

**ARTICLE 6BIS OF THE PARIS CONVENTION FOR
WELL-KNOWN MARKS: DOES IT REQUIRE USE OR A
LIKELIHOOD OF CONSUMER CONFUSION FOR PROTECTION?
DID *BELMORA LLC v. BAYER CONSUMER CARE AG.*
RESOLVE THIS QUESTION?**

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ABSTRACT

Article *6bis* of the Paris Convention for the Protection of Industrial Property established a system whereby member countries may refuse to register, cancel a registration, and/or prohibit the use of a “trademark which constitutes a reproduction, an imitation, or a translation [likely] to create confusion,” with a well-known mark of a registrant of another member country.¹ While a strict reading of Article *6bis* does not require an owner of a well-known mark to establish use in a member country to take advantage of this provision of the Paris Convention, many countries have read Article *6bis* to be akin to passing off statutes, thus requiring a mark holder to have use in the member country where enforcement is sought. The United States, a signatory to the Paris Convention, has been no different from other member countries with its interpretation of Article *6bis*. Indeed, much confusion in the United States with respect to Article *6bis* has been over the distinction between “well-known” marks versus “famous” marks, until *Bayer Consumer Care AG. v. Belmora LLC*.²

In *Bayer Consumer Care AG. v. Belmora LLC*, Bayer petitioned the U.S. Trademark Office to cancel an identical trademark registration initiated by Belmora, LLC, in the U.S. for **FLANAX** a trademark used and registered in Mexico by Bayer under Article *6bis* of the Paris Convention. The Trademark Trial and Appeal Board dismissed Bayer’s claim for cancellation under Article *6bis* maintaining that Article *6bis* is not self-executing and Section 44 of the Lanham Act does not afford the owner of a foreign trademark a separate basis for cancellation under the Lanham Act.³ The court went on to determine whether a foreign trademark holder had standing to sue under the Lanham Act when the trademark at issue had not been used in the United States⁴.

This article discusses the diverging positions on whether Article *6bis* provides foreign trademark owners access to U.S. trademark law; to what extent

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1. See Paris Convention for the Protection of Indus. Prop. art. 6bis, Mar. 20, 1883, 21 U. S. T. 1583, 828 U.N.T.S. 305 (*revised at Stockholm Revision Conference July 14, 1967*) [hereinafter Paris Convention].

2. *Bayer Consumer Care AG. v. Belmora LLC*, 90 U.S.P.Q.2d (BNA) 1587 (T.T.A.B. 2009), *rev’d*, 84 F. Supp. 3d 490, 115 U.S.P.Q.2D (BNA) 1032 (E.D. Va. 2015), *vacated and remanded*, 819 F.3d 697, 2016 WL 1135518 (4th Cir. 2016).

3. *Id.* at 1591.

4. *Id.* at 1592.

Sections 44(b) and 44(h) of the Lanham Act are the implementing provisions for the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”); and finally seeks to resolve the question of whether the plain language of the Lanham Act allows Article *6bis* as an exception to principles of territoriality.

I. INTRODUCTION

Technology and globalization have enabled the expansion of the marketplace well beyond the territorial boundaries of the trademark registration. Likewise, trademark recognition has expanded globally. While eight of the 2018 BrandZ Top Ten Most Valuable Global Brands are trademarks owned by U.S. companies and fifty percent of the top one hundred are trademarks belonging to U.S. companies, 2018 was the first year that non-U.S. brands grew faster in recognition than U.S. brands.⁵ There is no doubt that companies in today’s marketplace have a need to maintain a robust brand protection and registration strategy, requiring diligent global protection of trademarks.

The requirement to protect trademarks through use and registration in multiple countries is due largely to the territoriality principle of trademark law. As will be discussed in-depth below, this principle advances the theory that trademarks are governed and protected *only* by the jurisdiction granting the rights as opposed to the competing “universality” doctrine, which provides that once a trademark “[is] lawfully affixed to merchandise in one country, the merchandise would carry that mark lawfully wherever it went and could not be deemed an infringer.”⁶ The universality doctrine presents difficulty in administration and has been rejected by most nations, with the principles of territoriality prevailing. The Paris Convention for the Protection of Industrial Property⁷ affirmed acceptance of the territoriality principle of trademarks in Article 6, yet attempted to harmonize the approach in Article *6bis* with an exception for well-known marks.

Protection for well-known trademarks is required under Article *6bis* of the Paris Convention in countries that are signatory to this international treaty.⁸ Notwithstanding, there has been disparate treatment of foreign registrants seeking enforcement of their trademark pursuant to Article *6bis* in the United States and abroad. Until recently, the debate on protection under Article *6bis* centered on whether the status of the trademark at issue as well-known and the protection afforded. In *Belmora LLC v. Bayer Consumer Care AG.*,⁹ the focus shifted. The

5. *BrandZ Top 100 Most Valuable Global Brands 2018*, WPP (May 29, 2018), <https://www.wpp.com/news/2018/05/brandz-top-100-most-valuable-global-brands-2018/> [https://perma.cc/53VE-FL68].

