

FOREIGN TRADEMARKS: RESOLVING A ‘WELL-KNOWN’ CONFLICT

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Abstract: The well-known marks doctrine, born out of Article 6bis of the Paris Convention for the Protection of Industrial Property, protects unregistered foreign well-known trademarks. In the United States, currently there is a ‘well-known conflict’. At the center of the conflict is the issue of whether U.S. federal law recognizes the well-known marks doctrine. Currently, the Ninth Circuit Court of Appeals recognizes the well-known marks doctrine while the Second Circuit Court of Appeals does not. There are many policy considerations support protecting foreign well-known marks. This note discusses why the Supreme Court should intervene to resolve this conflict, as well-known foreign marks are protected by federal law through Section 44 of the Lanham Act.

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I. INTRODUCTION

2008] ^{FOREIGN TRADEMARKS} Alberto, a Chilean entrepreneur, has made a living selling shoes. Alberto ⁶³ utilizes the 'Fuego' mark for his stores and has experienced much success. He has invested a considerable amount of time and money in marketing his mark and consequently it has become popular in South America. He currently has not opened any 'Fuego' stores in the United States. An American businessman seizing upon the fame of Alberto's mark opened shoe stores in California and New York, both under the name 'Fuego.' Both of the stores are located in areas with high concentrations of South American immigrants. Can Alberto receive protection for his unregistered well-known foreign mark?

Under the Ninth Circuit approach, assuming Alberto's mark meets the requisites for protection, Alberto would be able to protect the goodwill of his mark in a federal court through the well-known marks doctrine.¹ The Ninth Circuit approach would also protect immigrants and other consumers familiar with the 'Fuego' mark from being fooled into thinking that they are buying shoes from one of Alberto's renowned stores.²

Conversely, under the Second Circuit approach, Alberto would not be able to protect his well-known mark in a federal court.³ He would instead have to seek protection for his trademark on a state-by-state basis.⁴ Alberto would have to file separate actions in both New York and in California to try to protect his mark under the well-known marks doctrine as recognized by each state. By doing so, he may succeed or fail in protecting his mark in either or both states. If Alberto is unable to protect his mark in one or both of the states, immigrants and other consumers familiar with the 'Fuego' mark will be misled into thinking they are shopping at one of Alberto's renowned stores. In addition, the American businessman could take advantage of the goodwill of the 'Fuego' mark.

The Second Circuit's approach could also have international ramifications. Alberto's home country may decide the U.S. has not adhered to the commitments it assumed under various treaties. Consequently, Alberto's home country may retaliate by reducing the protection that it affords to American trademark owners. Alberto's home country may also use the U.S.'s noncompliance with international law as a tool to undermine the U.S.'s negotiating position in future negotiations.

The hypothetical with Alberto illustrates a 'well-known conflict' taking place in the United States. At the center of the conflict is the issue of whether U.S. federal law recognizes the well-known marks doctrine. The doctrine is an exception to the territorial nature of the international laws governing trademarks.⁵ The doctrine provides a means of protection for unregistered foreign well-known trademarks.⁶

1. Grupo Gigante S.A. De CV v. Dallo & Co., Inc., 391 F.3d 1088, 1092-93 (9th Cir. 2004).

2. *Id.* at 1094.

3. ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 165 (2d Cir. 2007).

4. *See, e.g., id.* at 165-66.

5. *See Empresa Cubana Del Tabaco v. Culbro Corp.*, 213 F. Supp. 2d 247, 286 (S.D.N.Y. 2002), *rev'd.* in

Currently there is a conflict of law in the U.S. circuit courts. The Ninth Circuit Court of Appeals recognizes the well-known marks doctrine in federal law, while the Second Circuit Court of Appeals does not.⁷ The Second Circuit has instead left the choice of whether to protect foreign well-known marks to the state courts.⁸ The Supreme Court should intervene when the opportunity arises to resolve this ‘well known conflict.’ The Court should recognize the well-known marks doctrine because it exists as substantive law incorporated into federal law through Section 44 of the Lanham Act.⁹

Additionally, there are persuasive policy justifications that support recognizing the doctrine. Recognizing the doctrine would preserve the credibility of the U.S. in international negotiations by honoring commitments made under various treaties.¹⁰ Further, the doctrine should be protected in order to secure reciprocal protection for U.S. trademark owners in foreign countries.¹¹ Also, the doctrine would shield consumers from confusion and fraud because it protects well-known foreign marks.¹² Moreover, the doctrine helps foreign trademark owners protect the goodwill of their marks.¹³ Lastly, the uniformity of trademark law should be preserved by ensuring that protection of well-known marks occurs at a national level.¹⁴

The Supreme Court, in recognizing the doctrine, would need to set a standard for the protection of well-known foreign marks. The Court would have to determine what level of recognition a foreign mark must reach to qualify for protection, the members of the U.S. population upon which the measurement of level of recognition is based, and the framework that courts should use to assess the level of recognition.¹⁵

The following section will introduce international and U.S. law relevant to the discussion of the well-known marks doctrine.

part, 399 F.3d 462 (2d. Cir. 2005), cert. denied, 126 S. Ct. 2887 (2006).

6. *Id.*

7. *Grupo Gigante*, 391 F.3d at 1092-93 (the Ninth Circuit recognized the well-known marks doctrine); *ITC*, 482 F.3d at 165 (the Second Circuit declined to recognize the well-known marks doctrine in federal law).

8. *See e.g. ITC*, 482 F.3d at 165-66 (the Second Circuit certified a question to the New York Court of Appeals asking whether it recognizes the doctrine).

