

# What's in a Name? Protection of Well-Known Trademarks Under International and National Law

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## I. INTRODUCTION

Intellectual property, in particular trademarks and trade names, plays an important role in commerce in both physical and virtual worlds. In the virtual world, consumers rely on domain names in helping them distinguish products and services of a particular product maker or service provider from those offered by competing enterprises. The recent trend towards globalization and the increase in world trade, as never before, facilitated the internationalization of the intellectual property system and

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heightened the importance of trademarks in commerce. Competing companies spend fortunes in their continuous efforts to develop consumer awareness and trust towards their brands, making sure that their products stand out and are remembered by consumers selecting a purchase.

Trademarks on outstanding products develop recognition, which may be likened to the elusive concept of “goodwill,” reputation that is established through long use, advertising and sales. The goodwill of such marks as COCA-COLA and MICROSOFT is priceless. No matter how famous the mark is, its value is acquired property, not inherent in the mark itself.<sup>1</sup> Also, what is famous in China may not necessarily be famous in the United States or Europe. A successful American product, for instance the laundry detergent TIDE, is not necessarily well-known or successful in the developing countries; the legal protection this mark enjoys in the United States does not extend across the borders absent additional steps or extensive advertising in other countries. There are only a few genuinely world-famous marks. Still, less famous marks are afforded protection by international agreements and cooperation between nations.<sup>2</sup>

As a general rule, the exclusive rights of a trademark owner do not extend beyond the territory of a political subdivision, be it a country or a smaller unit within a country.<sup>3</sup> In the United States, a trademark owner can obtain registration both on the state and federal level.<sup>4</sup> However, the rights of an U.S. trademark owner cannot be enforced in other countries

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1. See *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918), in which the Supreme Court contrasted trademark rights with patents and copyrights. As the Court indicated:

There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed. The law of trade-marks is but a part of the broader law of unfair competition; the right to a particular mark grows out of its use, not its mere adoption; its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his; and it is not the subject of property except in connection with an existing business.

2. See World Intell. Prop. Org., *Joint Recommendation Concerning Provisions On the Protection of Well-Known Marks* (Sept. 20-29, 1999), available at [http://www.wipo.org/about-ip/en/development\\_iplaw/pub833.htm](http://www.wipo.org/about-ip/en/development_iplaw/pub833.htm) [hereinafter *Joint Recommendation*].

3. See Paris Convention for the Protection of Indus. Prop., *Article 6(3): Marks: Conditions of Registration; Independence of Protection of the Same Mark in Different Countries* (Sept. 28, 1979), available at <http://www.wipo.int/clea/docs/en/wo/wo020en/htm> [hereinafter *Paris Convention*]. Article 6(3) states, “A mark duly registered in a country of the [Paris] Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin.” *Id.*

4. Trademark Act of 1946 (Lanham Act), 15 U.S.C. § 1051 (2000); e.g., Louisiana Trademark and Trade Name Law, LA. REV. STAT. ANN. § 51:211 (2003).

because of the territoriality principle of this type of intellectual property.<sup>5</sup> The concept of global economy does not automatically translate to global trademark protection. Each country has its own trademark laws, procedures and enforcement schemes. Multinational trade agreements facilitate commerce and make the products of different manufacturers available in the most remote corners of the world. To deal with the challenges of expanding trade channels, international bodies have been grappling with the need to provide a uniform approach to protecting and enforcing intellectual property rights in different countries.

The international intellectual property system has long recognized that increasing trade across the borders requires the protection of rights across different languages, particularly in the field of trademark law.<sup>6</sup> The principal international agreements and instruments that address the protection of trademarks include the Paris Convention for the Protection of Industrial Property (the Paris Convention), the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement), the Madrid Agreement Concerning the International Registration of Marks and the most recent Madrid Protocol. In addition, the World Intellectual Property Organization (WIPO) *Joint Recommendation Concerning Well-Known Marks* provides guidelines for the protection of well-known marks at the international level.<sup>7</sup>

The Paris Convention came at the heels of the international exhibition in Vienna, Austria in 1873. The inventors were concerned that their technological advances would be copied in other countries without their permission.<sup>8</sup> In 1884, fourteen member states adopted the Paris Convention for the Protection of Industrial Property, the first major international treaty designed to help the people of one country obtain protection in other countries for their intellectual creations. These industrial property rights were known as inventions (patents),

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5. See *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento De Barcelona*, 330 F.3d 617, 628 (4th Cir. 2003) (quoting 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 29:25 (4th ed. 2002) (“[T]he Paris Convention creates nothing that even remotely resembles a ‘world mark’ or an ‘international registration.’ Rather, it recognizes the principle of the territoriality of trademarks [in the sense that] a mark exists only under the laws of each sovereign nation.” Concluding that “United States courts do not entertain actions seeking to enforce trademark rights that exist only under foreign law.”); see also *Person’s Co. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990) (“The concept of territoriality is basic to trademark law; trademark rights exist in each country solely according to that country’s statutory scheme.”).

6. See WORLD TRADE ORG., UNDERSTANDING THE WTO: THE AGREEMENTS ch. 2, § 7, available at [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm) (last visited Feb. 5, 2004).

7. *Joint Recommendation*, *supra* note 2.

8. See WORLD INTELL. PROP. ORG., HANDBOOK: POLICY, LAW AND USE ch. 5, available at <http://www.wipo.org/about-ip/en/iprm/pdf/ch5.pdf> (last visited Feb. 5, 2004).

trademarks, and industrial designs.<sup>9</sup> The Paris Convention, now in force in more than 160 countries, plays an important role in recognizing priority rights of inventors and trademark owners in the Member States.

In 1967, an international convention established the World Intellectual Property Organization (WIPO).<sup>10</sup> “In 1974, WIPO became a specialized agency of the United Nations system of organizations, with a mandate to administer intellectual property matters recognized by the member States of the UN.”<sup>11</sup> WIPO was designed “to ensure that the rights of creators and owners of intellectual property are protected worldwide and that inventors and authors are, thus, recognized and rewarded for their ingenuity”.<sup>12</sup> There are now 179 Member States belonging to WIPO.<sup>13</sup>

Another international institution that is of importance to the present discussion is the World Trade Organization (WTO), the only global international organization dealing with the rules of trade between nations.<sup>14</sup> At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. The current text of agreement is the outcome of the 1986–1994 Uruguay Round negotiations, which included a major revision of the original General Agreement on Tariffs and Trade (GATT).<sup>15</sup> The goal of the WTO is to help producers of goods and services, exporters, and importers conduct their business.<sup>16</sup> One hundred forty six countries are members of the WTO.<sup>17</sup> The WTO’s intellectual property agreement sets the rules on how copyrights, patents, trademarks, geographical names used to identify products, industrial designs, integrated circuit layout-designs and undisclosed information such as trade secrets should be protected when trade is involved.<sup>18</sup>

Annex 1C to the Agreement Establishing the World Trade Organization contains the Trade Related Aspects on Intellectual Property

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9. *Id.*

10. World Intell. Prop. Org., *General Information* (2001), available at <http://www.wipo.org/about-wipo/en/gib.htm> (last visited Jan. 21, 2004).