6. *Osawa & Co. v. B & H Photo*, 589 F. Supp. 1163, 1171, 223 U.S.P.Q. (BNA) 124 (S.D.N.Y. 1984).

7. Paris Convention, *supra* note 1, at art. 6, 6bis.

8. Paris Convention, *supra* note 1.

9. *Belmora LLC v. Bayer Consumer Care AG.*, 84 F. Supp. 3d 490, 115 U.S.P.Q.2d (BNA) 1032, (E.D. Va. 2015), *vacated and remanded*, 819 F.3d 697, 2016 WL 1135518 (4th Cir. 2016).

question presented to the court in *Belmora LLC. V. Bayer Consumer Care AG.* was:

[d]oes the Lanham Act allow the owner of a foreign mark that is not registered in the United States and further has never used the mark in United States commerce to assert priority rights over a mark that is registered in the United States by another party and used in United States commerce?¹⁰

The Fourth Circuit answered this question in the affirmative but not based on its interpretation of Article 6bis. This article discusses the diverging positions as to whether Article 6bis provides foreign trademark owners access to U.S. trademark law, to what extent Sections 44(b) and 44(h) of the Lanham Act are the implementing provisions for the Paris Convention and TRIPS, and seeks to resolve the question as to whether or not the case law provides any guidance on whether the plain language of the Lanham Act allows Article 6bis as an exception to principles of territoriality. Section II provides a brief history of protection of trademarks under the Paris Convention and principles of territoriality. Section III discusses implantation of the Paris Convention under the Lanham Act. Section IV provides an overview of the U.S. judicial decisions related to the Paris Convention. Section V discusses the most recent case, *Belmora v. Bayer*, and its impact. This article concludes by arguing that *Belmora* provides a strict statutory reading of the Lanham Act, finding that foreign trademark owners have access to the Lanham Act.

II. HISTORY OF PROTECTION UNDER THE PARIS CONVENTION AND TRADEMARK LAW

A. Territoriality Principles of Trademark Law

The concept of trademark law is territorial in nature, meaning that rights exist in each country according to the regulatory scheme established in each particular country.¹¹ For example, U.S. trademark law confers trademark rights based upon use in commerce on goods and services. As such, “[p]riority of trademark rights in the United states depends solely upon priority of use in the United States, not priority of use anywhere in the world.”¹² Similarly, Chinese trademark law

10. *Id.* at 495.

11. See Graeme B. Dinwoodie, *Trademarks and Territory: Detaching Trademark Law from the Nation-State*, 41 HOUS. L. REV. 885, 888 (2004); see also Graeme W. Austin, *The Territoriality of United States Trademark Law*, in INTELLECTUAL PROPERTY AND INFORMATION WEALTH: ISSUES AND PRACTICES IN THE DIGITAL AGE 235, 236-39 (Peter K. Yu ed., 2007) (discussing the territoriality of trademark law); *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 599, 225 U.S.P.Q. (BNA) 540 (5th Cir. 1985); see also *Ingenohl v. Walter E. Olsen & Co.*, 273 U.S. 541, 544 (1927).

12. See, e.g., *Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 391 F.3d 1088, 1092-93, 73

provides: “Any natural person, legal entity or other organization intending to acquire the exclusive right to use a trademark, including service mark, shall file an application for the registration of the trademark with the Trademark Office.”¹³ Accordingly, a trademark established in one jurisdiction confers no rights in another jurisdiction unless by consent or by subsequent registration pursuant to the regulatory scheme established in that jurisdiction.¹⁴

The territoriality principle of trademarks presents distinct issues with globalization. First, the owner of a trademark that is well-known globally, but not registered and/or used in a particular country, may have no right to prevent third parties from using the trademark in that country, despite local consumers’ expectations that products displaying the trademark are authorized by the owner of the well-known trademark. This problem is best illustrated by a hypothetical. Suppose world traveler Simon stumbles across the well-known hypothetical gelato shop, **BELLISSIMO**, while touring the fictional continent of Izabelle in the country of Dezmond and fell in love with the shop’s gelato. Simon decides to extend his tour, meet the owner, and enter into a business venture with the owner in which he acquires the exclusive rights worldwide to market the **BELLISSIMO** brand gelato. The business is exceptionally successful until it begins receiving consumer complaints about **BELLISSIMO** shops having served gelato tainted with listeria in the country of Zunderland and a news report indicating the same. However, Simon has yet to open any shops in Zunderland or register **BELLISSIMO** as a trademark in accordance with the Zunderland trademark requirements. The territoriality principles may prevent enforcement of trademark rights in Zunderland because Simon has neither registered nor used the **BELLISSIMO** trademark within the country.

