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VALUE

Protecting Source ASEAN Full Service Alliance

**An Analysis of the Options Available to Protect
the Intellectual Property of SAFSA**

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Contents

Introduction	3
1. The Source ASEAN Full Service Alliance (SAFSA)	4
How is SAFSA Used?	6
Why Protect SAFSA?	6
What is to be Protected?	7
Infringement Scenarios and Related Issues	8
2. Recommendations	10
How to Protect Marks	11
What Type of Protection to Secure	12
Where to File?	13
The Registration Process	13
Optional Alternative Registration Procedure	14
Administrative Requirements to Manage Portfolio of Registrations	15
How Long Will It Take to Register a Mark?	16
What Will Protection Cost?	16
How Long Will Registration Last?	17
When to Register a Mark	18
3. Conclusion	20
4. Appendix 1	21
Contracting Parties	21

Introduction

The Valuing ASEAN Linkages Under Economic Integration (VALUE) project provides technical assistance to regional supply chains to foster deeper integration and competitiveness in the 10 countries of the Association of Southeast Asian Nations (ASEAN). One of the regional supply chains supported by the VALUE project is the textiles and apparel. Within the support to the textile and apparel industry is the “Source ASEAN Full Service Alliance” or “SAFSA”, a private alliance of textile and garment factories.

SAFSA is an innovative approach utilized by AFTEX to more deeply integrate the regional textile and apparel sector. Specifically, SAFSA builds partnerships of factories in ASEAN so that they can more competitively supply apparel buyers. For example, to produce a garment requires many inputs, including most importantly fabric and the labor to cut and sew that fabric into a garment. In the ASEAN region, there is an abundance of fabric producers and garment factories but they are weakly linked, thus eroding the competitive advantage other country suppliers have with more closely linked supply chains and especially those countries, like China, which have factories that are “vertically integrated” with all input services available to a garment buyer under one roof.

SAFSA is growing in membership and there is a significant value for factories to be part of the initiative because, in addition to making them more competitive, their capabilities are validated through an audit process that is required to become a member. Subsequently, the global brands and retailers that join the initiative with the hopes of doing business with these factories do so because the audit “pre-approves” the factory as best in class.

Considering the demand from ASEAN-based factories to be part of the SAFSA program, and the fact that VALUE and AFTEX are trying to position SAFSA for long term success, a decision was taken to pursue registering the “SAFSA” name and trademark/logo. As a result, the VALUE Project conducted the following report to advise on the requirements for registration and recommendations on how AFTEX could proceed with registering the SAFSA name should they choose to do so.

1. The Source ASEAN Full Service Alliance (SAFSA)

The Source ASEAN Full Service Alliance (SAFSA) is an initiative of the ASEAN Federation of Textile Industries (AFTEX). AFTEX is a federation of associations – "a grouping of textile and garment associations of the 10 ASEAN member countries"¹ – with objectives that include promoting both intra-ASEAN trade in textiles and garments and promoting ASEAN textiles and apparel in the global market.² An important AFTEX objective is to enhance the competitiveness of ASEAN textile and apparel producers through regional integration. A primary means of achieving this objective is through SAFSA. SAFSA is an initiative that promotes the competitiveness of ASEAN textiles by helping garment factories offer global customers greater value, with the overall goal of linking ASEAN textile and garment factories with international customers.

The SAFSA initiative includes two key elements:

1. Membership criteria.

- SAFSA is open to membership by suppliers and customers who meet certain membership criteria.
- Suppliers must be ASEAN-based entities that meet standards on the quality of their services and on their social responsibility practices. These standards are intended to ensure that SAFSA suppliers can quickly produce quality, full-service garments for an increasingly competitive world market.
 - SAFSA customers must have a minimum annual sales revenue for apparel products, must have their own apparel brands and retail stores, and not use agents to handle the placement of orders or quality control.

2. Facilitating full-service to customers.

- SAFSA partners ASEAN-based textile mills and garment factories to create virtual vertical factory (VVF) partnerships that offer a more comprehensive range of services³ to apparel buyers.

¹ "About AFTEX," <http://sourceasean.com/about-aftex/>, accessed December 19, 2011.

² *Id.*

³ Such services include fabric sourcing, pattern making, sampling, quality control and logistics.

HOW IS SAFSA USED?

Since AFTEX does not produce or sell goods, the *SAFSA* mark is not used by AFTEX as a trademark. However, *SAFSA* is used as a mark, in three ways:

1. AFTEX uses the *SAFSA* mark to identify services that AFTEX offers and to promote participation in the *SAFSA* initiative. This is a classic example of a service mark, that is, a trademark used in connection with the delivery of services.
2. AFTEX allows its members to use the *SAFSA* mark to identify themselves as *SAFSA* members. A mark that signifies membership is typically protected as a collective mark. If *SAFSA* members use the mark in connection with services, e.g., advertising that types of services that they provide, *SAFSA* would be a collective service mark. If members place the mark on the goods they sell, *SAFSA* would be a collective trademark.
3. To the extent that *SAFSA* certifies that members have met or are meeting certain standards, *SAFSA* functions as a certification mark.