9. Brandon Barker, *The Power of The Well-Known Trademark: Courts Should Consider Article 6BIS of the Paris Convention an Integrated Part of Section 44 of the Lanham Act*, 81 WASH. L. REV. 363, 364 (2006).

10. *See* Brief for American Intellectual Property Law Association as Amici Curiae Supporting Petitioner, *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135,(2d Cir. 2007) (No. 06-1722), 2007 WL 2174224. [hereinafter AIPLA].

11. *Id.*

12. *Grupo Gigante*, 391 F.3d at 1094.

13. Brief for AIPLA as Amici Curiae Supporting Petitioner, *ITC*, 482 F.3d 135 (No. 06-1722).

14. *Id.*

15. *Id.*

A. *Relevant International Law*

International laws governing trademarks can be found in the Paris Convention for the Protection of Industrial Property (Paris Convention) and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).¹⁶ The Paris Convention originated on May 30, 1883.¹⁷ Having ratified the Paris Convention, the United States is a party to the agreement, as revised in Stockholm, in 1970.¹⁸ TRIPS is an agreement that was negotiated at the end of the Uruguay Round in 1994.¹⁹

The Paris Convention is the primary international treaty governing trademarks. The treaty is intended to facilitate protection of patents and trademarks at the international level, and is intended to minimize unfair competition among member states.²⁰ In the U.S., the Paris Convention is probably not self-executing, because the text of the treaty provides that it is to be made effective through domestic legislation.²¹ The rulings of a majority of U.S. courts support such a conclusion.²²

However, contrary dictum in *Vanity Fair Mills v. T. Eaton Co.* could be construed to indicate the opposite, which is that the Paris Convention is self-executing in the United States.²³ In *Vanity Fair*, the Second Circuit in dictum suggests that in the U.S. there is no need for special legislation to make the Paris Convention effective.²⁴

When a treaty is self-executing its provisions operate without the aid of any legislation and should be applied and given authoritative effect by the courts.²⁵ While, the provisions of non self-executing treaties require enacting legislation to

16. See The Paris Convention for the Protection of Industrial Property, 21 U.S.T. 1583 [hereinafter Paris Convention]; Agreement on Trade Related Aspects of Intellectual Property Rights, 33 I.L.M. 1125 [hereinafter TRIPS].

17. Barker, *supra* note 9, at 364.

18. Alexis Weissberger, Note, *Is Fame Alone Sufficient to Create Priority Rights: An International Perspective on The Viability of The Well-Known Marks Doctrine*, 24 CARDOZO ARTS & ENT LJ 739, 767-68 (2006).

19. *Id.* at 740 n.3.

20. 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION 19:31.2 (2006).

21. Paris Convention, *supra* note 16, at 1664.

22. See e.g. *In re Rath*, 402 F.3d 1207, 1209 (Fed. Cir. 2005); *Int'l Cafe S.A.L. v. Hard Rock Cafe Int'l, Inc.*, 252 F.3d 1274, 1277 n.5 (11th Cir. 2001) (finding that the Paris Convention is not self-executing because, on its face, the Convention indicates that it becomes effective through domestic legislation); *Mannington Mills, Inc. v. Congoleum Corp.*, 595 F.2d 1287, 1298-1300 (3d Cir. 1979); *Ortman v. Stanray Corp.*, 371 F.2d 154, 157 (7th Cir. 1967).

23. *Vanity Fair Mills v. T. Eaton Co.*, 234 F.2d 633, 640 (2d Cir. 1956).

24. *Id.*

25. See *Asakura v. City of Seattle*, 265 U.S. 332, 341 (1924).

give effect to its articles.²⁶ Since the Paris Convention is probably not self-executing, enacting legislation should be required to give effect to its articles. [1:1

The Paris Convention in Article 6bis was the birthplace of an exception for well-known marks.²⁷ The well-known marks doctrine is an exception to the territorial nature of the international law governing trademarks.²⁸ The territoriality principle states that priority of trademark rights depends on the priority of use or registration within the country.²⁹ There are exceptions to this rule provided by Article 6bis of the Paris Convention for protection of foreign well-known marks.³⁰

The protection in Article 6bis of the Paris Convention only applies to goods that are identical or similar to those for which the mark is well-known.³¹ TRIPS extends the rights of trademark owners to well-known service marks, and also to dissimilar goods and services.³² TRIPS is intended to decrease the gaps in the way trademark rights are protected internationally, and is intended to bring trademark rights under a set of common international rules.³³ In the United States, TRIPS is not self-executing.³⁴ The Senate Report that accompanied the Uruguay Round Agreements Act states that TRIPS and other agreements under the General Agreement on Tariffs and Trade (GATT) “are not self-executing and thus their legal effect in the United States is governed by implementing legislation.”³⁵

In 1999, the WIPO General Assemblies and the Paris Union agreed to a Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (Joint Recommendation), which states that a well-known mark should be protected in a country because it is well-known in that country, regardless of the mark being

26. Brenda Sue Thornton, *The New International Jurisprudence on The Right to Privacy: A Head-On Collision with Bowers v. Hardwick*, 58 ALB. L. REV. 725, 767 (1995).

27. Paris Convention, *supra* note 16. Article 6bis of the Paris Convention states: [a]t the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods.
Id.

28. Barker, *supra* note 9, at 366.

29. *Id.* at 366.

30. *Id.* at 367.

31. Paris Convention, *supra* note 16, at 15.

32. TRIPS, *supra* note 16, at 1203-04. Article 16(2) extends the rights of trademark owners to well-known service marks. Article 16(2) states: “the Paris Convention (1967) shall apply, *mutatis mutandis*, to services...” *Id.* Article 16(3) extends the rights of trademark owners to dissimilar goods and services. Article 16(3) states: “the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered...” *Id.*

33. *See generally* TRIPS, *supra* note 16.