The second issue presented by territoriality is that trademarks are generally registered for a particular class of goods or services for which the trademark will be used. As such, protection of the trademark extends only to the named classification of goods and services. Therefore, the trademark **BELLISSIMO** registered for gelato could not prevent the use of **BELLISSIMO** for restaurant services.

U.S.P.Q.2D (BNA) 1258 (9th Cir. 2004) (noting the “territoriality principle” under which “use of a mark in another country generally does not serve to give the user trademark rights in the United States”).

13. Trademark Law of the People’s Republic of China (promulgated by the Standing Comm., Nat’l People’s Cong., Aug. 23, 1982, effective Mar. 1, 1983) *translated in* 1974-1982 P.R.C. Laws 305, 306, *amended by* Trademark Law of the People’s Republic of China (promulgated by the Standing Comm., Nat’l People’s Cong., Aug. 23, 1982, effective March 3, 1983, *as amended* Feb. 22, 1993, October 27, 2001, and Aug. 30, 2013) *translated in* 2013 P.R.C. 367, 368 (stating, “any natural person, legal person or other organization that needs to obtain the exclusive right to use a trademark for its goods or services during production and business operations shall apply for trademark registration with the trademark office. Provisions regarding the trademarks for goods in this Law shall be applicable to service trademarks.”).

14. *See generally* A. Bourjois & Co. v. Katzel, 260 U.S. 689 (1923); ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 155 (2d Cir. 2007).

In 1883, a diplomatic conference was held in Paris, France—the Paris Convention for the Protection of Industrial Property.¹⁵ The Paris Convention sought to harmonize intellectual property laws internationally.¹⁶ Despite the aforementioned problems with the territoriality principle of trademarks, Article 6 of the Paris Convention reaffirms the principle of territoriality by specifically providing for “the independence of trademarks filed or registered in the country of origin from those filed or registered in other countries” that are signatories to the Paris Convention.¹⁷ However, in 1925, member countries to the Paris Convention agreed to an exception to the territoriality principle of trademarks by adding Article 6*bis*.¹⁸

B. Article 6bis of the Paris Convention and Its Development

The addition of Article 6*bis* to the Paris Convention was intended to equip member countries with the ability to prohibit use by third parties and to cancel registrations for trademarks that were already well-known in their respective country. Article 6*bis* provides that:

The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods.¹⁹

Convention participants maintained that the protection of the well-known trademark established under Article 6*bis* did not arise out of the trademark’s

15. Paris Convention, *supra* note 1. The Paris Convention in its original form became effective in July 7, 1884. There were 11 signatories in the early 1900s, which included Belgium, Brazil, France, Great Britain, Italy, the Netherlands, Portugal, Tunisia, Spain, Switzerland and the United States. Membership in the Paris Convention increased significantly over the years with its current membership at 177 member countries. A current list of members to the convention may be found at http://www.wipo.int/treaties/en/ShowResults.jsp?treaty_id=2, titled “WIPO-Administered Treaties.” Note that the United States was not an original signatory to the Convention. The United States did not join the convention until 1887.

16. *International Treaties and Conventions on Intellectual Property*, in WIPO INTELLECTUAL PROPERTY HANDBOOK: POLICY, LAW, AND USE 241 § 5.2 (2d ed. 2004), <http://www.wipo.int/export/sites/www/about-ip/en/iprm/pdf/ch5.pdf> [<https://perma.cc/9CTK-BEUD>] [hereinafter WIPO HANDBOOK].

17. *Id.* § 5.78.

18. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 29 (4th ed. 2013).

19. Paris Convention, *supra* note 1.

registration, but rather from the trademark's reputation.²⁰ This rationale is grounded in unfair competition. To allow a third party's use of a trademark similar to a well-known trademark, amounts to an act of unfair competition, and its allowance is against the fundamental policies of trademark law to provide accurate information as to the source of consumer goods in the marketplace. The Paris Convention participants determined that this type of permissive use by a third party of a well-known trademark would undoubtedly mislead consumers as to the source of the goods bearing the trademark at issue and would be against public policy.²¹ Keeping with the rationale articulated that the Article 6*bis* exception is based on concepts of unfair competition and basic trademark public policy and therefore a limited exception to territoriality, the definition of "well-known" and the proof necessary to establish a trademark's well-known status was left to each member country to determine keeping the intact territoriality concepts within the exception of Article 6*bis*.²² As a result, implementation of Article 6*bis* varied vastly from country to country, as does its enforcement.²³

The scope and reach of the Article 6*bis* was expanded in 1967 through the World Trade Organization (the WTO) Agreement on Trade Related Aspects of Intellectual Property.²⁴ Article 16(3) of the TRIPS Agreement expands Article 6*bis* to allow for the protection of well-known marks on non-competing goods and services by providing that:

Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.²⁵

20. WIPO HANDBOOK, *supra* note 16, § 5.82.

21. *Id.* § 5.83.