WHY PROTECT SAFSA?

As a service mark, *SAFSA* identifies a valuable service that AFTEX provides to its *SAFSA* members. The use of the *SAFSA* mark in connection with similar services offered by another party would diminish the value of the mark to AFTEX and ultimately would undermine the effectiveness of the *SAFSA* program and decrease the value of the *SAFSA* program to *SAFSA* members and potential members.

SAFSA identifies suppliers that have met certain quality and social responsibility standards and customers that have met certain standards. The use of the *SAFSA* mark by parties not authorized to use it, or in ways that are not authorized, would diminish – and could destroy – the value of the mark as a marketing tool.

WHAT IS TO BE PROTECTED?

The SAFSA initiative is represented, at varying times, in three different ways:

1. Combined word mark
and logo:



2. Word marks: *SAFSA and SAFSA Global Forum*

3. Word mark – full name: *Source ASEAN Full Service Alliance*

From an intellectual property perspective, it makes sense to protect all three forms of the mark, since the unauthorized use of any of them could create confusion as to authorization or source.

Before moving to secure protection for the combined word mark and logo, however, it may be useful to create a greater differentiation between the *AFTEX* logo and the *SAFSA* logo, which are virtually identical except for the text used in the logo.



The reasons for these recommendations are best illustrated by examples, as set forth in the following section.

INFRINGEMENT SCENARIOS AND RELATED ISSUES

It is useful to consider different situations that could affect the value of the SAFSA mark and the credibility of the SAFSA initiative. Here are some examples:

Scenario 1: The SAFSA combined name and logo is registered, but the word mark is not registered. An entity other than AFTEX develops a mark that is similar in appearance or sound to "SAFSA" but has a different appearance from the combined name and logo, and a complete name with different words. Use by that other entity of the similar mark could undermine the integrity of the SAFSA word mark and the ability of AFTEX and its authorized users to develop that mark.

Scenario 2: The SAFSA word mark is registered, but not the combined word mark and logo. Another entity registers a mark that appears identical to the SAFSA combined word mark and logo except that the words and letters are rendered in characters of the language used in the country of registration. The registration probably should have been refused, particularly if the words and letters mean the same thing as SAFSA. Since the combined word mark and logo were not on file in that country, the examiner approved the registration. AFTEX can probably challenge the registration, but that will be expensive and time-consuming. In the meantime, the entity is using the registered mark to make business arrangements with local producers who otherwise work with a SAFSA supplier.

Scenario 3: The SAFSA combined name and logo is registered, but no registration has been applied for to cover the complete name. Another entity applies to register the mark "Source ASEAN for Southeast Asia" together with a logo that is different from the SAFSA combined name and logo. This applicant has approached several international customers to do business with them. One failed to notice the difference and signed a contract.

Scenario 4: An AFTEX member – a federation in one of the ASEAN countries – has begun to imitate the SAFSA approach, but only for factories in its own country. It is not using the SAFSA name or logo, but it is authorizing its supplier members to use the AFTEX combined word mark and logo and the words *Source [country name] Full Service Alliance* to pursue business. AFTEX learns of this from a SAFSA supplier member when it remarks about the "new policy" of decentralized use. AFTEX has no objection to the spread of the VVF strategy, but it believes that *Source [country name] Full Service Alliance* is trading on SAFSA good will and would like to prevent this particular type of use of the AFTEX logo and confusion between the *Source [country name] Full Service Alliance* and the *Source ASEAN Full Service Alliance*. AFTEX raises the issue with the member federation, which responds that it is unaware of any rules or requirements that would prevent it from the action it has taken.

Scenario 5: ABC Company is a SAFSA supplier member and aggressively pursues business through SAFSA. ABC easily passed the audits in 2010 but changed management late in 2011. The new managers still meet SAFSA standards for quality and efficiency, and ABC landed a large order for spring 2012, with goods to be placed in a major line of upscale department stores throughout Europe and North America. One way the new managers have been able to maintain their efficiency has been by requiring more of workers. The working age in the factory has decreased to 14, breaks have largely been eliminated, and guest workers' passports are held until the end of their contracts. AFTEX learned of this when ABC's customer, a SAFSA customer member, brought a copy of a news program showing clips of children working in the ABC factory and associating it with the customer's stores. The customer member is still reeling from this major embarrassment and loss of sales and has demanded that AFTEX take action or it will leave SAFSA. Unfortunately, it is unclear what action can be taken.