34. 19 U.S.C. § 3512(a)(1) (1994). *See Rath*, 402 F.3d 1207, 1209 n.2; S. REP. NO. 103-412, at 13 (1994).

35. S. REP. NO. 103-412, at 13 (1994).

registered or used there.³⁶ The Joint Recommendation was intended to make clear the existing standards for protecting well-known marks.³⁷ The Joint Recommendation by itself is not binding and is only soft law.

While the Joint Recommendation is only soft law, the United States has included complying with the arrangement as a term in bilateral trade agreements with both the Republic of Singapore and Jordan.³⁸ The United States has also included recognizing the importance of, and being guided by the principles contained within, the Joint Recommendation as a term in a bilateral agreement with the Republic of Chile.³⁹

B. U.S. Trademark Law

In the United States, trademark protection is generally territorial.⁴⁰ As a result, the mere foreign use of a trademark, which has no effect on U.S. commerce, cannot lead to a holding of priority of trademark use.⁴¹ Priority of use for trademarks in the U.S. generally depends on the priority of use within the nation and not priority of use in any other country of the world.⁴²

In the U.S., trademarks can be protected at both the state and federal level.⁴³ Trademarks registered at the state level only receive local protection, while trademarks registered at the federal level under the Lanham Act receive nationwide protection.⁴⁴ Most countries that are a part of the Paris Convention grant trademark rights to the first person to register a mark, however in the United States the law generally grants superior rights to the first person to use a mark.⁴⁵

In order to receive nationwide protection under the Lanham Act, a person must use the mark or have a bona fide intention to use the mark in commerce and as a result applies to register it on the principal register established by the Act.⁴⁶ Section 45 of the Lanham Act defines use in commerce as all commerce that

36. See Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, *adopted by* Assembly of the Paris Union for the Protection of Industrial Property and General Assembly of the World Intellectual Property Organization, WIPO Doc. 833(E), art. 2(3)(i) (Sept. 1999) [hereinafter Joint Recommendation]. (I cannot find where the rules governing this citation are)

37. See Joint Recommendation, WIPO Doc. 833(E) (the preface of the Joint Recommendation makes clear its intent).

38. United States-Singapore Free Trade Agreement Free Trade Agreement Implementation Act, Pub. L. No. 108-78, 117 Stat. 948 (2003); Jordan Free Trade Agreement, 2000 U.S.T. LEXIS 160.

39. US-Chile Free Trade Agreement, Pub. L.No, 108-77, 117 Stat. 909 (2003).

40. A. Bourjois & Co. v. Katzel, 260 U.S. 689, 692 (1923).

41. Person's Co. v. Christman, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990).

42. Almacenes Exito S.A. v. El Gallo Meat Mkt., Inc., 381 F. Supp. 2d 324, 326 (S.D.N.Y. 2005).

43. Anne Haring, *Basic Principles of Trademark Law*, in UNDERSTANDING BASIC TRADEMARK LAW 10-12, 31-32 (2004).

44. *Id.*

45. See United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97 (1918).

46. Lanham Act, 15 U.S.C. § 1051 (2003).

Congress can lawfully regulate.⁴⁷ Use in commerce has been construed by courts broadly to include both intrastate and interstate commerce.⁴⁸ [1:1]

The Lanham Act is primarily intended to prevent consumer confusion and to protect the goodwill of a trademark from being appropriated by pirates and cheats.⁴⁹ However, the Lanham Act also embodied other important policy objectives. The Lanham Act is intended to implement international obligations under trademark treaties in order to secure reciprocal benefits in other countries for American traders.⁵⁰ Also, the Lanham Act provides protection of trademarks at a national rather than local level.⁵¹

The Lanham Act is the statutory mechanism through which U.S. courts apply the articles of the Paris Convention and other agreements involving trademark law.⁵² U.S. courts currently disagree on whether Section 44 of the Lanham Act embodies substantive rights.⁵³ Some courts have stated that Section 44 of the Lanham Act does not provide substantive rights beyond those enacted by Congress.⁵⁴ These courts construe the Lanham Act narrowly as providing national treatment to foreigners engaged in commerce in the United States.⁵⁵ National treatment means only that foreign nationals should be treated the same as U.S. citizens under the Lanham Act.⁵⁶

Other courts have stated that the Lanham Act incorporates international treaties to create a federal body of law for unfair competition.⁵⁷ These courts interpret the Lanham Act broadly as also providing rights and remedies stipulated by certain international treaties.

47. *Id.*

48. *Vanity Fair*, 234 F.2d at 641.

49. S. REP. NO. 79-1333, at 3 (1946). The report states that trademark statutes have two goals: (1) “[T]o protect the public so that it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and which it wants to get;” and (2) to ensure that “where the owner of a trademark has spent energy, time and money in presenting to the public the product, he is protected in his investment from its appropriation by pirates and cheats.” *Id.*

50. *Id.* at 4-5. At the time, industrialists in the United States had been harmed in protecting their marks in foreign countries due to the U.S. government’s failure to carry out carry out its international obligations by statute. *Id.*

51. *Id.* at 3.

52. *Id.* at 4-5.

53. *Eli Lilly & Co. v. Roussel Corp.*, 23 F. Supp. 2d 460, 481-82 (D.N.J. 1998) (noting this disagreement).

54. See, e.g., *Empresa Cubana*, 399 F.3d 462; *Int’l Café*, 252 F.3d at 1277-78; *L’Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649, 652 (3d Cir. 1954).

55. See, e.g., *Empresa Cubana*, 399 F.3d 462; *Int’l Café*, 252 F.3d at 1277-78; *L’Aiglon*, 214 F.2d at 652.

56. *ITC*, 482 F.3d at 162.