22. See Dr. Elizabeth Houlihan, *Intellectual Property Owners Famous Marks*, INTELLECTUAL PROPERTY OWNERS ASSOCIATION, https://ipo.org/wp-content/uploads/2013/03/Famous_Marks_Paper.pdf [<https://perma.cc/4TZS-NMZD>] (last visited December 12, 2019) (noting that because of the lack of a clear definition of "well-known" marks in the Paris Convention and TRIPS signatories to these treaties have created jurisdiction by jurisdiction variations on what constitutes a well-known mark).

23. An example of the territoriality concepts that was left in the Paris Convention, some countries require use as a requirement of protection under Article 6*bis* despite no such language found in the article. This is due to the lack of a definition of well-known and the requirement of some degree of contact with the country in determining the well-known status.

24. TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C; see also THE LEGAL TEXTS: THE RESULTS OF THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS 320 (1999), 1869 U.N.T.S. 299 [hereinafter TRIPS Agreement].

25. *Id.* at art. 16(3).

From the text of the TRIPS Agreement, there are two important modifications concerning well-known trademarks: (1) protection for well-known service marks, and (2) protection for registered well-known marks concerning dissimilar goods under certain circumstances. These modifications addressed the second problem that identify with territoriality principles of trademark law. Equally important was extension of Paris Convention protection to all WTO countries by the TRIPS Agreement. Article 2(1) of the TRIPS Agreement extends coverage of articles 1-12 and 19 to all WTO countries.²⁶ While the TRIPS Agreement is not self-executing, the WTO mandates compliance, setting a floor for compliance, allowing member countries to continue to exercise the concepts of territoriality by establishing greater protection for trademarks.²⁷

III. LANHAM ACT IMPLEMENTATION OF PARIS CONVENTION

Although the United States is a longstanding member of the Paris Convention and the TRIPS Agreement, U.S. courts have debated over whether Congress enacted specific legislation implementing the United States' obligations under these treaties. Some courts argue that applying the terms of the Paris Convention would create serious conflict with the principle of territoriality. As a result, these courts, when reviewing claims made by foreign trademark holders, contended that such claims must be reviewed in accordance with U.S. law without regard to language contained within international treaties.²⁸ U.S. courts have maintained that this position is consistent with its obligations under membership with the Paris Convention.²⁹ Specifically, referencing the concepts of "national treatment" embodied in the articles of the Paris Convention, the TRIPS Agreement provided trademark rights only to the extent that each country makes such guidelines functional by enacting its own substantive legislation consistent with the mandates outlined therein.³⁰ The position is buttressed by the fact that the Paris Convention is not a self-executing treaty and has been interpreted to require only

26. *Id.* at art. 2(1).

27. *Id.* at art. 40(3), 68.

28. *See generally* Buti v. Impresa Perosa, 139 F.3d 98, 105 (2d Cir.1998), *cert. denied*, 525 U.S. 826, 119 S. Ct. 73, 142 L. Ed. 2d 57 (1998) (rejecting an Italian business's claims that its trademark to "Fashion Café" is superior to a later American one, stating that the restaurant services must have been rendered in United States commerce in order for the mark to be given priority over the American business); *Barcelona.com, Inc., v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617, 627-28 (4th Cir. 2003) (holding that plaintiff's domain name was valid because defendant did not have a valid trademark under the Lanham Act and that the district court was wrong in applying Spanish law to the case); *Maruti.com v. Maruti Udyog Ltd.*, 447 F. Supp. 2d 494, 501 (D. Md. 2004).

29. *See* Int'l Café, S.A.L., v. Hard Rock Café Int'l Inc., 252 F.3d 1274, 1277-78 (11th Cir. 2001); *Empresa Cubana Del Tabaco v. Culbro Corp.*, 399 F.3d 462, 484-85, 73 U.S.P.Q. 2D (BNA) 1936 (2d Cir. 2005); *Vanity Fair Mills v. T. Eaton Co.*, 234 F.2d 633, 640 (2d Cir. 1956).

30. TRIPS Agreement, *supra* note 24, at art. 3.

reciprocal treatment among member nations. However, U.S. courts have not come to a general consensus on this point.³¹

With the passage of the Lanham Act in 1946, Congress' intent was to codify U.S. federal trademark law with an aim to implement provisions of international treaties affecting U.S. trademark law.³² As originally enacted, Section 44(b) of the Lanham Act contained language that expressly mentioned the Paris Convention:

Persons who are nationals of, domiciled in, or have a bona fide and effective business or commercial establishment in any foreign country, which is a party to (1) the International Convention for the Protection of Industrial Property [the Paris Convention] . . . or (2) the General Inter-American Conventional for Trade Mark and Commercial Protection [the IAC] . . . or (3) any other convention or treaty relating to trade-marks, trade or commercial names, or the repression of unfair competition to which the United States is a party . . .³³

The Lanham Act as later revised in 1962 does not explicitly mention the Paris Convention or its subsequent amendments, however section 44(b) of the Lanham Act currently reads as follows:

Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein 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.³⁴

Section 44(h) of the Lanham Act provides:

