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TRADEMARK HARMONIZATION: NORMS, NAMES & NONSENSE

KENNETH L. PORT*

I. INTRODUCTION

Professor Marshall Leaffer has written a very insightful Lead Article in this issue of the *Marquette Intellectual Property Law Review*.¹ The old territorial understandings of jurisdiction need to be reconsidered when attempting to arrive at an international standard for trademark protection. Because goods flow in a market, which has become truly international,² the laws that protect the indications of source or origin used on or in connection with the sale of these goods and services is also international.³ Truly, as long as the world community slavishly adheres to territorial justifications for sovereignty and jurisdiction, “harmonization” of trademark laws will be impossible.

In fact, the universality of markets for trademark bearing goods was one of the original objectives relied upon in the creation of the Lanham Act soon after World War II. The argument made then was that because goods traveled in one national marketplace, a unified system of trademark laws was necessary to avoid inefficiencies that would be passed on to consumers as manufacturers tried to compete in 50 different jurisdictions under 50 separate trademark laws.⁴ The Supreme Court, in *Park 'N Fly, Inc. v. Dollar Park And Fly, Inc.*, summarized this history very succinctly as follows:

Congress enacted the Lanham Act in 1946 in order to provide national protection for trademarks used in interstate and foreign

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1. Marshall Leaffer, *The New World of International Trademark Law*, 2 MARQ. INTELL. PROP. L. REV. 1 (1998) [hereinafter Leaffer].

2. Based perhaps in large part on the free flow of goods and information on the Internet.

3. Leaffer, *supra* note 1, Part I.

4. S. REP. NO. 79-1333, at 5 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1276-77.

commerce. Previous federal legislation, such as the Federal Trademark Act of 1905, reflected the view that protection of trademarks was a matter of state concern and that the right to a mark depended solely on the common law. Consequently, rights to trademarks were uncertain and subject to variation in different parts of the country. Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that "a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them."⁵

Current worldwide initiatives to harmonize trademark laws are perfectly analogous to the arguments made to create one, nation wide system of trademark law in the United States in 1947. Therefore, I offer the following comments not necessarily as a completely contrary point of view, but rather as a friendly Comment that modestly attempts to provide another view on the important issue of trademark law harmonization.

II. OBJECTIVES OF HARMONIZATION

Perhaps the most vexing problem in trademark harmonization is the failure to arrive at a workable definition of the word "harmonization." A complete review of the discourse on harmonization of law is beyond the scope of this Comment; however, there is clearly a range of perspectives on precisely what is meant by the term "harmonization." In fact, the objectives of the various perspectives seem to dictate the definition of the term. Therefore, in trademark harmonization, the first question that must be answered is "why do it?" The following might be possible reasons:

1. To make all trademark law in the world uniform so that trademark owners know the bounds of protection anywhere in the world by understanding the laws of one country, thereby allowing trademark owners a higher degree of confidence in the worldwide market;⁶
2. To "provide an approximation of different rules in order to minimize any conflict that their differences might generate . . . not necessarily imply[ing the] replication of rules";⁷

5. *Park 'N Fly, Inc. v. Dollar Park And Fly, Inc.*, 469 U.S. 189, 193, 224 U.S.P.Q. (BNA) 327, 329 (1985).

6. Arthur Rosett, *Unification, Harmonization, Restatement, Codification and Reform in International Commercial Law*, 40 AM. J. COMP. L. 683 (1992).

7. Stephen Zamora, *NAFTA and the Harmonization of Domestic Legal Systems: The Side Effects of Free Trade*, 12 ARIZ. J. INT'L & COMP. LAW 401, 427 (1995).

3. To create a relationship between things that implies the creation of accord or consonance.⁸

The fact that this provisional determination of objectives appears to be skipped completely by some or glossed over by others seems to imply that we are operating on the presumption that harmonization of trademark laws is, like oatmeal,⁹ just the right thing to do. This type of reasoning may work in arguments about nutritious meals, but my curiosity is left unsatisfied. It seems to me that the first step is to articulate goals and objectives, and next, articulate methodologies for satisfying those objectives. It seems that the trademark harmonization debate is focused on methodologies while there has been very little systematic critique of its objectives. It appears that some might be following the erroneous belief that "the greater the intellectual property protection, the greater the progress."¹⁰

There also appears to be a practical misunderstanding among the advocates of trademark harmonization. It is rather clear that trademark owners appear to believe that the objective of harmonization is No. 1 above,¹¹ the drafters of the treaties (World Intellectual Property Organization and national governmental agencies) believe the objective is No. 2 above,¹² and many scholars (perhaps including Professor Leaffer) believe the objective is No. 3 above. This disparity leads to disappointment among trademark owners because they perceive the results as frustrating their preferred objectives. Therefore, a more thorough job ought to be done to present the precise objectives of international har-

8. Martin Boodman, *The Myth of Harmonization of Laws*, 39 AM J. COMP. L. 699, 702 (1991).

9. Apologies to Quaker Oats for this fair use of their trademark. See Serial Number: 73,711,710; Registration Number: 1510339. Trademark: IT'S THE RIGHT THING TO DO. Good or services: BREAKFAST CEREALS. Status: REGISTERED. Affidavit Section: 8-15

Affidavit Date: April 29, 1995. USPTO Status: (702) Section 8 & 15 -ACCEPTED AND ACKNOWLEDGED. Filed: February 16, 1988. Published: August 2, 1988. Registered: October 25, 1988. International Class(es) 30 (Staple Foods). First Used: August 12, 1987. In Commerce: August 12, 1987. Registrant: QUAKER OATS COMPANY, THE NEW JERSEY CORPORATION QUAKER TOWER 321 NORTH CLARK STREET CHICAGO, ILLINOIS 60610.

