current incredibly complicated, time-consuming and costly process of assigning trademark rights."[63]

Currently, U.S. businesses are not able to receive trademark assignments from international registrations since the U.S. has not, to date, become a member of the Madrid Protocol.[64] The fact that a U.S. business may not be assigned trademarks from the international register leaves the U.S. business person at a severe disadvantage to its foreign competitors who are members of the Protocol.

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62 Rich, supra note 47, at 97.
63 Samuels, supra note 38, at 238.
64 Samuels, supra note 38.

Although the Protocol has a number of advantages that would encourage the U.S. to join the treaty, there are several drawbacks that have prevented the U.S. from signing. Perhaps the most major disadvantage is the "intent-to-use" requirement imposed by U.S. law on foreign trademark applications. Currently, Section 44(d) of the Lanham Act states:

> "An application for registration of a mark, . . . filed by a person . . . who has previously duly filed an application for registration of the same mark in one of the countries described in subsection (b) shall be accorded the same force and effect as would be accorded to the same application if filed in the U.S. on the same date on which the application was first filed in such foreign country: Provided, That--
>
> (1) the application of the U.S. is filed within 6 months from the date on which the application was first filed in the foreign country;
>
> (2) the application conforms as nearly as practicable to the requirements of this Act, including a statement that the applicant has a bona fide intention to use the mark in commerce. . ."[65]

A foreign applicant desiring to receive U.S. trademark protection based on his foreign application date must, within 6 months of that date, file a U.S. application accompanied by a declaration of bona fide "intent to use" with the U.S. PTO. The effect of this provision allows foreign applicants to obtain U.S. trademark registration without requiring the element of actual use.[66] This is in direct contrast to requiring a U.S. applicant who, while also being allowed to file based on an intent to use, must prove actual use before the registration will be granted.[67]

The language in the Protocol surrounding the issue of "use" as a requirement is quite unclear. If the current provisions of the Lanham Act are implemented into the Madrid Protocol, the possibility of the existence of unused trademarks listed on the U.S. register would likely increase due to the simplified system of allowing numerous extensions of protection with the filing of only one application. The simplified application process would increase the probability of filings accompanied by fraudulent "intent-to-use" statements. Under the current system, the requirement that foreigners must file an individual application for U.S. registration,

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[65] 15 U.S.C. §1126(d) (1988) (§44(d) of the Lanham Act).

[66] See, however, Lanham Act Section 44(d) which requires convention priority foreign applicants to file a Section 8 affidavit of use after five years.

[67] "Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued for those goods or services recited in the statement of use for which the mark is entitled to registration, and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office." 15 U.S.C. §1051(d)(1).

rather than simply checking off the U.S. as an additional country where extension of protection is sought, makes it less likely that fraudulent claims would be filed.

These concerns may, however, be exaggerated. Foreign applicants may not necessarily file fraudulent declarations of "intent-to-use" with the U.S. PTO. Currently, the Lanham Act requires that applicants show, five years after registration, that the mark is still being used in U.S. commerce.[68] This requirement would also be found under the Madrid Protocol and, therefore, work to alleviate the probability of "deadwood" on the U.S. register.

Another problem left unresolved under the Madrid Protocol surrounds the identification of goods and services. The U.S. practice, much unlike that of many foreign nations, requires a good deal of specificity in the breakdown of the classes to which the particular trademark applies. Due to this practice, the trademark owner is required to give a narrow description as to which goods and services the particular mark will apply in order to receive registration of his trademark.[69] A foreign applicant, however, may file a much broader and less-specific description of the goods and services and still be afforded trademark protection. This restriction requires U.S. trademark owners when filing extensions of protection under the Madrid Protocol application to be limited to the narrow description of goods and services as required under the home country registration. The trademark owner, however, would be free to seek broader protection by filing individualized applications in each of the member nations.

> "One would expect that after a brief learning period foreign firms and foreign trademark lawyers in particular -- would become familiar with U.S. practice, narrowing their descriptions of goods in advance of any attempt to extend international registrations to the United States, thus saving themselves unnecessary expense and delay. United States firms, of course, would remain free to pursue separate national applications after U.S. adherence to the Protocol if they deemed such action in their own self interest."[70]

The U.S. government will need to examine more closely these concerns in order to determine whether it is beneficial for the U.S. to become a signatory to the Protocol. Although

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[68] 15 U.S.C. §1058(a).

[69] Daniel L. Scholer, *Trademark Identification -- Much Ado About Something?*, 76 Trademark Rep. 224, 241 (1986).

