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INTRODUCTION

In 1993, George Sombonos, the managing director of a South African hamburger chain, applied for registration of the "McDonald's" mark in South Africa.[1] This mark had been used exclusively by the U.S. McDonald's Corporation since 1955 (though not in South Africa), and consumers worldwide have associated the name "McDonald's" with that successful company.[2] A South African court refused to grant Sombonos the requested trademark rights, holding that protection must be provided to the McDonald's Corporation despite its lack of use of the mark in South Africa.[3] While McDonald's had not used its trade name in that country, the court found that the "McDonald's" mark was so well known that its use by another business would create consumer confusion as to who produces McDonald's products.[4]

Internationally, courts recognize similar protections for world-renowned marks under the *well-known foreign mark exception*.[5] However, this exception has received varied treatment in the United States, with some courts applying the rule and others refusing to do so.[6] U.S. recognition of this international doctrine continues to be fervently debated by circuit courts, especially because the United States is a signatory to the Paris Con-

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1. *See McDonald's Corp. v Joburgers Drive-Inn Rest. (Pty) Ltd.* 1997 (1) SA 1 (SCA) at 4 (S. Afr.), *available at* http://www.saflii.org/za/cases/ZASCA/1996/82.pdf.

2. *See id.* at 2-3.

3. *See id.* at 74.

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

5. The territoriality principle normally governs the granting of trademark rights to international companies. *See infra* Part II.A. For an example of international recognition of the well-known foreign mark exception to the territoriality principle, see FREDERICK W. MOSTERT, FAMOUS AND WELL-KNOWN MARKS 251-65 (1997) (discussing China's recognition of the Paris Convention and its well-known foreign mark exception).

6. *Compare* Grupo Gigante S.A. de C.V. v. Dallo & Co., 391 F.3d 1088, 1094 (9th Cir. 2004) *with* ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 165 (2d Cir. 2007).

vention,[7] the treaty that established the well-known foreign mark exception.[8]

This Note discusses the attempts of U.S. courts to establish a clear rule regarding the application of the well-known foreign mark exception. Part I explores the development of the well-known foreign mark exception and other legal principles related to the conflict over whether to adopt and recognize it. Part II examines the existing conflict between circuit courts over whether to apply the exception and provide trademark rights for marks that have never been used in commerce in the United States. Part III of this Note argues that the well-known foreign mark exception should be applied as part of U.S. law for two reasons: first, the well-known foreign mark exception is incorporated into U.S. law through § 44(b) of the Lanham Act; second, the international trademark rights currently enjoyed by U.S. entrepreneurs depend on the exception's recognition in the United States.

I. BACKGROUND PRINCIPLES

This section discusses the principles underlying the debate between circuits about recognition of the well-known foreign mark exception in the United States. First, this section explains the territoriality principle, an internationally accepted trademark concept under which each country grants distinct rights according to its own trademark system. The discussion then turns to a description of the well-known foreign mark exception, an exception to the territoriality rule for famous marks that are recognized worldwide even without registration or use in commerce. This section then discusses certain federal laws pertaining to how treaties are adopted and applied in the United States. The discussion about federal law continues with a description of U.S. federal trademark law embodied in the Lanham Act. Lastly, this section explores the Paris Convention for the Protection of International Industrial Property, a treaty that established international trademark standards, including the well-known foreign mark exception.

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7. *See* WORLD INTELLECTUAL PROPERTY ORGANIZATION, PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY CONTRACTING PARTIES 8 (2008), *available at* http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/paris.pdf (listing the members of the Paris Convention).

8. *See* Paris Convention for the Protection of Industrial Property art. 6*bis*, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention], *available at* http://www.wipo.int/export/sites/www/treaties/en/ip/paris/pdf/trtdocs_wo020.pdf.

A. The Territoriality Principle and the Well-Known Foreign Mark Exception

1. *The Territoriality Principle*

A trademark is "a word, phrase, logo, or other graphic symbol used by a manufacturer or seller to distinguish its product or products from those of others."[9] The purpose of the trademark system is to identify the source of a product,[10] which indirectly indicates to consumers the quality of that product when consumers recognize that source. Because trademarks trigger consumer recognition of products (and hopefully sales),[11] companies are eager to protect their marks and the consumer goodwill established through those marks.

Countries throughout the world provide for extensive trademark protections, but most do so in accordance with the territoriality principle.[12] The long-recognized territoriality doctrine states that a trademark has "a separate existence in each sovereign territory in which the mark is registered or legally recognized as a mark."[13] Under the territoriality rule, each country has its own trademark system governed by domestic statutory provisions and uninfluenced by the systems of other countries.[14] In order for a company to enjoy trademark protection for its mark in a country that adheres to the territoriality doctrine, that company must satisfy the requirements as designated in that country's domestic laws.[15]

The territoriality doctrine "is basic to American trademark law."[16] Thus, if a mark-holder wants trademark protection in the United States, he must satisfy the requirements of U.S. trademark law.[17] U.S. trademark protection is grounded in the theory of priority of use,[18] so in order to obtain

9. BLACK'S LAW DICTIONARY 1530 (8th ed. 2004).

10. *See id.*

11. *See id.*

12. *See* J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 29:1 (4th ed. 2008).

13. *Id.*; ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 155 (2d Cir. 2007) (quoting Osawa & Co. v. B&H Photo, 589 F. Supp. 1163, 1171-72 (S.D.N.Y. 1984)).

14. *See ITC*, 482 F.3d at 155; *see also* MCCARTHY, *supra* note 12, §29:1 (citing Person's Co. v. Christman, 900 F.2d 1565 (Fed. Cir. 1990)).

15. *See ITC*, 482 F.3d at 155; *see also* MCCARTHY, *supra* note 12, §29:1 (citing Person's Co. v. Christman, 900 F.2d 1565 (Fed. Cir. 1990)).

16. *ITC*, 482 F.3d at 155.