10. JAMES BOYLE, SHAMANS, SOFTWARE, & SPLEENS 10 (1996) (criticizing the "land grab" in intellectual property law as it applies to copyright protection of software).

11. The current debate over trademark domain names is a good example of this. See, e.g., Leaffer, *supra* note 1, at 31; Ron N. Dreben and Johanna L. Werbach, *Domain Name Lawsuits Trigger Plans for Reform*, NAT'L L.J., Jan. 26, 1998, at C14.

12. See, e.g., WIPO, *Meeting of Consultants on Trademarks and Internet Domain Names, First Session*, par. 28 (visited Mar. 3, 1998) <<http://www.wipo.org/eng/internet/domains/tdnmcil.htm>>.

monization of trademark laws and work towards satisfying *those* objectives rather than satisfying *new* objectives created after the *utopian* objectives are not attained.

III. NAMES AND NORMS

Territorial theories of sovereignty severely restrict the notion of one global legal system of trademark law to mirror the one global market place. Markets for goods and services are now worldwide in scope. Unless serious modifications are made to the Internet—such as imposing new domain name addresses which block access to individuals in foreign countries—the Internet will continue to know no boundaries. If some of the proponents of the Internet are correct, in just a few years, much of our purchasing of goods and services will transpire on the Internet¹³ via “virtual corporations”¹⁴ and new conflicts will arise to claim tax revenue raised by cyber sales.¹⁵ Therefore, as Professor Leaffer points out, trademark law should be positioned to respond to this reality in a proactive manner rather than in a reactive manner.¹⁶ Certainly, computer technology and use is changing so rapidly that it is difficult yet imperative to predict what trademark jurisprudence will require in the future because rational trademark jurisprudence is so important to international commerce.

However, if we are to reform the territorial theory of sovereignty, it must be replaced with something. Currently, the only recognized alternative to the territorial theory is the universality theory of sovereignty.¹⁷

13. See, e.g., Audra D.S. Burch, *Internet Shopping a New Frontier for Fraud*, MIAMI HERALD, July 6, 1996, at C1 (addressing the “huge potential” of the Internet where so much shopping is being conducted there are also many deceptive business practices that ought to be prosecuted); see also Adam L. Schwartz, Note, *Nexus or not? Orvis v. New York, SFA Folio v. Tracy, and the Persistent Confusion over Quill*, 29 CONN. L. REV. 485, 517 (1996).

14. The virtual corporation is an “electronic shopping mall putting sellers and buyers together on the Internet. It is a fully operational Internet payment system with thousands of electronic financial transactions taking place daily.” Richard Bowers, *First Virtual Creates Corporation of Future*, Newsbyte News Network, June 28, 1995, available in LEXIS, News Library, Newsletters File.

15. See generally Edward A. Morse, *State Taxation of Internet Commerce: Something New Under the Sun?*, 30 CREIGHTON L. REV. 1113 (1997); Saba Ashraf, *Virtual Taxation: State Taxation of Internet and On-line Sales*, 24 FLA. ST. U. L. REV. 605 (1997); Gregory A. Ichel, Comment, *Internet Sounds Death Knell for Use Taxes: States Continue to Scream over Lost Revenues*, 27 SETON HALL L. REV. 643 (1997).

16. Leaffer, *supra* note 1, at 28-30.

17. Unfortunately, the universality notion of trademark protection has “faded and been generally supplanted by the principle of territoriality.” *Osawa & Co. v. B & H Photo.*, 589 F. Supp. 1163, 1171-72, 223 U.S.P.Q. (BNA) 124, 130-31 (S.D.N.Y. 1984). For a thorough discussion, see Patrick E. Boland, *Wrongful Assault on the Trademark System*, 1987

Taking the argument to its logical extreme, I am not sure I like what I contemplate. It is axiomatic to say that it is very difficult to find common ground between the Civil Law jurisdictions and the Common Law jurisdictions on the issue of the creation of trademark rights. The creation of trademark rights is essentially synonymous with the definition of the right itself. Therefore, on a basic level, the two major legal systems in the world do not share a conceptual understanding of the trademark right itself nor how it originates. Civil Law systems emphasize registration as the key in legitimately protecting identifiers of source or origin;¹⁸ Common Law systems emphasize use as the key in legitimately protecting identifiers of source or origin.¹⁹ Although easily stated, this has some broad ramifications. Regardless of one's view of the conceptual justification for sovereignty, this fact is what keeps the nations of the world apart on trademark rights.