[70] Schechter, supra note 36 , at 423.

the Protocol was signed in 1989, it is not yet in force. Currently, only Spain has deposited an instrument of accession. In order for the Protocol to go into full force and effect[71], it will require the accession of at least four countries. Of these countries, one must be a member to the Madrid Agreement and one must be a non-member to that Agreement. "WIPO expects that, following either accession by the U.S. or ratification by the U.K., many other countries will follow suit so that the Protocol will come into being."[72]

IX. THE TRADEMARK LAW TREATY

The movement towards internationalizing the trademark law system has taken great steps since the adoption of the Paris Convention. However, the U.S. has to date opposed adoption of all of the developments and expansions made in this area. While the Protocol is indeed appealing to U.S. business owners and government officials alike, several deficiencies in its application have caused the U.S. to refrain from adopting it's language. Even with these setbacks, there continues to be a U.S. movement towards a unified registration system.

On October 12th through 28th of 1994, WIPO scheduled a Diplomatic Conference for the Conclusion of the Trademark Law Treaty in Geneva Switzerland.[73] This conference was intended to be the final negotiations of the Trademark Harmonization Treaty, also known as the Trademark Law Treaty ("TLT"). The treaty strives to create uniform application procedures for the trademark applications among member nations.

Since 1989, six "committee of experts" meetings have taken place due to WIPO's continued efforts to develop a simplified registration process. Originally, the treaty was intended to attack the more substantive aspects of trademark law and establish specific guidelines for determining what constitutes a mark and the grounds necessary to refuse registration. "After two working group meetings, however, it was apparent to WIPO and

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71 Walters, supra note 24, at 21.
72 Walters, supra note 24, at 30.
73 Samuels, supra note 38, at 241.

participating countries that there was little, if any, hope that the substantial differences that exist in trademark law and practice around the world could be reconciled."[74] As a result of these strained negotiation efforts, the focus of the TLT shifted from a substantive law aspects of trademark law to procedural ones.

One of the major developments in this new treaty is the development of a standardized application form which would establish specific prohibitions in the application process.[75] "These include:

> (1) the furnishing of any certificate of, or extract from, a register of commerce;
> (2) an indication of the applicant's carrying on of an industrial or commercial activity, as well as the furnishing of evidence to that effect;
> (3) an indication of the applicant's carrying on of an activity corresponding to the goods and/or services listed in the applications, as well as the furnishing of evidence to that effect; and
> (4) the furnishing of evidence to the effect that the mark has been registered in another country, except where the Paris Convention priority is claimed."[76]

These prohibitions and the requirement of a standardized form, while not as dramatic a change as seen under the Madrid Agreement and Madrid Protocol, do make it easier for trademark owners to anticipate what will be required for an international registration in member countries. This fact, in and of itself, could provide for a substantial savings for business owners in that they may no longer need to research, through local counsel, the elements needed for individual member country requirements in order to receive registration. The TLT is "essentially an anti-harassment treaty, designed to make life easier for trademark owners and practitioners alike."[77]

The treaty, under Articles 10 and 11, simplifies procedures for the changing of names and addresses as well as ownership of registration. "Where there is a change in the person of the holder each Contracting Party shall accept that a request for the recordal of the change by the Office in its register of marks be made in a communication signed by the holder for his

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74 Samuels, supra note 38, at 242.
75 Diplomatic Conference for the Conclusion of the Trademark Law Treaty, October 10 to 28, 1994, Article 3 [hereinafter Trademark Law Treaty].
76 Samuels, supra note 38, at 429.
77 Samuels, supra note 38, at 430.

representative, or by the person who acquired the ownership or his representative, and indicating the registration number of the registration concerned and the change to be recorded."[78] This specific language makes it clear what a trademark owner and the buyer of a trademark must do in order to protect ownership rights for the new owner of the mark.

Of particular interest to the U.S. trademark community is that the TLT draft contains specific provisions regarding the intent-to-use dilemma. Specifically, the TLT contains provisions which would permit a country to require of its applicants an allegation of a bona fide intent to use a mark and/or a declaration of actual use of the mark including evidence of such actual use. Included in the text of the TLT draft are notes which state that "an applicant may file based on both use and intent to use if the mark is used on some, but not all, of the goods. This practice is currently prohibited by Trademark Rule 2.33(d)."[79] The addition of this provision, while procedural in form, attacks a more substantive issue in the trademark laws.

The TLT draft further provides that "[a]ny Contracting Party may require that, where a declaration of intent-to-use has been filed . . ., the applicant furnish to its Office within a time limit fixed in its law, subject to the minimum time limit prescribed in the Regulations, evidence of actual use of the mark as required by the said law."[80] Proof of this use cannot be "any earlier than six months from the date of allowance of the application and that the time period may be extended by periods of at least six months each, up to a total extension of at least two and one-half years. This provision is consistent with current U.S. law and practice."[81] As a result, U.S. trademark applicants would be subject to the same use requirements as their foreign applicant counterparts which would, in turn, level the playing field between the U.S. applicants and their foreign counterparts.

