Theft by Territorialism: A Case for Revising *Trips* to Protect Trademarks from National Market Foreclosure

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THEFT BY TERRITORIALISM: A CASE FOR REVIDING TRIPS TO PROTECT TRADEMARKS FROM NATIONAL MARKET FORECLOSURE

Beth Fulkerson*

INTRODUCTION

The international legal regime governing intellectual property facilitates the theft of trademarks. This is due in part to the simple truth that international institutions respond more slowly to change than do entrepreneurial businessmen. Under the existing international trademark agreements, it is possible, for example, for an entrepreneur from the United States to discover abroad a foreigner's new product with an unregistered trademark and to register and use that foreigner's mark on identical products in the United States. When the foreign originator opposes the registration of his trademark by the American, the American's lawyers will point to the Paris Convention\(^1\) and note that Article 6bis, which is the only provision protecting unregistered foreign trademarks, protects only those that are well known in the country in which the registration is disputed. The foreigner's new trademark is by definition not yet well known, and will never be well known in the United States as signifying the foreigner's product, because his expansion there has been blocked by the American's registration. Since he will receive no relief from the courts, the foreigner will have to buy off the American in order to enter the U.S. market with his trademarked product. Otherwise, the American will have successfully foreclosed the foreigner's entry into the U.S. market. Such abuse of the trademark regime is anathema to the purpose of trademark laws: it confuses consumers and discourages the development of high quality products.\(^2\)

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2. The abuse of intellectual property rights, to steal the fruit of foreigners' labors, is neither recent nor unique to trademarks. The Berne Convention established that copyright protection in any member country is conditioned solely on publication within a member country no later
This Note will argue that the "well-known mark" standard of the Paris Convention, which is also adopted by the Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPS), the North American Free Trade Agreement (NAFTA), and the European Community (EC), is an artifact of an era when markets were circumscribed by national borders and granting a monopoly on a trademark in one country on the basis of its use in another was unreasonable because the likelihood of confusion was minimal. Today, however, the trademark originator's intent to expand beyond its original market should be presumed. The requirement that an unregistered foreign mark must be well known in the domestic market for it to be protected should be abandoned in favor of an "awareness of foreign use" rule. This rule would be merely the logical result of considering the "likelihood of confusion" in the future instead of the immediate present, because trademarks are valued for their future use. Once we presume an intent to market globally, we can predict that the originator's markets and the second-comer's markets will eventually overlap and cause confusion among consumers.

This Note first examines how the Paris Convention regime of trademark protection facilitates the foreclosure of national markets to trademarks originating abroad. Next it outlines how the World Trade Organization (WTO), NAFTA, and the EC have improved on the Paris Convention, yet continue to leave new trademarks exposed to misappropriation. It then discusses the superiority of WTO enforcement mechanisms. Finally, the Note proposes that the logic of the WTO's TRIPS agreement, NAFTA, and the EC be extended to unregistered, not yet famous marks through a modest amendment to TRIPS that would pre-

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Have you ever wondered why, on New Year's eve in 1879, "The Pirates of Penzance" opened in New York and not in London? Aided by their country's flimsy copyright laws, unscrupulous Americans had filched an earlier Gilbert and Sullivan work with a nautical theme, "HMS Pinafore."

Piracy on the High Cs, ECONOMIST, Feb. 16, 1996, at 17.

3. James A. Carney published an article proposing a similar rule in 1991. James A. Carney, Setting Sights on Trademark Piracy: The Need for Greater Protection Against Imitation of Foreign Trademarks, 81 TRADEMARK REP. 30 (1991). This Note broadens the support for his proposal, demonstrates that subsequent international agreements have failed to remedy the problem, and proposes that TRIPS be amended accordingly.
vent the registration of a trademark by anyone other than the "true proprietor."4

I. THE CURRENT REGIME OF TRADEMARK PROTECTION FACILITATES MARKET FORECLOSURE

A. Legal Sources of Trademark Protection

Intellectual property rights are not rooted in natural law.5 "That an individual has the right to reap what he has sown . . . is far from self-evident even as applied to tangible property. We cannot talk intelligibly about an individual's rights until we have established a set of entitlements."6 The set of entitlements attached to intangible property is a positive creation of law, and therefore a national, territorial matter. International obligations to recognize intellectual property rights derive necessarily from the engagements of sovereign states,7 notably the treaty sources examined below.

B. Value of Trademark Rights

Trademarks are valuable corporate assets because of their capacity to generate income in future transactions.8 When evaluating trademarks, either as a nation debating whether to recognize them as property or as a business assessing an investment opportunity, focusing on their current market position is unreasonably myopic. Consumers prefer trademarked products because trademarks facilitate product selection by minimizing their search costs.9 The extent to which consumers associate a trademark with quality products is the ultimate determinant of that trademark's


7. Reichman, supra note 5, at 778.

8. "The basic fact is that many trademarks are no longer mere words indicating source but are symbols with independent value and are entitled to be protected like any other corporate asset." Jerre B. Swann & Theodore H. Davis, Jr., Dilution, An Idea Whose Time Has Gone: Brand Equity as Protectible Property, the New/Old Paradigm, 84 TRADEMARK REP. 267, 282 (1994). See also Charles T. Horngren & Gary L. Sundem, Introduction to Financial Accounting 394–95 (3d ed. 1988).

value. If the trademarked product maintains a consistent quality, the strength of the consumers' association increases and the value of the trademark will increase commensurately. Conversely, circulation of inferior goods under the trademark should cause its value to decline.

C. Market Foreclosure Under the Paris Convention

The Paris Convention is the principal international agreement governing the protection of trademarks. Its contracting parties did not create any new rights or increase the level of protection they would grant to intellectual property. Instead, they merely agreed to extend national treatment to foreign intellectual property. As is set out below, the Paris Convention is an artifact of an earlier age that reinforces national barriers.

