

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3372

To improve and promote compliance with international intellectual property obligations and to defend United States intellectual property interests from suspension of benefits abroad, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2005

Mr. FLAKE (for himself and Mr. DELAHUNT) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To improve and promote compliance with international intellectual property obligations and to defend United States intellectual property interests from suspension of benefits abroad, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “United States Trade-  
5        mark Defense Act of 2005”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress makes the following find-  
3 ings:

4 (1) Trademarks and trade names are vital as-  
5 sets of the many United States businesses that en-  
6 gage in international trade.

7 (2) Worldwide sales of branded products of  
8 United States businesses contribute in important  
9 ways to the livelihood of American workers and the  
10 well-being and continued healthy growth of numer-  
11 ous United States businesses. These sales depend, in  
12 turn, on the protection that other countries afford to  
13 the trademarks and trade names of United States  
14 businesses under treaties and international agree-  
15 ments.

16 (3) Among such treaties and agreements are  
17 the Agreement on Trade-Related Aspects of Intellec-  
18 tual Property Rights (TRIPS) of the World Trade  
19 Organization (WTO), the Paris Convention for the  
20 Protection of Industrial Property, and the General  
21 Inter-American Convention for Trade Mark and  
22 Commercial Protection.

23 (4) The United States should ensure that the  
24 trademark and trade names of United States busi-  
25 nesses continue to be protected abroad by working  
26 to ensure that other countries comply with their obli-

1 gations under intellectual property rights treaties  
2 and agreements. At the same time, the United  
3 States should adhere to its obligations under such  
4 treaties and agreements.

5 (5) Hundreds of United States businesses have  
6 registered their trademarks in Cuba in order to en-  
7 sure the exclusive right to use those trademarks  
8 when the United States trade embargo on that coun-  
9 try is lifted. Indeed, following the enactment of the  
10 Trade Sanctions Reform and Export Enhancement  
11 Act of 2000, many United States businesses are al-  
12 ready exporting branded food products to Cuba.

13 (6) The United States District Court for the  
14 Southern District of New York ruled that section  
15 211 of the Department of Commerce and Related  
16 Agencies Appropriations Act, 1999 (as contained in  
17 section 101(b) of division A of Public Law 105–277;  
18 112 Stat. 2681–88) abrogates, with respect to Cuba,  
19 the General Inter-American Convention on Trade  
20 Mark and Commercial Protection. The District  
21 Court’s ruling was affirmed by the United States  
22 Court of Appeals for the Second Circuit.

23 (7) Cuba’s international remedy under cus-  
24 tomary international law, as codified by Article 60 of  
25 the 1969 Vienna Convention on Treaties, for a

1 breach by the United States of the General Inter-  
2 American Convention on Trade Mark and Commer-  
3 cial Protection, is to suspend or revoke the protec-  
4 tions Cuba currently affords United States trade-  
5 marks and trade names.

6 (8) Since 1996, hundreds of United States  
7 businesses have registered over 50,000 European  
8 Community trademarks, and thousands of trade-  
9 mark registrations in individual European Union  
10 member states, in order to ensure the exclusive right  
11 to use their trademarks in the territory of the Euro-  
12 pean Union.

13 (9) The World Trade Organization upheld a  
14 challenge by the European Community and ruled  
15 that section 211 of the Department of Commerce  
16 and Related Agencies Appropriations Act, 1999, is  
17 inconsistent with the obligations of the United  
18 States under the Agreement on Trade-Related As-  
19 pects of Intellectual Property Rights, including pro-  
20 visions of the Paris Convention for the Protection of  
21 Industrial Property.

22 (10) If the United States fails to bring its law  
23 into conformity with the WTO ruling, the remedy of  
24 the European Community, as provided by the Dis-  
25 pute Settlement Understanding of the World Trade

1 Organization, is compensation and the suspension of  
2 concessions or other obligations that the European  
3 Community and its member states currently afford  
4 to intellectual property and other trade interests of  
5 the United States and its citizens.

