

Calendar No. 433

106TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 106-249

MADRID PROTOCOL IMPLEMENTATION ACT

MARCH 27, 2000.—Ordered to be printed

Mr. HATCH, from the Committee on the Judiciary,
submitted the following

REPORT

[To accompany S. 671]

The Committee on the Judiciary, to which was referred the bill (S. 671) to amend the Trademark Act of 1946 to provide for the registration and protection of trademarks used in commerce, in order to carry out provisions of certain international conventions, and for other purposes, having considered the same, reports favorably thereon, without amendment, and recommends that the bill do pass.

CONTENTS

	Page
I. Purpose	1
II. Legislative history	1
III. Discussion	2
IV. Vote of the Committee	5
V. Section-by-section analysis	5
VI. Cost estimate	7
VII. Regulatory impact statement	8
VIII. Changes in existing law	8

I. PURPOSE

The purpose of S. 671 is to implement the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted at Madrid, Spain, on June 27, 1989, which provides for an international registration system for trademarks.

II. LEGISLATIVE HISTORY

S. 671, the “Madrid Protocol Implementation Act,” was introduced on March 19, 1999. The Judiciary Committee met in execu-

tive session on February 10, 2000, to consider the bill. A reporting quorum being present, the bill was approved by voice vote and ordered favorably reported to the Senate.

This legislation was first introduced in the 103rd Congress as S. 977 by Senator Dennis DeConcini and was reintroduced in the 105th Congress by Senator Leahy as S. 2191. The House of Representatives passed this legislation in the 103rd and 105th Congresses, but after referral to the Senate Committee on the Judiciary, no further action was taken. In the 106th Congress, the House of Representatives passed an identical bill, H.R. 769, on April 13, 1999, which was received in the Senate on April 14, 1999.

III. DISCUSSION

A. Background

Trademark protection under federal law provides for the legal protection of particular words or symbols that have been used on particular goods or services. Trademark protection generally entitles the owner of a trademark to protection against others' use of identical or similar marks which are likely to result in consumer confusion or to dilute the distinctive quality of a famous mark.

Trademarks constitute a significant part of the value of a product and figure largely in the advertising of the product. A widely recognized mark reflects the popularity of a product and often is prominently featured in a company's advertising. The protection of the mark is therefore of paramount importance to the affected company. Understandably, an individual or company using another company's mark could significantly diminish the market share of a particular product or compromise the goodwill derived from ownership of the mark.

Since products are marketed and sold on an international scale, protection in countries other than the United States improves the competitiveness of American business. Each country has its own laws determining the level of protection for trademarks and the type of marks that can be registered for particular products. American citizens seeking protection for their trademarks outside the United States are currently required to register separately in each country in which protection is sought. Registering in multiple countries is a time-consuming, complicated and expensive process—a process which places a disproportionate burden on smaller American companies seeking international trademark protection. In too many cases, these small- and medium-sized businesses are forced to forego effective worldwide protection of their marks and to settle instead for the limited protection afforded by trademark registration in only a few select countries.

As with many intellectual property rights, there are international agreements relating to the registration and protection of trademarks. Since 1891, the Madrid Agreement Concerning the International Registration of Marks ("Madrid Agreement") has provided an international registration system operated under the auspices of the International Bureau of the World Intellectual Property Organization (WIPO). Although the Madrid Agreement offers significant benefits in terms of increased efficiency and reduced costs in the registration process, the United States has never been a sig-

natory to the Madrid Agreement. The United States originally declined to join the agreement because it contained terms deemed inimical to American intellectual property interests.

B. Madrid Protocol

On June 27, 1989, at a Diplomatic Conference in Madrid, Spain, the parties to the Madrid Agreement signed the Protocol relating to the Madrid Agreement concerning the International Registration of Marks (“Madrid Protocol” or “Protocol”). The United States was an observer and advisor to these talks but not a participant in the negotiations since only signatories could amend the Madrid Agreement through the Protocol. Subsequent talks, at which the United States has participated as an observer, have been devoted to developing regulations for the implementation of the Protocol for those countries and entities which have and will become signatories to it.