Any person designated in subsection (b) of this section as entitled to the

31. See generally *Int'l Bancorp, LLC v. Societe des Bains de Mer et du Cercle des Etrangers a Monaco*, 329 F.3d 359 (4th Cir. 2003) (holding that a Monaco casino that operated solely in Monaco but advertised in the U.S. met the use in commerce requirement); *ITC*, 482 F.3d at 161-62 (holding that neither the Paris Convention nor the TRIPS Agreement was self-executing and reasoned that since Congress enacted the Lanham Act, this implemented U.S. international trademark treaty obligations); *Alamances Exito S.A. v. El Gallo Meat Mkt., Inc.*, 381 F. Supp. 2d 324, 328 (S.D.N.Y. 2005) (examining the difference between the Second and the Fourth Circuit's holdings and stating that the Second Circuit overstepped basic federal trademark law).

32. See generally Trademark Act of 1946, ch. 540 § 45, 15 U.S.C. § 1127 (2013) and *Belmora*, 84 F. Supp. at 510-11.

33. Trademark Act of 1946, 15 U.S.C. § 1126.

34. § 1126(b). "In 1962, Congress amended section 44(b) to exclude the references to the two specific treaties, see §20, 76 Stat. at 774, presumably in an effort to 'revis[e] the language to a more understandable form,'" reprinted in 1962 U.S.C.C.A.N. 2844, 2851." *Havana Club Holding, S.A. v. Galleon, S.A.*, 203 F.3d 116, 128 (2d Cir. 2000) n.12.

benefits and subject to the provisions of this chapter shall be entitled to effective protection against unfair competition, and the remedies provided in this chapter for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.³⁵

And, Section 44(i) states: “that [c]itizens or residents of the United States shall have the same benefits as are granted by this section to persons described in subsection (b) of this section.”³⁶ The plain language of Sections 44(b), (h), and (i) of the Lanham Act and the legislative history indicates that the Lanham Act’s specific intent was to implement the articles of the Paris Convention and provide the rights granted under the Paris Convention, which may be beyond those explicitly provided by the Lanham Act.³⁷ Courts, however, have struggled in determining the extent to which the Lanham Act incorporates the substantive rights included in such international conventions, particularly Article 6bis of the Paris Convention, since the language of Section 44 (b) is permissive containing the word “may.”³⁸ And for that reason, it has been the position of many U.S. courts that “courts do not entertain actions seeking to enforce trademark rights that exist only under foreign law.”³⁹ And have continued to review foreign trademark holder claims in compliance with the standards that are applied to U.S. trademarks.⁴⁰

IV. U.S. JUDICIAL DECISIONS RELATED TO PARIS CONVENTION

It is important to recognize that prior to the passage of the Lanham Act, that foreign well-known trademark holders were successful in seeking redress when third parties attempted to trade off the goodwill associated with their foreign trademark.⁴¹ The courts in these instances looked to traditional notions of passing

35. § 1126(h).

36. § 1126 at § 44(i).

37. *See* § 1126(b)(2013); *see also* Havana Club Holding, S.A. v. Galleon, S.A., 62 F. Supp. 2d 1085, 1093 n.7 (“As originally enacted, § 44(b) specifically referenced the International Convention for the Protection of Industrial Property (Paris Union) . . .”).

38. *ITC Ltd. v Punchgini, Inc.*, 482 F.3d 135 at 155-56.

39. *Barcelona.com, Inc. v Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617 at 628.

40. *See* *Scotch Whiskey Ass’n v. Majestic Distilling Co.*, 958 F.2d 594 at 594, 597 (“Subsections 44(b) and 44(h) thus work together to provide foreign nationals with rights under United States law which are coextensive with the substantive provisions of the treaty involved.”).

41. *See* *Kerry v. Toupin*, 60 F. 272, 272-73 (C.C.D. Mass. 1894) (holding that a Canadian medicine manufacturer could bring a trademark infringement claim against a U.S. competitor by virtue of the Paris Convention); *see also* *Buckspan v. Hudson’s Bay Co.*, 22 F.2d 721, 721-23 (5th Cir. 1927) (holding that a British fur trading company known in the U.S. for two centuries was entitled to protection against a Texas fur business operating under the same name); *La Republique Française v. Schultz*, 57 F. 37, 38-42 (C.C.D.N.Y. 1893) (holding that a French supplier of mineral water had a well-known trade name in the U.S. and could therefore enjoin a New York supplier from using the same name); *Maison Prunier v. Prunier’s Rest. & Café*, 288 N.Y.S. 529, 530-31,

off and unfair competition in deciding these cases.⁴² After the passage of the Lanham Act, the owners of well-known foreign marks continued to seek protection. However, courts hearing these cases did not always find in favor of the trademark holder. Generally, the courts in these cases held that the foreign trademark holder had failed to establish the requirement necessary to succeed on a trademark infringement claim under the Lanham Act.⁴³ However, Circuit Court decisions are inconsistent and frankly confusing. These inconsistencies leave the door open for international criticism of hypocrisy on behalf of the United States.

