
PROTOCOL RELATING TO THE MADRID AGREEMENT

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Mr. BIDEN from the Committee on Foreign Relations
submitted the following

REPORT

[To accompany Treaty Doc. 106-41]

The Committee on Foreign Relations, to which was referred the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks adopted at Madrid (“the Madrid Protocol”) on June 27, 1989, which entered into force on December 1, 1995, and a related letter from the Council of the European Union regarding voting within the assembly established under the Protocol, having considered the same, reports favorably on the Protocol with an understanding, declarations and conditions set forth in the resolution of advice and consent, and recommends that the Senate give its advice and consent to the accession thereof as set forth in this report and the accompanying resolution of advice and consent to accession.

CONTENTS

	Page
I. Purpose	2
II. Background	2
III. Entry Into Force and Denunciation	4
IV. Committee Action	5
V. Committee Recommendation and Comments	5
VI. Text of Resolution of Advice and Consent to Accession	6
VII. Appendix	9

I. PURPOSE

This treaty will permit U.S. trademark owners to register and protect a trademark internationally with a single standardized English-language filing and a single payment in dollars at the United States Patent and Trademark Office, in lieu of registering a mark in each country individually.

II. BACKGROUND

A. GENERAL

The Letter of Submittal from the Secretary of State to the President, dated July 11, 2000, and set forth in full in Treaty Document 106–41, explains in detail the background to the Madrid Protocol (*see pp. vi–vii*). This background may be summarized as follows.

Although an international system for the registration of trademarks—the “Madrid Agreement Concerning the International Registration of Marks”—has been in place for over a century, the United States has never been part of this system because it believed that the Agreement contained several provisions inimical to U.S. interests. These provisions included the requirement that applications be made in the French language and a provision, called “central attack,” which resulted in cancellation of an international registration in all countries party to the Agreement if the registration in the home country was cancelled in the first five years.

In 1989, the parties to the Madrid Agreement signed the Madrid Protocol. The Protocol is parallel to, but independent of, the Madrid Agreement. The Protocol remedies the concerns in the Madrid Agreement that had deterred the United States from joining the Agreement. Among other things, the Protocol permits the filing of applications in English. The Protocol addresses the concern about “central attack” as follows: if the registration in the home country is cancelled in the first five years, the international registration may be “transformed” into a series of national applications in the designated countries; those applications would retain the original filing date.

In the 1990s, the United States remained outside the Protocol—despite the Protocol’s resolution of major U.S. concerns—because intergovernmental organizations that meet the criteria to become Contracting Parties are each permitted (if they were to become a Contracting Party) to have an additional vote separate and independent from that of its member states in the operation of the Protocol. The United States long has opposed such voting power in multilateral fora for intergovernmental organizations because of its effect in diluting U.S. voting power. In early 2000, the United States reached an accommodation with the European Community (EC), the only intergovernmental organization likely to join the Protocol, which opened the door for the Executive Branch to recommend to the Senate that it advise and consent to accession. That accommodation is described below in Section II(C).

B. SUMMARY OF MADRID PROTOCOL PROCESS

A detailed discussion of the Madrid Protocol process is set forth in the Letter of Submittal from the Secretary of State to the Presi-

dent, dated July 11, 2000, and set forth in full in Treaty Document 106–41 (*see* pp. vii–xi). This process may be summarized as follows.

The Madrid 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 United States Patent and Trademark Office (“PTO”).

Under the Madrid Protocol, 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 the test, the PTO must forward the international application to the International Bureau of the World Intellectual Property Organization.

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 the application for registration 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, renewal of all extensions of protection may be made by filing a single request with a single payment.

A foreign trademark owner would follow a similar process to seek extension of protection of a trademark in the United States. The foreign owner would file an application for registration in the country of a foreign Contracting Party under the Protocol, and request extension of protection by other Contracting Parties. The application would be forwarded to the International Bureau. Then, if the owner requested extension of protection to the United States, the International Bureau would forward the application to the U.S. Patent and Trademark Office. The PTO would examine the request as it would any application for protection filed directly with the PTO. As provided in the proposed implementing legislation, the request for extension of protection will “be examined as an application for registration on the Principal Register” under the Trademark Act of 1946. (*See, e.g.*, Sec. 2 of S. 407, 107th Congress) (Proposed new Sec. 68(a) of Trademark Act of 1946).

C. EUROPEAN COMMUNITY MEMBERSHIP AND VOTING

From the perspective of the United States, the most controversial aspect of the Madrid Protocol has been the voting provision contained in subparagraph 3(a) of Article 10, which provides that “[e]ach Contracting Party shall have one vote in the Assembly.” Because intergovernmental organizations may become Contracting Parties under the Protocol, this provision has the effect of allowing an intergovernmental organization such as the European Community (“EC”) to have an additional vote separate, independent and in addition to the votes of its member states if it were to become a Contracting Party to the Madrid Protocol.