In October of 1994, the United States signed the Trademark Law Treaty (TLT).²⁰ The TLT essentially defines the maximum procedures any signatory State may require in the trademark application process. The objective of the drafters was to harmonize procedures of trademark application in the various States and not to deal with substantive law (including the definition of the trademark right) at all.²¹ At the time of this writing, the TLT had not yet been ratified by Congress. Although most of the provisions of the TLT are consistent with the Lanham Act (and that may be why the United States supported it), there are two specific amendments that would need to be done to the Lanham Act to comply with the terms of the TLT.

COLUM. BUS. L. REV. 153, 159 (1987):

In rejecting the universality principle, Judge Laval [who authored the Osawa opinion] pointed out that the principle failed to recognize that legal rights within one sovereignty are creatures of that sovereignty's law. Additionally, the universality principle also fails to recognize that, within one country, a mark may represent a factually different goodwill from that which the mark signifies elsewhere.

Id. at 159.

18. See, e.g., SHOHYOHO [Japanese Trademark Law], Law No. 127 of 1957; see generally KENNETH L. PORT, JAPANESE TRADEMARK JURISPRUDENCE (1997) (as an example of a Civil Law country, trademarks rights in Japan are created primarily through registration of the mark and not through use).

19. Trademark Cases, 100 U.S. 82, 87 (1879).

20. Trademark Law Treaty (adopted at Geneva on Oct. 27, 1994 entered into force August 1, 1996), in WIPO, Industrial Property and Copyright, Industrial Property Laws and Treaties, Multilateral Treaties, Jan. 1995, at 1-12; *Treaties: U.S., 96 Other WIPO Members Conclude International Trademark Law Treaty*, 49 PAT. TRADEMARK & COPYRIGHT J. (BNA) 22 (Nov. 10, 1994).

21. Jeffrey M. Samuels & Linda B. Samuels, *The Changing Landscape of International Trademark Law*, 27 GEO. WASH. J. INT'L L. & ECON. 433, 438 (1994).

First, Section 10 of the Lanham Act²² would have to be amended to clarify that documents filed with the Patent and Trademark Office (PTO) pursuant to the requirements of TLT Article 11²³ would be "recorded" for the purposes of Section 10. Currently, the PTO requires that a complete copy of the assignment document be filed for recording. Under the TLT, specifically Article 11(b)(2), only an extract from the assignment document need be recorded as evidence of the change in ownership.²⁴ To mandate that PTO policy changes in this regard change, an amendment to Section 10 of the Lanham Act would be necessary in order to allow an assignee to file a mere extract of the assignment document rather than the entire document.

Second, Section 9 of the Lanham Act²⁵ would have to be amended to delete the requirement of continued use as the basis for renewing a registration. Article 13 of the TLT specifically prohibits any member from requiring proof of use as an element necessary for the renewal of a registration.²⁶ In order to accommodate this provision, Sections 8 and 9 of the Lanham Act²⁷ would both need to be amended. One proposal under consideration is to allow trademark renewals to issue without proof of continued use but amend Section 8 to require that Continuing Use Affidavits be filed not only between the fifth and sixth years of registration, but also between the ninth and tenth year, nineteenth and twentieth year, etc.

Although not Earth-shattering in their magnitude, these required changes actually are manifestations of the larger issue: in "harmonizing" trademark laws, whose "harmony" should prevail? Should it be the Civil Law understanding of the trademark right or the Common Law understanding? In the TLT, it is rather clear that the Civil Law vision prevails because countries that emphasize use are required to de-emphasize use as a basis for registration and renewal of the trademark right.

The tension between the Civil Law understanding of the trademark right and the Common Law understanding is easily perceivable in just these two rather simple changes needed to comply with the TLT. Although the United States is apparently willing to comply with the TLT and give up the requirement that the renewal applicant prove its con-

22. Lanham Act § 9, 15 U.S.C. § 1059 (1994).

23. Trademark Cases, 100 U.S. 82 (1879).

24. *Id.*

25. Lanham Act § 9, 15 U.S.C. § 1059 (1994).

26. Trademark Cases, 100 U.S. 82 (1879).

27. Lanham Act §§ 8,9, 15 U.S.C. §§ 1058, 1059 (1994).

tinued use of the mark in commerce and thereby amend Section 9 of the Lanham Act; the United States is, in fact, not entirely willing to give in on the notion that rights in the United States are based on use. Therefore, the United States appears to be in search for a creative way to comply with the specific wording of the TLT, but also not change the basic premise upon which trademark rights in the United States are based. To change without changing may be the diplomat's best friend, but how will this impact the cynic's view of international law. If you can change without changing, is it really meaningful? Is it really worth all of the time and effort?

In no way do I mean to be interpreted as being xenophobic nor ultra-nationalistic. At this point, I only intend to remind readers that there are two conceptual justifications of the trademark right recognized by industrialized nations today: base the protection on use or base the protection on registration. It seems to me that attempts at "harmonizing" the laws to date have favored the Civil Law perspective over the Common Law perspective.