Practically speaking, the Protocol “updated” the Madrid Agreement, in many respects by conforming its contents to existing provisions in U.S. law. For example, under the Protocol, applications for international trademark extension can be completed in English; formerly, applications were required to be completed in French. Moreover, under the Protocol, an international application may be based on a country of origin application—as opposed to an actual registration—thus allowing U.S. applicants to seek international protection at the same time they file a U.S. application, including an application based on a bona fide intention to use a mark in commerce. The Protocol also adopts an extended 18-month period in which a country can refuse to give effect to an international registration and allows for higher filing and renewal fees, both of which conform with the effective pendency and fee structure of the U.S. Patent and Trademark Office. Finally, the Protocol does away with the so-called “central attack” provision of the Madrid Agreement, under which the cancellation of an international registration in the country of origin would result in a cancellation of the mark in all international registrations. Under the Protocol, a canceled international registration may be converted into a national application in a given country and retain the benefit of its original effective filing date, meaning that a U.S. applicant whose mark is canceled in the U.S. will not automatically forfeit international protection. In sum, the Madrid Protocol provides all the benefits of the Madrid System’s one-stop shop for worldwide trademark protection, without requiring any change in substantive American trademark law.

The Protocol took effect in April 1996, and currently binds 43 countries, but not the United States. Without U.S. participation, the Protocol may never achieve its purpose of providing a one-stop, inexpensive “shop” for trademark applicants who, by filing one application in their country and in their language, can receive protection from each member country of the Protocol.

There is no opposition to S. 671, nor to the substantive portions of the underlying Protocol. The fact that the Judiciary Committee did not act on the bill in previous Congresses reflects the fact that since 1994 the State Department has been trying to resolve differences between the Administration and the European Community (EC) regarding the voting rights of intergovernmental members of

the Protocol in the Assembly established by the agreement. Pursuant to the Protocol, the European Commission receives a separate vote as an intergovernmental organization, in addition to the votes of the Member States of the European Community. While it may be argued that the existence of a supranational European trademark issued by the Office for Harmonization in the Internal Market ("European Trademark Office") justifies the additional vote, the State Department has opposed this proviso as a contravention of the democratic concept of one vote per country. State Department officials also expressed concern that this voting structure may establish a precedent for deviation from the one-vote-one-state principle in future international agreements.

This dispute over the voting rights of the European Community and participation of an intergovernmental organization in this intellectual property agreement appears to have been resolved in accordance with the U.S. position. Specifically, on February 2, 2000, the Council of the European Union and the Representatives of the Governments of the Member States meeting within the Council approved a Statement of Intent in which the European Community and its Member States affirmed their commitment to a consensus-based decision process within the Assembly. In those cases in which a vote is called for, the European Community and its Member States will endeavor to conduct prior consultations with the United States and other like-minded participants in an effort to reach a common position. Should a common position not be possible in a given instance, the European Community and its Member States have agreed "to use their voting rights in such a way as to ensure that the number of votes cast by the European Community and its Member States does not exceed the number of the European Community's Member States." This agreement is similar to that reflected in the agreement establishing the World Trade Organization, in which the European Commission is permitted a vote, but can cast no more votes than the number of member states.

Moreover, the fear concern that the Protocol's voting rights provisions would form a precedent for future international agreements has been allayed by intervening precedents. Since the adoption of the Madrid Protocol, three treaties have been negotiated without administrative provisions similar to those contained in the Madrid Protocol. The Trademark Law Treaty, adopted on October 27, 1994, for example, contains no such voting provisions, despite proposals advanced by the European Commission that were similar to the Madrid Protocol provisions. Neither the WIPO Copyright Treaty nor the WIPO Performances and Phonograms Treaty, which were completed in 1996 and implemented domestically in the 105th Congress, permit the European Commission an extra vote. Thus, to the extent the Madrid Protocol established any sort of precedent with respect to voting rights issues, that precedent has been effectively vitiated at this point.