57. See e.g., *Gen. Motors Corp. v. Ignacio Lopez de Arriortua*, 948 F. Supp. 684, 688-89 (E.D. Mich. 1996). See also *Laboratorios Roldan, C. por A. v. Tex Int’l, Inc.*, 902 F. Supp. 1555, 1568-69 (S.D. Fla. 1995).

C. Circuit Court Conflict

2008] There currently exists a conflict within the circuit courts about whether to recognize the well-known marks doctrine in federal law. The Second Circuit has held that federal trademark and unfair competition law does not recognize the well-known marks doctrine.⁵⁸ While, the Ninth Circuit has held that federal trademark and unfair competition law does recognize the well-known marks doctrine.⁵⁹

In *ITC Ltd. v. Punchgini, Inc.*, the plaintiffs used the Bukhara mark in India and in the United States for restaurant services.⁶⁰ The plaintiffs sought to register the mark 3 years after they stopped using it in the United States, but before the mark could be registered, the defendants opened the Bukhara Grill restaurant in Manhattan.⁶¹ In the proceedings that followed, the Second Circuit found that the continued foreign use of the mark by the plaintiffs did not protect it in the United States, because the Lanham Act provides no basis from which to recognize the well-known marks doctrine.⁶² The Second Circuit deferred the choice of enacting the doctrine under policy justifications to Congress.⁶³ In doing so, the Court acknowledged that persuasive policy justifications exist that support recognizing the doctrine.⁶⁴

In *ITC*, the Second Circuit's decision left the choice to enforce the well-known marks doctrine as a matter of state law.⁶⁵ The Court observed that the Trademark Trial and Appeal Board decisions recognizing the well-known marks doctrine were based on state common law and not federal law.⁶⁶ The Court determined that the doctrine could have a basis for support in the law of the state of New York, and certified a question to the New York Court of Appeals.⁶⁷ The certified question asks whether New York law recognizes the well-known marks doctrine, and if so, what standard should be used to determine that a foreign well-known mark is to be protected.⁶⁸

The decision of the Second Circuit is currently in conflict with the approach of the Ninth Circuit, which recognizes the well-known marks doctrine in federal law.⁶⁹ In *Grupo Gigante v. Dallo & Co., Inc.*, the plaintiff was a large grocery chain in Mexico that operated under the name Grupo Gigante; the plaintiff registered the

58. *ITC*, 482 F.3d at 165.

59. *Grupo Gigante*, 391 F.3d at 1094.

60. *ITC*, 482 F.3d at 143.

61. *Id.* at 143.

62. *Id.* at 171.

63. *Id.* at 164-66.

64. *Id.* at 165 (“[w]e acknowledge that a persuasive policy argument can be advanced in support of the famous marks doctrine”).

65. *See id.* at 165-66.

66. *Id.* at 159 (the Trademark Board decisions are accorded great respect because of general principles of administrative law that requires deference to an agency in regard to the statutes it administers).

67. *Id.* at 165-66.

68. *Id.* at 166.

69. *Grupo Gigante*, 391 F.3d at 1094.

mark ‘Gigante’ in Mexico.⁷⁰ In 1991, the defendant opened a grocery store named Gigante Market in a part of San Diego where shoppers were familiar with the Grupo Gigante chain.⁷¹ In 1996, the defendant opened a second Gigante Market in San Diego.⁷² In 1999, Grupo Gigante started operating in the United States, after the defendant demanded the plaintiff stop using the name “Gigante,” the plaintiff filed suit against the defendant.⁷³

In *Grupo Gigante*, the Ninth Circuit found that the well-known marks doctrine applied under U.S. federal law.⁷⁴ The Court determined that if the doctrine did not apply, there would be confusion and fraud among consumers, especially in immigrant communities, where consumers may incorrectly think they are purchasing goods from stores that they patronized frequently in their home countries.⁷⁵ The Ninth Circuit recognized the doctrine primarily on public policy grounds.⁷⁶ The Court did not mention international law as a justification for adopting the well-known marks doctrine.⁷⁷

The Ninth Circuit also discussed case law in New York and decisions made by the Patent and Trademark Office’s Trademark Trial and Appeal Board; both recognized the well-known marks doctrine.⁷⁸ However, these decisions did not provide a standard for evaluating when a trademark qualifies for protection under the doctrine.⁷⁹ As a result, the Court created a standard for protecting foreign well-known marks.⁸⁰

The Ninth Circuit found that for a foreign mark to fall within the well-known marks exception, it must: (1) establish secondary meaning, and (2) be shown by a preponderance of the evidence that a “substantial percentage of consumers in the relevant American market are familiar with the foreign mark.”⁸¹ The approach for determining well-known foreign marks adopted by the Court is essentially a ‘secondary meaning plus’ standard.⁸²

The Ninth Circuit recognized the well-known marks doctrine particularly as a means to prevent consumer confusion and fraud, but there are a number of other justifications for protecting unregistered foreign well-known marks. The following section will comprehensively discuss the reasons that well-known marks should be protected in the United States.

70. *Id.* at 1091.

71. *Id.*

72. *Id.*

73. *Id.* at 1091-92.

74. *Id.* at 1094.

75. *Id.*

76. *Id.*

77. *ITC*, 482 F.3d at 160.

78. *Grupo Gigante*, 391 F.3d at 1095-96.

79. *Id.* at 1095-96.

80. *Id.* at 1098.

81. *Id.*

82. *ITC*, 482 F.3d at 167-68.