2. Recommendations

AFTEX would be better equipped to address situations like those described in the previous section by protecting its marks as broadly as possible. In the best of all possible worlds, it would probably be adequate to protect only one part of the *SAFSA* mark – perhaps the combined word mark and logo. In the real world, however, it would be wise to protect all forms of the mark, at least throughout the ASEAN region. The following measures would help AFTEX protect its *SAFSA* initiative.

- 1) **Register the *SAFSA* family of marks:** *SAFSA, SAFSA combined word mark and logo, and Source ASEAN Full Service Alliance.* This step will equip AFTEX to enforce its rights against any party who, without authorization, uses *SAFSA* in any of its forms – or a mark that is confusingly similar to one of those forms. It will also ensure that AFTEX is not powerless when faced with situations of the type described in Scenarios 1, 2, or 3 in the previous section.
- 2) **Register the *AFTEX* family of marks in the same three forms**, for the same reasons as apply to registration of the *SAFSA* marks. This will empower *SAFSA* to address situations like that described in Scenario 4, above.
- 3) **Develop rules for the use of the *AFTEX* and *SAFSA* families of marks**, adopt them as policies that are binding on members and licensees, and regularly ensure that members and licensees are aware of their obligations with regard to the use of the marks. These rules should govern the appropriate use of the marks – how, when, and by whom they can be used, and any other conditions relating to the use – and they should provide at a minimum that AFTEX has the ability to prevent any use it deems harmful to the organization or to the integrity and good will associated with the marks. This will provide AFTEX with a reasonable response to situations like those described in Scenarios 4 and 5, above. The existence of such rules and members' awareness of their obligations may help avert such situations from arising and in any event, will clarify the issues if it is necessary to take legal action.

These are common approaches taken by well-governed business entities to protect the good reputation of a business and its customer good will. Reputation and good will are well-recognized business assets that need to be protected. These assets are reflected in the value of the entity's trademark. An effective program of protection includes

- 1) Registration of all marks, in all forms used;
- 2) Written policies governing the use of marks, including who may use the marks and under what circumstances, what types of use are specifically prohibited, and possibly a statement of consequences for failure to honor the written policies, together with a program of education for authorized users;

- 3) Written agreements with authorized users governing the use of the mark and acknowledging and consenting to be bound by the written policies governing the use of the marks; and
- 4) An aggressive program of enforcement to identify and police the appropriate use of the mark, to seek damages or other relief where appropriate, and to prevent further unauthorized use.

These four measures are the cornerstones of an effective program of trademark protection that will help to ensure the continued integrity and value of the mark. Since AFTEX and SAFSA are membership programs, these measures are necessary to protect not only AFTEX's interests but also the interests of AFTEX and SAFSA members and their continued ability to benefit from their memberships.

A critical issue for the *SAFSA* mark is to address the situation illustrated by Scenario 5, where a SAFSA member ceases to meet minimum membership requirements. Continued enforcement of qualifications must be linked to the use of the mark in order to ensure its continued integrity and maintain its value. It is not necessary to oust a SAFSA member that ceases to meet membership criteria, but provisions should at least be made to suspend that member's use of the *SAFSA* marks.

HOW TO PROTECT MARKS

The protection of marks is territorial, that is, protection is accomplished country by country. This requires obtaining a registration in each country where protection is desired. Typically, AFTEX would need to budget not only for filing fees but for an attorney or agent to prepare the necessary documents and file them with the local office. Most offices require the appointment of an agent for an applicant that is not a national or resident of the country where the application is being filed, and most will require the application to be translated into the local language. In most cases, the local agent will handle the preparation of the documents, apprise the applicant of any needed items and communications with the trademark office, and translate both the documents and the office's communications. Many offices require that applications be filed on a form specified by the office or set out in the country's trademark regulations.

Depending on the country and type of mark, there may be other specific documents that must be submitted in addition to a copy of the mark and the application. The United States, for example, will allow an applicant to file an application without placing the mark in use but requires use as a condition of receiving the registration. Collective and certification marks (discussed in the next section) usually require a statement as to how the marks are used. Some countries require the applicant to provide a power of attorney, a signature by a specified official in the company, or articles of incorporation, and some may require that these documents be certified or, in some cases, legalized. In many countries, a certification mark cannot be registered to a party that produces or provides the type of goods or services to which the certification mark pertains.

Typical procedures include a formalities examination, in which the application is checked to make sure it contains all of the legally required elements; a substantive examination to ensure that the mark that is the subject of the application does not conflict with an existing registration or a mark that is the subject of an earlier-filed application in that country; grant or refusal of the registration; and either a pre-grant or post-

grant proceeding called an *opposition*, in which any party that believes it may be harmed by the registration has the opportunity to submit documents supporting its position.