17. *See id.*

18. *See id.* at 146-47.

trademark protection, a company's mark must be distinctive[19] and attached to a product that is used in commerce.[20] "'[C]ommerce' means all commerce which may lawfully be regulated by Congress."[21] Registration of a mark with the U.S. Patent and Trademark Office is another option for securing federal trademark rights, but this method of protection also requires an accompanying use of that mark in commerce.[22] Some courts, however, have recognized that the modern global economy necessitates the occasional award of trademark rights to international businesses, despite the absence of use of their mark in the country where protection is sought.[23]

2. *The Well-Known Foreign Mark Exception*

The well-known foreign mark exception to the territoriality rule delineates the circumstances in which a mark-holder may obtain protection for its mark in a foreign country, even though the mark has never been registered or used in that part of the world.[24] Under this exception, the senior user[25] of a foreign mark receives trademark protection when that mark is globally recognized.[26] A mark is globally recognized when it is so well-known that its use by a second entity would likely confuse consumers in the country in which protection is sought.[27] The well-known foreign mark exception provides protection only when the second entity attempts to use the mark "for identical or similar goods."[28] Countries that apply the exception must pro-

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19. Distinctive marks are those that automatically trigger recognition of the source of a product in the minds of consumers. *See* Pfizer Inc. v. Sachs, No. 08 Civ. 8065(WHP), 2008 WL 4525418, at *2 (S.D.N.Y. Oct. 8, 2008). For example, "Starbucks" is distinctive because when consumers hear that name, they automatically think of the Starbucks coffee chain. The mark would not have ordinarily been paired with the product in the minds of consumers. Distinctive marks are distinguished from generic and descriptive marks, which suggest the basic nature of a product or its quality, failing to identify the specific source of a product. *See id.*

20. *See* 15 U.S.C.A. §§ 1051-1141 (West 2006).

21. *Id.* § 1127. Use of a mark in U.S. commerce includes transactions both within and without the United States, as long as Congress has the authority to regulate those transactions. *See* Int'l Bancorp v. Societe des Bains de Mer, 329 F.3d 359, 368 (4th Cir. 2003). Thus, trade between U.S. citizens and subjects of foreign countries abroad are included in the definition of "use in commerce" under the Lanham Act. *See id.* at 369.

22. 15 U.S.C.A. § 1051(a)(1) (West 2006).

23. *See* De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc., No. 04 Civ. 4099(DLC), 2005 WL 1164073, at *8 (S.D.N.Y. May 18, 2005).

24. *See* MCCARTHY, *supra* note 12, § 29:4.

25. The senior user of a mark is the first user, while the junior user is a subsequent user. *See id.* § 26:1.

26. *See id.* § 29:4.

27. *See id.* § 29:4.

28. Paris Convention, *supra* note 8, art. 6*bis*.

vide foreign mark-holders a minimum of five years to bring a claim, allowing for the discovery of the use of its mark by a junior user.[29]

The well-known foreign mark exception was created as an alternative to the territoriality doctrine for two reasons. First, the exception eliminates confusion in the minds of consumers by preventing the use of the same mark by two different companies on similar products.[30] When a mark is used by a single company, consumers know exactly who created a product when it is labeled with that mark.[31] Second, the exception provides property rights in a mark for a senior user that has put extensive efforts into establishing that mark on a global level.[32]

The well-known foreign mark exception was first discussed in Article 6*bis* of the Paris Convention for Protection of International Industrial Property (the "Paris Convention").[33] One hundred and seventy-three countries, including the United States, have signed this treaty,[34] and most apply the well-known foreign mark exception when confronted with internationally-famous marks that have never been used within their borders.[35] U.S. courts, however, continue to debate whether the recognition of this exception in federal law is appropriate. For example, the Ninth Circuit acknowledged and applied the exception in 2004,[36] while more recently, in 2007, the Second Circuit refused to recognize it as law in the United States.[37] An understanding of the incorporation of international treaties and domestic trademark law is necessary to determine whether the Paris Convention and its well-known foreign mark exception are, in fact, included in U.S. law.

B. U.S. Adoption of International Treaties and Federal Trademark Law

1. International Treaties and Their Incorporation into U.S. Federal Law

Under the laws of the United States, a treaty refers to any of four types of international agreements.[38] The first type consists of treaties authorized

29. *See id.*

30. *See* G. H. C. BODENHAUSEN, GUIDE TO THE APPLICATION OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY 90 (1969).

31. *See id.*

32. *See* Grupo Gigante SA de CV v. Dallo & Co., 391 F.3d 1088, 1094 (9th Cir. 2004).

33. *See* Paris Convention, *supra* note 8.

34. *See* WORLD INTELLECTUAL PROPERTY ORGANIZATION, *supra* note 7, at 8.

35. *See* MOSTERT, *supra* note 5, at 27.

36. *See Grupo Gigante*, 391 F.3d at 1094.

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

38. *See* BARRY E. CARTER, PHILLIP R. TRIMBLE & ALLEN S. WEINER, INTERNATIONAL LAW 159 (5th ed. 2007).

by Article II of the U.S. Constitution.[39] Article II grants the president the power to enter into treaties, requiring his signature combined with the approval of two-thirds of the Senate.[40] Treaties signed under Article II authority are considered to be "the supreme Law of the Land" and are binding on judges in all courts.[41] After such treaties are approved by the Senate, they become the law of the United States. They are placed above state constitutions and laws, and are equivalent to federal statutes in the hierarchy of domestic law.[42] The second type of treaty, essentially an extension of the first type, includes those treaties entered into by the president with authorization from earlier Article II treaties.[43]

The third and fourth categories of international agreements are collectively referred to as "executive agreements" and include 1) congressional-executive agreements; and 2) presidential executive agreements.[44] Congressional-executive agreements are entered into by the president and approved by a majority of both houses of Congress.[45] Congressional authorization can be given either prior to or after the president's signing of such agreements, as long as Congress has approved the president's decision.[46] Presidential executive agreements, also known as sole executive agreements,[47] are entered into by the president on behalf of the United States without congressional support.[48] Infrequently used, these agreements usually deal with "housekeeping" issues, such as minor territorial adjustments and the policing of boundaries, or issues that are politically sensitive.[49] While the president may enter into a presidential executive agreement without congressional approval, he must report such treaties to Congress "after the fact."[50]

Incorporation of signed and ratified treaties into U.S. law occurs in two ways, depending on whether the international agreement is self-executing or non-self-executing.[51] Self-executing treaties become effective and en-

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39. *See id.*
40. *See* U.S. CONST. art. II, § 2, cl. 2; CARTER ET AL., *supra* note 38.
41. *See* U.S. CONST. art. IV, § 2; CARTER ET AL., *supra* note 38, at 160.
42. *See* CARTER ET AL., *supra* note 38, at 170.
43. *See id.* at 160.
44. *See id.* at 204-05.
45. *See id.* at 204.
46. *See id.*
47. *See id.* at 201.
48. *See id.* at 205.
49. *See id.* at 205-06.
50. *Id.* at 206.
51. *See* ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 162 n.21 (2d Cir. 2007); *see also* CARTER ET AL., *supra* note 38, at 170.