1. Operation of the Paris Convention

Article 4 (A)(1) of the Paris Convention requires the signatory countries to grant priority to trademarks registered and trademarks with registration applications pending in other signatory countries, but not trademarks for which no registration application has been made. Signatories are committed to recognize unregistered marks only under Article 6bis (1), where they undertake 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

10. See Swann & Davis, supra note 8, at 293 ("The real property or equity in brands is their potential derived from their associational value to generate revenue."). See also Landes & Posner, supra note 9, at 269.
11. A reptile on a polo shirt, for example, could be worth millions of dollars. Piracy on the High Cs, supra note 2.
12. Paris Convention, supra note 1. Well over 100 states are members of the Paris Convention, including the United States, Canada, Mexico, Japan, and all European Community member states. Id. at 1668-75.
13. Id.
14. Id. art. 3.
15. Id. art. 4(A)(1) ("Any person who has duly filed an application for ... the registration of ... a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed."). Id. art. 4(C)(1) ("The periods of priority referred to above shall be ... six months for ... trademarks.").
a person entitled to the benefits of this Convention and used for identical or similar goods.16 In other words, a trademark owner may contest the registration or use of her unregistered mark by another person in a Convention country for similar goods only if her mark is already well known in the second (local) market. She must request the cancellation of the other user's registration within five years of the latter's registration date.17 If a mark is registered or used in bad faith, however, the Paris Convention states that signatory countries shall not impose a time limit for requesting the cancellation or the prohibition of use.18 Protecting unregistered foreign trademarks only if they are locally well-known rewards only the firm that has already created a reputation in the local market. If one's unregistered foreign trademark is not locally well-known, the Paris Convention allows others to register or use the mark free from challenge. This misappropriation forecloses this national market from the originator and results in consumer confusion when the two marks' markets intersect.

By requiring the unregistered trademark to have already acquired a reputation in the second market, the well-known mark standard rewards actual commercial success, but fails to protect potential success. This result is contrary to the very object of intellectual property law, which is to encourage new innovation by protecting it and its potential for commercial success. As noted by Professor Reichman in the context of patent protection, "[w]hile providing temporary monopolies to stimulate the production of high-risk, intangible creations, intellectual property law supplies statutory periods of artificial lead time to compensate, at least in part, for the loss of natural lead time that occurs when intellectual goods are subject to rapid imitation."19 As with patents, a trademark grants its holder a monopoly so that she can sell her trademarked products free from parasitic free-riding by pirate competitors. Pirates confuse consumers and usurp their victim's reputation for quality, often downgrading that reputation by circulating inferior goods.20 While the same dynamic victimizes entrepreneurs regardless of whether their trademark is registered, the Paris Convention does not require signatories to protect

16. Id. art. 6bis(1) (emphasis added).
17. Id. art. 6bis(2).
18. Id. art. 6bis(3).
20. See JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 1.03[1] (1992); Swann & Davis, supra note 8, at 293. See also Landes & Posner, supra note 9, at 269.
trademarks that are unregistered. Unregistered trademarks remain vulnerable to exploitation by persons other than the originator. Such exposure encourages undercutting of the trademark and dilution of the quality it represents when it is in its infancy and in its greatest need of protection.

By rewarding only the accrued success of established foreign trademarks, the well-known mark standard confronts the originator of new unregistered trademarks with a barrier to market entry. New marks are by nature not yet well known. Under this standard, they can obtain protection only through local registration.

To some lawyers, it may seem reasonable to demand that entrepreneurs demonstrate their commitment to the local market by swiftly applying for local registration. It is highly unrealistic, however, to demand that an entrepreneur, or even an established firm, simultaneously develop a product, create a new trademark, decide whether to export it, determine where to export it, and make the necessary arrangements in all likely target markets. While the trademark originator is undertaking this complicated process, the well-known mark standard allows interlopers to register or use the mark in a country before the originator's advertising, products, or trademark application cross its border.

The practical effect of analyzing the trademark's reputation, national market by national market, is to create a barrier to market entry. The originator will come to the second country claiming that the mark is hers because she created it and has been using it abroad, and that the junior user has registered or used it in bad faith in that country. The local court, considering the national territory to be the relevant market, can reject her challenge, saying that it is she who is the second comer. The well-known mark standard allows national courts to deny recognition of prior use by a trademark originator solely because her use was abroad, rather than local. The originator is thus foreclosed from using her own trademark in that market.

2. An Infamous Example

The decision in Person's Co. v. Christman is an infamous case demonstrating the ability of the territorially-based well-known mark


22. Even if the originator decides to enter the market under a second-choice mark, it will suffer the costs of using a second-choice marketing program. Forcing the originator to promote the second mark will in all likelihood result in higher prices while weakening the market incentive for quality. Carney, supra note 3, at 39-40.

standard to exclude a foreign trademark originator from a national market. Mr. Larry Christman, a U.S. national, copied the goods and trademark of a Japanese company, Person’s Co., and registered the trademark “PERSON’S” in the United States. Within a year, Person’s Co. registered the same trademark in the United States, and then brought an action before the Patent and Trademark Office Trial and Appeal Board (the Board) to cancel Christman’s registration. Christman counter-claimed, seeking cancellation of the Person’s Co. registration. The Board granted Christman summary judgment. The U.S. Court of Appeals for the Federal Circuit affirmed the Board’s decision.

The Person’s story began in 1977, when Takaya Iwasaki attached a logo bearing the name “PERSON’S” to clothing in Japan, his native country. In 1979, he founded Person’s Co., Ltd., a Japanese corporation, to market and distribute his clothing items in Japan. In 1981, Larry Christman stopped in a Person’s Co. retail store while on a business trip in Japan. There, he bought a number of clothing items bearing the “PERSON’S” logo and took them back home to the United States.

Mr. Christman’s lawyers advised him that no one had established a claim to the mark in the United States. He then proceeded to “develop[] designs for his own ‘Person’s’ brand sportswear line based on [the] products he had purchased in Japan.” In 1982, Christman began selling these items to retailers in the northwestern United States. In 1983 he formed Team Concepts, Ltd., to continue merchandising the line. The Federal Circuit later noted that “[a]ll the sportswear marketed by Team Concepts bore either the mark “PERSON’S” or a copy of appellant’s globe logo; many of the clothing styles were apparently copied directly from [Iwasaki’s] design.”