This brings us back to the definition of "harmonization" and its objectives and perhaps the exact opposite side of this issue. Cynically stated, perhaps a fourth objective should be to "make everyone else in the world change their trademark law so that the United States will be proven to be the 'right' system and will not have to spend time, money, energy changing its laws." In fact, I think this perspective at least subconsciously effects most of the trademark treaty drafters, American and European alike. I do not mean to imply that it is necessarily intentional. That would impugn the individual persons engaged in the effort and challenge their credibility. I intend no such unseemly charge. Rather, it seems that because the world is bifurcated along these lines, individuals doing the actual drafting would naturally have biases and values that would be evident in their drafting of the treaties. In fact, the Madrid Agreement²⁸ is rather biased in its approach to these issues. So biased, in fact, that all applications filed under the Madrid Agreement have to be in French.²⁹

On the other hand, I do specifically mean to state that when the TLT or other trademark law treaties are debated before the United States Congress for ratification, the analysis will focus on xenophobic perceptions and will attempt to modify the world outlook to be more

28. Madrid Agreement Concerning the International Registration of Marks, Apr. 14, 1891, 828 U.N.T.S. 389 [hereinafter Madrid Agreement].

29. *Id.* art. 17.

like ours rather than the converse. This competitive attitude, of course, completely defeats the purpose of harmonization, yet it appears to prevail.

If this polarization is based merely on xenophobia, it is, naturally inappropriate. If, on the other hand, there is more to this—enough to keep the two sides apart—then study and analysis is needed to understand the underlying cause. Most importantly, ignoring the reasons for this polarization will most likely doom any attempts to “harmonize” the two perspectives.

Regardless of the definition of harmonization or its objectives, to be effective harmonization must take into consideration the fact that various cultures perceive “law” in different and sometimes inconsistent ways. Most Americans view law as a rigid, legal-rational concept where penalties are applied to violators and if penalties are not applied to violators the underlying legitimacy of the law itself as law is challenged. Other cultures, such as Japan, perceive law as more of a standard or aspiration that is to be striven for.³⁰ Violation of the “law” in this case may result in penalty, but the penalty itself is less severe than might be expected because a lenient penalty is much more likely to result in compliance in the future than a harsh one. Therefore, strict and rigid application of penalties in such cultures may actually have the opposite intended effect.

This is applicable in trademark law harmonization as well. What will the result of the Madrid Protocol or the Trademark Law Treaty be on the individual legal cultures and social cultures in the various signatory as well as non-signatory States? Professor Leaffer is not alone in avoiding this question. Indeed, in my mind, it is the principal unanswered question in the debate on trademark harmonization today.³¹

It seems paradoxical to, on one hand, argue that the world market on the Internet for goods and services has become one and it no longer recognizes national boundaries and that therefore a one, unitary, harmonized trademark legal regime is necessary. And then, on the other hand, to ignore the effect that such a regime might have on indigenous

30. Kenneth L. Port, *The Japanese International Law “Revolution”: International Human Rights Law and Its Impact in Japan*, 28 STANFORD J. INT’L L. 139 (1991).

31. The European Union has taken this specifically into consideration by including Article 128 into the Maastricht Treaty. See Treaty on European Union, *reprinted in* 31 I.L.M. 247 (1992). Article 128 requires Member States to respect the national and regional diversity while bringing the “common cultural heritage to the fore.” *Id.* tit. IX, art. 128(1), 31 I.L.M. at 279; see generally Michael H. Abbey & Nicholas Bromfield, *A Practitioner’s Guide to the Maastricht Treaty*, 15 MICH. J. INT’L L. 1329 (1994). To me, this type of requirement is needed for the Trademark Law Treaty and the Madrid Protocol.

legal and social cultures of the world. If the market for goods and services has become so unified that a unitary trademark system is necessary, does that mean that a unified world legal and social culture must also follow? And, perhaps equally importantly, does that culture have to be American or even European, for that matter?

Because each country has its own unique legal culture, it is rather optimistic to presume that the exact language of any treaty will be interpreted and applied the same in all countries. Therefore, in order to achieve harmonization on something other than theoretical grounds, the application of the laws must be harmonized in each jurisdiction as well. As the United States' response to the TLT as described above demonstrates, each country will interpret treaties according to their own legal culture and to suit their own political ends. As Justice Scalia unfortunately once observed, representing how Americans generally perceive the role of international law, "[w]e must always remember it is the U.S. Constitution which we are espousing."³² In other words, there is a rather vocal contingency of Americans who are currently not persuaded that international law is legitimately law in the first place.³³ Although it may not be truly necessary to respond to Scalia-esque attacks on the validity of international law, it would add to its practical significance to trademark owners and its overall legitimacy if something other than theoretical objectives (perhaps Objective No. 3 above) was achieved.

Therefore, harmonizing trademark law by agreeing on one or two treaties is simply not enough to effect the perceived needed change regardless of the objectives one pursues. The application of those treaties at home must also be harmonized or they will be rendered rather banal in their reality. The best example of this is here in the United States itself where we can agree to scrap our adherence to use as a requirement for *renewal* of a trademark registration in Section 9 of the Lanham Act but simultaneously religiously adhere to use as a requirement for *maintenance* of the trademark registration in Section 8 of the Lanham Act and still perceive ourselves as being in complete compliance with the Trademark Law Treaty. If that is, in fact, possible, I ponder whether it was all worth it.

32. *Thompson v. Oklahoma*, 487 U.S. 815, 868 n.4 (1987) (Scalia, J., dissenting) (arguing that international human rights agreements provide no obstacle to the state of Oklahoma executing a convicted murderer for crimes he committed as a minor).

