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TRADEMARK LAW TREATY WITH REGULATIONS

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Mr. HELMS, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany Treaty Doc. 105–35]

The Committee on Foreign Relations, to which was referred the Trademark Law Treaty done at Geneva October 27, 1994, with Regulations, signed by the United States on October 28, 1994, having considered the same, reports favorably thereon with two declarations and one proviso, and recommends that the Senate give its advice and consent to the ratification thereof as set forth in this report and the accompanying resolution of ratification.

I. PURPOSE

The purpose of the Treaty is to harmonize and simplify the trademark registration procedures of national trademark offices.

II. BACKGROUND

The Trademark Law Treaty was completed at Geneva, Switzerland, on October 27, 1994 and entered into force on August 1, 1996. The President submitted the treaty to the Senate on January 29, 1998.

Because existing United States trademark law is generally compatible with the requirements of the Treaty, the changes to United States law needed to implement the Treaty are technical in nature.

III. SUMMARY

A. GENERAL

The negotiation and creation of the Trademark Law Treaty occurred under the auspices of the World Intellectual Property Organization ("WIPO"), which is the specialized agency of the United Nations responsible for the administration of most of the multilateral intellectual property law treaties. The proposed treaty is part of an ongoing effort, coordinated by WIPO, to harmonize the inter-

national standards relating to protection of trademarks. Beginning in 1989, efforts were made to reach agreement on harmonization of substantive principles. When this effort did not lead to an agreement, the harmonization process was adjusted to focus on administrative and procedural improvements. In October 1994, these efforts culminated in the creation of the Trademark Law Treaty.

There are several existing international treaties that bear on protection for trademarks, but the United States is not a member of all of them.

Paris Convention. The United States is a member of the basic substantive trademark treaty, which is the 1883 Paris Convention for the Protection of Industrial Property. The trademark provisions establish only a few minimal requirements. Primary reliance is placed on the principle of national treatment—that is, the scope of protection is left to national law and the basic requirement is that foreigners be accorded the same protection that is granted to nationals of a country. In addition to national treatment protection, the Paris Convention requires a member to accord priority to a trademark application filed within six months of an original filing in another member country. Also, when a trademark is duly registered in its country of origin, a member country must accept an application and protect the trademark, subject to certain exceptions.

Nice Agreement. The United States is also a member of the 1957 Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. The Nice Agreement establishes a classification of goods and services to register trademarks, which is used by the national trademark registration offices of member countries and by WIPO in making international registrations under the 1891 Madrid Agreement.

Madrid Agreement. The 1891 Madrid Agreement Concerning the International Registration of Marks provides for the international registration of trademarks (including service marks) at the International Bureau of WIPO. The trademark must first be registered in the national trademark office of the country of origin. Then, international registration may be obtained from WIPO, which protects the trademark in all countries party to the Madrid Agreement. The United States is *not* a member of the Madrid Agreement.

As part of an effort to bring the United States and other non-adhering countries into the Madrid Agreement, a Protocol to the Madrid Agreement was developed in 1989. Among its main innovations, the 1989 Protocol allows an applicant to base the international registration not only on a national registration of the mark but on an application for national registration; it extends to 18 months (and even longer periods) the time for oppositions and declarations against protection; and it allows higher registration fees than permitted under the original 1891 Madrid Agreement.

H.R. 567, which would make United States law compatible with the 1989 Madrid Protocol, passed the House of Representatives on May 5, 1998. United States ratification to the Madrid Protocol is unlikely since it grants voting rights to both the European Union as a block and to each of its member states. The President has not

forwarded the 1989 Madrid Protocol to the Senate for its advice and consent because of the European Union voting rights issue.

The Trademark Law Treaty does not have the same voting rights disability as the Madrid Protocol. Under the formulation of the proposed treaty regional governmental organizations, such as the European Union, are not permitted to cast a vote in addition to the individual country votes.

B. ARTICLE-BY-ARTICLE SUMMARY

The Trademark Law Treaty is intended to simplify and harmonize the trademark registration procedures of national trademark offices. The Treaty establishes a list of maximum requirements for trademark registration procedures that the national offices may impose. The list includes procedures such as the content of the trademark application, determination of the application filing date, recordation of assignments, renewal of trademarks, and recordation of name and address changes. Standardized trademark application forms and detailed regulations are established to carry out these procedures. Formalities such as notarization and authentication of signatures are prohibited.