This direct language of the TLT makes it a treaty that is much more enticing to the U.S. as it will involve less deviation from the current U.S. system applied, not to foreign

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78 Trademark Law Treaty, supra note 74, Article 11, Paragraph 1.
79 Samuels, supra note 38, at 432.
80 Trademark Law Treaty, supra note 74, Article 3..
81 Samuels, supra note 38, at 435.

applications, but to domestic applications themselves. The provisions also help to alleviate the concern of fraudulent "intent-to-use" declarations and the possibility of having unused trademarks cluttering the national U.S. register.

Another requirement favoring U.S. applicants is a provision allowing for multi-class registrations found under Article 6.[82] Since some countries do not allow for multi-class registrations, the adoption of this treaty would allow U.S. applicants to circumvent these old restrictions and apply them to the member countries as a multi-class registration.

The U.S. decided from the October negotiations to become one of the 36 original signatories to the Harmonization Treaty. It based its decision upon a number of factors. The U.S. has consistently held that any international treaty must not affect the U.S. independence of its regulation of substantive trademark law. The primary goal of the U.S. upon signing the treaty was to simplify the international process that U.S. business owners are currently subject to in order for them to expand beyond their national borders. Adoption of the treaty will mean that for the first time U.S. trademark law will be governed by sources outside of its geographic territoriality.

X. CONCLUSION

For over 100 years, since the Paris Convention until the Trademark Harmonization Treaty, the concept of effective international trademark harmonization still eludes those seeking its benefits. Although great strides in the area have occurred, seemingly insurmountable problems, including substantive trademark law and the concept of centralization, continue to plague harmonization proponents.

For the United States in particular, an international trademark harmonization treaty consistent with current U.S. trademark law appears out of reach. Despite the widely heralded

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82 "Where goods and/or services belonging to several classes of the Nice Classification have been included in the same application such an application shall result in one and the same registration." Trademark Law Treaty, supra note 69, Article 6.

creation of NAFTA, which only joined the United States with two other countries, U.S. trademark law appears to incompatible with other trademark systems around the world. As a result, the U.S. has been unwilling to join any of the substantive treaties created thus far.

The primary reason for the seeming unwillingness of the United States to join these agreements is the Lanham Act's use requirement. The U.S. emphasis on a first-to-use priority system while the majority of the globe adheres to a first-to-file priority system makes for a difficult task in creating a unified trademark treaty. Unfortunately, the recent amendment to the Lanham Act, the Trademark Law Revision Act of 1988,[83] which added the right to file based on a bona fide intention to use the mark, only exemplifies the United States strong and continued adherence to a use-based system. As a result, it appears that in order to create a truly international trademark system, a modification of current U.S. trademark law would first have to take place so that nationals of all adhering countries would be on a level playing field in all countries. Such a radical modification of current U.S. trademark laws appears highly unlikely in the near future.

This is not to say that the creation of these agreements is without merit. The development of the agreements has helped to bring about an international awareness of the importance of trademark protection. Namely, U.S. trademark owners can feel more confident in seeking international expansion knowing that many nations are actively pursuing the concept of international trademark harmonization. Further, as a result of the efforts of WIPO in helping to create the Madrid Protocol and Trademark Harmonization Treaty as well as the creation of GATT and NAFTA, countries are on notice that the name and goodwill of products are deserving of international protection.

The International Trademark Association (formerly the United States Trademark Association) recently held a conference to determine the future of trademark protection in the next 25 years.[84] The conference discussed issues which were felt to be crucial to future

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[83] Public Law 100-667. See also Lanham Act Section 7(c) which requires constructive use to be "nationwide in effect."

[84] Symposium, *Making History: Trademark in 2017*, 82 Trademark Rep. 829 (1992).

trademark development including international harmonization, centralized registration and enforcement of trademark rights. The creation of the conference exemplifies the United State's continued commitment to create an international trademark system which will address the substantive as well as procedural issues inherent in an international trademark registration scheme. Although the United States has historically shown some level of opposition to virtually all of the trademark harmonization attempts, this conference serves to show that the U.S. has not entirely abandoned the notion of international trademark harmonization. Only time will tell if within the next 25 years, as United States trademark owners seek out more of the international markets, whether they will enjoy the same level of trademark protection abroad as they currently enjoy under the Lanham Act.

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APPENDIX