The United States opposed this possibility as a contravention of the democratic concept of one vote per country. State Department officials sought to ensure that this voting structure would not establish a damaging precedent for deviation from the one state-one vote principle in future international agreements.

At the request of the United States, the EC and its Member States 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. They also have indicated that, in the event that a vote is called for, they will endeavor to consult with the United States and, where appropriate, with other like-minded participants. The EC 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.

D. DECLARATIONS PROPOSED BY EXECUTIVE BRANCH

The Executive Branch recommends that the United States accede to the Protocol, accompanied by three declarations. These declarations concern 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, the possibility of a refusal of protection concerning any given international registration as a result of third party opposition to the granting of protection, and the fees to which the United States is entitled in connection with an extension of protection of an international registration.

E. IMPLEMENTING LEGISLATION

Legislation is necessary to implement the Protocol for the United States. The Executive Branch has indicated that the United States will not deposit the instrument of accession to the Protocol until enactment of the implementing legislation and until the passage of time sufficient to allow the PTO to promulgate the necessary regulations. This legislation would amend the Trademark Act of 1946.

There is broad support for the implementing legislation in the Committees on the Judiciary of the House and Senate, which have jurisdiction over trademark law. Earlier this year, the Committee on the Judiciary of the House of Representatives approved the bill by voice vote, and then the full House passed the bill under suspension of the rules (H.R. 741, approved March 14, 2001). In the Senate, the Committee on the Judiciary also approved the bill by voice vote (S. 407, reported July 25, 2001). The reports of both committees on this legislation express the view that "there is no opposition" either to the legislation or to the substantive portions of the Protocol. (*See* S. Rept. 107-46, at 4; H. Rept. 107-19, at 3).

III. ENTRY INTO FORCE AND DENUNCIATION

A. ENTRY INTO FORCE

The Protocol is in force. Pursuant to Article 14, for an acceding party, the agreement shall enter into force three months after the date on which its accession has been notified by the Director General of the World Intellectual Property Organization.

B. DENUNCIATION

Pursuant to Article 15, a Contracting Party may denounce the Protocol by notifying the Director General of the World Intellectual Property Organization. The denunciation takes effect one year after the day on which the Director General has received the notification.

IV. COMMITTEE ACTION

The Committee held a public hearing on the Madrid Protocol on September 13, 2000 (a transcript of the hearing and questions for the record may be found in S. Hrg. 106-660). On November 14, 2001, the Committee considered the Madrid Protocol and ordered it favorably reported by a voice vote, with a recommendation that the Senate give its advice and consent to the accession to the Protocol subject to the understanding, declarations, and conditions set forth in the resolution of advice and consent.

V. COMMITTEE RECOMMENDATION AND COMMENTS

The Committee recommends that the Senate advise and consent to the accession of the Madrid Protocol. The Committee believes that the Protocol will provide significant benefits to U.S. trademark owners by greatly simplifying the process of applying for international protection of a trademark. It will provide “one-stop shopping”—a means to protect a trademark abroad through the filing of a single application in a single location with a single fee. The Madrid Protocol will thereby save both time and money for U.S. trademark owners. Time will be saved not only in the simplified application process, but also in the process of review. Barring the filing of an opposition, applications must be reviewed and acted upon within 18 months, thereby shortening a process that can, in some countries, take several years. Money will be saved because it will reduce the transaction costs normally associated with filing for protection abroad. The Protocol would not affect the integrity of the U.S. trademark registration system because it does not address substantive trademark law. As stated in the letter of submittal from the Secretary of State to the President, the PTO must examine a request for protection under the Protocol “in the same manner, and pursuant to the same requirements, as a regularly-filed U.S. application.”

The Committee has included in the resolution of advice and consent to accession the three declarations proposed by the Executive Branch related to Protocol Article 5(2)(b) (related to the time period for notification of refusal to extend protection), Article 5(2)(c) (related to the time period for notification of refusal to extend protection as a result of third party opposition) and Article 8(7)(a) (related to fees charged in connection with international registrations and renewals). The Committee also notes that, under the Rule 7(2) of the Common Regulations under the Madrid Agreement and the Madrid Protocol, the United States intends to notify the Director General of the World Intellectual Property Organization that it will require that trademark owners requesting extension of protection to the United States under the Protocol to provide a statement of bona fide intention to use a mark in commerce. This is consistent with current U.S. law.

The Committee recognizes that the Executive Branch believes the commitment of the European Community on the question of voting in the Assembly of the Madrid Union by the Community is, although not legally binding, a significant political commitment. The Committee concurs in the judgment of the Secretary of State that while this is not an “ideal resolution of the voting issue and is certainly not an acceptable model for future agreements,” it does permit the United States to proceed with accession to the Protocol. To ensure that the Senate is promptly informed in the event that the European Community reneges on this commitment, the Committee has included a condition in the resolution of advice and consent requiring that the President notify the Senate within 15 days of such an occurrence.