The Trademark Law Treaty consists of 25 articles. The first 17 articles deal with the substantive and procedural obligations relating to trademark registration placed on member states. Articles 18–25 represent the administrative and final clauses.

Articles 1–17 may be grouped into three main phases: acceptable requirements relating to applications for trademark registration; permissible procedures relating to post-registration changes; and renewal of trademarks.

Article 1 defines a few terms and gives abbreviations for certain names, treaties or organizations.

Article 2 describes the marks to which the Treaty applies (visible signs relating to goods, services, or both) and does not apply (collective marks; certification and guarantee marks; hologram marks; sound marks; and olfactory marks).

Articles 3–9 establish the maximum procedural requirements that a national office may impose relating to a trademark application and prosecution of the application. Article 3 is the primary article; it deals with the content of the application. Other articles cover representation; address for service of communications with the national office; filing date; single registration for goods or services in several classes; requirements relating to division of the application into separate parts and registration based on the divided applications; signature for applications and communications; and classification of goods and services for trademark registration purposes.

Articles 10–12 deal with post-registration requirements. Article 10 covers acceptable procedures relating to changes in the name or address of the trademark owner, an applicant, or a representative of the applicant or owner. Article 11 covers changes in ownership of the registered trademark. Article 12 describes the acceptable procedures for correction of mistakes in a registration or an application.

Article 13 is perhaps the most substantive article of the Treaty. It governs the procedures relating to renewal of trademarks, but

also fixes the duration of the initial period of registration and of each renewal period at 10 years.

Articles 14–17 deal with miscellaneous issues including the requirement that the national trademark office provide an opportunity to respond to a refusal to make registration or grant a request; an obligation to comply with the provisions of the 1883 Paris Convention; an obligation to register service marks and to apply the trademark provisions of the 1883 Paris Convention to such registrations; and the incorporation by reference of detailed regulations and a standard trademark application form.

Articles 18–25 comprise the administrative and final clauses, and cover such matters as treaty adherence, revision, and protocols; effective date; reservations; transitional provisions; treaty denunciation; treaty languages; and the depositary for instruments of ratification or adherence.

Changes Required to U.S. law. The existing United States trademark law is generally compatible with the requirements of the Trademark Law Treaty. One of the most significant changes required relates to renewal of the trademark. Under existing United States law, the trademark owner must file an affidavit with the Patent and Trademark Office averring that the mark is still in use in commerce when applying for trademark renewal. The owner must also deposit specimens of the mark showing the commercial use. The Treaty eliminates these affidavit and specimen requirements as a condition of the renewal of the trademark, although the Treaty permits a member to require that evidence of use must be submitted to maintain the trademark registration.

IV. Entry into Force and Termination

A. Entry into Force

The Trademark Law Treaty enters into force three months after five States have deposited their instruments of ratification. The Treaty entered into force on August 1, 1996. After that date, other States shall become Party to the Treaty three months after the date of the deposit of the instrument of ratification. A State Party may elect to condition its ratification of the treaty on the ratification by other Parties, and entry into force will occur three months after that condition has taken place.

B. Termination

Any Party may terminate its obligations under the treaty through notice to the Director General of the World Intellectual Property Organization. Termination shall take effect one year after such notification.

V. Committee Action

The Committee on Foreign Relations held a public hearing on the proposed treaty on Wednesday, May 13, 1998. The hearing was chaired by Senator Hagel. The Committee considered the proposed treaty on Tuesday, May 19, 1998, and ordered the proposed treaty favorably reported by voice vote, with the recommendation that the

Senate give its advice and consent to the ratification of the proposed treaty subject to two declarations, and one proviso.

VI. COMMITTEE COMMENTS

The Committee on Foreign Relations recommends favorably the proposed treaty. On balance, the Committee believes that the proposed treaty is in the interest of the United States and urges the Senate to act promptly to give its advice and consent to ratification. The Committee notes also the overwhelming support for the treaty from the American Bar Association, the American Intellectual Property Lawyers Association, the International Trademark Association, and various U.S. business trade groups.