Once a trademark registration is secured, the owner must take steps to maintain the registration in force. Some countries, such as the United States, require the owner to submit documents after five and ten years to maintain the registration in effect for its full term and all countries require the applicant to file a renewal application before the end of the trademark term in order to maintain it in force for another term. The trademark registration term is most often ten years but may be longer or shorter, depending on the law of the country where it is registered.

In addition to maintaining the registration, the owner should administer the mark in such a way as to preserve its integrity. This means, among other things, taking steps to prevent unauthorized use and, if the use of the mark is licensed, ensuring that use by others is consistent with the terms of use, so that purchases of goods and services bearing or used in connection with the mark are of consistent quality, regardless of whether they are produced or provided by the trademark owner or under license. In the case of certification marks, the owner must ensure that use is consistent with the license. Depending on the law of the country, failing to carry out these activities can result in the cancellation of the registration and its loss of eligibility for protection.

WHAT TYPE OF PROTECTION TO SECURE

The various types of marks discussed above are used in different ways. *AFTEX* and *SAFSA* and their associated complete forms and logos are used *by AFTEX* to identify the source of services. In this regard, they function as **service marks**, a type of mark used in connection with services. The protection for service marks and the procedures for obtaining protection are identical to that for trademarks.

To the extent that the marks are used by members of *AFTEX* or *SAFSA* to identify themselves as members of that organization, the marks are being used as collective marks. If the marks are used in connection with the promotion or delivery of services, they function as **collective service marks** and are protected in the same way as trademarks. The procedures for obtaining protection for a collective service mark are nearly the same as that for a trademark. In particular, the owner of the mark – in this case, *AFTEX* – would need to explain how the mark is used and probably the conditions for its use, i.e., that it is used as a collective mark to identify members, or as a collective service mark by members to promote *AFTEX* and *SAFSA* services.

For the *SAFSA* marks (but not for the *AFTEX* marks), there is an additional way that the marks are used, and that is to indicate that *SAFSA* members have met, and continue to meet, certain standards set by the mark owner *AFTEX*. In this respect, the *SAFSA* marks function as certification marks.

These categories of marks are significant for several reasons.

While virtually all countries register service marks, not all countries register collective marks. Others do not register certification marks or, in some cases, allow for registration but make it very difficult to obtain. If *AFTEX* would like to emphasize the certification function, it should register the *SAFSA* mark(s) as certification mark(s). In countries that do not protect certification marks, the *AFTEX* could

apply to register *SAFSA* as a collective mark or, if the country does not have a separate type of registration for collective marks, to register it as a service mark or trademark.

Filing requirements are sometimes different for the different types of marks. Some countries make virtually no distinction and simply register all marks as trademarks, but others have strict rules on the use of the marks and do not allow the same mark to be registered both as a certification mark and as a collective mark or trademark or service mark. For this reason, it may be useful to choose one of the family of marks to function as a certification mark, or better, to create a separate *SAFSA* certification mark, and to register the others as collective marks or service marks. Note that in countries that will not register the same mark as both a certification mark and a collective or service mark, it will be necessary to submit applications for different marks – but even a slight difference may be sufficient to distinguish between the two marks for purposes of securing the two types of registrations. For example, adding a single word to a mark is usually not sufficient to distinguish between two marks for infringement purposes, but it could be sufficient to permit registration of the two marks for two different purposes – certification and indications of source – when they are submitted by the same owner.

WHERE TO FILE?

The mark should be protected anywhere there is a likelihood that its use could lead to confusion as to the source or sponsorship of goods or services. This typically includes countries where goods are manufactured or sold or where services are provided. To prevent competitors from adopting the mark and using it in connection with the same or similar goods or services, it may also be useful to register the marks in countries where there are competing producers of goods or providers of services.

THE REGISTRATION PROCESS

To begin the registration process, *AFTEX* should decide which marks to protect, the types of protection to be obtained, and where to file. The next step will be to engage a law firm to handle the filing in one country – most likely in Singapore where *AFTEX* is located – and then to make arrangements for filing in the other countries where protection is desired.

Registration is effected by filing an application and documents that meet the requirements of the law and office where the application is filed. The office may identify other requirements to be met, and the applicant must file a timely response, generally through an agent or attorney.

Once a registration is secured, it is essential to learn about and comply with any post-registration requirements to maintain the registration in effect. In the United States, for example, an application is canceled if the applicant does not file an affidavit or declaration that the mark is in use between five and six years after registration.⁴ Registrations must also be promptly renewed within the period set for renewal in each country.

⁴ See USPTO, "Trademarks – Keeping a Registration Alive," <http://www.uspto.gov/trademarks/process/maintain/prfaq.jsp#heading-1>, accessed December 22, 2011.