forceable immediately upon ratification.[52] Non-self-executing treaties, on the other hand, require the passing of implementing legislation by Congress before they become a part of federal law.[53] If a treaty is silent as to whether it is self-executing, the president must decide its status based on the intention of the United States upon signing the treaty, and whether existing law adequately permits the United States to fulfill its obligations under the treaty.[54] U.S. courts are generally in agreement that the Paris Convention, which includes the well-known foreign mark exception, is not a self-executing treaty.[55] Courts are divided, however, on whether the Lanham Act constitutes executing legislation that incorporates the Convention into U.S. law.[56]

2. *Federal Trademark Law and the Lanham Act*

Trademarks, unlike copyrights, are not addressed in the Constitution and only recently became part of U.S. federal statutory law via the codification of the Lanham Act in 1946.[57] The Lanham Act is the sole source of legislated federal trademark law, although trademark rights are also found in common law and state legislation.[58] State trademark law, however, only provides mark-holders with local rights; national protection hinges upon the satisfaction of the Lanham Act's requirements.[59]

The Lanham Act has four subchapters.[60] The first subchapter establishes the procedure for registering a mark in the U.S. Principal Register, which

52. *See ITC*, 482 F.3d at 162 n.21 (citing Flores v. S. Peru Copper Corp., 414 F.3d 233, 257 n.34 (2d Cir. 2003)); *see also* CARTER ET AL., *supra* note 38, at 170.

53. *See ITC*, 482 F.3d at 162 n.21 (citing *Flores*, 414 F.3d at 257 n.34); *see also* CARTER ET AL., *supra* note 38, at 170.

54. *See* CARTER ET AL., *supra* note 38, at 171 ("After the agreement is concluded, often the President must decide in the first instance whether the agreement is self executing, i.e., whether existing law is adequate to enable the United States to carry out its obligations, or whether further legislation is required.").

55. *See* Int'l Café, S.A.L. v. Hard Rock Café Int'l (U.S.A.), Inc., 252 F.3d 1274, 1277 n.5 (11th Cir. 2001); *see also* Mannington Mills, Inc. v. Congoleum Corp., 595 F.2d 1287, 1298 (3d Cir. 1979); Ortman v. Stanray Corp., 371 F.2d 154, 157 (7th Cir. 1967). *But see* Vanity Fair Mills, Inc. v. T. Eaton Co., 243 F.2d 633, 641 (D.C. Cir. 1957) (stating, without discussion, that the Paris Convention may be self-executing).

56. *See infra* notes 94-99, 134-35 and accompanying text.

57. *See* MCCARTHY, *supra* note 12, § 5:4 (noting that the Federal Trademark Act of 1905, the first "modern" trademark statute, was passed before the Lanham Act, but it proved to be unsuccessful). After many years of consideration, the Lanham Act was finally passed in 1946, becoming effective the next year. *Id.*

58. *See* Bitlaw, Lanham (Trademark) Act (15 U.S.C.) Index, http://www.bitlaw.com/source/15usc/index.html (last visited Sept. 12, 2009).

59. *See id.*

60. *See id.*

provides trademark holders with rights against infringing use of their marks.[61] Registration under the Principal Register requires that the owner of a trademark use the mark in commerce.[62] Subchapter two allows trademark holders to register their marks on the U.S. Supplemental Register when they are not currently able to sign up on the Principal Register,[63] but may be capable of doing so in the future.[64] Registration on the Supplemental Register does not provide rights to the holder of the mark, but it does put potential infringers on notice that the mark is in use.[65] The third subchapter sets forth the general provisions for protection of marks and will be discussed in further detail below. Finally, subchapter four of the Lanham Act, called the Madrid Protocol, was added in 2003 to provide guidance for dual registration of marks in the United States and other countries.[66]

Subchapter three of the Lanham Act is the hallmark of federal trademark law, as it establishes the substantive protections for marks and the remedies for infringement of those protections.[67] It gives trademark rights to mark-holders that have either used their marks in commerce or registered their marks in the United States, and requires accompanying use of the mark in commerce.[68] In the absence of use in commerce, mark-holders may only receive trademark protection if they file an "intent to use" application, which signifies a plan to use the mark in commerce within six months of filing.[69] Subchapter three prohibits infringement and dilution of trademarks in addition to proscribing false advertising and fraud, allowing trademark holders to enjoy exclusive nationwide use of their marks.[70]

Section 44 of the Lanham Act, under subchapter three, addresses international trademark conventions and registration of marks.[71] If the well-known foreign mark exception were to exist in federal law, it would be found within this section. The well-known foreign mark exception to the territoriality rule is not explicitly written into section 44 or any other sec-

61. *See* 15 U.S.C.A. §§ 1051-1072 (West 2006) (setting forth the guidelines for the Principal Register).

62. *See id.* § 1051(a).

63. For example, a trademark holder cannot register its mark if that mark is descriptive in nature, but a descriptive mark may become distinctive enough to warrant protection after continued use and further recognition by the consuming public. *See id.* §§ 1091-1096.

64. *See id.* (discussing guidelines relating to the Supplemental Register).

65. *See id.*

66. *See id.* § 1141 (enumerating the guidelines under the Madrid Protocol).

67. *See id.* §§ 1111-1129 (articulating the General Provisions of the Lanham Act).

68. *See id.* § 1051(a).

69. *See id.* § 1051(b).

70. *See id.* §§ 1111-1129.

71. When § 44 of the Lanham Act was codified in the United States Code, it became § 1126. *See id.* § 1126.

tion of the Lanham Act.[72] Section 44(b) does, however, explain that the Lanham Act gives effect to all provisions of international treaties, conventions, and reciprocal law to which the United States is a party.[73] Additionally, section 44(h) provides for "national treatment" of international trademark-holders,[74] meaning that foreign businesses receive the full protections of U.S. trademark law as they are provided to U.S. citizens. U.S. courts are divided over whether sections 44(b) and (h) constitute implementing legislation for the well-known foreign mark exception.[75]

3. *The Paris Convention*

While the Lanham Act recognizes general rights for international trademark-holders, the United States has also entered into various international agreements that delineate more extensive protections for foreign entities and their marks.[76] The United States signed the Paris Convention on May 30, 1887,[77] and this international body of law subsequently became a significant influence on the treatment of both domestic and international trademarks in the United States.[78]

Written in France in 1883, the Paris Convention established international standards for copyright, trademark, and patent law.[79] The Paris Convention is now administered by the World Intellectual Property Organization ("WIPO"), one of the sixteen agencies of the United Nations.[80] With its 173 signatories, the Paris Convention is one of the most widely-recognized treaties in the world.[81] Its signatories make up the Paris Union, which strives to provide international recognition of intellectual property and to prevent unfair competition.[82]

The Paris Convention possesses a wide variety of provisions that give rise to international trademark rights throughout the Paris Union coun-

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72. *See* ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 163 (2d Cir. 2007).