In the same year, Christman applied for U.S. trademark registration of the “PERSON’S” mark. He believed that he was the exclusive owner of the right to use and register the mark in the United States, and ac-

24. At the 1990 Court of Appeals for the Federal Circuit Eighth Annual Judicial Conference, Professor Donald Chisum listed this case as the top trademark case of the year in his annual “hit parade” of the Federal Circuit’s intellectual property decisions. He remarked that it would make sense, in an era of expanding world trade, for the United States to expand U.S. trademark rights to foreign first users. Federal Circuit Holds Eighth Annual Judicial Conference, Pat. Trademark & Copyright Daily (BNA) (June 27, 1990), available in WESTLAW, Intellectual Property Library, BNA-PTD Database. James A. Carney used the Person’s Co. case as the focal point of his 1991 article proposing that “knowledge alone of a trademark’s prior use abroad should serve as a basis for negating the imitator’s preemptive rights.” Carney, supra note 3, at 31.
26. Id. at 1566–67.
27. Id. at 1567.
28. Id. (emphasis added).
cording to the U.S. Court of Appeals for the Federal Circuit, he "appar-
ently had no knowledge" that Person's Co. "soon intended to introduce
its similar sportswear line under the identical mark in the U.S. mar-
ket." The court acknowledged that Christman was aware of the origin
of the mark and the line of sportswear it labeled, but the court was con-
cerned only about whether he was aware that the originator intended to
export into the United States.  

Mr. Christman's trademark did not issue until September of 1984.
During the period between Mr. Christman's first sale and the issuance of
his registration, "Person's Co., Ltd. became a well known and highly
respected force in the Japanese fashion industry. The company . . .
began implementing its plan to sell goods under this mark in the United
States." According to Mr. Iwasaki, his sales to U.S. buyers occurred
seven months after Christman's first U.S. sales.  

Person's Co. applied for trademark registration in 1983, the same
year that Christman did. Person's Co.'s registration, however, did not
issue until August of 1985, eleven months after Christman's. Shortly
thereafter, in early 1986, "both parties became aware of confusion in the
marketplace." Person's Co. brought an action before the Board to
cancel Christman's registration, citing, among other grounds, likelihood
of confusion. Christman counterclaimed for cancellation of Person Co.'s
registration, asserting, in addition to likelihood of confusion, prior
use.  

The Board granted Christman's motion for summary judgment,
holding that Person's Co.'s use of the mark in Japan could not be used
to establish priority in the United States over a "good faith" senior user.
The Board found that the "PERSON'S" mark had gained no reputation

29. Id.
30. Id.
31. Id.
32. Id.

33. Before the Trademark Law Revision Act of 1988 went into effect on November 16,
1989, U.S. applicants for trademark registration could not file an application until they
actually used the mark in commerce. Now, U.S. applicants may base applications on "intent
to use," but the Trademark Office will still not register the mark until the applicant actually
uses it in commerce. In contrast to all other nations, only U.S. trademark applicants must use
their marks in commerce before they are issued registration. Jeffrey M. Samuels & Linda B.
Samuels, The Changing Landscape of International Trademark Law, 27 GEO. WASH. J. INT'L
L. & ECON. 433, 448–49 (1993–94). By permitting application before use, the revision makes
it less difficult for U.S. trademark holders to gain priority protection in other countries under
national laws complying with Article 4 of the Paris Convention, which bases priority on the
date of application. Paris Convention, supra note 1, art. 4(A)(1).

34. Person's Co. v. Christman, 900 F.2d at 1567.
35. Id.
36. Id.
in the United States prior to Christman's adoption of it, and that Person's Co. therefore "had no reputation or goodwill upon which Christman could have intended to trade, rendering the unfair competition provisions of the Paris Convention inapplicable." The Board limited its analysis of trading on Person's Co.'s goodwill and reputation to the past. On reconsideration, the Board made its position more explicit. According to the Federal Circuit, the Board held that

Christman had not adopted the mark in bad faith *despite his appropriation* of a mark in use by appellant in a foreign country. The Board adopted the view that copying a mark in use in a foreign country is not in bad faith unless the foreign mark is famous in the United States or the copying is undertaken for the purpose of interfering with the prior user's planned expansion into the United States.  

The Board thus considered Christman a good faith registrant, despite his awareness of the Person's Co.'s first use of the mark, because that first use was in Japan and had not created local renown in the United States. Its finding that Person's Co. had no goodwill upon which Christman could have traded slights the fact that both Person's and Christman complained about actual confusion among consumers. By not taking likely future developments into account, the Board exonerated Christman's act—an act acknowledged by the Board to be and labeled by the Federal Circuit as "appropriation."  

In affirming the Board's decision, the Federal Circuit acknowledged that Iwasaki was the first user, that Christman was aware of this fact, and that only shortly after both parties were issued registrations they became aware of confusion in the marketplace. Nevertheless, the court rejected Person's Co.'s argument that Christman's awareness was alone sufficient to constitute bad faith and extinguish his rights to the trademark. In addition to proving the junior user's awareness of prior foreign use, the prior user would also have to show that his mark was already famous in the United States, or that the second comer used the mark in the United States with the intent to block the prior user's market entry.  

37. *Id.*
38. *Id.* at 1568 (emphasis added).
39. *Id.*
40. *Id.* at 1567.
41. *Id.* at 1568.
42. *Id.* at 1570.
43. *Id.*
words, it might be bad faith to usurp the rights of a well-known trademark, but it is not bad faith to usurp the rights, including future import opportunities, of a trademark that is not well known. Nor is it problematic to use trademark laws to block market entry if the prior user cannot prove the interloper's intent to block. This decision, which is not contradicted by Article 6bis of the Paris Convention, allows entrepreneurs to pirate the ideas and trademarks of foreign firms who have not yet created local renown by registering them as their own.

In addition to viewing goodwill as a static quality valued only in the present, rather than a dynamic quality valued in terms of its potential, the Federal Circuit viewed the market for sportswear with unrealistic geographic narrowness, thereby rejecting Person's Co.'s world market argument. Person's Co. tried to convince the court to consider the question of prior use in the context of the global economy, and argued that its first use of the mark, although in Japan, should establish its priority. This argument followed the reasoning of a factually analogous decision by the Board in which the second user was aware of the first user's use in another part of the United States, and the Board found for the first user. The Person's court did state that "the concept of bad faith applies to remote junior users seeking concurrent use registrations; in such cases, the likelihood of customer confusion in the remote area may be presumed from proof of the junior user's knowledge." The court refused, however, to apply this concept where the first use was outside the territory of the United States, even though the remote area where the likelihood of customer confusion could be presumed from proof of "the junior user's knowledge" was the United States. It tried to explain this logical inconsistency away by saying that Person's Co.'s equitable argument ignored the territorial nature of trademark rights. In so holding, the court itself ignored the fact that both parties complained of actual — not presumed — consumer confusion within the territory of the United States.