In 1990, the Federal Circuit considered whether Article 6 *bis* is applicable to US trademark law in *Person's Co., Ltd. v. Christman*.⁴⁴ The court expressly rejected a "famous mark exception." In *Person's Co.*, a U.S. business copied a trademark that he had encountered in Japan and began using the trademark in the United States. The Japan company later expanded to the United States and petitioned to cancel the registration alleging, *inter alia*, that the trademark was obtained in bad faith and caused consumer confusion.⁴⁵

The Trademark Trial and Appeals Board denied the petition, holding that "Person's use of the mark in Japan could not be used to establish priority against a 'good faith' senior user in U.S. commerce."⁴⁶ Acknowledging the principles of territoriality, the Federal Circuit affirmed the Board's ruling.⁴⁷ The court held unequivocally that "knowledge of foreign use does not preclude good faith adoption and use in the United States."⁴⁸

In 2004, the Ninth Circuit in *Grupo Gigante v. Dallo & Co.*,⁴⁹ held that the owner of a foreign trademark that was not used or registered in the United States could maintain an infringement action against a third party who used the trademark in the United States if the owner of the foreign trademark established that its trademark was well-known in the United States according to the standards

537-38 (N.Y. Sup. Ct. 1936) (enjoining a New York restaurateur from the continued use of the same mark as a European restaurant chain that had developed worldwide goodwill through its use).

42. See *Kerry*, 60 F. at 272-73; *Buckspan*, 22 F.2d at 721-23; *Schultz*, 57 F.37 at 38-42; *Maison Prunier*, 288 N.Y.S. at 530-31.

43. A successful trademark infringement action requires proof of: (1) ownership of rights in a mark; (2) protectability of the mark, with protectable marks being those with either inherent distinctiveness or acquired distinctiveness and with some evidentiary benefits being gained by registration of the mark as compared to an unregistered mark; and (3) a likelihood of confusion in the minds of consumers about the origin, sponsorship, affiliation, or connection of the goods or services in question. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117; *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768-69 (1992); see also Lanham Act, 15 U.S.C. §§ 1114(1)(a)-(b), 1125(a)(1)(A) (2006).

44. See *Person's Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990).

45. *Id.* at 1567.

46. *Id.* at 1567-68.

47. *Id.* at 1568-70.

48. *Id.* at 1570.

49. *Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 391 F.3d 1088, 1092 (2004).

established under U.S. law.⁵⁰ In *Grupo*, the court focused its analysis on establishing the well-known status of the foreign trademark based upon a showing of secondary meaning and proof that “a *substantial* percentage” of consumers in the relevant American market recognized the foreign trademark.⁵¹

Grupo involved the trademark infringement claim of a Mexican owner, Grupo Gigante, of the trademark **GIGANTE** used in connection with a chain of grocery stores.⁵² Grupo Gigante had nearly 100 grocery stores operating under the **GIGANTE** trademark at the time that the Dallo brothers opened two stores in the San Diego area using the name “GIGANTE MARKET.”⁵³ When Grupo Gigante attempted to expand to the U.S. market by opening a **GIGANTE** store in Los Angeles, Dallo & Co. sent a cease and desist, ultimately leading to the litigation between the parties.⁵⁴ While the ultimate outcome of the case was decided upon a multitude of issues, including laches, both the lower court and the appellate court held with respect to the Article 6bis claim asserted by Grupo Gigante:

[T]hat there is a famous mark exception to the territoriality principle. While the territoriality principle is a long-standing and important doctrine within trademark law, it cannot be absolute. An absolute territoriality rule without a famous-mark exception would promote consumer confusion and fraud. Commerce crosses borders. In this nation of immigrants, so do people. Trademark is, at its core, about protecting against consumer confusion and “palming off.” There can be no justification for using trademark law to fool immigrants into thinking that they are buying from the store they liked back home.⁵⁵

The Ninth Circuit seemingly established in *Grupo* that the Lanham Act pursuant to Article 6bis allows for a fundamental shift from the principles of territoriality if: (1) “the mark ha[s] attained secondary meaning in the” relevant U.S. market (*i.e.*, if “the primary significance of [the] mark is to identify the source of the product rather than the product itself”) and (2) “a substantial percentage of consumers” in that market “is familiar with the foreign mark.”⁵⁶

However, the Second Circuit in *ITC, Ltd. v. Puchgini, Inc.*,⁵⁷ when presented with the same scenario, found the opposite. This case involved the **BUKHARA** restaurant, located within the plaintiff’s owned and operated hotel Maurya in New Delhi, India.⁵⁸ The restaurant in India remains open and the plaintiff has operated

50. *Id.* at 1098-99.

51. *See generally id.* at 1091.

52. *Id.*

53. *Id.*

54. *Id.* at 1092.

55. *Id.* at 1094.

56. *Id.* at 1095-98.