73. *See* 15 U.S.C.A. § 1126(b) (West 2006).

74. *See id.* § 1126(h).

75. *Compare* Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 792 (9th Cir. 1981) *with ITC*, 482 F.3d at 161.

76. *See, e.g.*, Paris Convention, *supra* note 8.

77. WORLD INTELLECTUAL PROPERTY ORGANIZATION, *supra* note 7.

78. *See* Alexis Weissberger, *Is Fame Alone Sufficient to Create Priority Rights: An International Perspective on the Viability of the Famous/Well-Known Marks Doctrine*, 24 CARDOZO ARTS & ENT. L.J. 739, 752 (2006).

79. *See* Paris Convention, *supra* note 8.

80. *See* WIPO-Administered Treaties, http://www.wipo.int/treaties/en/ (last visited Sept. 12, 2009).

81. *See* Paris Convention, *supra* note 8.

82. *See id.*, art 1.

tries.[83] A number of the provisions permit member countries to create legislation at their own discretion, granting specific intellectual property rights to trademark holders.[84] Other sections of the treaty demand national treatment of international trademark holders.[85] The Paris Convention also gives rights to international mark-holders beyond those mentioned in member countries' domestic laws.[86] Lastly, the well-known foreign mark exception, as codified in Article 6*bis*, falls into a fourth category of provisions, granting rights to international trademark holders exceeding those enjoyed by U.S. citizens under the domestic laws of the United States.[87]

Union countries have incorporated the Paris Convention into their laws in various ways.[88] Some of the Convention's sections call for the legislation of implementing statutes before taking effect.[89] Other provisions are drafted in a way that allows for their self-execution.[90] In order for a provision to be self-executing within a given country, that country's legal system must allow for direct incorporation of international agreements into domestic law.[91] The United States allows for the self-execution of treaties,[92] but the majority of courts confronted with the Paris Convention and its well-known foreign mark exception have held that Article 6*bis* is non-self-executing and, thus, requires incorporation via legislation.[93] The issue, then, is whether the Lanham Act incorporates this treaty provision into U.S. law.

II. CONFLICT OVER THE WELL-KNOWN FOREIGN MARK EXCEPTION'S INCORPORATION INTO U.S. LAW

This section explores the debate among U.S. courts of appeal over whether to recognize the well-known foreign mark exception as part of federal law. First, this section discusses the rationales of the courts holding that the exception is a part of U.S. law. These courts find that the Lanham

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83. *See* BODENHAUSEN, *supra* note 30, at 10.

84. *See id.* at 11-12.

85. *See id.* at 12-13 (discussing provisions in the Paris Convention that relate to substantive law regarding rights and obligations of private parties that mirror those in the domestic law of member countries).

86. *See id.* at 13-14.

87. *See id.* at 15.

88. *See id.* at 14.

89. *See id.* at 11 (citing examples such as Article 5*bis*(2) and Article 6*bis*(2)).

90. *See id.* at 12-14.

91. *See id.* at 13-14 (noting that some countries, such as France and the Soviet Union, allow for self-execution; others do not, such as the United Kingdom, Norway, and Sweden).

92. *See* CARTER ET AL., *supra* note 38, at 170.

93. *See supra* note 55 and accompanying text.

Act incorporates the exception into U.S. federal law, and they emphasize the need for the exception to protect U.S. consumers. Next, this section reviews the rationales of the courts holding that the exception is not a part of U.S. law. These courts find that the Lanham Act does not provide for incorporation of the exception, and they hold that recognition of the exception will disadvantage U.S. entrepreneurs by creating a loophole for international businesses in the domestic trademark system.

A. Courts Holding the Well-Known Foreign Mark Exception is Incorporated into U.S. Law

Various courts recognize the well-known foreign mark exception based on two lines of reasoning. First, these courts hold that the Lanham Act is implementing legislation for all treaties relating to trademark law to which the United States is a signatory. Second, these courts assert that policy concerns support the adoption and recognition of this exception.

1. Article 6bis *of the Paris Convention is Incorporated into U.S. Federal Law Through the Lanham Act*

Courts that recognize the well-known foreign mark exception hold that the exception, as codified in Article *6bis* of the Paris Convention, is incorporated into U.S. domestic law through sections 44(b) and (h) of the Lanham Act.[94] Section 44(h) states that if a foreign entity is entitled to the protections of an international treaty signed by the United States, that entity will also be provided with protection from unfair competition under the Lanham Act, which includes section 44(b).[95] In other words, foreign entities are afforded "national treatment" under section 44(h).[96]

Section 44(b) of the Lanham Act extends the benefits of section 44 given to foreign nationals "to the extent necessary to give effect to any provision" of an international treaty signed by the United States.[97] Some courts and scholars reason that this provision incorporates the substantive elements of treaties, such as Article *6bis*, into federal trademark law.[98] In this way, sections 44(b) and (h) of the Lanham Act create U.S. trademark rights for for-

94. *See* Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 792 (9th Cir. 1981); *see also* MCCARTHY, *supra* note 12, § 29:4.

95. *See* 15 U.S.C.A. § 1126(h) (West 2006); *see also Toho*, 645 F.2d at 792; MCCARTHY, *supra* note 12, § 29:4.

96. Foreign entities are granted trademark rights existing in both state laws and the federal laws of the Lanham Act. *See* MCCARTHY, *supra* note 12, § 29:4.

97. 15 U.S.C. § 1126(b); *see also Toho*, 645 F.2d at 792; MCCARTHY, *supra* note 12, § 29:4.

98. *See* MCCARTHY, *supra* note 12, § 29:4.

eign entities that are coextensive with the substantive privileges granted by the Paris Convention, including protection of marks under the well-known foreign mark exception.[99]

Courts that accept the well-known foreign mark exception also argue that the incorporation of substantive provisions of the Paris Convention into federal law is consistent with the legislative intent of section 44, as articulated in section 45 of the Lanham Act.[100] One purpose of section 44 is to "provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations."[101] These courts find that, in order to satisfy the intentions of the drafters of the Lanham Act, the United States must give effect to the substantive provisions of international treaties like the Paris Convention.[102] As a substantive right created by the Paris Convention, therefore, the well-known foreign mark exception is integrated into federal trademark law.[103]

2. *Public Policy Necessitates the Recognition of the Well-Known Foreign Mark Exception in the United States*

Courts applying the well-known foreign mark exception hold that public policy concerns, such as the prevention of consumer confusion and entrepreneurial free-riding, also justify the exception's implementation into U.S. law.[104] Consumers may become confused when two companies use the same well-known mark to label similar goods or services, even when the companies do not use the mark in the same country.[105] For example, in *Grupo Gigante S.A. de CV v. Dallo & Co.*, the senior user of the mark "Gigante" employed the mark exclusively in Mexico for years as the name of its grocery stores.[106] The senior user only entered the U.S. market after a U.S. user opened stores in Southern California under the same name.[107]

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99. *See id.*

100. *See Toho*, 645 F.2d at 792.

