

# TRADEMARK & UNFAIR COMPETITION

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## Class 14: Geographic Extent of Trademark Rights and the Well-Known Marks Doctrine

# Class Outline

- Territoriality (federally registered v. unregistered)
- Regional Carve-Outs
- The Well-Known (“Famous”) Marks Exception

## *Tea Rose-Rectanus* Rule for Unregistered Marks

1. The territorial scope of an unregistered mark is limited to the territory in which the mark is known and recognized by relevant consumers in that territory.
2. The senior user (somewhere in the US) of an unregistered mark cannot stop the use of a territorially remote good faith junior user who was the first to use the mark in that remote territory.

## Lanham Act Section 7(c) for Applications Filed on or after Nov. 16, 1989:

...the filing of the application to register the mark shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and who, prior to such filing –

- (1) Has used the mark;
- (2) Has filed an application to register the mark which is pending or has resulted in registration of the mark; or
- (3) Has filed a foreign application...under 44(d)...

Time 1: A files a Section 1(b) ITU application

Time 2: B subsequently begins to make actual use of the mark throughout the US.

Time 3: A begins to make actual use of the mark throughout the US and files a Statement of Use.

Time 4: A's application matures into registration.

→ A has nationwide priority even though B used first.

Time 1: A begins actual use of the mark in Area A.

Time 2: B begins actual use of the mark in Area B.

Time 3: B applies to register the mark.

Time 4: B's registration issues.

→ B has nationwide priority everywhere *except in Area A*.

# Lanham Act Section 33(b)(5):

A party charged with trademark infringement may present as a defense the fact that the mark at issue was adopted by the defendant “without knowledge of the registrant’s prior use and has been continuously used by such party... from a date prior to (A) the date of constructive use [under 7(c)], (B) [for registrations filed prior to the TLRA], the registration of the mark...or (C ) publication of the registered mark under [1062(c)].”

Time 1: A begins actual use of the mark in Area A.

Time 2: B begins actual use of the mark in Area B without knowledge of A's use. (← B is “intermediate junior user”)

Time 3: A applies to register the mark.

Time 4: A's registration issues.

→ A can enjoin B's use of the mark everywhere except where B was using at the time A registered (i.e., at Time 3)

# Lanham Act Section 22:

For applications filed prior to Nov. 16, 1989:

“Registration of a mark on the principal register...shall be constructive notice of the registrant’s claim of ownership[.]”





*Vanilla, Spice, Old Fashioned, Buttermilk, Chocolate and Fruit - Flavored varieties will help add sensational variety to your donut case.*

Products > Bakery Products > Donuts > Cake Donut Mixes

## Products Cake Donut Mixes

### Cake Donut Mixes

Item #	Description	Case Count	Unit of Sale	Net Weight
00007914	Majestic® Spice Cake Donut Mix 50#	1	Bag	50lb.
00007997	Majestic® Vanilla Cake Donut Mix 50#	1	Bag	50lb.
00007658	Majestic® Vanilla Cake Donut Mix High Altitude 50#	1	Bag	50lb.
00482133	EXTEND-R Vanilla Cake Donut Mix 50#	1	Bag	50lb.
00007724	Heritage™ Regular Cake Donut Mix (Spice) 50#	1	Bag	50lb.
00007740	Heritage™ Vanilla Cake Donut Mix 50#	1	Pounds	50lb.
00007625	Heritage™ Regular Cake Donut Mix (Spice) High Altitude 50#	1	Bag	50lb.

# *Grupo Gigante*



# *Grupo Gigante* Chronology

- **1962:** Grupo begins using GIGANTE mark for supermarkets in Mexico
- **1963:** Grupo registers GIGANTE mark under Mexican law
- **1991:** Dallo begins using GIGANTE mark for supermarkets in California
- **1998:** Grupo registers GIGANTE mark in California in June; Dallo does the same in July
- **1999:** Grupo opens its first store in the U.S.

# The Principle of Territoriality

- Normally, first in time = first in right...
- “Priority of trademark rights in the United States depends solely upon priority of use in the United States, not on priority of use anywhere in the world.”
- i.e., trademarks stop at the “water’s edge.”
- In other words, rights are specific to individual nations, and rights in one nation do not give you rights in another.

(What does that mean for multi-national firms?)

# “Famous Marks” Exception to the Territoriality Principle

- Usual Rule: no TM rights if no use in the US
- Exception: for “well-known marks”
- To qualify for the exception, a “substantial percentage” of consumers in the relevant market must be familiar with the foreign mark.
- Court to consider:
  - Did defendant intentionally copy mark?
  - Are customers of US firm likely to think they are patronizing foreign firm that uses mark?

# The *Grupo Gigante* Aftermath:

1. Dallos Gigante stores in So Cal are rebranded



## 2. Mexican Grupo Gigante stores rebranded “Soriana”



### 3. US Grupo Gigante stores rebranded “El Super”







# Possible Sources for the “Famous Marks Exception” in the Lanham Act:

Lanham Act 43(a)(1)(A): (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which— (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Lanham Act 44(b): 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 Act.

Lanham Act 44(h): Any person designated in subsection (b) of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to effective protection against unfair competition, and the remedies provided herein for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

# TRIPS Article 16(2)

Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

# Firms Must Register in Every Nation Where They Do Business

Nagula farxa  
*Koka-Kola*  
 TRADE MARK REGD.

SOMALIA

請喝  
 可口可樂  
 註冊商標

TAIWAN

請喝  
 可口可樂®

CHINA-A

可口可樂

CHINA-B

קוקה קולה  
 סוכן מרשם

ISRAEL

পান করুন  
 কোকা কোলা  
 (কোকা) কলার

BANGLADESH

Пийте  
*Koka-Kola*  
 ЗАПАДЕНА МАРКА

BULGARIA

ดื่ม  
 โคคา โคล่า

THAILAND

اشرب  
 كوكا كولا  
 ماركة مسجلة

EGYPT

ኮካ-ኮላ  
 ተደራሽ  
 የገዢ ምልክት

ETHIOPIA

마시자  
 코카·콜라  
 商標 註冊

KOREA

اشرب  
 كوكا كولا  
 ماركة مسجلة

MOROCCO

کوکا کولا  
 نمبردارک رجسٹرڈ

PAKISTAN

Пейте  
*Koka-Kola*  
 ТОВАРНЫМ ЗНАК

RUSSIA

රස විදීමක  
 කොකා-කෝලා  
 සුචාරිත වෙළෙඳ ලකුණ

SRI LANKA-SINHALESE



# Belmora's revised Flanax