With the voting rights issue apparently resolved to the satisfaction of the State Department, it is expected that the administration will now finally forward the Madrid Protocol to the Senate for its advice and consent.

C. The need for S. 671, the Madrid Protocol Implementation Act

S. 671 serves as the implementing legislation for the Madrid Protocol. It is identical to measures introduced in prior Congresses. In short, the bill makes no changes to substantive U.S. trademark law, but rather establishes the structural and procedural mechanisms to accommodate the filing, acceptance, and examination of international applications in the U.S. Patent and Trademark Office, and the registration, maintenance, and cancellation of marks based on such applications.

While the administration has still not forwarded the treaty to the Senate for ratification, thereby allowing the United States to become a member of the Protocol, it is expected to do so in the near future. Passage of S. 671 will help to ensure timely accession to and implementation of the Madrid Protocol, and it will send a clear signal to the international community, U.S. businesses, and trademark owners that Congress is serious about our Nation becoming part of a low-cost, efficient system to promote the international registration of marks. U.S. membership in the Protocol would assist American businesses in protecting their proprietary names and brand-name goods while saving money, time, and effort. This is especially critical to small businesses which may otherwise lack the resources to acquire world-wide protection for their trademarks.

Technical amendments will be offered upon Senate consideration of the bill to reflect language changes inter alia, adopted in the "American Inventors Protection Act of 1999," Public Law 106-113, to identify the head of the U.S. Patent and Trademark Office (USPTO), and to reflect uniformly the name of the USPTO.

IV. VOTE OF THE COMMITTEE

The Senate Committee on the Judiciary, with a quorum present met on Thursday, February 10, 2000, at 10:00 a.m., to consider the "Madrid Protocol Implementation Act." The Committee considered S. 671 by voice vote, with no objection noted, and ordered the bill to be reported favorably to the Senate, with a recommendation that the bill do pass.

V. SECTION-BY-SECTION ANALYSIS

Section 1. Short title.—This section provides a short title: the "Madrid Protocol Implementation Act."

Section 2. Amendments to the Trademark Act of 1946.—This section amends the "Trademark Act of 1946" by adding a new title XII which contains the following provisions:

The owner of a registration granted by the Patent and Trademark Office (PTO) or the owner of a pending application before the PTO may file an international application for trademark protection at the PTO.

After receipt of the appropriate fee and inspection of the application, the PTO Commissioner is charged with the duty of transmitting the application to the WIPO International Bureau.

The Commissioner is also obliged to notify the International Bureau whenever the international application has been "restricted, abandoned, canceled, or has expired," within a specified time period.

The holder of an international registration may request an extension of its registration by filing with the PTO or the International Bureau.

The holder of an international registration is entitled to the benefits of extension in the United States to the extent necessary to give effect to any provision of the Protocol; however, an extension of an international registration shall not apply to the United States if the PTO is the office of origin with respect to that mark.

The holder of an international registration with an extension of protection in the United States may claim a date of priority based on certain conditions.

If the PTO Commissioner believes that an applicant is entitled to an extension of protection, he or she publishes the mark in the "Official Gazette of the Patent and Trademark Office." This serves notice to third parties who oppose the extension. Unless an official protest conducted pursuant to existing law is successful, the request for extension may not be refused. If the request for extension is denied, however, the Commissioner notifies the International Bureau of such action and sets forth the reason(s) why. The Commissioner must also advise the International Bureau of other relevant information pertaining to requests for extension within designated time periods.

If an extension for protection is granted, the Commissioner issues a certificate attesting to such action, and publishes notice of the certificate in the "Gazette." Holders of extension certificates thereafter enjoy protection equal to that of other owners of registration listed on the Principal Register of the PTO.