57. *See ITC Ltd. v. Puchgini, Inc.*, 482 F.3d 135, 171.

58. *Id.* at 142-43.

other **BUKHARA** restaurants in other cities, including Hong Kong, Singapore, Bangkok, Bahrain, Kathmandu, Ajman, Chicago, and New York.⁵⁹ As such, ITC claims the **BUKHARA** brand to be a “beacon of culinary excellence across the globe,”⁶⁰ with the distinct honor of being “the only globally recognized Indian restaurant[.]”⁶¹ While the New Delhi restaurant has operated according to the website since 1978, the two restaurant ventures in the United States did not fare as well. The New York restaurant operated for five years from 1986-1991, with the Chicago restaurant closing after operating for ten years from 1987-1997.⁶²

After the closing of the Chicago restaurant, several previous employees of the **BUKHARA** restaurant in New Delhi formed Punchgini, Inc., for the sole purpose of opening restaurants in New York. The New York restaurants were called **BUKHARA GRILL**.⁶³ ITC instituted a trademark suit against Punchgini asserting its rights under Article *6bis* citing the well-known status of the **BUKHARA** trademark.

The Second Circuit in ITC considered whether Article *6bis* provided a true exception to the territorial principles of U.S. trademark law.⁶⁴ The court expressly stated that the Paris Convention and TRIPS were not self-executing treaties, and therefore only became effective in the United States to the extent the U.S. Congress passed implementing legislation that incorporated their provisions. Following precedent stating the same, the court in *ITC* held that Congress had not adopted any legislation implementing the Paris Convention or Article *6bis* or Article 16(2), and thus ITC could not rely on these Articles of the Paris Convention or TRIPS to afford it protection from the appropriation of its trademark by the defendant.⁶⁵ As such, “absent some use of the mark in the United States, a foreign mark holder may not assert priority rights under federal law. . . .”⁶⁶

The Second Circuit considered the Ninth Circuit’s opinion in *Grupo Gigante* and expressly rejected the rationale of the court. The Second Circuit found that Ninth Circuit based its decision on policy and not on a federal law. Indeed, the Second Circuit noted that the Ninth Circuit failed to “reference . . . the language of the Lanham Act to support recognition of the famous mark doctrine.”⁶⁷ The Second Circuit found that the plain language of the Lanham Act did not show a *clear congressional intent*.⁶⁸ The leading scholar on U.S. trademark law, professor Thomas McCarthy, has referred to the **BUKHARA** decision “as a great

59. *Id.* at 143.

60. *See* ITC HOTELS, *Luxury Dining Bukhara*, <https://www.itchotels.in/dining/iconic-brands/bukhara.html> (last visited Feb. 23, 2019) [<https://perma.cc/ZKC9-UV5K>].

61. *Id.*

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

63. *Id.* at 144.

64. *Id.* at 159.

65. *Id.* at 156-57.

66. *Id.* at 156 (citing *Person’s Co. v. Christman*, 900 F.2d at 1569-70 (1990)).

67. *Id.* at 160.

68. *Id.* at 163.

embarrassment for the U.S.” that may affect our future trade negotiations.⁶⁹

Yet another circuit, the Fourth Circuit, was presented with the opportunity to add to the inconsistent decisions on the territorial limits of the Lanham Act and the United States’ implementation of the Paris Convention and TRIPS. *Belmora* involved the trademark **FLANAX** sold by Bayer in Mexico since 1976.⁷⁰ The **FLANAX** trademark was not used in the United States by Bayer because it sold the pain reliever under the trademark **ALEVE**.⁷¹ In Mexico, however, Bayer promoted the **FLANAX** trademark extensively and it is well-known throughout the Mexican American community living in the United States.⁷² In 2004, *Belmora* began selling in the U.S. the same type of pharmaceutical pain reliever as Bayer and adopted and registered the **FLANAX** trademark, along with a similar packaging for its product.⁷³ Bayer petitioned to cancel *Belmora*’s registration on the grounds that it was being used “to misrepresent the source of the goods” in violation of Section 14(3) of the Lanham Act. The Trademark Trial and Appeals Board agreed with Bayer and canceled the registration. However, the District Court reversed the Board’s decision because the **FLANAX** trademark had not been used in the United States. On appeal, the Fourth Circuit reversed the District Court’s decision, holding that neither provision cited required use or a registration of a trademark for standing to bring a suit.⁷⁴ Focusing on the plain language of the Lanham Act, the court found the language does not require a plaintiff to possess a United States trademark registration or to even have used a trademark in United States commerce.⁷⁵ Rather, Congress wrote § 43(a) in terms of the defendant’s conduct. The court contrasted Section 43(a) with trademark infringement under Section 32 of the Lanham Act, where the language includes both a requirement of registration and use.⁷⁶ Based upon these nuances, the court concluded that Congress clearly could have included such use and registration under Section 43(a), but elected to leave such requirements out of the statute.⁷⁷ The Fourth Circuit added one more layer to its analysis—standing. The court ruled that by plaintiff’s allegation of loss of foreign sales due to defendant’s misconduct in the United States was sufficient to meet the standing requirements established in *Lexmark International, Inc. v. Static Control Components, Inc.*⁷⁸

69. Steve Seidenberg, *Trademark Wars: Court’s Failure to Uphold Famous Marks Doctrine Jeopardizes U.S. Interests Overseas*, INSIDECOUNSEL, (June 30, 2007) <https://www.law.com/insidecounsel/sites/insidecounsel/2007/06/30/trademark-wars/> [<https://perma.cc/PX2L-3T32>].

