

# Madrid Protocol

## Enjoy the benefits, but avoid the pitfalls

**US Applicants should consider the following points when considering how to use the Madrid Protocol system.**

### 1. Home (base) Registration/ Application

*Pitfall: Possible restriction in protection if basing the Madrid Protocol registration on a US filing*

The specification of goods/services used for a Madrid Protocol registration cannot be any broader than that of the base registration/application.

specifications of goods and/or services. These can be used as a basis for filing Madrid Protocol registrations.

Many US trademark proprietors have subsidiaries, or an effective place of business in the UK (which are pre-requisites for obtaining Madrid Protocol registrations based on UK applications or registrations). We suggest that these companies should consider using a UK trademark registration or application, with a broad specification of goods and/or services, as a basis for their subsequent Madrid Protocol registration. Such a Madrid Protocol registration can, of course, be extended to the US, although the specification of goods and/or services is likely to be limited in the US (in line with USPTO practice). In most other countries it should, in principle, be possible to obtain protection for the broad goods and/or services covered by the UK base application or registration.

For those US companies not having a UK subsidiary, it is a simple and inexpensive matter to register a UK company solely for the purpose of filing Madrid Protocol registrations.

It should also be possible to assign back to the US parent company the Madrid Protocol registration once it has been registered.

Typically the USPTO will only grant very narrow specifications of goods and/or services. The resultant Madrid Protocol registration, therefore, will also have the same narrow scope of protection if it is based on a US application/registration. This is a potential disadvantage, particularly in countries such as those

of the European Union (EU), where broad specifications of goods and services are accepted and are the norm.

In contrast, the UK Trade Marks Registry is prepared to grant national UK Trade Mark registrations which have broad

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## 2. Time

***Pitfall: Uncertainty of protection if home application takes too long to reach registration***

The USPTO typically takes a year or two to examine and publish trademark applications.

Typically, the UK Trade Marks Registry, provided no significant problems are encountered, will examine and grant a UK

trademark registration within 6–8 months from filing.

The benefit of having a quickly granted base registration is an obvious attraction when considering the Madrid Protocol, given that the Madrid Protocol registration will fail if the home registration or application fails in its first 5 years.

“ “ The benefit of having a quickly granted home registration is an obvious attraction when considering the Madrid Protocol... ” ”

## 3. Correction of Errors

***Pitfall: Loss of priority date***

If there are any errors in the original Madrid Protocol registration filed at the USPTO, the USPTO, we understand, will automatically reject the registration without giving the Applicant an opportunity to correct the deficiencies. That can result in, for example, priority dates being lost.

If the UK Trade Marks Registry finds deficiencies in a Madrid Protocol registration filed with them, they will contact the Applicant, normally by telephone, and invite the Applicant to correct the deficiency such that filing dates and priority dates are not lost.

## 4. Further Advantages of Filing a Madrid Protocol Registration via the UK Trade Marks Registry

### *i. Validity of Base Registration*

The UK Trade Marks Registry fully examines applications both for prior rights and inherent registrability. With the exception of the Irish Republic, no other EU country carries out such a thorough examination. Proprietors of a UK trademark registration, wishing to use it as a basis for a Madrid Protocol registration, will have a base registration that has been fully examined, and which should, therefore, be less likely to be vulnerable to cancellation in the important first 5 years of the life of any subsequent Madrid Protocol registration.

### *ii. Language*

The UK Trade Marks Registry uses the English language, which is one of the three official languages of the Madrid Protocol system. Therefore, no translation costs or language difficulties will arise.

## 5. Summary

We recommend that US companies, when seeking protection in several countries using the Madrid Protocol, should take advantage of filing the Madrid Protocol registration via the UK Trade Marks Registry.



# Seeking Protection in Europe

## 1. Madrid Protocol registration –v– Community trademark (CTM) application

When seeking trademark registration in EU countries, there is now the choice of filing a Madrid Protocol registration, a CTM application or filing individual national applications.

We recommend that a CTM application should be filed instead of the other two alternatives.

The primary reasons for this are:

- a) In the event that objections are raised against the Madrid Protocol registration, the Applicant could be faced with dealing with those objections in a number of EU countries.

If the CTM route were followed, there would only be one set of objections raised. This should limit significantly the costs of dealing with the objections.

- b) A CTM registration will allow the proprietor, via one single action, to prevent use of a conflicting trademark throughout the entire EU. With a collection of national rights under the Madrid Protocol, separate actions would have to be taken in each relevant country.
- c) Use of a trademark in one EU country will keep a CTM registration valid for all EU countries. Use of a trademark protected by a Madrid Protocol registration in one country will not validate the registration in any other designated country.
- d) The official fees for obtaining a CTM registration, for up to 3 classes of goods and services, will be about \$3,200. In contrast, the official fees for designating the same

25 EU countries separately as national registrations, through the Madrid Protocol, will be about \$3,600.

In the circumstances, therefore, our recommendation, on costs grounds alone, is to use the CTM system rather than national registrations through the Madrid Protocol, unless the Applicant knows that there is a prior right in one of the 25 EU countries, which is an absolute bar to obtaining a CTM registration.

“ We recommend that a CTM application should be filed instead of the other two alternatives. ”

*continued overleaf*

# PC

# Seeking Protection in Europe *continued*

## 2. CTM Registrations Obtained Directly -v- Obtained Through the Madrid Protocol

It will be possible, when the CTM system joins the Madrid Protocol (anticipated to be October 2004) to obtain CTM registrations either by direct filings or via the Madrid Protocol.

For the following reasons we recommend that a CTM registration should be obtained directly and not via the Madrid Protocol:

- a) A CTM registration obtained via the Madrid Protocol can never have a specification of goods and/or services broader than that of the base application or registration. If the base application or registration is from the US, then the specification of goods and/or services for the CTM registration will be limited. Conversely, a directly filed CTM registration can have a much broader specification of goods and/or services than a US national application or registration. Please also bear in mind that the CTM registration fees cover up to 3 classes of goods and/or services.

- b) The official fees payable on filing a CTM registration, filed via the Madrid Protocol, will include the filing and registration fees. The registration fee, (over half the total fee payable) will not be refunded in the event that the CTM application is not granted (presently about 20% of all applications). There will be a slight reduction of about \$150 from the normal total fees payable of about \$3,200. When filing for a separate CTM registration, the registration fee is payable only when the application is accepted for registration.
- c) Whilst there will be a modest saving on attorneys' fees for filing a CTM registration via the Madrid Protocol as compared to a direct filing (about \$300), the statistics show that about half of all CTM applications are subject to official objections, and in excess of 20% are subject to opposition. Overall about 20% of all CTM applications filed never proceed to registration.
- d) In the event that an objection is raised, or an opposition is filed, the Applicant, if they have used the Madrid Protocol route, will have to appoint a local attorney in the EU to deal with the objection and/or opposition. In these circumstances, there is unlikely to be any cost saving to be gained by the Applicant.

## 3. Summary

We recommend that a CTM registration is best obtained by means of a direct filing at OHIM, rather than via a Madrid Protocol registration, especially if the latter would be based on a US application or registration.

**If you require any further information please contact Ian Buchan, Sanjay Kapur or John Peacock.**

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