If the International Bureau notifies the PTO of a cancellation of some or all of the goods and services listed in the international registration, the Commissioner must cancel an extension of protection with respect to the same goods and services as of the date on which the international registration was canceled. Similarly, if the International Bureau does not renew an international registration, the corresponding extension of protection in the United States shall cease to be valid. Finally, the holder of an international registration canceled in whole or in part by the International Bureau may file an application for the registration of the same mark for any of the goods and services to which the cancellation applies that were covered by an extension of protection to the United States based on that international registration.

The holder of an extension of protection must, within designated time periods and under certain conditions, file an affidavit setting forth the relevant goods or services covered and any explanation as to why their nonuse in commerce is related to "special circumstances," along with a filing fee.

The right to an extension of protection may be assigned to a third party so long as that individual is a national of, or is domiciled in, or has a "bonafide" business located in a country that is a member of the Protocol; or has such a business in a country that is a member of an intergovernmental organization (like the EC) belonging to the Protocol.

An extension of protection conveys the same rights as an existing registration for the same mark if the extension and existing registration are owned by the same person, and extension of protection

and the existing registration cover the same goods or services, and the certificate of extension is issued after the date of the existing registration.

Section 3. Effective date.—This section states that the effective date of the act shall commence on the date on which the Madrid Protocol takes effect in the United States.

VI. COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the standing Rules of the Senate, the Committee sets forth, with respect to the bill, S. 671, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 22, 2000.

Hon. ORRIN G. HATCH,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 671, the Madrid Protocol Implementation Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Hadley.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 671—Madrid Protocol Implementation Act

S. 671 would amend the Trademark Act of 1946 in order to facilitate the implementation of the Madrid Protocol, an international agreement that provides for the possibility of obtaining trademark protection in several jurisdictions by a single registration. The bill specifies administrative procedures that would be followed by companies applying for international protection of trademarks.

CBO estimates that enacting this bill would have no significant effect on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. Section 4 of the Unfunded Reform Mandates Act excludes from the application of that act any legislative provisions that are necessary for the ratification or implementation of international treaty obligations. CBO has determined that S. 671 would fit within that exclusion because it would implement the Madrid Protocol, an international agreement requiring ratification by the Senate.

S. 671 would become effective at the same time as the Madrid Protocol, which the Senate has not yet ratified. Assuming the Madrid Protocol enters into force in 2000, CBO estimates that, subject to the availability of appropriated funds, the United States Patent and Trademark Office (PTO) would incur net costs of less than \$500,000 in 2000 to establish a computer database.

United States participation in the Madrid Protocol would likely result in an increase in the number of trademark applications received by the PTO. The PTO's costs for processing trademark applications are fully funded by filing fees paid by the applicants. Such fees are collected and spent under authority provided in annual appropriation acts. Because income from fees offsets the costs of processing applications, CBO estimates that a change in the number of trademark applications would have no net budgetary impact.

On April 1, 1999, CBO transmitted a cost estimate of H.R. 769, the Madrid Protocol Implementation Act, as ordered reported by the House Committee on the Judiciary on March 24, 1999. That act is nearly identical to S. 671, and the estimated costs are the same.

The CBO staff contact for this estimate is Mark Hadley. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

VII. REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b)(1), rule XXVI of the Standing Rules of the Senate, the Committee, after due consideration, concludes that S. 671 will not have significant regulatory impact.

VIII. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by S. 671, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

THE TRADEMARK ACT OF 1946

* * * * *

SEC. 51. All certificates of registration based upon applications for registration pending in the Patent and Trademark Office on the effective date of the Trademark Law Revision Act of 1988 shall remain in force for a period of 10 years.

TITLE XII—THE MADRID PROTOCOL

SEC. 60. DEFINITIONS.