11. *Id.*

12. *Id.*

13. *Id.*

14. World Trade Org., *What Is the WTO?*, available at [http://www.wto.org/english/thewto\\_e/whatis\\_e/whatis\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm) (last visited Jan. 21, 2004) [hereinafter *What Is the WTO?*].

15. General Agreement on Tariffs and Trade, Oct. 30, 1947, 61 Stat. A-11, T.I.A.S. 1700, 55 U.N.T.S. 194 [hereinafter GATT].

16. *What Is the WTO?*, *supra* note 14.

17. *Id.*

18. World Trade Org., *Understanding the WTO: The Agreements*, INTELLECTUAL PROPERTY, available at [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm) (last updated Mar. 27, 2004).

Rights (TRIPS) Agreement, which became effective on January 1, 1995.<sup>19</sup> The TRIPS Agreement includes a set of provisions dealing with domestic procedures and remedies for the enforcement of intellectual property rights.<sup>20</sup> TRIPS lays down certain general principles applicable to enforcement procedures for all intellectual property rights. It contains provisions on civil and administrative procedures and remedies, provisional measures, special requirements related to border measures and criminal procedures.<sup>21</sup>

For the most part, the world community has now established criteria for deciding whether a word, a phrase, or other mark is well-known or famous, and if so, relative to which goods or services.<sup>22</sup> This Article examines the role of the international bodies in the protection of famous trademarks and the specific laws governing protection of such marks in the United States and in a number of other countries.

## II. PARIS CONVENTION

The Paris Convention for the Protection of Industrial Property (1883) applies to the protection of industrial property, including trademarks and the prevention of unfair competition.<sup>23</sup> It sets out the basic framework for the national treatment of trademark applications and priority rights.<sup>24</sup> The Paris Convention does not regulate the conditions for the filing and registration of marks, which are to be determined by each contracting state in accordance with its domestic law.<sup>25</sup> A mark duly registered in its country of origin must be accepted for filing and protected in its original form in the other contracting states if the application is filed within six months from the original filing date.<sup>26</sup> The national trademark authorities may refuse registration of certain marks if the mark would infringe acquired rights of third parties, when it lacks distinctive character, is contrary to morality or public order, or is of such a nature as to likely to deceive the public.<sup>27</sup> Most broadly, article 10*bis* of

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19. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of the Uruguay Round Vol. 31, 33 I.L.M. 81 (1994), available at [http://www.wto.org/english/docs\\_e/legal\\_e/27-trips\\_01\\_e.htm](http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm) (last visited Jan. 21, 2004) [hereinafter TRIPS Agreement].

20. See generally *id.*

21. *Id.*

22. See *Joint Recommendation*, *supra* note 2.

23. Paris Convention, *supra* note 3.

24. *Id.*

25. Paris Convention, *supra* note 3, art. 6.

26. *Id.* art. 4.

27. *Id.* art. 6*quinquies*.

the Paris Convention requires contracting states to provide effective protection against acts of unfair competition, prohibiting acts that could cause “confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor.”<sup>28</sup>

Well-known marks are given special treatment. Article 6*bis* of the Paris Convention provides:

- (1) 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. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.
- (2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.
- (3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.<sup>29</sup>

The Paris Convention imposes limitations on the types of marks that are protected against imitation—only trademarks as opposed to service marks are entitled to recognition as well-known marks, and the imitation mark must be applied to identical or similar goods.<sup>30</sup> Therefore, McDonald’s restaurants would not be able to protest copying of the world famous mark in relation to other types of commercial ventures, for instance, insurance services. Similarly, McDonald’s restaurants would not be able to bring a cause of action against a brewery that sells beer under McDonald’s mark. Additionally, article 6*bis* does not set the standard for proving that the mark has achieved “well-known” status.<sup>31</sup> This leaves the courts or the officials of a given country considerable freedom in deciding which factors should be examined in their decision to stop copying of a famous mark and cancel a registration that is “a

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28. *Id.* art. 10*bis*.

29. *Id.* art. 6*bis*.

30. *Id.* arts. 6*bis*, 6*sexies*.

31. *See id.* art. 6*bis*.

reproduction, an imitation, or a translation, liable to create confusion, of a mark.<sup>32</sup>

At the same time, the Paris Convention does not limit the rights of the owner of a well-known mark to a territory where the mark has been used.<sup>33</sup> Under the Convention provisions, it is irrelevant whether or not the owner of a well-known mark carries on business or has any goodwill in a given country.<sup>34</sup> Nationals of countries outside the union who reside or establish sufficient business ties within a member state qualify for protection<sup>35</sup> in any other member-state. Therefore, McDonald's Corporation can use article 6*bis* to cancel the registration and prevent the use of its mark by restaurants selling hamburgers even if McDonald's Corporation had never used the mark in a particular country. This provision may be particularly useful to companies that are just now expanding their trade into the developing countries.

### III. MADRID PROTOCOL

Madrid Protocol (1989)<sup>36</sup> is the latest document in the Madrid Agreement Concerning the International Registration of Marks (1891). One of the most recent countries to ratify the Protocol (but not the Agreement) is the United States, where it became effective November 2, 2003.<sup>37</sup> In the United States, the Madrid Protocol Implementation Act of 2002 (MPIA)<sup>38</sup> amends the Lanham (Trademark) Act of 1946 to implement the Madrid Protocol in the United States.<sup>39</sup> In parts 2 and 7 to volume 37 of the Code of Federal Regulations, the United States Patent and Trademark Office (PTO) has added new regulations and amended existing ones to implement the MPIA.<sup>40</sup> The MPIA and its implementing regulations are available online at <http://www.uspto.gov/main/trademarks.htm>.

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32. *Id.*

33. *See id.*

34. *See id.*

35. *See id.* art. 3.

36. World Intell. Prop. Org., *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks* (June 28, 1989), available at [http://www.wipo.int/madrid/en/legal\\_texts/madrid\\_protocol.htm](http://www.wipo.int/madrid/en/legal_texts/madrid_protocol.htm) [hereinafter *Madrid Protocol*].

37. United States Patent and Trademark Office, *The Madrid Protocol: Frequently Asked Questions by U.S. Trademark Owners Seeking International Rights*, available at <http://www.uspto.gov/web/trademarks/madrid/madridfaqs/htm#q1> (last visited Jan. 21, 2004).

38. The Madrid Protocol Implementation Act of 2002, Pub. L. No. 107-273, 116 Stat. 1758, 1913-1921 (2002).

39. *Id.*

40. United States Patent and Trademark Office, *U.S. Trademark Law: Rules of Practice & Federal Statutes* (11th ed. 2003), available at [http://www.uspto.gov/web/offices/tac/tmlaw2.html#\\_Toc52344150](http://www.uspto.gov/web/offices/tac/tmlaw2.html#_Toc52344150) (last visited Jan. 21, 2004).