OPTIONAL ALTERNATIVE REGISTRATION PROCEDURE

Although the usual approach is to engage a local agent in each country where a mark is to be protected, some applicants choose to proceed through the Madrid system. Under either the Madrid Agreement (Marks) or the Madrid Protocol,⁵ an applicant may file in its home country and then file a single international application requesting to extend the protection of that first application to other Madrid countries. Note that it is not possible to file under the Madrid Agreement (Marks) until the home country registration has been obtained, or under the Madrid Agreement (Marks) until the applicant has at least filed an application in the home country, so even under this alternative process, the first step will necessarily be to file in the home country.

Once an international application has been filed, it will be subject to an examination for formalities by the International Bureau (World Intellectual Property Organization, or WIPO). When WIPO considers the application to be complete, the application is sent to the countries that the applicant has designated and may be examined in those countries. The countries have a limited time in which to grant or refuse registration. If the country registers the mark, the registration is the same as if it had been applied for outside the Agreement. Filing under Madrid is more expensive than filing a single national application but more cost-effective for numerous applications since the applicant may defer engaging an agent in the early stages of the application process. The main advantages to filing under the Madrid system are the savings of cost and effort when filing in numerous countries. By filing under Madrid, applicants can defer the time when they need a local agent, need to submit copies of documents, or need to have them legalized or certified.

⁵The Madrid Agreement Concerning the International Registration of Marks is an international agreement that facilitates filing and registration in multiple countries. Membership is open to any member of the Paris Convention for the Protection of Industrial Property. The basic premise of the Madrid Agreement (Marks) (so-called to distinguish it from another Madrid Agreement on a different topic) is that a party secures a trademark registration in its home country and then requests that the initial registration be extended so as to apply to other countries. This is accomplished by filing the extension request with WIPO, which conducts an examination as to formal matters and sends the application to the countries that the applicant designates on its application form. Those countries have a period of one year in which to refuse registration on the basis of their own examination, failing which, the application is registered automatically in that country. To provide greater flexibility than is available to applicants and the participating countries under the Madrid Agreement (Marks), a separate agreement was negotiated. This agreement is the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, or Madrid Protocol.

The Madrid Protocol and the Madrid Agreement (Marks) are two separate but parallel and independent international agreements, with separate membership and different requirements. Any party that is eligible for membership in the Madrid Agreement (Marks) may join the Madrid Protocol, but the Madrid Protocol is also open to an intergovernmental organization that maintains its own office for registering marks, while the Madrid Agreement (Marks) is not. Many countries are members of both agreements; several are members only of the Madrid Protocol; and a few are members only of the Madrid Agreement (Marks). A list of countries and their memberships are shown in the table at the end of this paper. The practical effect of membership is that a party wishing to protect its mark in a Madrid Protocol member must make its filing on the basis of a filing in another Madrid Protocol member, or in a country that is a member of both the Madrid Agreement (Marks) and the Madrid Protocol – but not in a country that is a member only of the Madrid Agreement (Marks).

The main disadvantage is the possibility of "central attack," whereby the loss of protection in the home country (the *basic registration* on which other registrations are based) invalidates all of the registrations obtained from the international application. Loss of protection in the home country can occur in a variety of ways, including cancellation of the registration or even failure to secure a renewal before the end of the term of the international registration. For an application filed under the Madrid Protocol after filing in the home country but before receiving that initial registration, loss of protection can occur if the registration is refused, in which case, the applicant has paid substantial fees for which it will not receive any protection.

A list of Madrid countries is attached. This list shows whether the countries are members of the Madrid Agreement (Marks), the Madrid Protocol, or both. Note that of the ASEAN countries; only Singapore and Vietnam are members of the Madrid system, so filing under Madrid could not be used to extend a Singaporean registration to ASEAN countries other than Vietnam. Also note that of the main potential competing countries, identified as India, China, and Bangladesh, only China is a member of the Madrid system. The markets identified, the United States, Japan, and European Union, are all members of the Madrid Protocol only, so filing in those territories could be accomplished through the Madrid Protocol if desired.

For European Union countries, protection could be achieved by filing in each country or by filing with the Community Trademark Office in Alicante, Spain. The latter is more cost-effective and convenient but riskier, since refusal in any of the countries will result in loss of rights to the Community mark in every country.