Several issues relating to Senate prerogatives did arise in the course of the Committee's consideration of the treaty, however, and the Committee believes that the following comments may be useful to Senate in its consideration of the proposed treaty and to the State Department.

A. LIMITED RESERVATIONS TO THE TREATY

Article 21(4) of the treaty limits the reservations which a State may take to the treaty. The State Department, in response to a question for the record, had this to say about its agreement to restrict reservations under the treaty:

> The Executive did not consult with the Committee before accepting the clause. While we are aware that the Senate has concerns over "no reservations" clauses, in the situation of this technical treaty, the Executive's view was that such a clause protected U.S. interests and was necessary to achieve the treaty's benefits.

While the Committee recognizes that an abuse of reservations can be detrimental to enforcement of the conditions agreed to during a treaty negotiation, the Committee continues to be concerned by the increasingly common practice of agreeing to such "no reservations" clauses, which impinge upon the Senate's prerogatives. The Committee questions whether there is any substantive evidence that other Parties would place numerous or burdensome reservations on the treaty so as to undermine U.S. interests.

The Committee's recommended Resolution of Ratification contains a declaration that it is the Sense of the Senate that such a "limited reservations" provision can inhibit the Senate in its Constitutional obligation of providing advice and consent to ratification, and approval of this treaty should not be read as a precedent for approval of other treaties containing such a provision.

Although the Committee has determined that this treaty is beneficial to the interests of the United States and should be approved notwithstanding Article 21, the Committee will continue to object to the inclusion of such provisions in U.S. treaties. The Committee repeatedly has expressed its concern that such "no reservations" provisions could complicate Senate ratification, yet there has been no apparent decline in the inclusion of such provisions in treaties signed by the United States.

B. DELAY IN SUBMITTAL OF TREATY TO THE SENATE

The Committee notes that the President did not submit the Trademark Law Treaty to the Senate for its advice and consent until January 29, 1998, over *three years* after the United States signed the Agreement. This delay is inexplicable, particularly given that the Administration sought legislation to bring U.S. law into compliance with the treaty one year prior to submitting the treaty for the Senate's advice and consent to ratification. This apparently casual attitude to the advice and consent process is troubling.

In its response to a question for the record regarding the reason for the delay, the State Department replied:

> The Administration did not wish to submit the treaty package to the Senate for advice and consent well in advance of Congressional consideration of implementing legislation. Trademark Law Treaty implementing legislation (H.R. 1661—The Trademark Law Treaty Implementing Act) was introduced into Congress in 1997 following extensive consultations with U.S. bar associations on proposed amendment to domestic law.

The Executive appears to misunderstand that its request for legislation to implement treaties prior to seeking the Senate's advice and consent prejudges the will of the Senate in giving advice and consent to ratification.

As a general matter, the Committee wishes to express its concern with a recent trend of delaying submission of treaties to the Senate for many years, even as the United States participates in the activities of the organizations established under some of the treaties. Of the four treaties—including this one—considered by the Committee during its May 19 business meeting, each was submitted to the Senate more than two years after signature by the United States. In one case, the Administration advanced legislation to bring U.S. law into compliance with the treaty, two years prior to a request for advice and consent to the treaty. The Committee believes this trend undermines the Senate's legal role in the advice and consent to ratification of treaties. The Committee may need to consider legislation to redress this issue should this trend continue.

VII. EXPLANATION OF PROPOSED TREATY

For a detailed article-by-article analysis of the proposed treaty, see the technical analysis submitted with the letter of submittal from the Secretary of State, which is set forth at pages 1–14 of Treaty Doc. 105–35.

VIII. TEXT OF THE RESOLUTION OF RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Trademark Law Treaty done at Geneva October 27, 1994, with Regulations, signed by the United States on October 28, 1994 (Treaty Doc. 105–35), subject to the declarations of subsection (a), and the proviso of subsection (b).

(a) DECLARATIONS.—The advice and consent of the Senate is subject to the following declarations:

(1) LIMITED RESERVATIONS PROVISIONS.—It is the Sense of the Senate that a "limited reservations" provision, such as that contained in Article 21, has the effect of inhibiting the Senate in its exercise of its constitutional duty to give advice and consent to ratification of a treaty, and the Senate's approval of this treaty should not be construed as a precedent for acquiescence to future treaties containing such a provision.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

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