The Committee also has included a declaration that the Protocol is not self-executing for the United States. For the purposes of the Protocol, the declaration that it is not self-executing reflects the fact that, as stated above and as stated in the Executive Branch’s submittals to the Senate, implementing legislation is necessary to carry out the provisions of the Protocol. Enactment of such legislation, which is proceeding through the normal legislative process, will be necessary before the President may deposit the U.S. instrument of accession to the Protocol. This declaration also makes clear the Committee’s view that the Protocol does not establish a private right of action. The Executive Branch has informed the Committee that it shares this view. (*See* exchange of letters in appendix)

VI. TEXT OF RESOLUTION OF ADVICE AND CONSENT TO ACCESSION

Resolved (two-thirds of the Senators present concurring therein),

SECTION 1. ADVICE AND CONSENT TO ACCESSION TO THE MADRID PROTOCOL, SUBJECT TO AN UNDERSTANDING, DECLARATIONS, AND CONDITIONS.

The Senate advises and consents to the accession by the United States to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted at Madrid on June 27, 1989, entered into force on December 1, 1995 (Treaty Doc. 106-41; in this resolution referred to as the “Protocol”), subject to the understanding in section 2, the declarations in section 3, and the conditions in section 4.

SEC. 2. UNDERSTANDING.

The advice and consent of the Senate under section 1 is subject to the understanding, which shall be included in the United States instrument of accession to the Protocol, that no secretariat is established by the Protocol and that nothing in the Protocol obligates the United States to appropriate funds for the purpose of establishing a permanent secretariat at any time.

SEC. 3. DECLARATIONS.

The advice and consent of the Senate under section 1 is subject to the following declarations.

(1) **NOT SELF-EXECUTING.**—The United States declares that the Protocol is not self-executing.

(2) **TIME LIMIT FOR REFUSAL NOTIFICATION.**—Pursuant to Article 5(2)(b) of the Protocol, the United States declares that, for

international registrations made under the Protocol, the time limit referred to in subparagraph (a) of Article 5(2) is replaced by 18 months. The declaration in this paragraph shall be included in the United States instrument of accession.

(3) NOTIFYING REFUSAL OF PROTECTION.—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 declaration in this paragraph shall be included in the United States instrument of accession.

(4) FEES.—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 charged by the United States Patent and Trademark Office to a domestic applicant or registrant of such a mark. The declaration in this paragraph shall be included in the United States instrument of accession.

SEC. 4. CONDITIONS.

The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) TREATY INTERPRETATION.—The Senate reaffirms condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (adopted at Vienna on May 31, 1996), approved by the Senate on May 14, 1997 (relating to condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988).

(2) NOTIFICATION OF THE SENATE OF CERTAIN EUROPEAN COMMUNITY VOTES.—The President shall notify the Senate not later than 15 days after any nonconsensus vote of the European Community, its member states, and the United States within the Assembly of the Madrid Union in which the total number of votes cast by the European Community and its member states exceeded the number of member states of the European Community.

VII. APPENDIX

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, November 14, 2001.

Hon. WILLIAM H. TAFT, IV,
*Legal Adviser,
Department of State,
Washington, DC.*

DEAR WILL:

Today the Committee on Foreign Relations will take up the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

The Committee intends to include in the resolution of advice and consent a declaration which states that the Protocol is not self-executing. For the purposes of the Protocol, I believe that this declaration reflects the fact that implementing legislation is necessary to carry out the provisions of the Protocol and reflects the Committee's view that the Protocol does not establish a private right of action.

I would appreciate knowing whether the Executive Branch shares this view regarding whether the Protocol establishes a private right of action.

Sincerely,

JOSEPH R. BIDEN, JR.,
Chairman.

Hon. WILLIAM H. TAFT, IV,
LEGAL ADVISER, DEPARTMENT OF STATE,
Washington, DC, November 14, 2001.

Hon. JOSEPH R. BIDEN, JR., *Chairman,*
*United States Senate,
Committee on Foreign Relations,
Washington, DC.*

DEAR MR. CHAIRMAN:

Thank you for your letter of November 14, 2001, informing me that the Committee on Foreign Relations will take up the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks today.

You have indicated that the Committee intends to include in the resolution of advice and consent a declaration that states that the Protocol is not self-executing. For the purposes of the Protocol, I understand the Committee believes that this declaration reflects the fact that implementing legislation is necessary to carry out the

provisions of the Protocol and reflects the Committee's view that the Protocol does not establish a private right of action.

In response to your inquiry, I am pleased to inform you that the Executive Branch shares the Committee's view that the Protocol does not establish a private right of action.

Sincerely,

WILLIAM H. TAFT, IV.

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