One of the main advantages of the new law is the harmonization of the rules for registering the marks in a number of countries. An applicant is allowed to file a single international application based on his original national application and protect his mark in more than sixty countries.<sup>41</sup> The application can be filed in one language (English being one of the languages) and pay a single fee (in one currency).<sup>42</sup> As compared to multiple applications in different countries, with attendant engagement of legal counsel in each country, the Madrid Protocol filing results in a streamlined procedure. The system of international registration of marks obviates the need to register an application separately with each national or regional office in numerous languages and in accordance with various national procedures to gain protection for the mark in a large number of countries.

The rules governing the application and registration procedures are called Common Regulations.<sup>43</sup> The Common Regulations under the Madrid Agreement and Protocol address the translation and transliteration into Latin characters of the mark forming the subject of an international application.<sup>44</sup> Rule 9 (4)(a)(xii) provides, *inter alia*, that the application shall contain or indicate:

[W]here the mark consists of or contains matter in characters other than Latin characters or numbers expressed in numerals other than Arabic or Roman numerals, a transliteration of that matter in Latin characters and Arabic numerals; the transliteration into Latin characters shall follow the phonetics of the language of the international application.<sup>45</sup>

This provision may be particularly advantageous to owners of famous trademarks, obviating the need to prove that an infringer's mark is merely a transliteration of the famous mark in the national language of the junior user.

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41. See Madrid Union, *Madrid Agreement Concerning the International Registration of Marks and Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks* (2003) (concerning the International Registration of Marks, Madrid Agreement (Marks) (1891) revised in Brussels (1900), Washington (1911), The Hague (1925), London (1934), Nice (1957) and Stockholm (1967)), available at <http://www.wipo.int/treaties/en/documents/word/gmdrd-m.doc> (last visited Jan. 21, 2004).

42. United States Patent and Trademark Office, *Madrid Protocol: Tips for Paper Filers*, available at [http://www.uspto.gov/web/trademarks/madrid/madrid\\_tipspaperfilers.htm](http://www.uspto.gov/web/trademarks/madrid/madrid_tipspaperfilers.htm) (last visited Jan. 21, 2004).

43. World Intell. Prop. Org., *Common Regulations under the Madrid Agreement Concerning the International Registration of Marks* (2002), available at [http://www.wipo.int/madrid/en/legal\\_texts/common\\_regulations.htm](http://www.wipo.int/madrid/en/legal_texts/common_regulations.htm) [hereinafter *Common Regulations*].

44. *Id.* R. 9(4)(a)(xii).

45. *Id.*



Another advantageous feature that the Protocol allows is the ability to claim priority under the Paris Convention when filing an international application, i.e., priority of the applicant's first filed national application for the mark in issue, if the international application is filed within the six month Paris Convention window.<sup>46</sup>

#### IV. WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

##### A. *Trademarks in the Physical World*

The WIPO *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, adopted by the Assembly of the Paris Union in September 1999, provides a set of guidelines for the protection of well-known marks.<sup>47</sup> Article 4(1)(b) of the Joint Recommendation, dealing with conflicting marks, provides:

- (b) Irrespective of the goods and/or services for which a mark is used, is the subject of an application for registration, or is registered, that mark shall be deemed to be in conflict with a well-known mark where the mark, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:
  - (i) the use of that mark would indicate a connection between the goods and/or services for which the mark is used, is the subject of an application for registration, or is registered, and the owner of the well-known mark, and would be likely to damage his interests;
  - (ii) the use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;
  - (iii) the use of that mark would take unfair advantage of the distinctive character of the well-known mark.<sup>48</sup>

It is interesting to note that the WIPO Joint Recommendation suggests that the economic damage to the owner of a well-known mark by a junior user is not a prerequisite to finding the junior user's mark in conflict with the well-known mark.<sup>49</sup> It is sufficient that the junior user's mark "would take unfair advantage of the distinctive character of the

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46. See Paris Convention, *supra* note 3, art. 4; see also United States Patent and Trademark Office, *The Madrid Protocol: Frequently Asked Questions by U.S. Trademark Owners Seeking International Rights*, available at <http://www.uspto.gov/web/trademarks/madrid/madrifaqs/htm#q11> (last visited Jan. 21, 2004).

47. *Joint Recommendation*, *supra* note 2.

48. *Id.* art. 4(1)(b), at [http://www.wipo.org/about-ip/en/development\\_iplaw/pub833-toc.htm#topofpage](http://www.wipo.org/about-ip/en/development_iplaw/pub833-toc.htm#topofpage).

49. *Id.*

well-known mark.”<sup>50</sup> As discussed below, the doctrine of dilution plays an important role in the enforcement of trademark rights in the United States.

The WIPO Joint Recommendation also addresses the determination of whether a mark is a well-known mark in a Member State. It provides, in Part I (article 2):

- (1) [*Factors for Consideration*]
- (a) In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.
- (b) In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred that the mark is, or is not, well known, including, but not limited to, information concerning the following:
  1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
  2. the duration, extent and geographical area of any use of the mark;
  3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
  4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
  5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
  6. the value associated with the mark.<sup>51</sup>

The WIPO Joint Recommendation specifically stresses that the factors of subparagraph (b) are merely guidelines for the trademark authorities and “are not pre-conditions for reaching that determination.”<sup>52</sup> Each national authority is free to decide whether the mark is well-known in that country based on other relevant factors on a case-specific basis.

Under the factors of the WIPO Joint Recommendation, the owner of a well-known mark may therefore introduce evidence of not only the mark’s registrations in a particular country but also any record of its enforcement and recognition as well-known by courts and Trademark Offices in other nations. It appears that this factor does not limit the

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50. *Id.*

51. *Id.* pt. 1, art. 2(1).

52. *Joint Recommendation, supra* note 2.

owner of the well-known mark to the evidence of prior lawsuits or arbitration awards in the country where the junior user tries to exploit the goodwill generated by the well-known mark but additionally, presents a unique opportunity to rely on the victories in other jurisdictions where the issue of fame of the mark was resolved in the owner's favor.

*B. Trademarks in the Virtual World—International Domain Names*

Faced with the ever increasing number of disputes involving cybersquatting and other abusive (unfair competition) practices, WIPO developed the Uniform Domain Name Resolution Policy (the UDRP Policy), which sets out the legal framework for the resolution of disputes between a domain name registrant and a third party over the abusive registration and use of an Internet domain name in the generic Top Level Domain or gTLDs (.com, .net, .org, .biz, .info and .name), and those in the country code Top Level Domain (ccTLDs).<sup>53</sup> Many countries have adopted the Policy on a voluntary basis.<sup>54</sup> In 1999, the Internet Corporation for Assigned Names and Numbers (ICANN) Board of Directors adopted the UDRP Policy.<sup>55</sup> WIPO also maintains an extensive trademark database, which may be accessed at <http://ecommerce.wipo.int/databases/trademark/>. The online database allows a prospective domain registrant to perform a trademark search before applying for registration, thus preventing copying of the mark by a junior user.