101. *Id.* (quoting 15 U.S.C. § 1127).

102. *See id.*

103. *See id.*

104. *See, e.g.*, Grupo Gigante S.A. de CV v. Dallo & Co., 391 F.3d 1088, 1094 (9th Cir. 2004) ("Trademark is, at its core, about protecting against consumer confusion and 'palming off.'").

105. *See id.*; Empresa Cubana del Tabaco v. Culbro Corp., No. 97 Civ. 8399(RWS), 2004 WL 602295, at *25 (S.D.N.Y. Mar. 26, 2004), *rev'd*, 2004 WL 925647, at *2 (S.D.N.Y. Apr. 30, 2004), *aff'd* 399 F.3d 462 (2d Cir. 2005) (discussing consumer confusion over the "different kinds" of a product due to the use of the same mark by two companies on a similar product).

106. *See Grupo Gigante*, 391 F.3d at 1091.

107. *See id.* at 1091-92.

The Ninth Circuit held that, regardless of a failure to use "Gigante" in the United States first, a senior user could be provided with trademark rights if the mark was found to be "well-known" under the foreign mark exception.[108] In making this decision, the court focused on the consumer confusion and frustration that would result from the use of a similar mark by two different companies.[109] From a public policy standpoint, the Ninth Circuit found that consumer confusion must be prevented, or consumers will lose confidence in the market and will not participate in it.[110]

Other courts concur with the rationale articulated in *Grupo Gigante*, reasoning that the application of the well-known foreign mark exception minimizes consumer confusion by preventing U.S. businesses from using a well-known international mark to identify similar goods.[111] The exception attempts to facilitate accurate identification of a product's source.[112] For example, under the well-known foreign mark exception, the mark "Harrods" could not be used by a U.S. entrepreneur looking to open a department store because "Harrods" is a well-known mark that identifies a famous chain of stores in London. Consequently, with the exception in place, when consumers see a product labeled with the mark "Harrods," they know definitively that the product was manufactured by the Harrods Company of London.

Courts recognizing the well-known foreign mark exception have also reasoned that the exception solves the problem of entrepreneurial free-riding.[113] In *De Beers LV*, the plaintiff owned the rights to the "De Beers" mark (a famous international brand name for retail diamonds and luxury goods) and filed registration papers in the U.S. Patent and Trademark Office without having used its mark in the United States.[114] Defendant, De-Beers Diamond Syndicate, was incorporated in Delaware in 1981, but the company became inoperative in 1986 for failure to file required paperwork and pay its taxes.[115] The defendant more recently attempted to renew its incorporation certificate and use the "De Beers" name in the United States.[116] The plaintiff filed suit, claiming it had a right to the trademark

108. *See id.* at 1098.

109. *See id.* (identifying the appropriate standard for determining whether a mark is well-known and remanding the case for application of that standard).

110. *See id.* at 1094.

111. *See id.*; *see also* De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc., No. 04 Civ. 4099(DLC), 2005 WL 1164073, at *8 (S.D.N.Y. May 18, 2005).

112. *See Grupo Gigante*, 391 F.3d at 1094.

113. *See De Beers LV*, 2005 WL 1164073, at *8.

114. *See id.* at *1.

115. *See id.* at *2.

116. *See id.*

"De Beers" under the well-known foreign marks exception.[117] The court held that the exception is incorporated into federal law and remanded to determine whether the plaintiff's mark was well-known enough to warrant protection.[118] The court expressed a need for the exception, focusing on the risk of trademark piracy in a technologically advanced global society with facile communication.[119] According to that court, these technological advancements "facilitate the rapid creation of business goodwill that transcends borders," and thus, create a risk that international businesses' marks can be copied and put to use in the United States when the original owner has not yet had the opportunity to register the mark.[120]

The *De Beers LV* court and others who recognize the exception reason that the effort foreign entities expend on creating goodwill in their trade names should be respected, and these businesses should be rewarded for their significant investments.[121] For instance, De Beers LV had been using its trademark to label high quality diamonds and luxury goods since 1888, and the company should be able to protect its goodwill and reputation.[122] Failing to provide trademark rights to well-known foreign businesses merely because they have yet to engage in U.S. commerce would encourage U.S. companies to search abroad for successful international marks to copy.[123] These U.S. entrepreneurs could easily take advantage of the efforts of foreign companies, capitalizing on the already-established goodwill and consumer recognition of the mark without expending substantial resources.[124] The foreign company may even lose business if the infringing U.S. chain produces an inferior product, which then may be wrongly associated with the international business.[125]

117. *See id.* at *1, *6.

118. *See id.* at *8-9.

119. *See id.* at *8.

120. *Id.* This case was later overturned by the Second Circuit, which rules consistently against recognition of the well-known foreign mark exception. *See, e.g.*, ITC Ltd. v. Punchgini, Inc., 482 F.3d 135 (2d Cir. 2007). However, the rationales expressed in *De Beers LV* are aligned with those emphasized by the Ninth Circuit and other courts supporting adoption of the exception. *See De Beers LV*, 2005 WL 1164073, at *8.

121. *See* Grupo Gigante S.A. de CV v. Dallo & Co., 391 F.3d 1088, 1094 (9th Cir. 2004); *see also De Beers LV*, 2005 WL 1164073, at *8.

122. *See Grupo Gigante*, 391 F.3d at 1094-95; *see also De Beers LV*, 2005 WL 1164073, at *8.

123. *See Grupo Gigante*, 391 F.3d at 1094-95; *see also De Beers LV*, 2005 WL 1164073, at *8.

124. *See Grupo Gigante*, 391 F.3d at 1094; *see also De Beers LV*, 2005 WL 1164073, at *8.

125. *See Grupo Gigante*, 391 F.3d at 1095.

B. Courts Holding that the Well-Known Foreign Mark Exception is Not Incorporated into U.S. Federal Law

While numerous courts recognize the well-known foreign mark exception, many refuse to acknowledge it as part of U.S. law.[126] These courts offer two rationales for failing to recognize the exception. First, the Lanham Act does not explicitly provide for the exception and, thus, Congress must pass implementing legislation to make it a part of federal trademark law. Second, these courts assert that public policy rationales, without more, cannot justify the recognition of the well-known foreign mark exception as federal law.