33. See generally THOMAS FRANCK, *THE POWER OF LEGITIMACY AMONG NATIONS* (1990).

Of course, it may also be paradoxical but also axiomatic that this “wiggle room” assures that more countries will actually sign and then ratify treaties in the first place.³⁴ If the treaty allows for each country to define for itself when it is in compliance, more countries will ratify treaties and the legitimacy of international law will be maintained because more countries will be playing by the same apparent rules and in compliance with those rules. Circular as that might be, that is basically the argument.³⁵ To be sure, a flexible treaty is much more likely to be signed and ratified in the United States as well as other countries than a rigid one that demands strict compliance.³⁶ However, this ability to “interpret” the treaty also provides a mechanism by which countries can avoid strict compliance or interpret anew precisely what was intended by the treaty.

In other words, to achieve its highest subscription rate, treaties must be flexible in nature and therefore many, including the Trademark Law Treaty and the Madrid Protocol, are flexible. Notice that the Madrid Agreement is not flexible. This might explain why it is undersubscribed. However, this itself ensures that the words on the page may be harmonized but that outcomes will probably not be, as these precise words are applied in various countries in order to reach different, if not inconsistent outcomes.

Therefore, in order to have harmonized outcomes, the legal cultures of the various States must also be harmonized. This, I think, is where the alternatives to the territorial theory of sovereignty in international trademark law find their largest conceptual hurdle. Harmonizing substantive trademark law is one thing, actually harmonizing its application among participating and non-participating States raises entirely new issues.

The first issue is defining or agreeing whose legal culture is the “correct” culture. Answering this question is, of course, impossible. The answer will be whatever country is the politically, economically, or militarily dominant one.³⁷ However, the fact that one country may be

34. *First Report by Special Rapporteur Alain Pellet*, U.N. Doc. A/CN.4/470 & Corr.1 (1995) (the Vienna Convention’s flexibility has, in effect, allowed for broad acceptance of this treaty).

35. See FRANCK, *supra* note 33.

36. But see Edward F. Sherman, Jr., Note, *The U.S. Death Penalty Reservation to the International Covenant on Civil and Political Rights: Exposing the Limitations of the Flexible System Governing Treaty Formation*, 29 TEX. INT’L L.J. 69 (1994).

37. Larry Cata Backer, *Harmonization, Subsidiary and Cultural Difference: An Essay on the Dynamics of Opposition Within Federative and International Legal Systems*, 4 TULSA J. COMP. & INT’L L. 185, 215 (1997).

politically, economically and/or militarily dominant does not in and of itself mean that its legal culture as it interprets international trademark laws is normatively the correct one.

In 1982 the political scientist Emily S. Rosenberg argued that much of American foreign aid before World War II was motivated by American cultural expansionism.³⁸ Her well respected argument was that if a country received American aid, it also received American values, and American notions of democracy and Christianity. Rosenberg argued that foreign aid was not separable from values. If you received American foreign aid, you likely also received American values. I would extend that to say that interpretation and application of laws are not separable from the values of the drafters.³⁹ It appears to me that if we attempt to harmonize legal cultures around the world just so that one trademark law applies equally and consistently around the world, we are risking the same type of cultural expansionism the Rosenberg identified in the pre-WWII era.

To me, there are two real problems with this. First, it creates the danger of one legal culture dominating others and dictating how others should be.⁴⁰ It also makes for a less diverse world and therefore a much less interesting place to be. I will admit that, as a Comparativist, this view is self-serving. However, it is precisely these distinct legal cultures that make the world so interesting. It would be a shame to obliterate that just to satisfy the complaints of trademark owners.

That is, my primary concern is that universality theories of sovereignty as applied in international trademark law harmonization would lead to (or at least suggest) a homogeneous world culture.

Once again, we must revert to the undetermined objectives of harmonization. Clearly, no proponent of harmonization has argued that a homogeneous world culture is intended. Yet very the push for har-

38. EMILY S. ROSENBERG, *SPREADING THE AMERICAN DREAM* (1982).

39. This fear of not being the dominant party may explain America's concern over the so-called "voting problem" identified by Professor Leaffer. See Leaffer, *supra* note 1, at 6.

40. There is a growing amount of literature available indicating the problems with imposition of laws and culture on unwilling peoples. The use of American laws and values to "democratize" Japan immediately following World War II is a good example. Although imposed on the Japanese (or, as some argue, willingly accepted), the Japanese Constitution is not interpreted as Americans would interpret it. This raises the question (far beyond the scope of this short article but still applicable) of whether it is possible to impose a law on a sovereign nation and still expect it to be interpreted consistent with its original objective. For more information on this debate, see LAWRENCE W. BEER & HIROSHI ITOH, *THE CONSTITUTIONAL CASE LAW OF JAPAN, 1970 THROUGH 1990* (1996); KYOKO INOUE, *MACARTHUR'S JAPANESE CONSTITUTION* (1991); KENNETH L. PORT, *COMPARATIVE LAW: LAW AND THE LEGAL PROCESS IN JAPAN* (1996).

monization continues. Protection of trademarks world-wide will be facilitated; burdens on the flow of international commerce will be reduced; everything good and wonderful will be perpetuated, they argue. If we could only agree on what a trademark is. If we could only agree on how one obtains trademark rights. But, alas, we cannot and have not.