For purposes of this title:

(1) *MADRID PROTOCOL.*—*The term “Madrid Protocol” means the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted at Madrid, Spain, on June 27, 1989.*

(2) *BASIC APPLICATION.*—*The term “basic application” means the application for the registration of a mark that has been filed with an Office of a Contracting Party and that constitutes the basis for an application for the international registration of that mark.*

(3) *BASIC REGISTRATION.*—*The term “basic registration” means the registration of a mark that has been granted by an Office of a Contracting Party and that constitutes the basis for an application for the international registration of that mark.*

(4) *CONTRACTING PARTY.*—The term “Contracting Party” means any country or inter-governmental organization that is a party to the Madrid Protocol.

(5) *DATE OF RECORDAL.*—The term “date of recordal” means the date on which a request for extension of protection that is filed after an international registration is granted is recorded on the International Register.

(6) *DECLARATION OF BONA FIDE INTENTION TO USE THE MARK IN COMMERCE.*—The term “declaration of bona fide intention to use the mark in commerce” means a declaration that is signed by the applicant for, or holder of, an international registration who is seeking extension of protection of a mark to the United States and that contains a statement that—

(A) the applicant or holder has a bona fide intention to use the mark in commerce,

(B) the person making the declaration believes that person, or the firm, corporation, or association in whose behalf that person makes the declaration, to be entitled to use the mark in commerce, and

(C) no other person, firm, corporation, or association, to the best of such person’s knowledge and belief, has the right to use such mark in commerce either in the identical form of the mark or in such near resemblance to the mark as to be likely, when used on or in connection with the goods of such person, firm, corporation, or association, to cause confusion, or to cause mistake, or to deceive.

(7) *EXTENSION OF PROTECTION.*—The term “extension of protection” means the protection resulting from an international registration that extends to a Contracting Party at the request of the holder of the international registration, in accordance with the Madrid Protocol.

(8) *HOLDER OF AN INTERNATIONAL REGISTRATION.*—A “holder” of an international registration is the natural or juristic person in whose name the international registration is recorded on the International Register.

(9) *INTERNATIONAL APPLICATION.*—The term “international application” means an applicant for international registration that is filed under the Madrid Protocol.

(10) *INTERNATIONAL BUREAU.*—The term “International Bureau” means the International Bureau of the World Intellectual Property Organization.

(11) *INTERNATIONAL REGISTER.*—The term “International Register” means the official collection of such data concerning international registrations maintained by the International Bureau that the Madrid Protocol or its implementing regulations require or permit to be recorded, regardless of the medium which contains such data.

(12) *INTERNATIONAL REGISTRATION.*—The term “international registration” means the registration of a mark granted under the Madrid Protocol.

(13) *INTERNATIONAL REGISTRATION DATE.*—The term “international registration date” means the date assigned to the international registration by the International Bureau.

(14) *NOTIFICATION OF REFUSAL.*—The term “notification of refusal” means the notice sent by an Office of a Contracting Party to the International Bureau declaring that an extension of protection cannot be granted.

(15) *OFFICE OF A CONTRACTING PARTY.*—The term “Office of a Contracting Party” means—

(A) the office, or governmental entity, of a Contracting Party that is responsible for the registration of marks, or

(B) the common office, or governmental entity, of more than 1 Contracting Party that is responsible for the registration of marks and is so recognized by the International Bureau.

(16) *OFFICE OF ORIGIN.*—The term “office of origin” means the Office of a Contracting Party with which a basic application was filed or by which a basic registration was granted.

(17) *OPPOSITION PERIOD.*—The term “opposition period” means the time allowed for filing an opposition in the Patent and Trademark Office, including any extension of time granted under section 13.

SEC. 61. INTERNATIONAL APPLICATIONS BASED ON UNITED STATES APPLICATIONS OR REGISTRATIONS.

The owner of a basic application pending before the Patent and Trademark Office, or the owner of a basic registration granted by the Patent and Trademark Office, who—

(1) is a national of the United States,

(2) is domiciled in the United States, or

(3) has a real and effective industrial or commercial establishment in the United States,

may file an international application by submitting to the Patent and Trademark Office a written application in such form, together with such fees, as may be prescribed by the Commissioner.

SEC. 62. CERTIFICATION OF THE INTERNATIONAL APPLICATION.