A. Section 44 of The Lanham Act Protects Foreign Well-Known Marks

The Supreme Court should resolve the conflict between the circuit courts and recognize the well-known marks doctrine. The plain meaning of sections 44(b), (h), and (i) of the Lanham Act shows that federal law encompasses the well-known marks doctrine.⁸³

Sections 44(b) and (h) provide foreign residents protection against unfair competition.⁸⁴ Section 44(b) codifies international treaties into federal law and provides foreigners with the advantages negotiated in the treaties.⁸⁵ Section 44(h) provides foreign trademark owners with the same protection against trademark infringement as U.S. trademark owners.⁸⁶

Section 44(i) creates rights beyond those stated in the Lanham Act.⁸⁷ Congress drafted Section 44(i) to incorporate international treaties that provide additional rights to U.S. citizens.⁸⁸ Therefore, sections 44(b), (h), and (i) of the Lanham Act afford unregistered foreign trademark owners the ability to protect their marks in the United States.⁸⁹

Should the Supreme Court find the language of the Lanham Act ambiguous, it should abide by the Charming Betsy canon of construction.⁹⁰ The Charming Betsy canon requires courts to interpret statutes in a manner consistent with international obligations.⁹¹ When a conflict between a treaty and a Congressional Act arises, the Congressional Act trumps the treaty only if it was passed subsequent to the ratification of the international treaty.⁹²

Since section 44 of the Lanham Act supports the provisions of international treaties that embody the well-known marks doctrine; the courts should construe the Lanham Act in a manner consistent with the rights embodied in the international

83. Barker, *supra* note 9, at 374.

84. See *supra* note 57 at 689-90; Barker, *supra* note 9, at 374.

85. Barker, *supra* note 9, at 374.

86. *Supra* note 46 at § 1126(h). Section 44(h) of the Lanham act provides that foreign nationals who are entitled to receive the benefits of section 44(b) "shall be entitled to effective protection against unfair competition, and the remedies provided in this chapter ... shall be available so far as they may be appropriate." *Id.*

87. *Supra* note 57 at 689; See also, *Maison Lazard et Compagnie v. Manfra, Tordella & Brooks Inc.*, 585 F. Supp. 1286, 1289 (S.D.N.Y. 1984); Barker, *supra* note 9, at 376. ; *supra* note 46 at 1126 (i). "Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in subsection (b) of this section."

88. See generally, *supra* note 57 at 689; *supra* note 89 585 F. Supp at 1289; .

89. Barker, *supra* note 9, at 374.

90. *Id.*; See generally, *Murray v. Schooner Charming Betsy*, 6 U.S. 64, 118 (1804).

91. *In Re Rath*, 402 F.3d 1207, 1211(C.A. Fed. 2005). . See, e.g., *McCulloch v. Sociedad Nacional de Marineros de Honduras*, 372 U.S. 10, 20-22 (1963).

92. See *Breard v. Greene*, 523 U.S. 371, 376 (1998).

treaties to comply with the canon.⁹³ Should the Supreme Court find section 44 to contain an ambiguity; it ought to construe the statute so as to give effect to the well-known marks doctrine.⁹⁴

B. Policy Justifications

1. Secure Reciprocal Benefits for American Trademark Owners

The United States has an incentive to protect unregistered foreign-well known marks in order to encourage trading partners to provide reciprocal protection of valuable American marks.⁹⁵ The drafters of the Lanham Act recognized the importance of implementing international obligations under trademark treaties, to secure reciprocal benefits in other countries for American traders.⁹⁶

Trademarks have an enormous value in the American economy. A trademark is often viewed as a company's most valuable asset because of its distinctive qualities.⁹⁷ "Intangible assets, including [trademarks], account for nearly one-third of the value of all U.S. stocks, about \$5 trillion to \$5.5 trillion, or forty-five percent of U.S. GDP."⁹⁸ In global rankings of brands, American brands account for seven of the top ten brands.⁹⁹ The criteria for the global rankings were: the "brand . . . have a minimum brand value of US 2.7 billion dollars, achieve about one third of [its] earnings outside of [its] home country, . . . and have a wider public profile beyond [its] direct customer base."¹⁰⁰

In a global environment characterized by the rapid integration of economies, trademark protection has become a vital tool for achieving economic growth and prosperity.¹⁰¹ The increasing integration of economies has the unfortunate consequence of encouraging attempts to free-ride on the trademarks of others.¹⁰² The value of trademarks along with these new dangers has led trademark owners to take various measures to protect their marks.

American trademark owners rely on the well-known marks doctrine because their well-known marks are not in use everywhere. Registration in all 171 countries

93. Barker, *supra* note 9, at 388.

94. *Id.*

95. 95.S. REP. NO. 79-1333, at 4-5 (1946).

96. S. Rep. No. 79-1333, at 4-5 (1946) (Conf. Rep.).

97. RESTATEMENT (THIRD) OF UNFAIR COMPETITION §9 (1995).

98. *Factiva, Hot Topic: Businesses Battle Over Patent Laws*, WALL ST. J., Jun. 9, 2007, at A7.

99. *See* The 100 Top Brands Scoreboard, BUS. WK., Aug. 7, 2006, pg 60.

100. *Id.*

101. Margaret C. Levenstein & Valerie Y. Suslow, *The Changing Internal Status of Export Cartel Exemptions*, 20 AM. U. INT'L L. REV. 785, 813 (2005).