Each of the recent efforts at trademark harmonization curiously side-steps the definition of trademark rights. This has been done intentionally so that progress on non-substantive areas can be recognized.⁴¹ Appropriately, neither the Common Law countries nor the Civil Law countries seem very willing to abandon their legal culture just so McDonald's has an easier time registering its trademarks around the world.

Certainly, protecting trademarks is an important thing for any country. I have stated elsewhere that when Japan, for example, transformed itself in the last two decades of the Nineteenth Century from a feudalistic society to a modern, industrialized society, one of the first new laws it enacted was a trademark statute.⁴² The Japanese Trademark Regulations⁴³ were enacted before the Japanese Patent Law and even before the Japanese Commercial Code.⁴⁴ In order to encourage investment in one's country, the trademarks owned by manufacturers clearly must be protected or people will not invest or will not invest as much.⁴⁵ Therefore, a certain minimum level of substantive protection is clearly necessary.

To attain the level of protection necessary to keep manufacturers using symbols to identify the source or origin of their goods or services and thereby keeping transaction costs of manufacturers at a tolerable level, keeping information costs to consumers at a tolerable level, and keeping markets open to third party competitors,⁴⁶ it is not entirely clear to me that international harmonization of trademark laws is the only logical way to proceed.

41. See *supra* note 22 and accompanying text.

42. PORT, *supra* note 18, at 10-20.

43. SHOHYO JOREI [Trademark Regulations of 1884].

44. The first Patent statute in Japan was enacted in 1885 and the Civil Code was enacted in 1898. MINPO [Civil Code of Japan], Law No. 11 of 1898, TOKKYO HO [Patent Law of Japan], Law No. 15 of 1885.

45. Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L.J. 759 (1990).

46. William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265 (1987).

Another alternative to harmonization, regardless of how it is defined or its objectives, is to educate law students and lawyers not about the “sameness” of everyone on the planet as harmonization tends to do, but rather about the distinctiveness of the various systems in the world. That is, why not educate lawyers world-wide to be more cognizant of different laws, legal cultures, and norms in other countries? Of course, the belief is that harmonization will result in cheaper, quicker, easier access to trademark protection. Is that really the case, though? It appears more and more likely that trademark harmonization in efforts such as the Madrid Protocol actually result in two systems of protection—national and international—whereas previously there was only one—national. Unless each country dismantles its trademark system and exclusively allows protection under the Madrid Protocol for example, each country will have two redundant systems of protection—one under domestic legislation in conformance with the Madrid Protocol and the international system contemplated under the Madrid Protocol. It is unclear to me how two systems are cheaper, easier, or better than one.

Therefore, one approach would be to recognize that trademark systems are tied closely to the products of any given society. The products of any given society are closely tied to diverse cultural values. Why not recognize the differences that each country possess? Each of the major economically advanced countries already has a minimal level of trademark protection. Why not emphasize education of these varying systems rather than demand that each system adhere to one common denominator which stands to destroy cultural distinctiveness or at least imply that homogeneity is a good thing?

The current approach seems to imply that some systems are wrong because they are different. It implies that some systems therefore are illegitimate. It seems that some healthy education about the diverse role of law in societies other than our own might be at least as effective in protecting trademarks of manufacturers around the world as mandating one system that every country follow in addition to their own registration or trademark acquisition system.

Perhaps we ought to teach that these diverse approaches to laws are not illegitimate just because they are different. Rather, we should teach that they are diverse. And lawyers must recognize that diversity and use it in zealously representing their clients.

The best example of this diversity of view is McDonald’s experience in use of their trademarks in Japan. In 1966, before McDonald’s established a formal presence in Japan, the name “McDonald’s” became

known as the name of an United States restaurant. In July of 1969 as the name McDonald's become widely recognized in Japan, K. K. Marushin Foods first acquired the mark BAAGAA (a transliteration of the Japanese word for "burger") and then filed trademark registrations for a variety of marks which were identical with or closely similar to the marks used by McDonald's. In January of 1971, McDonald's announced its intention to open restaurants in Japan and on July 20th of 1971 its first store opened in the Mitsukoshi department store in Ginza, Tokyo. In May of 1972, after receiving other trademark registrations, K. K. Marushin Foods started selling hamburgers from vending machines using the marks such as MAKKU BAAGAA and MAKKU.

McDonald's sued Marushin under the Japanese Trademark Act and under the Unfair Competition Prevention Act. McDonald's demanded an order restraining the defendants from using any of its trademarks and damages in the amount of 30 million yen (about \$300,000) or 5% of sales from February 23, 1974. McDonald's argued that its trademarks were "well known" marks under the Unfair Competition Prevention Act and therefore even though K. K. Marushin Foods registered similar marks first, McDonald's should still prevail in preventing K. K. Marushin Foods from using their marks.