Upon the filing of an application for international registration and payment of the prescribed fees, the Commissioner shall examine the international application for the purpose of certifying that the information contained in the international application corresponds to the information contained in the basic application or basic registration at the time of the certification. Upon examination and certification of the international application, the Commissioner shall transmit the international application to the International Bureau.

SEC 63. RESTRICTION, ABANDONMENT, CANCELLATION, OR EXPIRATION OF A BASIC APPLICATION OR BASIC REGISTRATION.

With respect to an international application transmitted to the International Bureau under section 62, the Commissioner shall notify the International Bureau whenever the basic application or basic registration which is the basis for the international application has been restricted, abandoned, or canceled, or has expired, with respect to some or all of the goods and services listed in the international registration—

(1) within 5 years after the international registration date; or

(2) more than 5 years after the international registration date if the restriction, abandonment, or cancellation of the basic ap-

plication or basic registration resulted from an action that began before the end of that 5-year period.

SEC. 64. REQUEST FOR EXTENSION OF PROTECTION SUBSEQUENT TO INTERNATIONAL REGISTRATION.

The holder of an international registration that is based upon a basic application filed with the Patent and Trademark Office or a basic registration granted by the Patent and Trademark Office may request an extension of protection of its international registration by filing such a request—

- (1) directly with the International Bureau, or*
- (2) with the Patent and Trademark Office for transmittal to the International Bureau, if the request is in such form, and contains such transmittal fee, as may be prescribed by the Commissioner.*

SEC. 65. EXTENSION OF PROTECTION OF AN INTERNATIONAL REGISTRATION TO THE UNITED STATES UNDER THE MADRID PROTOCOL.

(a) IN GENERAL.—Subject to the provisions of section 68, the holder of an international registration shall be entitled to the benefits of extension of protection of that international registration to the United States to the extent necessary to give effect to any provision of the Madrid Protocol.

(b) IF UNITED STATES IS OFFICE OF ORIGIN.—An extension of protection resulting from an international registration of a mark shall not apply to the United States if the Patent and Trademark Office is the office of origin with respect to that mark.

SEC. 66. EFFECT OF FILING A REQUEST FOR EXTENSION OF PROTECTION OF AN INTERNATIONAL REGISTRATION TO THE UNITED STATES.

(a) REQUIREMENT FOR REQUEST FOR EXTENSION OF PROTECTION.—A request for extension of protection of an international registration to the United States that the International Bureau transmits to the Patent and Trademark Office shall be deemed to be properly filed in the United States if such request, when received by the International Bureau, has attached to it a declaration of bona fide intention to use the mark in commerce that is verified by the applicant for, or holder of, the international registration.

(b) EFFECT OF PROPER FILING.—Unless extension of protection is refused under section 68, the proper filing of the request for extension of protection under subsection (a) shall constitute constructive use of the mark, conferring the same rights as those specified in section 7(c), as of the earliest of the following:

- (1) The international registration date, if the request for extension of protection was filed in the international application.*
- (2) The date of recordal of the request for extension of protection, if the request for extension of protection was made after the international registration date.*
- (3) The date of priority claimed under section 67.*

SEC. 67. RIGHT OF PRIORITY FOR REQUEST FOR EXTENSION OF PROTECTION TO THE UNITED STATES.

The holder of an international registration with an extension of protection to the United States shall be entitled to claim a date of priority based on the right of priority within the meaning of Article

4 of the Paris Convention for the Protection of Industrial Property if—

(1) the international registration contained a claim of such priority; and

(2)(A) the international application contained a request for extension of protection to the United States, or

(B) the date of recordal of the request for extension of protection to the United States is not later than 6 months after the date of the first regular national filing (within the meaning of Article 4(A)(3) of the Paris Convention for the Protection of Industrial Property) or a subsequent application (within the meaning of Article 4(C)(4) of the Paris Convention).

