

Trademark Advisory

NOVEMBER 2, 2010

International Trademark Protection: Why Don't My U.S. Rights Protect Me Elsewhere?

BY JOSEPH M. DICIOCCIO AND SUSAN NEUBERGER WELLER

Trademark protection in one country does not provide any protection in other countries. For example, a United States trademark registration is only effective in the United States and will not offer any protection against infringing uses in the European Union. To be protected in the EU, a trademark owner must obtain a separate registration for that jurisdiction. Thus, in our increasingly globalized society, trademark owners must ensure that the goodwill represented by their trademarks is protected in those countries deemed significant enough to warrant protection. This is because of the inherently territorial nature of trademark protection. Generally, a trademark registration is only valid in the territory controlled by the issuing entity. This article provides a brief analysis of the available options for international trademark protection and some of the benefits of each approach.

I. Use vs. Registration

The U.S. recognizes common law trademark rights based on good faith use of an unregistered mark, state registration rights, and rights based on federal registration of a mark. In the United States, a mark must be used in commerce before a federal trademark registration will be granted. While it is possible to file an intent-to-use application prior to commencing use, it is only after use has begun that a federal registration will be granted. This system is the exception and not the rule around the world. Most countries recognize trademark rights based on the first to register, not the first to use the mark. Moreover, in many countries it is not necessary to begin using the trademark locally in order for a trademark registration to issue (although use may have to be undertaken at some point after registration). Thus, it can pay to secure trademark protection before use has commenced in many countries around the world for a variety of reasons.

II. National Protection

National protection is obtained when a trademark application is filed directly with, and a registration issues from, the trademark office in the country in which protection is desired. If, for example, protection is desired in the U.K., then a local trademark attorney is retained and files a trademark application with the local trademark office, the U.K. Intellectual Property Office. Under the terms of an international agreement called the Paris Convention, 167 countries around the world have all agreed that each will provide "national treatment" for the citizens of each of the member countries for trademark registration purposes. The Paris Convention also allows an applicant to maintain the filing date of the original trademark application (such as the trademark application filed in the applicant's home country) when filing a subsequent application in a member country *if* that subsequent filing is made within six months of the original filing. This is called "claiming priority" and can be a significant benefit since establishing the earliest possible filing date reduces the risk that an interloper will file a similar trademark between the time of the filing of the initial home country application and any subsequent priority applications. Claiming

priority also allows an applicant to greatly reduce the initial capital outlay necessary to file what could be dozens of trademark applications simultaneously by allowing them to be filed over six months.

III. Multinational Protection

The alternative in some jurisdictions to national protection is obtaining protection simultaneously in multiple countries. Applicants have the option of utilizing one or more of the several multinational systems depending on the countries in which protection is desired. Below is a brief overview of the most popular multinational options.

A. European Community Trademark

If protection is desired in one or more of the 27 countries which are members of the European Union, then a “Community Trade Mark” (CTM) may be the best choice. The European Union has a unified registration system administered through an internal agency—the Office for Harmonization in the Internal Market (OHIM)—that allows an applicant to file one trademark application that, if granted, will provide protection in all 27 countries which are members of the European Union for renewable periods of 10 years each.¹ A CTM application has several benefits over filing applications nationally in individual European countries. First, the costs and fees for the application are a fraction of what would be incurred if a trademark application was filed in each European Union country. Second, use of the mark subsequent to registration in only one member country is sufficient to maintain the validity of the registration throughout the European Union. Third, a CTM registration can claim priority to an earlier application (under the Paris Convention noted above) but is otherwise independent of that application/registration.

B. Madrid System

Another popular multinational trademark filing system is the Madrid System, named after a series of international agreements governing the international protection of intellectual property.² The Madrid System is comprised of several international agreements pursuant to which 85 countries agree to allow the nationals of any of these countries to file one trademark application in their home country, pay one set of fees, and then extend that application to each member country in which protection is desired for renewable 10-year terms. Unlike in a CTM registration, a Madrid applicant must identify in which countries an application is to be filed (and pay an additional fee for each country designated). This system allows an applicant the flexibility and convenience of filing one application in one language directly from its home country. A single trademark registration is issued under the Madrid System (referred to as an “International Registration”) and lists each country protected by the registration. One significant benefit of a Madrid application aside from the potential cost savings is the convenience of having one central repository through which post-registration administration can be conducted. Rather than incurring the costs to contact each designated country, the registrant can file one central trademark assignment or renewal and have it applied to each designated country. However, for persons or entities domiciled in the United States, International Registration is not always the best option. Drawbacks to the Madrid System are detailed below:

1. Unlike a CTM application/registration, an International Registration is *fully* dependent on the home application and registration. If the home country application is abandoned, or the subsequent registration is cancelled within five years, the applicant must convert the International Registration into separate national applications/registrations and the International Registration is cancelled. The cost of converting the International Registration into individual national applications/registrations requires payment of an additional fee to each designated country, eliminating any savings from using the Madrid System in the first place.
2. In the United States, the Patent and Trademark Office requires that the goods and services in an application be very narrowly described compared with the broad descriptions accepted in most other countries. Thus, since an International Registration is based upon the home country application, the goods and services in each designated country must conform to the goods and services claimed in the original home country

application/registration. Thus, U.S. domiciled applicants may get much narrower protection overseas than they would get by filing national or other multinational applications directly.