102. *See, e.g.,* Empresa Cubana Del Tabaco v. Culbro Corp. 399 F.3d 462 (2nd Cir. 2005); Almacenes Exito S.A. v. El Gallo Meat Market, Inc. 381 F. Supp. 2d 324 (S.D. N. Y. 2005); Vaudable v. Montmartre, Inc., 193 N.Y.S.2d 332 (N.Y. Sup. Ct. 1959).

that are parties to the Paris Convention can be financially prohibitive.¹⁰³ “Trademark owners often delay the expense of registering their marks in places not regularly used until they have plans to expand their business to those countries.”¹⁰⁴

U.S. trademark owners would be disadvantaged if other countries stop applying the well-known marks doctrine. There are many examples of U.S. traders benefiting from the doctrine. The well-known marks doctrine allowed the McDonald’s Corporation [hereinafter McDonald’s] to enter the South African market which has roughly 48 million potential customers.¹⁰⁵ McDonald’s expanded into South Africa despite the mark being previously registered with local entrepreneurs.¹⁰⁶

The well-known marks doctrine also prevented Starbucks from being extorted by Russian pirates who had registered the brand in Russia.¹⁰⁷ The pirates asked Starbucks for \$600,000 while the company contemplated its expansion.¹⁰⁸ Again, Starbucks was saved by the well-known marks doctrine in China because a Shanghai cafe used the Chinese version of the Starbucks name ‘Xing Ba Ke’.¹⁰⁹ The Chinese Appeals Court ordered the Shanghai cafe to cease using the name.¹¹⁰

2. Protecting the Credibility of the U.S. in International Negotiations

To fulfill its international obligations, the U.S. has agreed to observe the well-known marks doctrine in a number of bilateral trade agreements. An incomprehensive list of countries who have signed bilateral trade agreements with the U.S to protect unregistered foreign well-known marks include: Australia, the Republic of Singapore, Jordan and Morocco.¹¹¹ Also, the U.S. has agreed to protect foreign well-known marks in agreements, like the North American Free Trade

103. See Brief of Amicus Curiae, *supra* note 10, at 16. (There are two Amicus Curiae brief, author should cite to the one submitted to the Supreme Court.

104. *Id.*

105. See *McDonald’s Corp. v. Joburgers Drive-Inn Rest. (Pty) Ltd.*, 1997 (1) SA 1 (A) (S. Afr.) available at http://www.supremecourtofappeal.gov.za/judgments/sca_2001/2000_069.pdf South Africa has a population of 43,997,828 people. "South Africa." Encyclopædia Britannica. 2008. Encyclopædia Britannica Online. 18 Feb. 2008 <<http://0-search.eb.com.libus.csd.mu.edu:80/eb/article-44030>>.

106. *See Id.*

107. See 5 J. Thomas M cCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 29.61 at 29-176 n. 6 (2007). (reporting Russian litigation) .

108. *See Id.*

109. *Best Practice Intellectual Property - The Right Name in The Right Place*, FIN. TIMES (2006).-Cannot locate source- need direct citation.

110. *Id.*

111. U.S.-Australia Free Trade Agreement Implementation Act , 2004 U.S.T. 162, 236; (2004); United States-Singapore Free Trade Agreement Free Trade Agreement Implementation Act, Pub. L. No. 108-78, 117 Stat. 948 (2003); Jordan Free Trade Agreement, U.S. Treaties on LEXIS, 2000 U.S.T. LEXIS 160, 8; United States-Morocco Free Trade Agreement, Pub/ L. 108-302, 118 Stat. 1103 (2004).

Agreement (NAFTA) and The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA), which involve multiple countries.¹¹² In fact, the United States Patent and Trademark Office (USPTO) website explicitly stated that the U.S. federal law protects foreign well-known marks.¹¹³ While the USPTO is an agency in the United States Department of Commerce, its opinion, if consistent with the content on its website, would not be binding on a court.

Should the U.S. opt not to recognize the well-known marks doctrine, it would become vulnerable to accusations of not honoring its international agreements. This ultimately would undermine efforts in international negotiations, including those made to gain reciprocal protection for American owners of well-known marks in foreign countries.”¹¹⁴

3. Prevent Consumer Confusion and Fraud, and Protect The Goodwill of Foreign Marks

The well-known marks doctrine prevents consumer confusion and fraud. Without the doctrine, immigrants may be misled to think that they are shopping at stores that they were familiar with in their previous home countries.¹¹⁵ “With enhanced digital communications technologies, widespread international travel, global trade, and fluid immigration patterns; rigid application of the general principle of territoriality [c]ould confuse American consumers.”¹¹⁶

Also, the doctrine enables foreign trademark owners to preserve the goodwill of their well-known brands.¹¹⁷ Foreign trademark owners who create a product should have the ability protect the goodwill of their marks from pirates and cheats.

4. Well-Known Marks Should Receive Federal Protection to Provide for Uniformity of The Law

The Supreme Court should resolve the conflict among the circuit courts to ensure that well-known marks are protected at the federal level rather than state level. Unfortunately, in *ITC*, the Second Circuit left the choice of whether to protect unregistered foreign well-known marks to the state courts.¹¹⁸ If well-known marks are protected on a state-by-state basis, this would prevent uniformity in U.S.

112. NAFTA, Dec. 17, 1993, U.S.-Can.-Mex., 32 I.L.M. 298; Central America-Dominican Republic-United States Free Trade Agreement, Pub. L. No. 109-053, 119 Stat. 462 (2005).

113. USPTO, http://www.uspto.gov/go/dcom/olia/ir_tm_marks.htm. “The United States implements these standards by protecting registered as well as unregistered well-known marks, of both domestic and foreign origin, from use and/or registration by unauthorized parties through the operation of Lanham Act...” *Id.*

114. Brief of Amicus Curiae, *supra* note 10, at 10-11.

115. See *Grupo Gigante v. Dallo & Co.*, 391 F.3d 1088, 1094 (Cal. Ct. App. 2004).

116. *De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc.*, 2005 U.S. Dist. LEXIS 9307, at 25 (2005).