1. *Article* 6bis *of the Paris Convention is Not Incorporated into U.S. Federal Law via the Lanham Act.*

Courts refusing to adopt the well-known foreign mark exception hold that the exception is not self-executing because the Lanham Act does not incorporate Article *6bis* of the Paris Convention into U.S. trademark law.[127] These courts first note that the exception is not explicitly articulated anywhere in the Lanham Act.[128] For example, in *ITC Ltd. v. Punchgini, Inc.*, the Second Circuit criticized the Ninth Circuit's decision in *Grupo Gigante*, noting that the Ninth Circuit "did not reference either the language of the Lanham Act nor Article *6bis* of the Paris Convention to support recognition of the famous marks doctrine."[129] The text "well-known foreign mark exception" does not appear in the Lanham Act.[130] To the contrary, the words of the Lanham Act unilaterally support adherence to the territoriality principle and the application of trademark protection requirements like registration and use in commerce.[131]

These courts further assert that the plain language of the Lanham Act does not show a congressional intent to incorporate the well-known foreign mark exception.[132] Sections 44(b) and (h) extend the protections of the Lanham Act to give effect to provisions of signed international treaties, and

126. See ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 161 (2d Cir. 2007); Int'l Café S.A.L. v. Hard Rock Café Int'l (U.S.A.), Inc., 252 F.3d 1274, 1278 (11th Cir. 2001); Almacenes Exito S.A. v. El Gallo Meat Market, Inc., 381 F. Supp. 2d 324, 326-27 (S.D.N.Y. 2005).

127. *See ITC*, 482 F.3d at 163; *see also Int'l Café S.A.L.*, 252 F.3d at 1278.

128. *See ITC*, 482 F.3d at 163.

129. *Id.* at 160.

130. *See id.* at 164.

131. *See* 15 U.S.C.A. §§ 1051-1141 (West 2006).

132. *ITC*, 482 F.3d at 163 ("[W]e do not ourselves discern in the plain language of sections 44(b) and (h) a clear congressional intent to incorporate a famous marks exception into federal unfair competition law.").

to protect foreign nationals from unfair competition, respectively.[133] However, according to these courts, both sections 44(b) and (h) only provide "national treatment" to international trademark holders.[134] The rights granted to foreign nationals do not exceed those conferred in the Lanham Act and, therefore, the well-known foreign mark exception does not exist in U.S. federal law according to these courts.[135]

2. *Public Policy Rationales Alone Cannot Support the Recognition of the Well-Known Foreign Mark Exception*

In 2007, the Second Circuit addressed whether a well-known foreign mark exception exists in federal law and determined that the exception cannot be recognized without additional congressional legislation.[136] In order for substantive rights of trademark treaties to be implemented into federal law, Congress must amend the Lanham Act or pass additional legislation to incorporate these provisions into U.S. law.[137] In *ITC* a corporation running a well-known restaurant in India called "Bukhara Grill" sued a U.S. restaurant chain for trademark infringement because the chain employed the same name.[138] The Indian corporation claimed that its mark was famous enough to deserve international protection under the well-known foreign mark exception.[139] The Second Circuit acknowledged that sound policy rationales exist for the adoption of the exception, such as those enumerated in *Grupo Gigante*.[140] The court emphasized, however, that sound policy alone cannot justify judicial recognition of substantive treaty law.[141] Individuals favoring recognition of the well-known foreign mark exception, such as the Indian corporation in *ITC*, must present their policy concerns to Congress and urge for the inclusion of the exception in the Lanham Act or implementing legislation.[142] Courts such as the Second Circuit reason that until Congress amends the Lanham Act or passes im-

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133. *See id.*; *see also* Int'l Café S.A.L. v. Hard Rock Café Int'l (U.S.A.), Inc., 252 F.3d 1274, 1278 (11th Cir. 2001).

134. *ITC*, 482 F.3d at 162; Empresa Cubana del Tabaco v. Culbro Corp., 399 F.3d 462, 485 (2d Cir. 2005) ("[W]e conclude that the Paris Convention, as incorporated by the Lanham Act, only requires 'national treatment.'"); *Int'l Café S.A.L.*, 252 F.3d at 1277-78.

135. *See Int'l Café S.A.L.*, 252 F.3d at 1278 (citing Vanity Fair Mills, Inc. v. T. Eaton Co., 234 F.2d 633, 644 (2d Cir. 1956)).

136. *See ITC*, 482 F.3d at 163-64.

137. *See id.*

138. *Id.* at 142.

139. *See id.*

140. *See id.* at 165 (acknowledging that the policy rationales behind adopting the well-known foreign mark exception, like the prevention of trademark piracy, are persuasive).

141. *See id.*

142. *See id.*

plementing legislation for the well-known foreign mark exception, the exception should not be applied in the United States.[143]

The Second Circuit and other courts have also held that policy concerns militate against recognizing the well-known foreign mark exception.[144] In *International Café, S.A.L. v. Hard Rock Café International (U.S.A.), Inc.*, the plaintiff, an international corporation using the "Hard Rock Café" trademark solely in Lebanon, sued the defendant, a U.S. owner and user of the mark, claiming the exclusive right to use the mark under the exception.[145] The court found that application of the well-known foreign mark exception would allow international businesses, like the plaintiff, to have easier access to trademark protection than that which is available to U.S. entrepreneurs.[146] The plaintiff, a foreign business, would be able to safeguard its mark without registration or use in U.S. commerce, while the U.S. business would have to satisfy the requirements of the Lanham Act.[147] The court rejected the well-known foreign mark exception in order to eliminate this perverse result.[148]

III. THE WELL-KNOWN FOREIGN MARK EXCEPTION SHOULD BE RECOGNIZED AS U.S. FEDERAL TRADEMARK LAW

Recognition of the well-known foreign mark exception as part of U.S. trademark law is appropriate for two reasons: first, section 44(b) of the Lanham Act is incorporating legislation that gives effect to the substantive provisions of international treaties, including Article 6*bis* of the Paris Convention; second, the international trademark rights enjoyed by U.S. entrepreneurs under the well-known foreign mark exception depend on the adoption of the exception by U.S. courts.

A. Section 44(b) of the Lanham Act Incorporates the Paris Convention and Article 6*bis* into U.S. Law

Recognition of the well-known foreign mark exception is required based on the statutory language of section 44(b) of the Lanham Act.[149] Courts

143. *See id.* at 164.

144. *See* Int'l Café S.A.L. v. Hard Rock Café Int'l (U.S.A.), Inc., 252 F.3d 1274, 1278 (11th Cir. 2001) (holding that international trademark holders get "national treatment," or the same rights as U.S. citizens, but no more); *see also* Vanity Fair Mills, Inc. v. T. Eaton Co., 234 F.2d 633, 640 (2d Cir. 1956).