All ICANN-accredited registrars that were authorized to register names in the .com, .net, .org, .biz, .info and .name top level domains and the country-code top level domains voluntarily agreed to abide by and implement this Policy.<sup>56</sup> Any person or entity wishing to register a domain name in the .com, .net, .org, .biz, info and name top level domains and ccTLDs in question is required to consent to the terms and conditions of the WIPO UDRP Policy.<sup>57</sup> The same year, the ICANN Board adopted a set of Rules for Uniform Domain Name Dispute Resolution Policy (the UDRP Rules) setting out the procedures and other requirements for each stage of the dispute resolution administrative

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53. World Intell. Prop. Org., *Guide to WIPO Domain Name Dispute Resolution*, <http://arbiter.wipo.int/center/publications/guide-en-web.pdf> (last visited Jan. 21, 2004) [hereinafter *DNDR*].

54. *Id.*

55. Internet Corporation for Assigned Names and Numbers, *Uniform Domain Name, Dispute Resolution Policy* (Aug. 26, 1999), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Jan. 24, 2004) [hereinafter *UDNR*].

56. *DNDR*, *supra* note 53.

57. *UDNR*, *supra* note 55, R. 1.

procedure.<sup>58</sup> Dispute resolution service providers accredited by ICANN administer the procedure.<sup>59</sup>

The Policy establishes a uniform mechanism for resolving domain disputes regardless of the physical location of the domain name registrar, the registrant or the complainant.<sup>60</sup> Any entity can file a complaint through the UDRP procedure.<sup>61</sup> The WIPO Arbitration and Mediation Center (WIPO Center) is one of these dispute resolution service providers.<sup>62</sup>

The WIPO dispute resolution procedure is relatively straightforward: a claimant (complainant) files a complaint in the WIPO Center in Geneva, where the complaint is checked for compliance with the UDRP.<sup>63</sup> A Model Complaint may be downloaded from the WIPO Web site at [www.wipo.org](http://www.wipo.org). The complainant sends a copy of the complaint to the registrar and the respondent.<sup>64</sup> Within a few days, WIPO Center sends a notification to respondent and complainant that the administrative proceedings have been commenced.<sup>65</sup> Respondent has 20 days from the date of commencement to file a response. If no response is received, a default notice is issued.<sup>66</sup> Within 5 to 15 days after receiving the respondent's response, WIPO appoints a panel, which may consist of one or three panel members, depending on the request by complainant or respondent.<sup>67</sup> At the end of 2003, the filing fee was USD \$1500 for a 1-member panel with 1 to 5 domain names included in the complaint.<sup>68</sup> The same number of cases administered by a 3-member panel carried a filing fee of USD \$4000.<sup>69</sup> The panel is selected from a pool of more than 300 panelists from 46 countries speaking 33 languages.<sup>70</sup> Within 14 days of the appointment, the panel submits its

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58. *Id.*

59. *See* Internet Corp. for Assigned Names and Numbers, Board Meeting Minutes: ICANN Board, Resolution 99.81 (Aug. 26, 1999) (accepting the DNSO's recommendation that ICANN adopt a uniform dispute resolution policy for accredited registrars in the .com, .net, and .org top-level domains), *available at* <http://www.icann.org/minutes/minutes-26august99.htm#99.81> (last visited Jan. 24, 2004).

60. *UDNR, supra* note 55, R. 1.

61. *Id.*

62. *Id.*

63. *Id.* General instructions are also available at <http://arbiter.wipo.int/domains/gtld/udrp/index.html> (last visited Jan. 23, 2004).

64. *Id.*

65. *Id.*

66. *UDNR, supra* note 55.

67. *Id.*

68. *See* World Intell. Prop. Org., *Schedule of Fees under the ICANN UDRP Policy* (2002), *available at* <http://arbiter.wipo.int/domains/fees/index.html> (last visited Jan. 23, 2004).

69. *See id.*

70. *See UDNR, supra* note 55.

decision to the WIPO Center, and within three days thereafter, WIPO Center informs the parties, registrars and ICANN of the panel decision; the decision is mandatory and enforceable by all registrars. A registrar has 10 days to implement the decision in its records.<sup>71</sup> The arbitration proceeding is accomplished within about two months.

Every year WIPO hears a large number of disputes associated with the rights of the parties to domain names and registrations. At the end of 2002, the majority of cases involved U.S. complainants and U.S. respondents.<sup>72</sup>

WIPO has the authority to transfer the domain name registration to the winning party, where appropriate.<sup>73</sup> Pursuant to paragraph 4(a) of the Policy the complainant has the burden, on the balance of probabilities, to submit evidence in order to convince the Panel of three elements if it wishes to have the Domain Name transferred, namely that: (i) the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and (ii) the respondent has no rights or legitimate interests in respect of such domain name; and (iii) the domain name has been registered in bad faith and is being used in bad faith.<sup>74</sup>

The winning owner of a well-known mark can have the domain name registration of the respondent transferred to it in a relatively short period of time, without paying a king's ransom to the domain name registrant to buy out the name.<sup>75</sup> Compare this streamlined procedure with trademark infringement litigation in a U.S. court or trademark cancellation procedure in the U.S. Trademark Office. In a U.S. court action or cancellation procedure, the plaintiff/petitioner may spend thousands of dollars in legal fees and years in litigation. Although the WIPO Center has no authority to award damages, as might be the case with a lawsuit, the owner of a famous trademark may opt for the WIPO arbitration when the most important goal is to have the domain name transferred to the trademark owner in an expeditious manner.

Take for instance, the WIPO case *Veridis sa v. SafeMail Inc.*<sup>76</sup> The complaint was filed on January 6, 2003, and the proceedings

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71. *Id.*

72. *See id.*

73. *Id.* policy 4(a).