ADMINISTRATIVE REQUIREMENTS TO MANAGE PORTFOLIO OF REGISTRATIONS

Registering marks will give AFTEX a portfolio of valuable, new intellectual property rights.⁶ An administrative structure is therefore needed to manage this new property. In particular, management includes

- ***Maintaining registrations in effect.*** Complying with the requirements to maintain a registration in effect in multiple countries will require an effective "tickler system," that is, a system of keeping track of requirements and filing deadlines such as affidavits of use and renewals, and the payment of any accompanying fees, and ensuring that action is taken in time to meet those deadlines in order to avoid cancellation of the registrations. Note that the various deadlines may occur at different times and in some cases may be days apart – or years apart – so keeping track of required actions will require considerable organization and vigilance.
- ***Administering license agreements.*** Authorized users should be provided with copies of license agreements that set forth terms of use of the mark and AFTEX should ensure that signed copies

⁶ In most countries, registration creates rights in the mark. In countries like the United States, where rights are acquired by use rather than by registration, it would be more precise to say that registration perfects those rights and increases the value of an existing portfolio of intellectual property.

of these documents are returned to AFTEX and maintained in a secure system of records. The portfolio manager should also send periodic reminders to licensees about the appropriate use of the marks and any changes in policy regarding use of the marks.

- ***Monitoring usage and preventing unauthorized use of the marks.*** A central point of communications is needed for reporting unauthorized use of the marks and for sending notifications to infringers and to authorized users who make unauthorized use of the marks. The portfolio manager should interact with legal counsel and secure advice or other assistance as needed. However, the portfolio manager is an appropriate party to send notifications to unauthorized users demanding an end to such unauthorized use; to bring the issue of potential administrative enforcement or litigation to the AFTEX board; and to engage and communicate with AFTEX's outside legal representatives.

HOW LONG WILL IT TAKE TO REGISTER A MARK?

The time required to register a trademark varies considerably from one jurisdiction to another. In the United States, the total time is typically a little over a year. Other countries take longer or shorter periods. If an application is subject to an opposition, this may take additional time and result in more expenses associated with the legal representation.

WHAT WILL PROTECTION COST?

There are several elements of expense associated with protecting marks. Initial expenses of securing registrations include legal services and associated costs and government filing fees. Once a mark is registered, the owner should budget for legal action to prevent unauthorized use of the mark.

The cost of legal services varies widely so should be investigated and negotiated before choosing an attorney. However, considering that the marks to be protected represent the value of the programs they represent, a primary consideration should be to choose a well-qualified attorney or firm that has experience in registering and enforcing trademarks both locally and abroad.

Each government controls its own fee structure for trademark services. In the United States, the basic filing fee depends on whether the application is filed electronically or in paper form and varies from \$275 to \$375 for one application in one class of goods or services. However, there are a number of other fees that may be incurred, so the total government fees charged by the U.S. office may easily be \$200-\$300 more. The Japanese Patent Office charges a basic filing fee of ¥ 3,400 plus ¥ 8,600 per class of goods and services, and a registration fee of ¥ 37,600 per class, as well as miscellaneous fees that may apply. A Community Trade Mark, which applies throughout the European Union, costs EUR 900 – EUR 1050, depending on whether the application is filed electronically or in paper form, for a single application in up to three classes of goods or services. Note that all of these fees are for 2011 and are subject to change. In smaller countries, both government fees and agent or attorney fees are typically less expensive.

International fees for extending registrations under the Madrid system are given at <http://www.wipo.int/madrid/en/fees/sched.html>.

In addition to the fees charged by government offices, applicants must be prepared to pay their attorneys or agents for their representation and services. These fees are typically as much as or more than the government filing fees. One practitioner⁷ estimates the cost of obtaining a trademark registration at \$1,000 to \$3,000 per country, for a single mark in a single class of goods or services, and the total cost to file in countries around the world as being on the order of \$200,000. Another firm⁸ estimates \$800 per country except for the European Union, where fees total about \$5,000 for 25 countries. This firm charges a fee of \$30,000 to administer worldwide filings and requires a retainer of \$80,000 which is largely disbursed within the first month after filing.

Based on these estimates and similar feedback from other sources, securing trademark registrations for a single mark, in one class of goods or services, in the ten ASEAN countries, three market jurisdictions, and three likely competitor countries is likely to cost about \$50,000 for each mark. While this amount sounds expensive, it amounts to just about \$5,000 per ASEAN country and could secure protection in priority countries for a typical period of ten years or more.

HOW LONG WILL REGISTRATION LAST?

Country	Term	For More Information
Singapore	10 years; 10 years for renewal	http://www.ipos.gov.sg/leftNav/tra/Application+Process+in+Singapore.htm
Vietnam	10 years from filing; 10 years for renewal	http://www.vietnamonline.com/az/how-to-register-for-a-trademark-in-vietnam.html ; http://starcorpvn.com/_pdf_files/Trademark%20Paper.pdf
Bangladesh	7 years; 10 years for renewal	http://www.biplobd.com/trademark_registration_in_bangladesh.html
China	10 years, renewable	http://www.by-cpa.com/html/news/20079/1021.html
India	10 years, renewable	http://www.indiajuris.com/pdf/ptbook.pdf ; http://newdelhi.usembassy.gov/iprtrademark.html ; http://www.indianpatents.org.in/faqtrade.htm#102

⁷ Oppedahl, "What it costs to do non-US trademark filings," <http://www.oppedahl.com/cost/trademarks/>, accessed December 22, 2011.