145. *See Int'l Café S.A.L.*, 252 F.3d at 1276.

146. *See id.* at 1278.

147. *See id.*

148. *See id.*; *see also Vanity Fair*, 234 F.2d at 640.

149. *See supra* notes 97-99 and accompanying text.

resisting the application of the exception claim that both sections 44(b) and (h) provide only for "national treatment" of foreign mark-holders.[150] Section 44(h) does provide for "national treatment" because the provision says that foreign nationals are entitled to rights "provided in this chapter," referring to Chapter 22 of the Lanham Act.[151] Thus, section 44(h) explicitly limits the protections given by that provision to those provided to U.S. citizens under the Lanham Act.[152] However, section 44(b) does not provide the same restricted scope of protection, which is apparent from the plain language of the section.

Unlike section 44(h), section 44(b) does not have limiting language that indicates international trademark holders are entitled only to national treatment.[153] To the contrary, section 44(b) explicitly states that international trademark holders will be given rights "to the extent necessary to give effect to any provision of such convention, treaty, or reciprocal law, *in addition to* the rights to which any owner of a mark is otherwise entitled by this chapter."[154] The plain language of section 44(b) shows Congress' intent to provide international trademark holders with rights that extend beyond mere national treatment. Under this section, all of the provisions of treaties signed by the United States apply within U.S. borders, including Article 6*bis* of the Paris Convention. Consequently, section 44(b) of the Lanham Act incorporates Article 6*bis* into U.S. law, providing international trademark holders with protection under the well-known foreign mark exception.

Legislative efficiency also demands a broad interpretation of the rights granted to international businesses under section 44(b). Under the Second Circuit's interpretation of sections 44(b) and (h), these sections offer identical protections to foreign businesses.[155] Such an understanding of these portions of the Lanham Act would render one of the sections unnecessary. Since Congress chose to create both sections 44(b) and (h), the logical assumption is that Congress was creating the sections for different reasons and not merely to repeat itself.

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150. *See supra* notes 134-35 and accompanying text.
151. 15 U.S.C.A. § 1126(h) (West 2006).
152. *See id.*
153. *See id.* § 1126(b).
154. *Id.* (emphasis added).
155. *See supra* notes 134-35 and accompanying text.

B. The International Trademark Rights Enjoyed by U.S. Businesses Under the Well-Known Foreign Mark Exception are Reliant on Reciprocal U.S. Recognition of the Exception

Various public policy rationales exist for recognizing the well-known foreign mark exception in U.S. law. Those enumerated by the Ninth Circuit and other courts in favor of applying the exception are certainly well-founded.[156] However, these courts have neglected to emphasize and expand upon another compelling justification, namely the protection of U.S. entrepreneurs' international trademark rights. The following discussion argues that courts should recognize the well-known foreign mark exception because failure to provide trademark rights for well-known international businesses may lead to retaliation by other countries in the form of revocation of protections enjoyed by U.S. businesses abroad.

Courts recognizing the well-known foreign mark exception often cite the prevention of entrepreneurial free-riding as a secondary policy rationale for the exception, after consumer protection.[157] In reality, the protection of foreign entrepreneurs is, at least, equally important for the protection of U.S. citizens in the international market, because it assures that U.S. entrepreneurs' marks will be protected by other countries while they conduct business abroad. While the Lanham Act does focus on U.S. consumers, it also exists to protect U.S. entrepreneurs.[158] The Lanham Act seeks to remedy and prevent unfair competition against U.S. businesses, both within the United States and abroad.[159] Consequently, when considering adoption of the well-known foreign mark exception under the Lanham Act, the interests of U.S. entrepreneurs must be given just as much weight as those of U.S. consumers.

The courts that reject the well-known foreign mark exception usually do so on behalf of U.S. entrepreneurs, whom the courts claim are disadvantaged by the exception.[160] These courts reason that the exception creates a loophole for foreign businesses, allowing them to obtain trademark protection without registering their marks.[161] However, this easier access to protection has significant limits.[162] Not all foreign marks are safeguarded; on-

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156. *See, e.g.*, Grupo Gigante S.A. de C.V. v. Dallo & Co., 391 F.3d 1088, 1094-95 (9th Cir. 2004); *see also* De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc., No. 04 Civ. 4099(DLC), 2005 WL 1164073, at *8 (S.D.N.Y. May 18, 2005).

157. *See De Beers LV*, 2005 WL 1164073, at *8.

158. *See* 15 U.S.C.A. § 1127.

159. *See id.*

160. *See supra* notes 146-48 and accompanying text.

161. *See supra* notes 146-48 and accompanying text.

162. *See supra* notes 26-28 and accompanying text.

ly those that have attained a well-known status in the United States can enjoy such protections.[163] The majority of foreign marks will not be able to achieve the level of recognition required for a well-known status in the United States without having been used in commerce.[164] As a result, very few foreign businesses can bypass U.S. trademark registration under the exception and U.S. entrepreneurs will not be significantly disadvantaged. Rather, recognition of the well-known foreign mark exception in the United States would benefit U.S. entrepreneurs. The granting of trademark protection to international businesses in the United States will help promote reciprocal treatment for U.S. companies conducting business abroad.

Without U.S. enforcement of the exception, foreign countries may hesitate to honor similar treatment for U.S. businesses, and both international and U.S. entities may ultimately suffer. Initially, U.S. businesses (or any businesses planning to establish themselves in the United States) will be able to travel to other countries and pilfer successful international marks before they are introduced in the United States, discouraging the expansion of foreign businesses into the United States.[165] Essentially, foreign markets will become "shopping malls" where U.S. businesses can browse and select foreign marks to emulate for their own businesses.[166] Free-riding "entrepreneurs" will then be able to reap the benefits of using a successful foreign mark in the United States without contributing to the establishment of the goodwill of that mark.[167] In response, countries that abide by the well-known foreign mark doctrine may revoke trademark rights that U.S. businesses currently enjoy under the exception. Thus, without recognition of the exception in the United States, U.S. entrepreneurs will be at risk of losing their trademark rights abroad and having their marks stolen before they can be registered internationally.