The court suggested in a footnote that if Person's Co. had registered its mark in Japan, it might have been able to obtain priority over Christman. Section 44 of the Lanham Act allows applicants from abroad to register their trademark in the United States without establishing use

44. Id. at 1569 n.18.
45. Id. at 1569.
47. Person's Co. v. Christman, 900 F.2d at 1569 (emphasis added).
48. Id. at 1569-70.
49. Id. at 1569 n.16.
in the United States. They must apply for U.S. registration within six months of filing in the foreign country. If they do so, the U.S. date of application will be the date of the foreign application. This statutory scheme brings U.S. law into compliance with Article 4 of the Paris Convention, which requires that signatory countries give priority to applicants who have already made applications in other signatory countries. The six-month grace period, however, is helpful only to those registrants who know, at the time they initially file, where they will ultimately market their product. This means that it allows individuals such as Christman to steal even a registered trademark from all but the fastest movers.

The court decided that the Trademark Trial and Appeal Board should not have addressed the question of whether Articles 6bis and 10bis of the Paris Convention applied, for it is "well-settled" that the board cannot decide unfair competition issues in cancellation proceedings. The court, however, did base its decision on the same finding the Board made in deciding that Person's Co. was not protected by the Paris Convention—that the company's mark had no reputation or goodwill on which Christman could trade. This standard upholds the principles of trademark protection generally—to protect consumers and to protect significant investments in property interests—but it forces trademark originators to establish an international reputation quickly and successfully, and imposes on them a high penalty for failure. It allows the

51. Paris Convention, supra note 1, art. 4.
52. It is inconceivable that one would know this. See KOTLER, supra note 21.
53. Person's Co. v. Christman, 900 F.2d at 1571. Even after the trademark has been formally registered, it is still possible for any person who believes himself damaged by the registration to petition the Board to cancel it. GILSON, supra note 20, § 3.05(1)[b][i], at 3-117, 3-118. The Board's authority in cancellation proceedings is "limited to adjudicating the right to federal registration. The Board cannot determine the rights of parties to the use of trademarks, and it cannot award damages or injunctive relief for trademark infringement or unfair competition." Id., § 3.05(1)[b][ii], at 3-120. That the Board's authority is so limited is evident from the statute creating it: "In every . . . application to cancel the registration of a mark, the Commissioner shall give notice to all parties and shall direct a Trademark Trial and Appeal Board to determine and decide the respective rights of registration." 15 U.S.C. § 1067 (1994). See also Knickerbocker Toy Co. v. Faultless Starch Co., 467 F.2d 501, 509 (C.C.P.A. 1972); White Co. v. Vita-Var Corp., 182 F.2d 217, 221-22 (C.C.P.A. 1950).
54. The U.S. Supreme Court identified a similar problem in the domestic trade dress context:

To terminate protection for failure to gain secondary meaning over some unspecified time could not be based on the failure of the dress to retain its fanciful, arbitrary, or suggestive nature, but on the failure of the user of the dress to be successful enough in the marketplace. This is not a valid basis to find a dress or mark ineligible for protection. The user of such a trade dress should be able to
sophisticated predator to steal trademarks by registering them abroad before their creator has the time to develop their reputation or formally register them in all future markets, and fails to protect owners from freeriders who foreclose future opportunities.

II. INTELLECTUAL PROPERTY PROTECTION UNDER THE WTO, NAFTA, AND EC TREATIES

A. TRIPS and NAFTA Improve on the Paris Convention, But Not Enough

It is perhaps unfair to criticize the Paris Convention too harshly for its current inadequacy, given that the original version was signed in 1883. The TRIPS agreement, in contrast, was concluded in 1993, integrating intellectual property into the postwar program of increased international trade and lower trade barriers that the General Agreement on Tariffs and Trade (GATT) began in 1947. NAFTA, like TRIPS, has the advantage of a recent genesis and is more likely to respond to its signatories' current concerns than the Paris Convention.

By the time TRIPS was signed, "intellectual property had undergone a fundamental conceptual change: the emphasis . . . moved away from sovereign matters — e.g., one of protective norms restricted to the territory of the state — to issues of adequate protection of intellectual property rights abroad." The TRIPS agreement was born from dissatisfaction with the protection provided by the Paris Convention and the World Intellectual Property Organization's (WIPO) enforcement of it. Unlike the Paris Convention, which requires national treatment but no minimum standards of protection, TRIPS provides, in addition to


55. Paris Convention, supra note 1.


national treatment, sustainability, and detailed minimum standards. Article 16 of the TRIPS agreement confers substantive rights on the owners of registered trademarks. Article 16(1) provides that the owner of a registered trademark shall have the exclusive right to prevent all third parties not having his consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. By providing that the likelihood of confusion will be presumed where identical marks are used for identical goods, TRIPS relieves trademark owners of the burden of proving the likelihood of consumer confusion. Article 1708(2) of NAFTA provides the same protection. Unfortu-

nately, however, these provisions apply only to registered marks. Nevertheless, the logic underlying the presumption suggests that confusion should also be presumed in cases like Person's Co. v. Christman, because the fact of a mark's registration in a government office has nothing to do with the effect of duplicate marks in the public market. Simply put, registration works no magic on consumers. TRIPS Article 16(2) and NAFTA Article 1708(6) extend Article 6bis of the Paris Convention to services. Both also specify that, in considering whether a mark is well known, the affected public's knowledge should be taken into account, including knowledge gained as a result of promotions. This provision may be read to explicitly encompass reputations created by advertising in one country that spills over into another where the product is not yet available. This approach has been used for decades to recognize the goodwill that a trademark owner can generate in a country without directly selling there.