70. *Belmora LLC v. Bayer Consumer Care AG.*, 819 F.3d 697, 702 (4th Cir. 2016).

71. *Id.*

72. *Id.*

73. *Id.*

74. *Id.* at 714-15.

75. *Id.* at 708.

76. *Id.*

77. *Id.* at 707.

78. *Lexmark Int’l Inc., v. Static Control Components, Inc.*, 572 U.S. 118, 134 S. Ct. 1377, 1393 (2014).

Standing under *Lexmark* requires a plaintiff's claim to align with the "zone of interests" protected by the statute cited within the lawsuit.⁷⁹ The court noted that analysis of the Lanham Act provisions under this prong is exceedingly straightforward because Section 45 of the Lanham Act provides a clear statement of the interests Congress intended the Lanham Act to protect.⁸⁰

V. WHAT DID BELMORA DO? OBFUSCATION OR CLARIFICATION OF ARTICLE 6BIS?

The Fourth Circuit's decision in *Belmora* deepened the split that existed in the circuits and added more confusion to a critically important question of trademark law in a global marketplace. While U.S. courts of appeals have generally recognized the principle of territoriality, the Ninth Circuit's decision in *Grupo* recognized a narrow exception to the territoriality principle by extending the Lanham Act trademark infringement cause of action to the owners of a small subset of foreign marks that are well-known in the United States.⁸¹ The Ninth Circuit's decision was aligned with the intent of the Paris Convention and the overall intent of the Lanham Act's provisions to implement international treaties. However, in *Belmora*, the Fourth Circuit further obfuscates whether Article 6bis is applicable altogether and starkly breaks from the principles of territoriality and unfair competition cases. The court sidestepped altogether the territoriality doctrine that concerned the other three circuits' rulings on the issue previously. Instead, the Fourth Circuit ruled that an unfair competition plaintiff did not need to allege ownership of trademark rights in the United States. The court observed that the plain language of Section 43, which creates causes of action for unfair competition, false association, and false advertising, does not contain a requirement that the plaintiff first use its own mark in U.S. commerce before bringing suit against a defendant who is breaching the statute.⁸² The court noted that, to establish an unfair competition claim under the Lanham Act, a plaintiff must show that the *defendant* used a mark in commerce, and the *plaintiff* "need only 'believe[] that he or she is or is likely to be damaged by such act.'"⁸³

This case seems to have made the waters murky, yet it seemingly undoes the harm that may have befallen the international reputation that was created by the ruling of the Second Circuit in *ITC*. As was noted, the United States, for years, has championed the international protection of intellectual property worldwide. The continued case decisions that imply that the United States itself is not in compliance with the Paris Convention and the WTO, but seeks to enforce, is hypocrisy at its finest. On February 28, 2017, the Supreme Court denied a petition for writ of certiorari filed by *Belmora, LLC*. This left the status of the law "as is."

79. *Belmora*, 819 F.3d 697 at 707.

80. *Id.*

81. *See Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 391 F.3d 1088, 1098-1101.

82. *Id.* (quoting Lanham Act § 43(a), 15 U.S.C. § 1125(a)).

83. *Belmora*, 819 F.3d at 708.

The statutory language provides guidance to address the issues, and the *Belmora* court seemingly had the right notion to look at the plain language of the statute. As discussed above in Section III of this Article, Section 44(b) of the Lanham Act provides language that implements international treaty provisions providing rights under those treaties to provide rights to foreign claimants.⁸⁴ The argument that Congress did not intend to implement these conventions is without merit. While *Belmora* on its face is a complete break from the tenets of territoriality, it is in compliance with international doctrine.

VI. CONCLUSION

Article 6bis provides owners of foreign marks the ability to prevent use or registration of marks that are the same or similar in member countries if their trademark is well-known. However, despite being a member country and an advocate of international intellectual property protection, the United States has fallen flat on establishing consistent authority for protection of foreign marks. The most recent case, *Belmora v. Bayer*, further expands the divergent case law. However, there is light at the end of this diverging case law tunnel. At least the *Belmora* court looked at the plain language of the Lanham Act and abandoned the territoriality principle, which enabled the court to enforce a foreign trademark owner's trademark.

84. Trademark Act of 1946, ch. 540, § 44(b), 15 U.S.C. § 1127 (2013).