Immediately after the *ITC* court rejected the well-known foreign mark exception, the intellectual property law community began expressing concerns about an international backlash against U.S. entrepreneurs.[168] Ethan Horwitz, the lawyer for ITC in the case, predicted that U.S. failure to fulfill its treaty obligations under the Paris Convention will ultimately result in negative treatment for U.S. businesses regarding all types of intellectual

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163. *See supra* notes 26-28 and accompanying text.
164. *See supra* notes 26-28 and accompanying text.
165. *See supra* notes 123-25 and accompanying text.
166. *See supra* notes 123-25 and accompanying text.
167. *See supra* notes 123-25 and accompanying text.
168. *See* Steven Seidenberg, *Trademark Wars*, INSIDE COUNSEL, July 2007, at 24, 26.

property rights, including trademarks, patents, and copyrights.[169] He argued that U.S. businesses will be the most severely affected by the *ITC* decision since they have been the recipients of trademark protection under the well-known foreign mark exception and stand to lose that protection abroad.[170] J. Thomas McCarthy, an expert trademark scholar, agrees that the United States will be criticized for its lack of recognition of the well-known foreign mark exception and other countries will be hesitant to provide U.S. entrepreneurs with protection.[171]

The likelihood of an international backlash against U.S. entrepreneurs is further supported by past instances in which other countries have lashed out against U.S. interests after a failure of the United States to abide by its treaty obligations.[172] For example, the United States has entered into numerous bilateral extradition treaties with other countries.[173] These treaties provide that the signatories of the agreements must turn over their nationals to other countries in which those nationals have committed crimes.[174] Consequently, the extradition treaties allow the United States to gain physical custody over a foreign criminal for the purposes of prosecution.[175] However, the majority of the world is against the use of the death penalty, and when countries enter into these extradition agreements with the United States, they usually make their signing contingent on a promise by the United States (including a clause in the treaty) guaranteeing that extradited criminals will not be executed under U.S. death penalty laws.[176] The United States has allowed the inclusion of the "no death penalty" clause in a number of the extradition treaties.[177]

Regardless of the inclusion of the "no death penalty" clause in its bilateral extradition treaties, the United States periodically requests the extradition of foreign nationals for capital crimes with intentions to prosecute

169. *See id.* at 24 ("If we do not live up to our [treaty] obligations, other countries won't live up to their obligations to protect not just trademarks, but also copyrights, patents, and other types of IP.").

170. For example, China gave exclusive trademark rights to the "Marlboro" mark of the U.S. Phillips Morris Corporation under the well-known foreign mark exception. *See* Spring Chang, *Protecting Well-Known Marks in China*, MANAGING INTELL. PROP. Sept. 2004, at 31, 31, *available at* http://www.managingip.com/Article.aspx?ArticleID=1321573.

171. *See* Seidenberg, *supra* note 168.

172. *See* Eric Pinkard, *The Death Penalty for Drug Kingpins: Constitutional and International Implications*, 24 VT. L. REV. 1, 19 (1999).

173. *See id.* at 15-16.

174. *See id.* at 17.

175. *See id.*

176. *See, e.g.*, *id.* at 18-19.

177. *See id.* at 21-22.

them under the Federal Death Penalty Act ("FDPA").[178] Anti-death penalty countries, such as Colombia, respond to the United States' failure to fulfill its treaty obligation by refusing to hold up their end of the agreement.[179] When the United States considers the death sentence for extradited nationals, other countries openly repudiate extradition at the cost of U.S. prosecutions' interests.[180] Similarly, if the United States does not fulfill its obligations under the Paris Convention by recognizing the well-known foreign mark exception, other countries may cease granting trademark rights to U.S. businesses as required by that treaty.

Once reciprocal protection of foreign marks is nullified by U.S. rejection of the well-known foreign marks doctrine, registration of marks via the domestic trademark laws of other countries will be the sole protective option for U.S. businesses. Such registration is complicated, time consuming, and expensive. For example, in the United Kingdom ("U.K."), a business must file a registration application with the U.K. Intellectual Property Office at a cost of £200.[181] An additional £50 charge ensues when applying to register the mark for more than one class of goods or services.[182] Once the U.K. Intellectual Property Office receives an application, it performs a preliminary search for similar marks already registered.[183] The application is advertised in the national trademark journal for three months, and interested parties have the opportunity to oppose the registration of the mark.[184] Defending against oppositional claims to registration can be costly.[185] If no opposition results from the advertisement, or if the opposition hearing is decided in favor of the applicant, registration is completed—but, this process takes at least six months.[186] U.S. businesses will have to endure simi-

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178. *See id.* at 22-23; *see also* Federal Death Penalty Act of 1994, 18 U.S.C. §§ 3591-3597 (1994).

179. *See* Pinkard, *supra* note 172, at 19. In fact, many of the "no death penalty" extradition treaty clauses provide other countries with a legal out if the United States seeks extradition of a national for prosecution for a capital crime. *Id.*

180. *See id.*

181. *See* INTELLECTUAL PROPERTY OFFICE, TRADE MARKS: ESSENTIAL READING 11 (2009), *available at* http://www.ipo.gov.uk/t-essentialreading.pdf.

182. *See id.*

183. *See id.* at 8.

184. *See id.*

185. Oppositional defense costs approximately £300 at one U.K. law firm. *See* Trade Mark Registrations Online from Company Registrations Online, Price List, http://www.trademarkregistrationsonline.co.uk/price-list.aspx (last visited Aug. 7, 2009).

186. *See* INTELLECTUAL PROPERTY OFFICE, *supra* note 181, at 11. Registration can be even more complex for an individual unfamiliar with the dominant language of the country of registration. A U.S. entrepreneur's inability to speak Japanese, for example, could hinder the already lengthy sixteen-stage application process in Japan. *See* Japan Patent Office,

lar, if not more demanding, trademark registration processes in each country in which they desire protection for their marks.

The costs of local registration in foreign countries make it unlikely that a new, developing company will be able to afford this protection for its mark. However, once a company is profitable and can expand internationally, it may be popular enough, and its mark well-known enough, to create a risk of free-riding. This risk is exacerbated by the lengthy registration processes in many countries. In the six months to a year that it takes to register a mark abroad,[187] other businesses can discover it and use it, defeating the purpose of the labor that the company put into associating the mark with its goods or services.

If the United States does not adopt the well-known foreign mark exception, it leaves its internationally-expanding entrepreneurs with no protective options other than local registration, and places them in danger of being exploited by foreign companies through free-riding. On the other hand, if the United States recognizes and enforces the exception, entrepreneurs worldwide will be protected. Consequently, recognition of the well-known foreign mark exception is imperative for the continued success of U.S. entrepreneurs, as well as the protection of U.S. consumers in an increasingly global economic market.

Quick Guide: Trademark Law, http://www.jpo.go.jp/quick_e/index_sh.htm (follow "Procedures for Obtaining a Trademark Right" hyperlink) (last visited Aug. 8, 2009).

187. *See* INTELLECTUAL PROPERTY OFFICE, *supra* note 181, at 11.