117. Brief of Amicus Curiae, *supra* note 10, at 9.

118. *ITC*, 482 F.3d at 165-66

trademark law where unregistered foreign well-known marks are protected in some states, but not others.¹¹⁹ Currently, as a result of the Second Circuit's decision,¹²⁰ foreign trademark owners are forced to rely on state law to protect their trademarks in Connecticut, New York, and Vermont.¹²⁰

IV. SETTING THE STANDARD FOR PROTECTING A WELL-KNOWN MARK

If the Supreme Court chooses to recognize the well-know marks doctrine, it will be necessary to establish the standard for protection. To set a standard, the Supreme Court has to determine: the level of recognition a foreign mark needs to qualify for protection, the members of the U.S. population that level of recognition is measured based upon, and the framework that a court should use to assess the level of recognition.¹²¹

Therefore, the Supreme Court can adopt a minimum threshold of recognition that well-known marks are required to surpass to receive protection.¹²² In the alternative, the Supreme Court can adopt a flexible standard that allows the appropriate level of recognition to shift with the facts on a case-by-case basis.¹²³

Also, the Supreme Court should determine the appropriate audience to apply the recognition. For example, the appropriate audience could be a segment of the population; within one or more sectors of the relevant immigrant audience for the product or service.¹²⁴ Alternatively, the audience may consist of the entire U.S. consumer population.¹²⁵

Courts have considered the following frameworks in analyzing whether a foreign mark is well known: secondary meaning, secondary meaning plus, the anti-dilution statute, and recommendations of the World Intellectual Property Organization.¹²⁶ Secondary meaning analysis can be used to determine if a foreign mark is well-known.¹²⁷ The district court in *Grupo Gigante*, adopted that analysis even though it was later rejected by the Ninth Circuit.¹²⁸ Under secondary meaning analysis, a foreign well-known mark receives protection if consumers use the trademark to identify the source of the product and not just the product itself.¹²⁹

119. Brief of Amicus Curiae, *supra* note 10, at 10.

120. *ITC*, 482 F.3d at 165-66; Second Circuit Court of Appeals, <http://www.ca2.uscourts.gov/> (Last accessed December, 2007) (the Second Circuit has jurisdiction over Connecticut, New York, and Vermont).

121. Brief of Amicus Curiae AIPLA in Support of Neither Party, *supra* note 15, at 17-18.

122. *Id.*

123. *Id.*

124. *Id.* at 19.

125. *Id.*

126. *ITC*, 482 F.3d at 167-69.

127. *Id.* at 167.

128. *De Beers*, 2005 U.S. Dist LEXIS at 1098.

129. *See Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 119 F. Supp. 2d 1083, 1091 (C.D. Cal., 2000). (rev'd by *Grupo Gigante SA*....)

Relevant factors that a court might consider in secondary meaning analysis include: survey evidence; direct consumer testimony; exclusivity, manner and length of use of the mark; amount and manner of advertising; amount of sales and number of customers; established place in the market; and proof of intentional copying by the defendant.”¹³⁰ And, courts should also “considered where in the world the mark was originally used.”¹³¹

In rejecting the district court’s approach in *Grupo Gigante*, the Ninth Circuit adopted a secondary meaning plus framework of analysis.¹³² Under this analysis, the mark owner must demonstrate by a preponderance of evidence that a “substantial” percentage of consumers are familiar with the source of the product.¹³³ Similar to the district court, the court would consider the factors used in the original secondary meaning analysis but With a higher burden.

Two alternative frameworks of analysis identified by the Second Circuit in *ITC*, and mentioned in a certified question to the New York Court of Appeals were from the anti-dilution statute and Joint Recommendation. The four non-exclusive factors in the anti-dilution statute can act as guide in determining well-known marks.¹³⁴ Also, the factors suggested in the Joint Recommendations can serve as a guide for determining well-known marks.¹³⁵

Any determination that a foreign mark is well-known means that the mark receives protection under the well-known marks doctrine. However, the foreign mark owner must also satisfy the elements of the unfair competition to prevail.¹³⁶ The foreign mark owner would have to demonstrate a likelihood of confusion to prove trademark infringement or unfair competition.¹³⁷

130. Id.

131. Id.

132. *ITC*, 482 F.3d at 167-68.

133. *De Beers*, 2005 U.S. Dist Lexis at 1098.

134. *See Id.* at 168; 15 U.S.C. § 1125(c)(2) (West 2007). The four non-exclusive factors are:

(i) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties; (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark; (iii) The extent of actual recognition of the mark; (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

135. ; Joint Recommendation, *supra* note 36 at art. 2(1)(b), *See also*, *Id* at 168-69. The Joint Recommendation factors include :

(1) the degree of knowledge or recognition of the mark in the relevant sector of the public; (2) the duration, extent and geographical area of any use of the mark; (3) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, or the goods and/or services to which the mark applies; (4) the duration and geographical area of any registrations, and/or any application for registration, of the mark, to the extent that they reflect use or recognition of the mark; (5) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities; [and] (6) the value associated with the mark.

136. Brief of Amicus Curiae AIPLA in Support of Neither Party, *supra* note 15, at 22.

137. *Id.* Need to cite to some type of statutory authority here. The brief is not authoritative.