⁸ Arvic Search Services, <http://www.tmweb.com/faqs.asp#Q44>, accessed December 22, 2011.

Japan	10 years, 10 years for renewal	http://www.ondatechno.com/English/ip/trademark/faq_before.html
European Union Community Trademark	10 years, 10 years for renewal, subject to genuine use of mark within 5 years of registration	http://oami.europa.eu/ows/rw/pages/CTM/communityTradeMark/communityTradeMark.en.do
United States	10 years; 10 years for renewal; provided documents showing use are filed between 5th and 6th years after registration and between 9th and 10th years and with renewals	http://www.uspto.gov/faq/trademarks.jsp#_Toc275426707

Note that most countries require a renewal application to be filed within *six months before* the expiration of the term of registration. Other conditions may apply for maintaining a registration in effect. In the United States, the registrant must file a declaration that the mark is in use between the fifth and sixth year after registration and again between the ninth and tenth years, and at each renewal. If these declarations are not timely filed, the registration will be canceled or, in the case of renewal, the renewal will not be made. The applicant should consult its legal counsel regarding any such requirements in each country where it intends to file.

While a Community Trademark is an efficient way to obtain registration throughout the European Union, it is also risky as a refusal in any EU country will result in the loss of the Community Trademark registration. The alternative procedure would be to file in the European Union country-by-country and to obtain registrations on the basis of the domestic law of each country.

WHEN TO REGISTER A MARK

Ultimately, the answer to this question is, *Before someone else registers the mark or one that is similar to it.*

In first-to-file countries that award trademark rights on the basis of registration (that is, in most countries), being second is likely to deprive the later applicant of the ability to use the mark, unless the applicant can show bad faith and move to have those registrations cancelled.

In countries that award ownership based on which party can demonstrate the earliest date of use, being second to file may still entitle the applicant to secure the registration, but the procedure will cost *considerably more money* than if the applicant simply filed early. Moreover, as the SAFSA mark acquires fame, the chances of infringement increase, and without registration, AFTEX would not have the legal ability to prevent infringing uses of the marks.

Although it is important to register a mark as soon as possible, it is also possible to phase in registrations so as to spread costs over a longer period of time. This may involve some risk to the unprotected marks, but no more than failing to proceed with registration. Moreover, filing at least one application may be useful since one SAFSA registration would create a legal basis on which to challenge an application or registration that incorporated the SAFSA mark or a portion of it.

Once the first application is filed in any country that is a member of the Paris Convention for the Protection Industrial Property or the World Trade Organization, AFTEX could take advantage of the priority period under the Paris Convention to delay its foreign filings.⁹ The term *priority* refers to the treatment of applications based on an earlier file application. An application filed in one Paris country (or WTO member) would establish could claim the benefit of priority based on the earlier application, in which case, nothing done during the priority period can be taken into account in determining registrability, provided that the later applications are filed within the priority period. In effect, for purposes of determining registrability, a later application that claims priority based on that first application would be treated as if it had been filed on the same date as the priority application. This would allow it to be registered before any similar marks filed before the foreign trademark applications but after the priority date. For trademarks, the priority period is six months from the date of filing of the original application.

⁹The Paris Convention for the Protection of Industrial Property is one of the oldest international agreements on intellectual property. The term "industrial property" refers broadly to inventions, marks, and other forms of intellectual property including the repression of unfair competition; the term is generally used to distinguish between these types of intellectual property and copyright and related rights, which form the other broad branch of intellectual property. The Paris Convention requires its member countries to provide certain very basic protections including creating a central office for industrial property communications, providing national treatment to nationals of other Paris countries, and an important provision for those seeking to protect their industrial property abroad, a right of priority, described above. Thus, any natural or legal person seeking to register a trademark in a Paris country will have the benefit of these protections if it is a national of a Paris country or if it is domiciled or has a real and effective industrial or commercial establishments in the territory of a Paris country. The Agreement Establishing the World Trade Organization (WTO) contains a number of annexes, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). The TRIPS Agreement incorporates significant portions of the Paris Convention, including articles relating to national treatment and priority. Thus, a party that is a national of a WTO Member will have the same ability to rely on the relevant Paris Convention articles with regard to any other WTO Member. In applying these provisions, the available list of places where these protections exist will include any country or territory where both the applicant's home country or territory and the place where it proposes to file are members of the Paris Convention or both are members of the WTO, or where both are members of a regional or bilateral agreement that provide comparable rights – but not where one is a member of, for example, the WTO and the other is a Paris country but not a WTO member.