60. TRIPS, supra note 56, art. 3.
61. Id. art. 4.
62. Id. part II; see also Cordray, supra note 59, at 125.
63. TRIPS, supra note 56, art. 16(1).
65. The Madrid Agreement similarly makes protection contingent on registration. It allows nationals of forty member countries to secure protection in all of the other signatory states through a single international registration. Madrid Agreement Concerning the International Registration of Marks, Apr. 14, 1891, 828 U.N.T.S. 389 (revised July 14, 1967).
66. TRIPS, supra note 56, art. 16(2); NAFTA, supra note 64, art. 1708(6).
67. TRIPS, supra note 56, art. 16(2); NAFTA, supra note 64, art. 1708(6).
68. See, e.g., Thomas J. Hoffman & Susan E. Brownstone, Protection of Trademark Rights Acquired by International Reputation Without Use or Registration, 71 TRADEMARK
By including knowledge gained as a result of promotions in Paris Convention Article 6bis cases, TRIPS Article 16(2) and NAFTA Article 1708(6) prevent courts from focusing exclusively on sales. Ignoring other sources of consumer knowledge allows a trademark copier to prevent the market entry of the trademark's originator in many cases. This inclusion of knowledge gained from promotions should influence courts sharing the mindset of the U.S. Court of Appeals for the Federal Circuit, which in Person's Co. v. Christman repeatedly noted that Person's had not yet entered U.S. commerce.

TRIPS Article 16(3), which has no parallel in NAFTA, also goes beyond the Paris Convention in terms of the scope of the protection it gives to registered marks. It provides that Article 6bis of the Paris Convention shall apply

to goods and services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods and services would indicate a connection between those goods and services and the owner of the registered mark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.69

Article 6bis itself mentions only marks "used for identical or similar goods."70 TRIPS Article 16(3) provides more complete protection of a trademark's existing goodwill. It recognizes that the reputation of a mark can be affected by any goods "connected" or associated with it in the consumers' minds.71 It is immaterial whether the actual products to which the copier attaches the mark are similar. What matters is the association. TRIPS is an improvement on the Paris Convention because it recognizes this important point.

Article 16(3) treats existing goodwill in one product market as prospective property in another product market. It reserves a spot in new markets that the trademark owner may want to enter, thus recognizing that trademark values are prospective and entitled to protection. Unfortunately, Article 16(3) applies only to registered marks. The idea behind Article 16(3), however, is applicable equally to unregistered marks, for a mark's status as registered or unregistered is unrelated to whether con-

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69. TRIPS, supra note 56, art. 16(3) (emphasis added).
70. Paris Convention, supra note 1, art. 6(1).
71. TRIPS, supra note 56, art. 16(3).
sumers mentally associate that mark with a product other than the one to which it is physically attached. Once again, all that matters is the association in consumers' minds of one product's quality with another's trademark.

In addition to NAFTA's lack of a provision parallel to TRIPS Article 16(3), the TRIPS and NAFTA agreements diverge in their requirements of use to maintain a registration. Both TRIPS Article 15(3) and NAFTA Article 1708(3) state that parties may make registrability contingent on use. As for maintenance of registration, NAFTA Article 1708(8) states that each party "shall require the use of a trademark to maintain a registration. The registration may be canceled for the reason of non-use only after an uninterrupted period of at least two years of non-use, unless valid reasons ... are shown." In contrast, TRIPS Article 19(1) states that "[i]f use is required to maintain a registration, the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons ... are shown." On its face, NAFTA thus provides stronger measures against so-called "dead wood" registrations by requiring that marks unused for a period of two years be denied continued registration, rather than giving members the option of continuing registration even after three years of non-use.

B. EC Law Perpetuates the Bias Against Unregistered Foreign Trademarks

The EC has taken a significant step toward eradicating internal trade barriers by allowing one to register for a Community-wide trademark. The Council Regulation on the Community trade mark (the Regulation) treats the Community as one large market, rather than a group of national markets. Unfortunately, however, its expansive conceptualization of the market is necessarily limited to that of the EC itself.

72. Id. art. 15(3); NAFTA, supra note 64, art. 1708(3).
73. TRIPS, supra note 56, art. 15(3); NAFTA, supra note 64, art. 1708(3).
74. NAFTA, supra note 64, art. 1708(8).
75. TRIPS, supra note 56, art. 19(1) (emphasis added).
76. See id. art. 15(3); NAFTA, supra note 64, art. 1708(8).
77. Council Regulation 40/94, 1994 O.J. (L 11) 1. The introduction of the "Community trade mark" does not displace member states' ability to offer national trade marks. Id. pmbl. para. 9, art. 108.
78. Id.
European Community member states’ own provision of national trademarks is governed by the EC’s First Council Directive to approximate the laws of the Member States relating to trade marks (the Directive). The Directive does not deprive member states of the right to continue to protect marks acquired through use. Instead, it focuses on bringing national rules into harmony with respect to registration.\(^7\) The Directive requires member states to implement legislation substantively similar to that required by TRIPS and NAFTA. In particular, its Article 4 declares that a trademark shall not be registered if it is identical to an “earlier mark,” or if, because of its identity with or similarity to an “earlier mark” and the goods or services it labels, it is likely that the public will be confused.\(^8\) The definition of an “earlier mark” is limited to marks for which registration has already been applied, and marks that are well known under Article 6bis of the Paris Convention.\(^9\)

The Directive’s extension of protection to marks against registration of similar or identical marks on dissimilar goods or services is analogous to TRIPS Article 16(3). Article 4(3) of the Directive limits this extended protection to earlier registered or well-known marks\(^{10}\) that have “a reputation in the Community”\(^{11}\) where the use of the later mark would “take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark.”\(^{12}\) TRIPS similarly limits the extension to cases in which use of the second mark would suggest a connection between the goods or services it labels and the owner of the registered or well-known mark, where the interests of the owner are likely to be damaged.\(^{13}\) Both require that consumers already know of the initial trademark, thereby ignoring the risk of market foreclosure by preemptive registration of the originator’s nascent mark — registered or not — by someone else.