74. *Id.*

75. *Id.*

76. *Veridis sa v. SafeMail, Inc.*, No. D2003-009 (WIPO Adm. Panel Apr. 2, 2003), available at <http://arbiter.wipo.int/domains/decisions/html/2003/d2003-0009.html> (G. Nitter, panelist).

commenced on January 16, 2003.<sup>77</sup> The complainant was a Belgian company located in Brussels.<sup>78</sup> The respondent was SafeMail Inc., a U.S. corporation located in Morgan Hill, California.<sup>79</sup> Complainant was the owner of the trademark SAFEMAIL, which had been in use since 1994 and registered in the United States as a trademark in 1996.<sup>80</sup> The trademark was also registered in the European Union.<sup>81</sup> The respondent had registered the domain name <safemail.com> with Network Solutions, Inc.<sup>82</sup> The Belgian complainant asserted that the domain name at issue was identical or confusingly similar to a trademark or service mark in which the complainant had rights; that complainant had registered and was using SAFEMAIL as a trademark; and that the trademark was identical to the domain name at issue.<sup>83</sup> Additionally, complainant asserted that the respondent had no legitimate interests in the domain name at issue (business license revoked, respondent moved with no forwarding address, the contested domain name was no longer in use), and the name was registered and was being used in bad faith.<sup>84</sup> Moreover, the domain name was registered on October 9, 2002, much later than complainant's initial use and registration of its trademark SAFEMAIL.<sup>85</sup> Complainant petitioned for the transfer of the domain name from respondent to complainant. Respondent did not file any documents in its defense.<sup>86</sup>

A single panelist of the WIPO Arbitration and Mediation Center (G. Nitter) applied the three factors of the WIPO Policy. On the issue of confusing similarity, G. Nitter held that the addition of the top level domain (TLD) was without significance to the assessment of identity between a trademark and a domain name and therefore, the domain name at issue was identical to the complainant's trademark SAFEMAIL.<sup>87</sup> With regard to the "legitimate interest" factor, the panel indicated that there was no proof whether respondent knew about, or at what time respondent became aware of complainant's trademark rights.<sup>88</sup> The panel noted that it was unclear who had current rights to the domain name after

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77. *Id.*

78. *Id.*

79. *Id.*

80. *Id.*

81. *Id.*

82. *Id.*

83. *Id.*

84. *Id.*

85. *Id.*

86. *Id.*

87. *Id.*

88. *Id.*

respondent company had been liquidated.<sup>89</sup> Finally, on the issue of bad faith, the panel noted that complainant had not produced any evidence as to the awareness of its trademark in the United States, where respondent had its business.<sup>90</sup> The panel opined that the mark was descriptive and not very distinctive.<sup>91</sup> Since complainant did not fulfill its burden of proving that respondent, in bad faith, had registered the domain name, the panel denied the complaint.<sup>92</sup> The decision was issued on April 2, 2003, three months after the complaint was filed.<sup>93</sup>

Consider also the case of *Guccio Gucci S.p.A. v. Mark O'Flynn*, that was brought before WIPO Arbitration and Mediation Center in 2001.<sup>94</sup> The complaint was filed on February 20, 2001, and the proceedings commenced on March 19, 2001.<sup>95</sup> The respondent was based in Rome and was the registrant of a number of domain names incorporating the marks and names of a number of very well-known fashion houses, including PRADA, ETRO, ARMANI, and FENDI.<sup>96</sup> The domain name at issue was *gucciboutique.com*, registered by the respondent with Network Solutions, Inc.<sup>97</sup> The Center noted that the complainant was very well-known internationally in the fashion field.<sup>98</sup> It also was the registrant of the word mark GUCCI in some 150 countries worldwide.<sup>99</sup> These registrations included national registrations in Italy, the country where both the complainant and the respondent were domiciled and international registrations both dating from 1980 for the word mark GUCCI and the word mark GUCCI + device for goods in all Classes 1-42 covering 22 countries.<sup>100</sup> The earliest national Italian registration dated back to 1955 and the majority of those filed overseas dated from the 1970s and 1980s.<sup>101</sup> The Center expressly noted that “[q]uite apart from these registrations, the GUCCI name and mark would in the Panel’s opinion probably qualify as a *well-known* mark for the

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89. *Id.*

90. *Id.*

91. *Id.*

92. *Id.*

93. *Id.*

94. *Guccio Gucci S.p.A. v. Mark O'Flynn* (WIPO Adm. Panel May 29, 2001), *available at* <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0270.html> (D. Perkins, presiding panelist).

95. *Id.*

96. *Id.*

97. *Id.*

98. *Id.*

99. *Id.*

100. *Id.*

101. *Id.*

purposes of Art. 6*bis* [of the] Paris Convention 1883.<sup>102</sup> On any footing, the name and mark GUCCI is very well known internationally.”<sup>103</sup> Having established that the mark GUCCI was a well-known mark, the Center indicated that under the WIPO Policy paragraph 4(a), a complainant must prove each of the elements of the cause of action: (1) that the respondent’s domain name was identical or confusingly similar to a trademark or service mark in which the complainant has rights, and (2) the respondent had no rights or legitimate interests in respect of the domain name, and (3) the domain name had been registered, and was being used in bad faith.<sup>104</sup>

The Panel, consisting of three members, with D. Perkins presiding, then analyzed each element, noting that that the domain name in issue was identical with the complainant’s trading style of GUCCI Boutiques and was confusingly similar with its GUCCI registered trademarks; that there was no evidence that the respondent had any rights or legitimate interests in relation to the domain name including an “exceptionally well-known GUCCI trademark;” that the respondents have made no actual good faith use of the domain name (the Web site was stated as being under construction); and that the respondents had attempted to sell the domain name to complainant for an amount in excess of the respondent’s documented out of pocket costs directly related to that domain name.<sup>105</sup> The Panel indicated that these facts demonstrated the respondent to be a “blatant domain name hijacker” and required that the registration of the domain name gucciboutique.com be transferred to the complainant.<sup>106</sup> The case was decided three months after the complaint was filed.<sup>107</sup>

The WIPO Arbitration and Mediation Center made similar decisions, regarding the same respondent in other cases involving well-known Italian designers.<sup>108</sup> The WIPO Arbitration Center has also

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102. *Id.*

103. *Id.*

104. *Id.*

105. *Id.*

106. *Id.*

107. *Id.*

108. *See, e.g.*, Wal-Mart Stores, Inc. v. G.W. & Mm Mmmm, Case No. D2001-0277 (WIPO Adm. Panel June 29 2001), *available at* <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-0277.html> (M. Padbury, Panelist); Microsoft Corp. v. Charlie Brown, Case No. D2001-0362 (WIPO Adm. Panel Aug. 16, 2001), *available at* <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-0362.html> (N. Lippert, Presiding Panelist); Dow Jones & Co., Inc. & Dow Jones LP v. John Zuccarini, d/b/a Cupcake Patrol, Case No. D2001-0302 (WIPO Adm. Panel May 18, 2001), *available at* <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-0302.html> (M. Donahay, Presiding Panelist).



addressed the issue of world-known trademarks, such as WAL-MART,<sup>109</sup> MICROSOFT,<sup>110</sup> WALL STREET JOURNAL,<sup>111</sup> and many others. In such cases, the administrative panels decided that the domain name registrations were confusingly similar to the marks in which the complainants had rights, that the respondents had no rights or legitimate interests in respect of the domain names at issue, and that respondents had registered and were using the domain names in bad faith.<sup>112</sup>

For the purpose of asserting jurisdiction in disputes relating to foreign domain names, the WIPO guidelines state that a legal wrong is deemed to have been committed wherever the plaintiff has a computer that can resolve the domain name.<sup>113</sup> This broad-sweeping principle can be certainly embraced by many trademark owners who have a legitimate issue with cybersquatters abusing the new medium of commerce. One “name hijacker” can create untold damage to the reputation of a respectable business by posting “garbage” on the domain name Web site or by redirecting legitimate inquiries to its own Web site to sell competing goods. By taking advantage of the streamlined procedure under the WIPO Policy, the trademark owner can expeditiously terminate this activity and substantially minimize damage to its commercial interests.