Critics of the well-known marks doctrine argue that section 44 of the Lanham Act does not incorporate a substantive body of law that applies to this doctrine.¹³⁸ Thus, critics would construe the Lanham Act narrowly as only providing national treatment to foreigners engaged in commerce in the United States.¹³⁹

The Paris Convention and TRIPS, international agreements which embody the well-known marks doctrine, are not self-executing and their provisions require enacting legislation to give them full effect.¹⁴⁰ Under the 'narrow view' the Lanham Act does not incorporate the well-known marks doctrine and so they should not receive recognition in the U.S. unless Congress amends the Act to incorporate the doctrine.¹⁴¹ Thus, under the narrow view, judicial recognition of the doctrine would be inappropriate, irrespective of the favorable policy arguments that can be made in support of protecting well-known foreign marks.¹⁴²

Even if the well-known marks doctrine is applicable without enacting legislation, under the 'narrow view' a conflict exists between the international treaties and U.S. law. Both treaties and statutes enjoy equal status in the United States. When there is a conflict between the two, and the one enacted last in time prevails.¹⁴³

Here, the Lanham Act was enacted in 1946, while the Paris Convention was last ratified by the United States in 1970 and the TRIPS agreement was signed in 1994 as part of the Uruguay Round.¹⁴⁴ However, the Lanham Act was amended in 2003.¹⁴⁵ This suggests that the Lanham Act is last in time.¹⁴⁶ Under these circumstances, proponents of the narrow view argue that judicial recognition of the well-known marks doctrine is inappropriate.

The 'narrow view' of the Lanham Act is supported by the specific ways the legislature has dealt with registered marks.¹⁴⁷ Congress has amended the Lanham

138. See *supra* note 54,

139. *Id.*

140. Thornton, *supra* note 26, at 767.

141. *ITC*, 482 F.3d at 164-66.

142. *Id.* at 165.

143. *Whitney v. Robertson*, 124 U.S. 190, 194 (1888); See also, *Brad v. INS*, 128 F.3d 1009, 1014 n.5 (7th Cir. 1997) ("[A] prior treaty does not trump the provisions of a subsequent legislative act").

144. See Paris Convention *supra* note 26, at ?- this is the cite to the stockholm convention not the Paris convention 21 U.S.T. 1583; TRIPS, 33 I.L.M. 1125.—need correct citation here.*

145. See *supra* note 46, at § 1051.

146. Weissburger, *supra* note 18, at 755. However, it is reasonable to argue that last in time relates to the enactment of the statute and not its amendments. This argument is weak because the amendments to the Lanham Act relate to the subject matter of the treaties with which it conflicts.

147. *Supra* note 119, at 163-64.

Act roughly thirty times since the statute's enactment effect in 1947.¹⁴⁸ Proponents of the 'narrow view' caution against recognizing a doctrine not specifically referenced in the Lanham Act, and which does not have a standard definition as to when a well-known foreign mark deserves protection.¹⁴⁹

However, contrary to the narrow view, the ordinary meaning of the text in sections 44(b), (h), and (i) of the Lanham Act provides the means to recognize the well-known marks doctrine in federal law.¹⁵⁰ Even if the Lanham Act is ambiguous, the Charming Betsy canon of construction states that the statute should be construed in a way that gives effect to the well-known marks doctrine.¹⁵¹ Further, even proponents of the narrow view admit that strong policy justifications support the protection of well-known marks in the United States.¹⁵² Also, while a standard for protecting foreign well-known marks is not expressly stated in the Lanham Act, there are a number of ways the courts can create such a standard.¹⁵³

VI. CONCLUSION

The Supreme Court should intervene where the opportunity arises, to resolve the 'well-known conflicts,' by recognizing the well-known marks doctrine in federal law. The ordinary meaning of sections 44(b), (h), and (i) of the Lanham Act demonstrate that the well-known marks doctrine is encompassed by federal law.¹⁵⁴ If the language of the Lanham Act is found ambiguous, the Supreme Court must abide by the Charming Betsy canon of construction by construing the statute to give effect to the well-known marks doctrine.¹⁵⁵

The Supreme Court should also recognize the doctrine because of persuasive policy justifications as a failure to do so can create negative consequences for the U.S. government, trademark owners and consumers. Failure to recognize the doctrine can undermine the U.S government's international negotiating position. As a result, Foreign countries may not trust the U.S. because of any failure to honor commitments to protect well-known marks made under various treaties.¹⁵⁶ Foreign countries may also stop extending reciprocal benefits to U.S. trademark owners in their territories.¹⁵⁷ Moreover, protecting foreign well-known marks would insulate U.S. consumers that are aware of international trademarks from consumer confusion

148. *Id.*; *See also*, 1 McCarthy, §§ 5:5-11, at 5-13-22. (This citation is to comments made by a well-known expert on trademarks that can be found on westlaw, the citation I've used is the same style as the one used by the 2nd circuit in *ITC* and by other Comments in other journals that cite to McCarthy).

149. *Supra* note 119, at 164.

150. Barker, *supra* note 9, at 374.

151. *Id.* at 388-89.

152. *Supra* note 119, at 165.

153. Barker, *supra* note 9, at 373.

154. *Id.* at 374.

155. *Id.* at 388-89.

156. Brief of Amicus Curiae, *supra* note 10, at 10.

157. *Id.* at 10-11.

and fraud.¹⁵⁸ Also, recognizing the doctrine would allow foreign trademark owners to preserve the goodwill of their marks, and would avoid any lack of uniformity in U.S. trademark law.¹⁵⁹

The Supreme Court should recognize the well-known marks doctrine and adopt a standard for the protection of well-known foreign marks. To set a standard, the Court must determine: the level of recognition a foreign mark needs to qualify for protection, the members of the U.S. population upon which the measurement of level of recognition is based, and a framework to use to assess the level of recognition.¹⁶⁰

158. See *supra* note 116, 1094.

159. Brief of Amicus Curiae, *supra* note 10, at 9-10.

160. Brief of Amicus Curiae AIPLA in Support of Neither Party, *supra* note 15, at 17.