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80. Id. art. 4(1).
81. Id. art. 4(2).
82. Id. art. 4(3).
83. Florent Gevers notes that the need for a “reputation” is a new concept. Gevers explains that it is a lower standard than “well known,” but there is no official explanation as to what level of knowledge meets this requirement. Florent Gevers, Practical Aspects Regarding the Changing Scenery of European Trademark Law 25 (Apr. 7–8, 1994) (unpublished paper given at the Second Annual Conference on International Intellectual Property Law and Policy, Fordham University School of Law) (on file with Michigan Journal of International Law). This lower standard applies only to registered marks; it does not apply to unregistered marks, for the definition of “earlier marks” includes only registered marks and well-known marks. Council Directive 89/104/EEC, supra note 79, art. 4(2).
85. TRIPS, supra note 56, art. 16(3).
The Directive permits member states to deny registration to applications made in bad faith. Yet, under Article 4(4)(g) it protects marks in use abroad against registration by others only if two conditions are met: (1) such registration would likely cause the public to confuse the newly registered mark with the mark used abroad, and (2) the applicant was acting in bad faith when he applied for registration. Bad faith alone is thus an insufficient basis for denying an applicant's registration of a mark already in use abroad. The mark in use abroad must already have acquired enough of a reputation to cause consumers to confuse the newly registered mark with it; that is to say, it must be locally well-known.

The EC is more lenient than TRIPS and NAFTA with respect to the amount of time a registrant can continuously fail to use his mark and still maintain the registration. Article 12 of the Directive gives the owner of the registration a five-year grace period, in contrast to TRIPS's period of three years and NAFTA's two years. Article 50 of the Regulation likewise allows five years of continuous non-use. This longer period extends the time during which the originator of an unregistered trademark may be shut out of a national market by someone who merely registered in the Community before the originator's mark gained a reputation there.

III. WTO, THROUGH TRIPS, SHOULD ADOPT AN AWARENESS OF PRIOR USE STANDARD

A. WTO Enforcement Mechanisms Are More Effective Than Those of the Paris Convention

1. Paris Convention Lacks an Effective Enforcement Mechanism

Article 28 of the Paris Convention requires parties to submit disputes to the International Court of Justice (ICJ). This means that a party seeking recourse under the Convention must convince his national government to bring a case against his opponent's national government. Article 28(2) allows each country, at the time it signs the Convention or deposits its instrument of ratification or accession, to declare that it does not consider itself subject to the ICJ's jurisdiction. Approximately one-

87. Id. art. 4(4)(g).
88. Id. art. 12.
89. Id.; TRIPS, supra note 56, art. 19(1); NAFTA, supra note 64, art. 1708(8).
90. Council Regulation 40/94, supra note 77, art. 50.
91. Paris Convention, supra note 1, art. 28.
92. Id.
fourth of the members of the Paris Convention refused to accept ICJ jurisdiction. Moreover, even the parties who accepted ICJ jurisdiction do not use this procedure because it is diplomatically problematic and practically ineffective. "[N]obody would sue a state which violates is obligations" which result from WIPO Conventions "before the International Court of Justice in the Hague . . . because the sued state would interpret the action as an unfriendly act." If they did sue, the resulting ICJ decision would not be enforced, because ICJ judgments are enforceable only by the United Nations Security Council, which is highly unlikely to take action to enforce an intellectual property judgment. Thus, it is risky for private actors to rely on the Paris Convention.

The alternative, registering in every nation in which one plans to export, is also confounded. The registration fee in a given foreign country may be less than the costs of the uncertainty of whether a foreign judge will recognize the trademark as locally well known. Yet it is prohibitively expensive for novice entrepreneurs to register in every national market they plan someday to enter. Nor is it reasonable to expect originators of new trademarks to know immediately where they will ultimately expand.

The expense of registration, combined with the absence of a realistic international hearing, puts a premium on out-of-court settlements. In both emerging and developed markets, smart entrepreneurs register and

93. Cordray, supra note 59, at 131. See also Reichman, supra note 5, at 773–75.
94. Cordray, supra note 59, at 131.
95. Id. at 131 (quoting Ulrich Joos & Rainer Moufang, Report on the Second Ringberg-Symposium, in GATT OR WIPO? NEW WAYS IN INTERNATIONAL PROTECTION OF INTELLECTUAL PROPERTY 1, 19 (Friedrich-Karl Beier & Gerhard Schricker eds., 1989)).
96. Cordray, supra note 59, at 132.
97. The Berne Convention, supra note 2, similarly refers cases to the ICJ. Over more than a century later, no nation has brought a copyright action before the ICJ under the Berne Convention. Bhushan Bahree, U.S., European Union Turn to WTO to Make Japan Extend Music Protection, WALL ST. J., Feb. 12, 1996, at A10. See also Joos & Moufang, supra note 95, at 36 ("No state would take such a step only to clarify a disputed issue in industrial property or copyright law.").
98. Applying for registration in foreign jurisdictions requires the payment of attorney fees, translation costs, and filing fees. The filing fee for the United States is $245. Pub. L. No. 103-79, § 4, 107 Stat. 2040 (Dec. 3, 1993). The official filing fees in other countries are similar: e.g., Bolivia, 60,000 Bolivianos; Czech Republic, 3,000 Crowns; Germany, 500 Deutsche Marks; Japan, 21,000 Yen; and South Africa, 16 Rand. MANUAL FOR THE HANDLING OF APPLICATIONS FOR PATENTS, DESIGNS, AND TRADEMARKS THROUGHOUT THE WORLD (Manual Indus. Prop.) 2–4, 24, 48, 36 (Supp. 74, Oct. 1995). Thus, defensive filing quickly adds up to be a costly proposition.
99. See generally KOTLER, supra note 21, at 39–47.
"warehouse" the trademarks of well-known companies.\textsuperscript{100} When a targeted company decides to enter the market, it discovers that someone has already unscrupulously registered its trademark as his own. To enter the market and continue to use the same trademark, the company must pay off the warehouser or adopt a completely different trademark. The price it pays is less than the cost of litigation, but it is nevertheless a toll to cross a border.

2. TRIPS, Backed by WTO Dispute Settlement Procedures, Is Enforceable

The TRIPS rules are backed by WTO dispute settlement procedures,\textsuperscript{101} which create incentives for parties to cooperate by allowing contracting parties to suspend GATT obligations or concessions to the offending party.\textsuperscript{102} TRIPS, in contrast to the Paris Convention, links intellectual property with the trade law of GATT, and provides a dispute settlement procedure that reinforces the linkage of compliance with TRIPS to concessions from GATT parties.\textsuperscript{103} These concessions are in turn linked to the parties' trade balances and economic health.

The Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) sets out the dispute resolution process applicable to TRIPS, which is administered by the Dispute Settlement Body (DSB) of the WTO.\textsuperscript{104} The outline of the process is as follows: members are to make an effort to work out their disagreements through consultations.\textsuperscript{105} If a member requests a consultation, the member to which the request is made must reply within ten days and enter into good faith consultations within thirty days of the request.\textsuperscript{106} If both parties agree

\textsuperscript{100} See \textsc{gilson, supra} note 20, § 9.01; see also Bruce I. Konviser, \textit{A Czech Entrepreneur Makes Names for Himself}, \textsc{n.y. times}, Feb. 19, 1995, at C4. The Czech parliament has changed its law to make warehousing more difficult by switching from a strict first-to-file system to one which provides for objections prior to registration. \textit{New Trademark Law: More Protection for Well-Known Marks}, \textsc{e/w. exec. guide}, Sept. 1, 1995. This phenomenon is not unique to emerging markets. Warehousers are also registering others' trademarks and names as their own Internet domain names, currently assigned on a first-to-file basis. \textit{Hearings on H.R. 2441 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary}, 104th Cong., 2d Sess. (1996) (statement of Catherine Simmons-Gill, President, International Trademark Association).

\textsuperscript{101} TRIPS, supra note 56, art. 64.


\textsuperscript{103} TRIPS, supra note 56, art. 64; DSU, supra note 102, art. 22.

\textsuperscript{104} DSU, supra note 102, art. 2.1.

\textsuperscript{105} Id. art. 4.2.

\textsuperscript{106} Id. art. 4.3.
that the consultations have failed to resolve the dispute sixty days after
the request, then the complaining party may request that a panel be
formed by the DSB to examine the dispute in light of the relevant
provisions of the governing agreement.\textsuperscript{107} Panels are composed of three
or five "well-qualified" individuals.\textsuperscript{108} A panel makes findings and then
submits a report to the DSB.\textsuperscript{109} If a party fails to comply with the rul-
ings or recommendations of the DSB within a reasonable time, the
complaining party may suspend obligations or concessions under the
relevant agreement with respect to the recalcitrant party.\textsuperscript{110}

While recourse to the DSU requires state espousal, there is good
reason to believe that intellectual property disputes will not languish
there the way they have under the Paris Convention regime. Only a few
years after the signing of TRIPS, the United States has already brought
an intellectual property complaint against Japan before the DSU.\textsuperscript{111}

TRIPS is not just more easily enforced than the Paris Convention; it
also places greater demands on its parties. It requires that they imple-
ment national enforcement procedures, as does the Paris Convention.\textsuperscript{112}
But it also makes explicit demands on the parties, guaranteeing a mini-
mum level of enforcement.\textsuperscript{113} This minimum level is significantly higher
than the level of enforcement which many countries provide under the
Paris Convention’s national treatment standard.\textsuperscript{114}

Specifically, Section 2 of TRIPS articulates civil and administrative
procedures and remedies.\textsuperscript{115} Under Article 44(1), judicial authorities
shall have the authority to enjoin infringement by preventing the entry
of imported infringing

\textsuperscript{107.} Id. arts. 4.7, 7.1.
\textsuperscript{108.} Id. arts. 8.1, 8.5.
\textsuperscript{109.} Id. art. 15.3.
\textsuperscript{110.} Id. art. 22.
\textsuperscript{111.} Bahree, \textit{supra} note 97. Experience under GATT, where state espousal has not
generally been perceived as an "unfriendly act," bodes well for dispute resolution under
TRIPS. \textit{See} \textit{JOHN JACKSON, THE WORLD TRADING SYSTEM: LAW AND POLICY OF INTERNA-
\textsuperscript{112.} TRIPS, \textit{supra} note 56, art. 1.
\textsuperscript{113.} Id.; Cordray, \textit{supra} note 59, at 135.
\textsuperscript{114.} Freeman, \textit{supra} note 57, at 90.
\textsuperscript{115.} TRIPS, \textit{supra} note 56, part III, § II.
\textsuperscript{116.} Id. art. 44(1).
property right.” This caveat does not make unawareness of infringement a defense to infringement, for Article 45 allows the rights holder to recover compensatory damages from knowing infringers, and lost-profits damages or statutory damages from unknowing infringers. Such an allowance for damages preestablished by national laws relieves the rights holder of the burden of proving loss of profits or other injury. It recognizes that infringement is damaging, even though the magnitude of damage is difficult to calculate.

Willful trademark infringers are dealt with harshly by TRIPS. Article 61 requires members to “provide for criminal procedures and penalties to be applied at least in cases of willful counterfeiting or copyright piracy on a commercial scale.” Remedies available shall include imprisonment and fines sufficient to deter.

To prevent disputes between signatories, Article 63 requires them to notify the Council for Trade-Related Aspects of Intellectual Property Rights (the Council) of their laws and regulations, and to make available publicly judicial and administrative rulings, as well as laws and regulations. The role of the Council is to review the operation of the TRIPS agreement. It has the authority to consider developments which might warrant the agreement’s amendment.

B. A Modest Proposal for Extending the Logic of WTO-TRIPS to Unregistered Marks

As the treaty organization with the largest number of parties, an effective dispute settlement procedure, and powerful linkages between intellectual property protection and trade concessions, the WTO should take the lead in extending trademark protection by adopting an awareness of prior use standard for trademark registration and validity. Its Council should observe that the logic of TRIPS has not been fully extended to protect new trademarks that are unknown outside their nation of origin and are not yet registered anywhere. The Council should recommend that TRIPS be amended to require that parties implement

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117. Id. (emphasis added).
118. Id. art. 45.
119. Chicago attorneys Alan Solow and Oscar Alcantara have recently proposed that the United States Congress amend the Lanham Act in this way. (Proposal on file with Michigan Journal of International Law).
120. TRIPS, supra note 56, art. 61 (emphasis added).
121. Id.
122. Id. art. 63.
123. Id. art. 71(1).
legislation to recognize a property right in foreign, unregistered, non-famous trademarks.