The Tokyo District Court dismissed McDonald's cause of action and ordered McDonald's to pay costs. The Tokyo District Court held that McDonald's trademarks may have been well-known, but they were not well-known in Japan.⁴⁷ Since K.K. Marushin registered the marks first, it prevailed under the clear language of the Japanese Trademark Law.⁴⁸ Although the Tokyo High Court ultimately reversed this holding⁴⁹ and the Japanese Supreme Court upheld that reversal,⁵⁰ this case stands for

47. McDonald's Co. (Japan), Ltd. v. Mac Sangyo K.K. 35 MINSHU 1169 (Tokyo Dist. Ct., July 21, 1975).

48. SHOHYOHO [Japanese Trademark Law], Law No. 127 of 1957, art. 18 states that "the trademark right shall subsist upon registration."

49. McDonald's Co. (Japan), Ltd. v. K.K. Marushin Foods, 10 MUTAI REISHU 478 (Tokyo High Ct., Oct. 25, 1978). This Court had to stretch trademark reasoning somewhat to find for McDonald's: "One may conclude that most of McDonald's marks are conceptually included in Marushin's marks [and therefore the prior registration of these marks by Marushin should result in a dismissal for McDonald's as the lower court concluded]. However, although a trademark owner does have the right to exclude the use of another's mark that is within the scope of similarity of the registered mark, that trademark owner has no absolute right to use that registered mark. Using a [registered] mark [in light of a similar, well-known mark] is not an exercise of the trademark right as provided in Article 6 of the Unfair Competition Prevention Act."

50. McDonald's Co. (Japan), Ltd. v. K.K. Marushin Foods, 1020 HANREIJIHO JIHO 15 (Sup. Ct., Oct. 13, 1981).

two diametrically opposed lessons—precisely the two opposing lessons being presented by Professor Leaffer and myself here.

Some might argue that trademark law should be harmonized so that McDonald's situation in Japan is not repeated either out of ignorance on behalf of the trademark owner or due to "piracy" on behalf of prior registrants. However, I think McDonald's experience in Japan is a perfect example of why we need to better educate lawyers and trademark owners about national protection of trademarks around the world, not why trademark laws around the world need to be changed. If this is accomplished, perhaps even the perceived need for "harmonization" may be ameliorated.

IV. RECTIFICATION OF NAMES⁵¹

The real problem in trademark harmonization is the use of the term "harmonization" itself. Not only is it undefined by its proponents, but it also implies many of the other problems I have indicated. Use of the term also raises the questions above regarding the objective of harmonization itself which are extremely complex.

The valid and appropriate goal of allowing trademark owners to take steps to protect their trademarks, which results in allowing manufacturers to protect their reputation, would be actually furthered if use of the word harmonization was discontinued. It implies things that are impossible or at least not desirable. To actually harmonize trademark laws is impossible. Just as the United States is reticent to give up its use-based system, so are other countries unlikely to give up their registration-based systems. It seems wise to never state an objective that is impossible to attain.

Rather than speaking in terms of "harmonization" of trademark laws, we should change the rhetoric to the "internationalization" of trademark laws instead. Because true harmonization as it is understood by most trademark owners is impossible and that impossibility leads to labored interpretations justifying its significance, it would be far better if we just said what we meant.

Harmonization of trademark laws, in the end, really seems to me to be focused on Objective No. 3 as stated above⁵²—to provide relation-

51. In Chinese and Japanese political discourse from the Tenth Century on, truth was sometimes reestablished under the notion of rectification of names. The Chinese characters for this mean to make something upright or true and imply straightening out something in a physical sense. See Janet E. Ainsworth, *Categories and Culture: On the "Rectification of Names" in Comparative Law*, 82 CORNELL L. REV. 19, 21 n.10 (1996). I mean here, as Ainsworth argues in a different context, what is required is a complete change of rhetoric.

ships between inconsistent systems of trademark protection. The word harmonization implies that their differences are smoothed out or are made to no longer be of consequence. In reality, the objective of creating relationships and filling in bridges among differences is a good and valid one from which all parties (manufacturers, consumers, and third party competitors) can benefit. But this is not harmonization. This is really merely the internationalization of trademark law. That is, the objective ought to be to create an understanding in the minds of owners whereby trademark owners can protect themselves in many markets around the world and be reasonably assured that their trademarks, and thus their reputation, will not be usurped.

This process ought to be known as the internationalization of trademark law and not harmonization. I would unequivocally support the "internationalization" of trademark law. I have the foregoing reservations about the "harmonization" of trademark law.

V. BARGAINING AWAY LEGAL SYSTEMS

My final concern with the so-called harmonization efforts regards the process by which it is accomplished. Rather than studying, on a comparative basis,⁵³ which substantive or procedural matter is normatively better for the trademark owner, the consumer, and third parties' ability to compete, aspects of domestic legal systems are traded back and forth as if they were simply chess pieces that get in the way of some greater objective.

The best example of this is current Senate Bill 507.⁵⁴ If enacted, this law will allow United States patent applications to be "laid open" or

52. See *supra* Part II.

53. Comparative methodology is at least as undefined as any field of study. The Western European perspective is to study similarities between systems (so that you are comparing comparables), categorize each system, and determine the common denominator of substantive treatment of any given legal issue. Through this process, theoretical as well as legislative lessons might be learned to determine what, if anything, other societies should change in their legal systems. See KNORAD ZWEIGERT & HEIN KOTZ, *THE METHOD OF COMPARATIVE LAW* (1987). The presumption is that through this process, a "unification" of laws will ultimately become possible. See, e.g., Mario Sarfatti, *Comparative Law and the Unification of Law*, 26 TUL. L. REV. 317 (1952); Hessel E. Yntema, *Comparative Research and Unification of Law*, 41 MICH. L. REV. 261 (1942). Although I have always seen the sense of theoretical lessons and legislative lessons in the comparative analysis, the restriction imposed by the Western European approach of comparing comparables is too restrictive. In fact, sometimes the most interesting lessons are learned when comparing non-comparables. See PORT, *supra* note 40.