On the other hand, a Web site owner who has unknowingly registered a domain name that may resemble a well-known trademark under one country standard but not necessarily confusingly similar under another national law may find this approach extreme. This may be particularly the case with multilingual trademarks that have a certain cache in the country of their origin but whose meaning is lost across the national border. If the WIPO principles are applied in a physical world, theoretically, Chinese courts might assert jurisdiction over a suit

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109. *Wal-Mart Stores*, Case No. D2001-0277 (WIPO Adm. Panel June 29 2001), *available at* <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0277.html> (M. Padbury, Panelist).

110. *Microsoft Corp.*, Case No. D2001-0362 (WIPO Adm. Panel Aug. 16, 2001), *available at* <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0362.html> (N. Lippert, Presiding Panelist).

111. *Dow Jones & Co.*, Case No. D2001-0302 (WIPO Adm. Panel May 18, 2001), *available at* <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0322.html> (M. Donahey, Presiding Panelist).

112. *See Wal-Mart Stores*, Case No. D2001-0277 (WIPO Adm. Panel June 29 2001), *available at* <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0277.html> (M. Padbury, Panelist); *Microsoft Corp.*, Case No. D2001-0362 (WIPO Adm. Panel Aug. 16, 2001), *available at* <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0362.html> (N. Lippert, Presiding Panelist); *Dow Jones & Co.*, Case No. D2001-0302 (WIPO Adm. Panel May 18, 2001), *available at* <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0322.html> (M. Donahey, Presiding Panelist).

113. *UDNR*, *supra* note 55.

involving a Chinese owner of a “well-known” trademark, irrespective of where the domain name was registered or the domicile of the registrant.

#### V. WORLD TRADE ORGANIZATION AND THE TRIPS AGREEMENT

The Uruguay Round Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) was signed with a view towards establishing common international rules for the protection of intellectual property and facilitating settlement of trade disputes between Members over intellectual property rights using the WTO’s dispute settlement system.<sup>114</sup> The TRIPS Agreement addresses several broad issues:

- (i) how basic principles of the trading system and other international intellectual property agreements should be applied
- (ii) how to give adequate protection to intellectual property rights
- (iii) how countries should enforce those rights adequately in their own territories
- (iv) how to settle disputes on intellectual property between members of the WTO, and
- (v) special transitional arrangements during the period when the new system is being introduced.<sup>115</sup>

The TRIPS Agreement defines what types of signs must be eligible for protection as trademarks, and what the minimum rights conferred on their owners must be.<sup>116</sup> The TRIPS Agreement also states that service marks must be protected in the same way as trademarks used for goods and provides for special protection of marks that have become well-known in a particular country.<sup>117</sup> Compare the far-reaching protection available to the trademark owner under the TRIPS Agreement with the limited provisions of article 6*bis* of the Paris Convention discussed above.

Article 15 of section 2 of the TRIPS Agreement deals with trademarks and provides: “Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.”<sup>118</sup>

Article 16 specifies the rights conferred by member countries to trademarks and extends the protection granted to trademarks under

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114. See World Trade Organization, *Understanding the WTO: The Agreements—Intellectual property: Protection and Enforcement*, available at [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm) (last updated Mar. 22, 2004).

115. *Id.*

116. TRIPS Agreement, *supra* note 19, art. 15.

117. *Id.*

118. *Id.*

article 6*bis* of the Paris Convention to service marks.<sup>119</sup> Article 16(2) makes special provision for the protection of well-known marks, setting forth the basic rules in determining what constitutes a well-known mark:

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.<sup>120</sup>

Article 16(3) of TRIPS extends the provisions of article 6*bis* of the Paris Convention

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.<sup>121</sup>

As one can see, TRIPS Agreement goes a step further than the Paris Convention, extending equal protection to service marks and trademarks. TRIPS agreement also recognizes that it is not necessary for the products of the junior user to be similar to the goods covered by a well-known mark in order to find that the interests of the registered trademark owner were damaged.<sup>122</sup>

But what happens once the member countries enact intellectual property protection laws? The TRIPS Agreement answers this question by providing the basic enforcement principles in Part III of the Agreement. The Agreement obligates the governments of the member countries to ensure enforcement to permit effective action against any act of infringement of intellectual property rights, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.<sup>123</sup> The procedures must be fair and equitable, and not unnecessarily complicated or costly. They should not entail unreasonable time limits or unwarranted delays.<sup>124</sup> The parties involved in the dispute should be able to ask a court to review an administrative decision and to appeal a lower court's ruling, if necessary.<sup>125</sup>

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119. *Id.* art. 16.

120. *Id.* art. 16(2).

121. *Id.* art. 16(3).

122. *Id.*

123. *Id.* art. 41.

124. *Id.*

125. *Id.* pt. III.

The TRIPS Agreement also addresses basic obligations relating to civil and administrative procedures, injunctions, damages and other remedies, including destruction of the infringing goods or parts of the goods used in the manufacture of the infringing products.<sup>126</sup> When the counterfeit trademark goods are seized, the Agreement states that “the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.”<sup>127</sup> The trademark owner may also apply for seizure of counterfeit trademark products by the customs in a member country.<sup>128</sup> Pursuant to article 59, the courts may order the destruction of the infringing goods and prevent the re-exportation of the infringing goods in an unaltered state or subject them to a different customs procedure.<sup>129</sup> Willful trademark counterfeiting or copyright piracy on a commercial scale is to be considered a criminal offense.<sup>130</sup>

The likelihood of damage to the trademark owner of article 16(3) resembles U.S. anti-dilution statutes as codified in the Federal Trademark Dilution Act (FTDA) of 1995, section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), discussed below.<sup>131</sup> The principle of dilution has also been recognized by the European Community law, allowing a trademark owner to object to the use of an identical or confusingly similar mark for identical or similar goods.<sup>132</sup> Article 5(2) of the European Community Trademark Directive extends this protection for well-known marks, providing:

Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.<sup>133</sup>

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126. *Id.*

127. *Id.* pt. III, art. 46.

128. *Id.* art. 61.

129. *Id.* art. 59.

130. *Id.* art. 62.

131. 15 U.S.C. § 1125(c) (2000).

132. Council Directive 89/104/EEC, 1998 O.J. (L 40) 1, *available at* <http://oami.eu.int/en/mark/aspects/direc/direc07.htm>.