1. The Likelihood of Confusion Should Be Considered Dynamically

Because the value of a trademark lies in its association over time with a level of quality, the "likelihood of confusion" test should be dynamic rather than static. The word "likelihood" itself connotes future probability. Courts should ask not whether confusion is probable today, but rather whether confusion will be probable in the future.

One of the primary goals of the WTO, NAFTA, and the EC is to encourage economic growth by lowering trade barriers and supporting market integration. Consequently, consumers should enjoy an increasing degree of access to imports. By explicitly recognizing knowledge acquired through promotions as relevant to whether a mark is locally well-known, TRIPS and NAFTA have acknowledged that a nation of consumers may form an impression of a mark before the products it labels are imported into their country. Whether that mark is registered somewhere is immaterial to their impressions.

Requiring that the original mark already have a reputation in the national market is not a future-oriented test. Recognition of the effect on consumers of advertising and other means of conveying reputation short of actual sales should be taken to its logical conclusion: that the reputation of a mark in a given market can be affected by another's exploitation of it before it has the opportunity to develop its own presence in that market. If you slander Individual A to Group B before Group B has had a chance to meet Individual A, you have still harmed his reputation. In a shrinking world, it is likely that Group B will eventually meet Individual A.

2. Toward an "Awareness of Foreign Use" Standard

The "well-known mark" rule should be abandoned in favor of an "awareness of foreign use" standard. This is not a new idea. Such a

124. Id. pmbl.; NAFTA, supra note 64, art. 102(1)(a); Treaty Establishing the European Economic Community art. 3 [EEC Treaty] art. 3 (as amended by the Treaty on European Union).

125. TRIPS, supra note 56, art. 16(2); NAFTA, supra note 64, art. 1706(6).

126. The U.S. Supreme Court accepted an analogous argument in a trade dress case: "the legal recognition of an inherently distinctive trademark or trade dress acknowledges the owner's legitimate proprietary interest in its unique and valuable informational device, regardless of whether substantial consumer association yet bestows the additional empirical protection of secondary meaning." Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. at 770–71.
standard would be consistent with the Trademark Trial and Appeals Board's decision in Women's World Shops. In the wake of the Person's Co. v. Christman Federal Circuit decision, Mr. Carney argued that an imitator's "knowledge alone" of a trademark's prior use abroad should negate his rights to preemptively register locally. At the same time, Professor Donald Chisum, speaking at the 1990 Court of Appeals for the Federal Circuit's Eighth Annual Judicial Conference, suggested that it would make sense for the United States to expand U.S. trademark rights to foreign first users, in light of expanding world trade.

This standard would merely protect the "true proprietor," as did the South African registrar in the opposition proceedings between the Wimpy chain of hamburger restaurants and Burger King. Wimpy had registered the BURGER KING trademark and was opposed by Burger King. The registrar found that Burger King failed to demonstrate that it had a reputation in South Africa. It also found, though, that Wimpy had been aware of Burger King's use of the name abroad, and was therefore not the "true proprietor of the mark." The registrar reasoned that because Wimpy was not the "true proprietor," it had "no right to apply for registration."

Both the NAFTA and EC law require use to maintain trademark registration. The EC additionally allows member states to deny or invalidate the registration of a trademark application made in bad faith. The effect of these provisions is to discourage trademark applications from those who merely seek to seal off the national market from someone else already using the mark abroad. The same purpose is achieved by U.S. law requiring use or intent to use by applicants. Yet it should not matter whether the originator can prove that the applicant intended to shut her out of the market if that is the effect of the applicant's registra-

128. Carney, supra note 3.
130. Bigger, supra note 4, at 172.
131. Id.
132. Id. at 173.
133. Id. at 174.
134. Id. at 175.
135. NAFTA, supra note 64, art. 1708(8); Council Directive 89/104/EEC, supra note 79, art. 12.
tion. TRIPS has already acknowledged that unintentional infringement is harmful and provides for damages under Article 45.\textsuperscript{138}

The Court of Appeals for the Federal Circuit denied Person's Co.'s request to cancel Mr. Christman's registration. It believed that Mr. Christman did not intend to shut Person's Co. out of the U.S. market, because he was not specifically aware of Person's Co.'s intent to import. He was, however, aware of the fact that Mr. Iwasaki was the first user, but the Federal Circuit ruled that such awareness alone did not constitute bad faith.\textsuperscript{139} Once we accept that imports are increasingly likely, and recognize an obligation to the true proprietor, we must conclude that such awareness does constitute bad faith.

To simply invalidate all registrations where there has been prior use abroad without the requirement of awareness of such use would paralyze the system of new registrations, because search costs would be prohibitively high. On the other hand, to invalidate registrations of applicants who willfully copy a mark used abroad imposes no search costs on good faith users. Because willful users of existing marks lower their own costs only at the expense of the prior user, it is reasonable to disallow their registration.

Of course the same individuals who currently register marks already in use abroad may seek to take advantage of the rule suggested here by registering words in anticipation of their future use on some product. It is unlikely that such a scheme would be profitable, for the odds of successfully predicting some future use would be much lower than the odds faced by those who register existing marks, and the value of uncreated marks is significantly less than that of marks already in circulation. In any case, such a scheme would be rendered ineffective by the proposed rule's requirement that the complaining party must have actually used the mark in commerce.

\textbf{Conclusion}

Given that intellectual property cannot be located at a particular spot on the globe,\textsuperscript{140} laws governing intellectual property must break out of the traditional territorial model. As observed by Professor Reichman, "to pretend that aliens have no legal claims arising from wholesale, unauthorized uses of their most valuable property while respecting laws that

\begin{itemize}
  \item \textsuperscript{138} TRIPS, \textit{supra} note 56, art. 45.
  \item \textsuperscript{139} Person's Co. v. Christman, 900 F.2d 1565, 1569–70 (Fed. Cir. 1990).
\end{itemize}
protect less valuable alien property only because it is tangible rather than intangible is to exalt form over substance.\(^{141}\) To ignore misappropriation of a trademark because it has neither been timely registered nor become locally well-known is to exalt form over substance in a nationalistic manner. In pursuit of its objective of encouraging free trade, the TRIPS Council should recognize that the current system allows interlopers to foreclose national markets from true proprietors. The Council should follow the logic of TRIPS to its natural conclusion and declare that registration with awareness of foreign use constitutes registration in bad faith.