3. Unlike a CTM application, which is examined for compliance with trademark laws by one central authority (the OHIM), a Madrid System application is examined in *each* designated country by the local trademark office, which will apply local laws and standards. If multiple objections are raised in any countries, local counsel must be retained in each to prepare and respond to the objections. These additional costs can quickly obviate any cost savings inherent in a Madrid System filing.
4. Not all countries participate in the Madrid System. In fact, there are large portions of the world that are noticeably absent, such as Central and South America, Mexico, South Africa, and Canada. A convenient list of participating countries is provided in the endnote below.³

C. Benelux

Known collectively as “Benelux,” the countries of Belgium, the Netherlands, and Luxembourg allow a joint trademark application which provides protection in all three countries. For one fee, and with only one central examination, protection (if granted) will be extended to all three countries for renewable 10-year terms. This designation can also be used in conjunction with claiming priority under the Paris Convention, and Benelux can be designated as a territory in a Madrid System application.

D. ARIPO

The African Regional Industrial Property Office (ARIPO) is a multinational trademark treaty involving many of the English-speaking African nations. If granted, one centralized ARIPO trademark application/registration extends protection for a renewable 10-year term in the following countries: Botswana, Lesotho, Liberia, Malawi, Namibia, Swaziland, Tanzania, Uganda, and Zimbabwe. Notably, South Africa is not included. An ARIPO application functions more like an International Registration in the sense that an applicant must specifically designate the African countries in which protection will be sought and an additional payment is required for each. Further, each designated country will examine (and potentially object to) the application through its local trademark office under local trademark laws and standards. An applicant can also claim priority under the Paris Convention for an ARIPO application.

E. OAPI

Africaine de la Propriété Intélectuelle (OAPI) is the French-speaking equivalent of ARIPO in Africa and includes the primarily French speaking countries of Africa: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Ivory Coast, Mali, Mauritania, Niger, Senegal, and Togo. An OAPI application is more like a CTM application than an International Registration in the sense that an applicant does not designate each individual country. Rather, for one fee, protection is automatically extended (if granted) to all member countries for a renewable 10-year term. This is because it is not currently possible to file national applications in any of these member countries individually and, thus, with only one central examining authority, protection is extended automatically into each country. As with most other multinational filings, Paris Convention priority can be designated with an OAPI application

IV. Which International Strategy is Best for You?

Now that some of the basic tools for an international trademark portfolio analysis have been explained, how do you decide which options are best for your company? Because of the “priority” granted under the Paris Convention, an application filed in the United States as the “home country” (as defined by statute), can be used to file corresponding applications within six months of the U.S. filing date in various other countries and jurisdictions. These other applications will be treated as if filed on the same day as was the U.S. application. Spreading out the costs and fees associated with filing other applications over the six-month priority period will allow the applicant to

defer the costs over a longer period of time without sacrificing any protection. Since a number of multinational agreements observe Paris Convention priority (e.g., a CTM application, ARIPO, OAPI, and Benelux), combining both concepts will yield significant cost savings while allowing for extensive trademark protection with a single U.S. priority date. This option may be ideal for clients who may not be able to pay at one time the costs and fees associated with a simultaneous worldwide trademark filing. This is also a better option for companies seeking the broadest protection possible.

Another option is to file a national application in a Madrid member home country, such as the U.S., and subsequently file for an International Registration designating the desired countries. This strategy is economically efficient for some applicants because there are more than eighty countries around the world to which an International Registration can be extended, including the CTM covering all of the European Union and the Benelux territories (which would be included in a CTM application). This option, however, can restrict the scope of protection available in each country designated, since the goods and services in the original home country application must be used in each designated country. Since the U.S. requires narrow descriptions, these narrow descriptions must be used for all the designated countries. Filing under the CTM or other options, or filing individual national applications directly, would provide a broader scope of protection in many jurisdictions. However, a comprehensive Madrid filing augmented as necessary with regional or national filings may be well-suited for companies that do not desire a broad scope of protection.

There are almost as many permutations for international trademark filing strategies as there are unique client needs, taking into account financing, product launch dates, and scalability. Mintz Levin's talented team of trademark specialists can help design and implement an international strategy that is appropriate for your business.

Endnotes

- 1 There are several notable exceptions to the list of countries which are members of the European Union, Norway and Switzerland among them. Individual national applications must be filed in these non-EU member countries.
- 2 The Madrid System for the international registration of marks (the Madrid System), established in 1891, functions under the Madrid Agreement (1891) and the Madrid Protocol (1989). It is administered by the International Bureau of the World Intellectual Property Organization located in Geneva, Switzerland.
- 3 http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf

[Click here to view Mintz Levin's Trademark and Copyright attorneys.](#)

Boston | London | Los Angeles | New York | Palo Alto | San Diego | Stamford | Washington www.mintz.com

Copyright © 2010 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

This communication may be considered attorney advertising under the rules of some states. The information and materials contained herein have been provided as a service by the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.; however, the information and materials do not, and are not intended to, constitute legal advice. Neither transmission nor receipt of such information and materials will create an attorney-client relationship between the sender and receiver. The hiring of an attorney is an important decision that should not be based solely upon advertisements or solicitations. Users are advised not to take, or refrain from taking, any action based upon the information and materials contained herein without consulting legal counsel engaged for a particular matter. Furthermore, prior results do not guarantee a similar outcome.

The distribution list is maintained at Mintz Levin's main office, located at One Financial Center, Boston, Massachusetts 02111. If you no longer wish to receive electronic mailings from the firm, please visit <http://www.mintz.com/unsubscribe.cfm> to unsubscribe.

0743-1110-NAT-IP