54. Omnibus Patent Act of 1997, S. 507, 105th Cong. § 202 (1997). Referred to the Senate Judiciary Committee on Mar. 20, 1997. Reported to the Senate on May 23, 1997. As of Sept. 4, 1997, the bill has not been approved and no legislative activity has been reported

made public eighteen months after application regardless of whether or not the patent has issued.⁵⁵

This Bill is the second attempt to enact a deal negotiated with the Japanese on August 16, 1994. At that time, United States trade negotiators reached an agreement with their Japanese counterparts whereby Japan would change its patent law to allow American patent applicants to file their initial applications in English in order to preserve a filing date⁵⁶ if the United States made patent applications public as is done in Japan.⁵⁷ The Japanese kept this promise and immediately amended the Japanese Patent Law to allow for filings in English to preserve the priority date, provided that a subsequent complete application follows.⁵⁸ In response, the United States agreed to lay open patent applications 18 months after the date of application, but has yet to live up to this promise as the initial attempt at amending the Patent Act in accordance with this agreement failed to win support of Congress.⁵⁹

Some writers believe that we can somehow carve off and bargain away parts of our legal system to obtain trade concessions from other countries. Legal systems develop in certain ways because legislators and judges over time deem a certain course to be the best course.

Change on a comparative basis is, in fact, positive. It certainly is appropriate to observe how other countries solve similar problems to

as of May 2, 1998.

55. See generally Paul A. Ragusa, *Eighteen Months to Publication: Should the United States Join Europe and Japan by Promptly Publishing Patent Applications?*, 26 GEO. WASH. INT'L L. & ECON. 143 (1992) (adopting publication system would level playing field of international global trade and investment).

56. Teresa Riordan, Note, *Japan in Accord on Patents*, N.Y. TIMES, AUG. 17, 1994, at D1. Needless to say, this has not been a real popular position with the United States government. See, e.g., Commentary: Phyllis Schlafly, *The Ominous Attack on American Inventors*, March 2, 1998, Monday 17:15 Eastern Time, Copley News Service. ("S.507 is a disgraceful attempt to codify a backroom deal made by then-Secretary of Commerce Ron Brown on Aug. 16, 1994, with Japanese Ambassador Takakazu Kuriyama promising that our patent law would be changed to acquiesce in the Japanese demands."). For a thorough analysis of the entire "deal," see Garry M. Hoffman & Kenneth M. Berner, *Proposals for Implementation in the United States and How it is Implemented in Europe and Japan*, INTELL. PROP. TODAY 8, April, 1996.

57. Japanese Patent Law, Law No. 121 of 1959 as amended, art. 64.

58. See Shusaku Yamamoto, *Changes in Japan Mean a More Pro-patent Law*, MANAGING INTELL. PROP. 19-22, April 1995, § 48; *The JPO's Barriers to Innovation*, MANAGING INTELL. PROP. 24, June 1996, § 60.

59. Moorehead-Schroeder Patent Reform Act, H.R. 3460, 104th Cong. § 202 (1996). Introduced to the House Judiciary Committee, May 15, 1996. Reported to the House, as amended, on Sept. 12, 1996. The 104th Congress failed to approve H.R. 3460 during the 104th session of Congress. The Omnibus Patent Act of 1997 contains almost identical language in section 202 to that of H.R. 3460. See *supra* note 53.

our own using different legal regimes and, where appropriate, change our laws accordingly. However, real study and analysis needs to be done devoid of politics⁶⁰ and devoid of the rhetoric of trade concessions. If harmonization is to mean much, the results need to come from close and detailed comparative analysis of legal systems. We need a determination of what is the best normative way to protect the interests of all concerned, not simply the best deal we could get from our trading partners and competitors in a cynical attempt to remain a dominant world economic power.

VI. CONCLUSION

Professor Leaffer has added much to the study of trademark law, both within the United States and internationally. His Article here is rich with analysis and thought. I am perplexed by the harmonization movement because I am not clear on what is intended. It seems to me that harmonization is the wrong word and internationalization is the more accurate term for describing the reality of the endeavor. These comments, however, should not be understood as challenging the underlying motivations that have propelled Professor Leaffer and others into the forefront on this issue. I only offer these comments as a reminder of all the little turtles named "Mack."⁶¹

60. I understand that it is totally irrational to think that anything can be done devoid of politics, but in a perfectly "harmonized" world, that really should be the standard.

61. "Mack" is the first turtle ordered to create the throne in Sala-ma-Sond where Yertle the Turtle was king of the pond. When Mack ultimately burped, the entire throne built by the turtle king came tumbling down. DR. SEUSS, *YERTLE THE TURTLE AND OTHER STORIES* (1950).