6 (11) In order to preserve the rights of United  
7 States nationals holding trademarks and trade  
8 names in Cuba, in the European Union and its  
9 members states, and in other countries, the United  
10 States must repeal section 211 of the Department of  
11 Commerce and Related Agencies Appropriations Act,  
12 1999, and should take the necessary steps to pro-  
13 mote the long-term protection of trademarks, trade  
14 names, and domain names held by United States na-  
15 tionals in that country.

16 (12) Since long prior to the enactment of sec-  
17 tion 211 of the Department of Commerce and Re-  
18 lated Agencies Appropriations Act, 1999, it has been  
19 the practice of the Federal courts to provide equity  
20 in adjudicating disputes involving the United States  
21 trademark rights of foreign nationals whose busi-  
22 nesses at home have been confiscated by their gov-  
23 ernments.

24 (13) Therefore, section 211 of the Department  
25 of Commerce and Related Agencies Appropriations

1 Act, 1999, is not necessary for the courts to reach  
2 equitable results with respect to the trademark and  
3 trade name rights of foreign nationals who have suf-  
4 fered from confiscation of their businesses at home,  
5 and that the repeal of such section will return to the  
6 courts the full authority to give due consideration to  
7 all the relevant issues, both legal and equitable, with  
8 respect to such trademarks and trade names.

9 (b) PURPOSE.—The purpose of this Act is to improve  
10 and promote compliance with international intellectual  
11 property obligations and to defend United States intellec-  
12 tual property interests from suspension of benefits abroad,  
13 including in the European Community and its member  
14 states, Cuba, and in signatories of the General Inter-  
15 American Convention for Trade Mark and Commercial  
16 Protection and the Agreement on Trade-Related Aspects  
17 of Intellectual Property Rights.

18 **SEC. 3. ADHERENCE TO INTERNATIONAL AGREEMENTS**  
19 **AND UNDERSTANDINGS.**

20 (a) REPEAL.—Section 211 of the Department of  
21 Commerce and Related Agencies Appropriations Act,  
22 1999 (as contained in section 101(b) of division A of Pub-  
23 lic Law 105–277; 112 Stat. 2681–88) is repealed.

24 (b) REGULATIONS.—Not later than 30 days after the  
25 date of the enactment of this Act, the Secretary of the

1 Treasury shall issue such regulations as are necessary to  
2 carry out the repeal made by subsection (a), including re-  
3 moving any prohibition on transactions or payments to  
4 which subsection (a)(1) of section 211 of the Department  
5 of Commerce and Related Agencies Appropriations Act,  
6 1999 applied.

7 **SEC. 4. AUTHORITY OF COURTS.**

8 United States courts shall have the authority to rec-  
9 ognize, enforce, or otherwise validate an assertion of rights  
10 in any mark or trade name based on common law rights  
11 or registration or under any applicable provision of law  
12 or any applicable treaty to which the United States is a  
13 party.

14 **SEC. 5. PROTECTION OF UNITED STATES INTELLECTUAL**  
15 **PROPERTY RIGHTS.**

16 (a) ESTIMATES OF BARRIERS TO MARKET ACCESS.—  
17 For purposes of preparing the report required by section  
18 181 of the Trade Act of 1974 (19 U.S.C. 2241) for cal-  
19 endar year 2005, the United States Trade Representative  
20 shall examine the policies and practices of Cuba with re-  
21 spect to protecting and enforcing intellectual property  
22 rights.

23 (b) IDENTIFICATION OF COUNTRIES THAT DENY  
24 ADEQUATE PROTECTION, OR MARKET ACCESS, FOR IN-  
25 TELLECTUAL PROPERTY RIGHTS.—For purposes of meet-

1 ing the requirements of section 182 of the Trade Act of  
2 1974 (22 U.S.C. 2242) with respect to the report required  
3 by section 181 of such Act for calendar year 2005, the  
4 United States Trade Representative shall give due consid-  
5 eration to the findings of the Trade Representative pursu-  
6 ant to subsection (a).

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