SEC. 68. EXAMINATION OF AND OPPOSITION TO REQUEST FOR EXTENSION OF PROTECTION; NOTIFICATION OF REFUSAL.

(a) **EXAMINATION AND OPPOSITION.**—(1) A request for extension of protection described in section 66(a) shall be examined as an application for registration on the Principal Register under this Act, and if on such examination it appears that the applicant is entitled to extension of protection under this title, the Commissioner shall cause the mark to be published in the Official Gazette of the Patent and Trademark Office.

(2) Subject to the provisions of subsection (c), a request for extension of protection under this title shall be subject to opposition under section 13. Unless successfully opposed, the request for extension of protection shall not be refused.

(3) Extension of protection shall not be refused under this section on the ground that the mark has not been used in commerce.

(4) Extension of protection shall be refused under this section to any mark not registrable on the Principal Register.

(b) **NOTIFICATION OF REFUSAL.**—If, a request for extension of protection is refused under subsection (a), the Commissioner shall declare in a notification of refusal (as provided in subsection (c)) that the extension of protection cannot be granted, together with a statement of all grounds on which the refusal was based.

(c) **NOTICE TO INTERNATIONAL BUREAU.**—(1) Within 18 months after the date on which the International Bureau transmits to the Patent and Trademark Office a notification of a request for extension of protection, the Commissioner shall transmit to the International Bureau any of the following that applies to such request:

(A) A notification of refusal based on an examination of the request for extension of protection.

(B) A notification of refusal based on the filing of an opposition to the request.

(C) A notification of the possibility that an opposition to the request may be filed after the end of that 18-month period.

(2) If the Commissioner has sent a notification of the possibility of opposition under paragraph (1)(C), the Commissioner shall, if applicable, transmit to the International Bureau a notification of refusal on the basis of the opposition, together with a statement of all the grounds for the opposition, within 7 months after the beginning of the opposition period or within 1 month after the end of the opposition period, whichever is earlier.

(3) If a notification of refusal of a request for extension of protection is transmitted under paragraph (1) or (2), no grounds for re-

refusal of such request other than those set forth in such notification may be transmitted to the International Bureau by the Commissioner after the expiration of the time periods set forth in paragraph (1) or (2), as the case may be.

(4) If a notification specified in paragraph (1) or (2) is not sent to the International Bureau within the time period set forth in such paragraph, with respect to a request for extension of protection, the request for extension of protection shall not be refused and the Commissioner shall issue a certificate of extension of protection pursuant to the request.

(d) **DESIGNATION OF AGENT FOR SERVICE OF PROCESS.**—In responding to a notification of refusal with respect to a mark, the holder of the international registration of the mark shall designate, by a written document filed in the Patent and Trademark Office, the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark. Such notices or process may be served upon the person so designated by leaving with that person, or mailing to that person, a copy thereof at the address specified in the last designation so filed. If the person so designated cannot be found at the address given in the last designation, such notice or process may be served upon the Commissioner.

SEC. 69. EFFECT OF EXTENSION OF PROTECTION.

(a) **ISSUANCE OF EXTENSION OF PROTECTION.**—Unless a request for extension of protection is refused under section 68, the Commissioner shall issue a certificate of extension of protection pursuant to the request and shall cause notice of such certificate of extension of protection to be published in the Official Gazette of the Patent and Trademark Office.

(b) **EFFECT OF EXTENSION OF PROTECTION.**—From the date on which a certificate of extension of protection is issued under subsection (a)—

(1) such extension of protection shall have the same effect and validity as a registration on the Principal Register, and

(2) the holder of the international registration shall have the same rights and remedies as the owner of a registration on the Principal Register.

SEC. 70. DEPENDENCE OF EXTENSION OF PROTECTION TO THE UNITED STATES ON THE UNDERLYING INTERNATIONAL REGISTRATION.

(a) **EFFECT OF CANCELLATION OF INTERNATIONAL REGISTRATION.**—If the International Bureau notifies the Patent and Trademark Office of the cancellation of an international registration with respect to some or all of the goods and services listed in the international registration, the Commissioner shall cancel any extension of protection to the United States with respect to such goods and services as of the date on which the international registration was canceled.