3. Conclusion

There is no substitute or alternative to registration as a means of protecting AFTEX's marks, although alternatives exist in the approach to filing, the marks to be protected. Trademarks and service marks represent the goodwill associated with an enterprise, and a strong mark may represent a large part of the enterprise's value. Leaving these valuable assets unprotected may lead to a situation in which the marks and the entity they represent both lose much of their value.

4. Appendix 1

CONTRACTING PARTIES

Contracting Parties > Madrid Agreement (Marks) (Total Contracting Parties: 56), Madrid Protocol (Total Contracting Parties: 84)

CONTRACTING PARTY	MEMBER OF MADRID AGREEMENT (MARKS)	MEMBER OF MADRID PROTOCOL
Albania	•	<input type="checkbox"/>
Antigua and Barbuda		<input type="checkbox"/>
Algeria	•	
Armenia	•	<input type="checkbox"/>
Australia		<input type="checkbox"/>
Austria	•	<input type="checkbox"/>
Azerbaijan	•	<input type="checkbox"/>
Bahrain		<input type="checkbox"/>
Belarus	•	<input type="checkbox"/>
Belgium	•	<input type="checkbox"/>
Bhutan	•	<input type="checkbox"/>
Bosnia and Herzegovina	•	<input type="checkbox"/>
Botswana		<input type="checkbox"/>
Bulgaria	•	<input type="checkbox"/>
China	•	<input type="checkbox"/>
Croatia	•	<input type="checkbox"/>
Cuba	•	<input type="checkbox"/>
Cyprus	•	<input type="checkbox"/>
Czech Republic	•	<input type="checkbox"/>
Democratic People's Republic of Korea	•	<input type="checkbox"/>
Denmark		<input type="checkbox"/>
Egypt	•	<input type="checkbox"/>
Estonia		<input type="checkbox"/>
European Union		<input type="checkbox"/>
Finland		<input type="checkbox"/>
France	•	<input type="checkbox"/>
Georgia		<input type="checkbox"/>

Germany	•	<input type="checkbox"/>
Ghana		<input type="checkbox"/>
Greece		<input type="checkbox"/>
Hungary	•	<input type="checkbox"/>
Iceland		<input type="checkbox"/>
Iran (Islamic Republic of)	•	<input type="checkbox"/>
Ireland		<input type="checkbox"/>
Israel		<input type="checkbox"/>
Italy	•	<input type="checkbox"/>
Japan		<input type="checkbox"/>
Kazakhstan	•	<input type="checkbox"/>
Kenya	•	<input type="checkbox"/>
Kyrgyzstan	•	<input type="checkbox"/>
Latvia	•	<input type="checkbox"/>
Lesotho	•	<input type="checkbox"/>
Liberia	•	<input type="checkbox"/>
Liechtenstein	•	<input type="checkbox"/>
Lithuania		<input type="checkbox"/>
Luxembourg	•	<input type="checkbox"/>
Madagascar		<input type="checkbox"/>
Monaco	•	<input type="checkbox"/>
Mongolia	•	<input type="checkbox"/>
Montenegro	•	<input type="checkbox"/>
Morocco	•	<input type="checkbox"/>
Mozambique	•	<input type="checkbox"/>
Namibia	•	<input type="checkbox"/>
Netherlands	•	<input type="checkbox"/>
Norway		<input type="checkbox"/>
Oman		<input type="checkbox"/>
Poland	•	<input type="checkbox"/>
Portugal	•	<input type="checkbox"/>
Republic of Korea		<input type="checkbox"/>
Republic of Moldova	•	<input type="checkbox"/>
Romania	•	<input type="checkbox"/>
Russian Federation	•	<input type="checkbox"/>
San Marino	•	<input type="checkbox"/>
Sao Tome and Principe		<input type="checkbox"/>
Serbia	•	<input type="checkbox"/>

Sierra Leone	•	<input type="checkbox"/>
Singapore		<input type="checkbox"/>
Slovakia	•	<input type="checkbox"/>
Slovenia	•	<input type="checkbox"/>
Spain	•	<input type="checkbox"/>
Sudan	•	<input type="checkbox"/>
Swaziland	•	<input type="checkbox"/>
Sweden		<input type="checkbox"/>
Switzerland	•	<input type="checkbox"/>
Syrian Arab Republic	•	<input type="checkbox"/>
Tajikistan	•	<input type="checkbox"/>
Turkey		<input type="checkbox"/>
Turkmenistan		<input type="checkbox"/>
Ukraine	•	<input type="checkbox"/>
United Kingdom		<input type="checkbox"/>
United States of America		<input type="checkbox"/>
Uzbekistan		<input type="checkbox"/>
Viet Nam	•	<input type="checkbox"/>
the former Yugoslav Republic of Macedonia	•	<input type="checkbox"/>
Zambia		<input type="checkbox"/>