133. *Id.*

## VI. WELL-KNOWN MARKS IN THE UNITED STATES

The United States is a member of the World Intellectual Property Organization, a party to the Paris Union and a signatory of the TRIPS Agreement.<sup>134</sup> Therefore, theoretically, a trademark owner has a choice of arguing a case of trademark infringement under one of the international treaties or under section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1). A claim of unfair competition (including false designation of origin, sponsorship, or approval and false advertising) allowed by 15 U.S.C. § 1125(a) is a frequent choice of trademark owners in lawsuits in federal courts.<sup>135</sup> In addition, in 1995 Congress amended § 43(c) of the Lanham Act, 15 U.S.C. § 1125(c) by enacting the Federal Trademark Dilution Act (FTDA).<sup>136</sup>

Dilution occurs when consumers see a famous mark used with a multitude of different goods and services.<sup>137</sup> Imagine the ROLLS ROYCE trademark used for luxury cars, then imagine the same mark used in association with gourmet foods, expensive clothing, spirits, exclusive resorts, cruise lines, etc. Also, imagine that the original ROLLS ROYCE mark is used only for luxury cars, and other uses of the mark are by unauthorized entities, which wish to capitalize on the cache of the famous name and make their entry into the market place without the additional expense of heavy advertising. Somewhere in the continuum, “the mark will lose its ability to serve as a unique identifier of the plaintiff’s product.”<sup>138</sup> Even though the goods and services offered under the newcomers’ uses of the ROLLS ROYCE mark may be of the highest quality, eventually the “proliferation of borrowings that, while not [individually] degrading the original seller’s mark, are so numerous as to deprive the mark of its distinctiveness and hence impact.”<sup>139</sup> Eventually, the mark may become “diluted,” and then lose its distinctiveness

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134. See J.W. BAXTER ET AL., *WORLD PATENT LAW AND PRACTICE* § 10.02[4] (Mathew Bender & Co., Lexis Publishing 2001) (listing member countries of the Paris Convention); World Intell. Prop. Org., *Understanding the WTO: The Organization, Members and Observers*, available at [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif/org6\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif/org6_e.htm) (last visited Jan. 24, 2004).

135. See, e.g., *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252 (5th Cir. 1980); *Cooper Indus. v. Leatherman Tool Group*, 532 U.S. 424 (2001); *Traffix Devices v. Mktg. Displays*, 532 U.S. 23 (2001); *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000).

136. 15 U.S.C. § 1225 (c) (2000).

137. *Allied Maint. Corp. v. Allied Mech. Trades, Inc.*, 42 N.Y. 2d 538, 543 (N.Y. 1977).

138. *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 466 (7th Cir. 2000) (quoting *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 506 (2d Cir. 1994)).

139. *Ill. High School Ass’n v. GTE Vantage, Inc.*, 99 F.3d 244, 247 (7th Cir. 1996).

altogether. “Dilution is an infection, which, if allowed to spread, will inevitably destroy the advertising value of the mark.”<sup>140</sup>

Section 1125(c)(1) of the FTDA describes the factors for determining whether a mark is “distinctive and famous,” among them are (1) the duration and extent of the use of the mark on goods or services; (2) the extent of advertising and publicity of the mark; (3) the geographic area, in which the mark is used; and (4) the degree of recognition of the mark in the trading areas, in which it is used.<sup>141</sup> The FTDA sets forth the following four elements of a prima facie case for dilution: (1) the plaintiff’s mark is famous, (2) defendant adopted its mark after plaintiff’s mark became famous, (3) use of defendant’s mark causes dilution of the plaintiff’s mark, and (4) defendant’s use of its mark is commercial and in commerce.<sup>142</sup> Dilution is defined as “the lessening of the capacity of a famous mark to identify and distinguish goods or services.”<sup>143</sup> The courts are split over most issues argued by famous mark owners under the FTDA. For instance, the Fourth and Fifth Circuits require proof of “actual harm to the senior marks’ economic value as a product identifying and advertising agent.”<sup>144</sup>

This split in the view of the Circuits was the subject of the appeal to the U.S. Supreme Court in *Moseley v. V Secret Catalogue, Inc.*<sup>145</sup> In that case, the famous maker of lingerie and owner of the VICTORIA’S SECRET trademark brought a suit for trademark infringement and dilution against the owners of a single store in Kentucky, which sold adult items, including lingerie.<sup>146</sup> The store was originally named Victor’s Secret and then Victor’s Little Secret.<sup>147</sup> The Supreme Court granted

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140. *Polaroid Corp. v. Polaroid, Inc.*, 319 F.2d 830, 836 (7th Cir. 1963) (quoting RUDOLF CALLMANN, *THE LAW OF UNFAIR COMPETITION AND TRADEMARKS* 1643 (2d ed. 1950).

141. The FTDA provides eight factors courts may use, along with other relevant factors, “[i]n determining whether a mark is distinctive and famous.” Those eight factors are: (a) the degree of inherent or acquired distinctiveness of the mark; (b) the duration and extent of use of the mark in connection with the goods or services with which the mark is used; (c) the duration and extent of advertising and publicity of the mark; (d) the geographical extent of the trading area in which the mark is used; (e) the channels of trade for the goods or services with which the mark is used; (f) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought; (g) the nature and extent of use of the same or similar marks by third parties; and (h) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register. 15 U.S.C. § 1225(c)(1).

142. *Id.* §1125(c).

143. *Id.* § 1127.

144. *Ringling Bros-Barnum & Bailey v. Utah Div. of Travel Dev.*, 170 F.3d 449, 453 (4th Cir. 1999).

145. 537 U.S. 418 (2003).

146. *Id.* at 422-23.

147. *Id.*

certiorari to decide “whether objective proof of actual injury to the economic value of a famous mark (as opposed to a presumption of harm arising from a subjective ‘likelihood of dilution’ standard) is a requisite for relief under the FTDA.”<sup>148</sup> The owner of the VICTORIA’S SECRET mark claimed that the Kentucky store owners’ conduct was likely to “blur and erode” their trademark’s distinctiveness and “tarnish” its reputation.<sup>149</sup> In a unanimous decision, the Supreme Court held that the FTDA requires proof of actual dilution.<sup>150</sup> The Supreme Court stated that the FTDA’s legislative history mentioned that the statute’s purpose was to protect famous trademarks from subsequent uses that blur the mark’s distinctiveness or tarnish or disparage it, even absent a likelihood of confusion.<sup>151</sup> However, the Court indicated, the FTDA provides relief if another’s commercial use of a mark or trade name “causes dilution of the [mark’s] distinctive quality,” but not merely the likelihood of dilution.<sup>152</sup> As a result, the Court held that relief under the FTDA requires an actual dilution showing even though the consequences of dilution, such as an actual loss of sales or profits, do not have to be also proved.<sup>153</sup>

It is now up to the lawmakers to consider an amendment to the Lanham Act to resolve the conflict in favor of the statutory adoption of a “likelihood of dilution” standard, rather than one requiring actual dilution as a prerequisite for suit.