(b) **EFFECT OF FAILURE TO RENEW INTERNATIONAL REGISTRATION.**—If the International Bureau does not renew an international registration, the corresponding extension of protection to the United States shall cease to be valid as of the date of the expiration of the international registration.

(c) *TRANSFORMATION OF AN EXTENSION OF PROTECTION INTO A UNITED STATES APPLICATION.*—The holder of an international registration canceled in whole or in part by the International Bureau at the request of the office of origin, under Article 6(4) of the Madrid Protocol, may file an application, under section 1 or 44 of this Act, for the registration of the same mark for any of the goods and services to which the cancellation applies that were covered by an extension of protection to the United States based on that international registration. Such an application shall be treated as if it had been filed on the international registration date or the date of recordal of the request for extension of protection with the International Bureau, whichever date applies, and, if the extension of protection enjoyed priority under section 67 of this title, shall enjoy the same priority. Such an application shall be entitled to the benefits conferred by this subsection only if the application is filed not later than 3 months after the date on which the international registration was canceled, in whole or in part, and only if the application complies with all the requirements of this Act which apply to any application filed under section 1 or 44.

SEC. 71. AFFIDAVITS AND FEES.

(a) *REQUIRED AFFIDAVITS AND FEES.*—An extension of protection for which a certificate of extension of protection has been issued under section 69 shall remain in force for the term of the international registration upon which it is based, except that the extension of protection of any mark shall be canceled by the Commissioner—

(1) at the end of the 6-year period beginning on the date on which the certificate of extension of protection was issued by the Commissioner, unless within the 1-year period preceding the expiration of that 6-year period the holder of the international registration files in the Patent and Trademark Office an affidavit under subsection (b) together with a fee prescribed by the Commissioner; and

(2) at the end of the 10-year period beginning on the date on which the certificate of extension of protection was issued by the Commissioner, and at the end of each 10-year period thereafter, unless—

(A) within the 6-month period preceding the expiration of such 10-year period the holder of the international registration files in the Patent and Trademark Office an affidavit under subsection (b) together with a fee prescribed by the Commissioner; or

(B) within 3 months after the expiration of such 10-year period, the holder of the international registration files in the Patent and Trademark Office an affidavit under subsection (b) together with the fee described in subparagraph (A) and an additional fee prescribed by the Commissioner.

(b) *CONTENTS OF AFFIDAVIT.*—The affidavit referred to in subsection (a) shall set forth those goods or services recited in the extension of protection on or in connection with which the mark is in use in commerce and the holder of the international registration shall attach to the affidavit a specimen or facsimile showing the current use of the mark in commerce, or shall set forth that any nonuse is due to special circumstances which excuse such nonuse and is not

due to any intention to abandon the mark. Special notice of the requirement for such affidavit shall be attached to each certificate of extension of protection.

SEC. 72. ASSIGNMENT OF AN EXTENSION OF PROTECTION.

An extension of protection may be assigned, together with the goodwill associated with the mark, only to a person who is a national of, is domiciled in, or has a bona fide and effective industrial or commercial establishment either in a country that is a Contracting Party or in a country that is a member of an intergovernmental organization that is a Contracting Party.

SEC. 73. INCONTESTABILITY.

The period of continuous use prescribed under section 15 for a mark covered by an extension of protection issued under this title may begin no earlier than the date on which the Commissioner issues the certificate of the extension of protection under section 69, except as provided in section 74.

SEC. 74. RIGHTS OF EXTENSION OF PROTECTION.

An extension of protection shall convey the same rights as an existing registration for the same mark, if—

- (1) the extension of protection and the existing registration are owned by the same person;*
- (2) the goods and services listed in the existing registration are also listed in the extension of protection; and*
- (3) the certificate of extension of protection is issued after the date of the existing registration.*