The United States does not have special provisions for registration of a famous mark or a national well-known mark registry, as is the case in some countries. Perhaps, such registry is not a bad idea, considering how many famous marks were generated on American soil and how much effort went into spreading the fame of these marks around the world.

## VII. WELL-KNOWN MARKS IN A MULTILINGUAL WORLD

A special problem arises when fame of a well-known mark is examined in a multilingual context. The trademark owners have a choice of either presenting their marks in phonetic transliteration, i.e., retaining the same pronunciation but expressed in different set of characters, or having the mark translated into another language with a meaning that closely approximates its original meaning. For instance, restaurant PAPA

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148. *Id.* at 422.

149. *Id.* at 424.

150. *Id.* at 432-33.

151. *Id.*

152. *Id.* at 433.

153. *Id.*

JOHN'S elected to have its mark transliterated into ресторан ПАПА ДЖОН'С in Russia.<sup>154</sup> The Russian name sounds just like the original [pa-pa djonz] but written in Cyrillic.<sup>155</sup> The same approach was chosen by "McDonald's," which became "Макдоналдс" [muk-do-nul'dz],<sup>156</sup> "Panda Express," which became "Панда-Экспресс" [pun-duh eks-pres],<sup>157</sup> "Pizza Hut," which became "Пицца Хат" [pi-tzuh hut],<sup>158</sup> and "T.G.I. Friday's," which became "Ти Джи Ай Фрайдис" [tee-dzi-ai frai-dis] in Moscow.<sup>159</sup>

The word marks that can be translated into different languages may be more easily recognized and remembered by residents of other countries even if the phonetic character of the mark is lost. Consider restaurant "Barrel," which became "Бочка"<sup>160</sup> (the word literally translated as «barrel») in Russia.<sup>161</sup> Of course, when translating or transliterating even a well-known mark into a foreign script of language, extreme care should be exercised to prevent the created mark from having a phonetic image that might be objectionable to the native speakers. Also, transliteration or translation may not be viable options for truly world-known marks, whose visual image and phonetic characteristics merge into one memorable sign easily recognized by the relevant segment of population. In such case, the trademark owner may consider its fame in the relevant market and opt for retaining the script and the phonetics of the mark unchanged.

If analysis of the likelihood of confusion of a foreign trademark would include the questions of phonetic equivalency and similarity of the goods sold under the mark, the issues to be analyzed in the context of a well-known trademark include the questions on whether the junior user's mark demonstrates a connection with any goods or services of the well-

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154. Впервые в России [First Time in Russia], *available at* <http://www.papajohns.ru> (last visited on Feb. 2, 2004).

155. *Id.*

156. Добро пожаловать в Макдоналдс Россия [Welcome to McDonalds Russia], *available at* <http://mcdonalds.ru> (last visited Feb. 2, 2004).

157. Еда в Москве, Кафэ Панда Экспресс [Food in Moscow, Café Panda Express], *available at* <http://eda.msk.ru/db/view.cgi?action=view&eid=2009> (last visited Feb. 2, 2004).

158. Ресторан Пицца Хат Menu.Ru. Заказ столика. Заказ банкета [Restaurant Pizza Hut Menu.ru, Ordering a Table, Ordering a Banquet], *available at* <http://www.menu.ru/?action=pv&id=1374> (last visited Feb. 2, 2004).

159. Выбери себе ресторан на Lunch.Ru, Ти Джи Ай Фрайдис [Choose a Restaurant on Lunch.ru, T.G.I. Friday's], *available at* <http://www.lunch.ru/cart.asp?idn=1218> (last visited Feb. 2, 2004).

160. Рестораны Москвы на Menu.ru [Moscow Restaurants on Menu.ru], *available at* <http://www.menu.ru/?action=search&type=property&property=192&page=8&letter=> (last visited Feb. 2, 2004).

161. THE POCKET OXFORD RUSSIAN DICTIONARY (2d ed. 1994).



known mark owner and if such a connection is likely to damage the trademark owner's interest due to the customer's association with the newcomer's mark.

#### VIII. PROTECTION OF WELL-KNOWN MARKS IN SOME OF THE COUNTRIES OF THE FORMER SOVIET UNION

The countries of the former Soviet Union are of interest to the manufacturers of all kinds of consumer goods since large segments of their population easily recognize branded merchandise and have the means to buy the latest in electronic goods, cars, designer clothes and hundreds of other types of products not previously available to the general public in these countries. At the same time, there exists a danger that the innovative products of famous makers may be copied, their trademarks misused and pirated. When the Soviet Union collapsed in the early nineties, the former republics of the U.S.S.R. set out to establish independent governments, with new laws that are dissimilar to the laws of the old "socialist" state.<sup>162</sup> The laws recognizing private property, including intellectual property had to be written anew.<sup>163</sup> The new independent states also joined international treaties, with the result that they all became parties to the Paris Convention and some to the Madrid Agreement.<sup>164</sup> The adoption of the international treaties to the new national laws present a good example of the treatment afforded to well-known marks in new states, under new regimes and acting under new constitutions. Below are notes on some of the specifics of such laws in a number of the former Soviet Republics.

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162. "Commonwealth of Independent States," Microsoft® Encarta® Online Encyclopedia 2004, *available at* <http://encarta.msn.com> (last visited Jan. 21, 2004).

163. *See* Russian Agency for Patent and Trademarks, Patent Law of the Russian Federation, #3517-I § IV, art. 10 (2003) (recognizing the exclusive rights of a patent owner to the invention, utility model or industrial design), *available at* [http://www.fips.ru/ruptoen2/law/patent\\_law.htm](http://www.fips.ru/ruptoen2/law/patent_law.htm) (last visited Jan. 21, 2004).

164. *See* BAXTER ET AL., *supra* note 134, § 10.02[4] (listing member countries of the Paris Convention, which include former Soviet Republics of Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgystan, Latvia, Lithuania, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan); Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, Status on October 23, 2003, *available at* <http://www.wipo.int/treaties/en/documnts/word/g-mdrd-m.doc> (providing list of the member countries, which includes former Soviet Republics of Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgystan, Latvia, Lithuania, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan).

A. *Russia*

The Russian Federation is a party to the Paris Convention and consequently well-known marks may be protected under article 6*bis*.<sup>165</sup> When an application is filed under the Paris Convention, the applicant can assert priority rights over other applicants for an identical or similar mark.<sup>166</sup> Section I, chapter 2, article 9(2) of the Trademark Law of the Russian Federation provides:

Priority of a trademark may be fixed as of the date of filing of the first application in a member country of the Paris Convention for the Protection of Industrial Property (convention priority), *provided the application is filed with the Federal executive authority on intellectual property* within six months from the above-mentioned date.<sup>167</sup>

The 2002 changes in the Trademark Law of the Russian Federation make special provisions for well-known trademarks.<sup>168</sup> Section I, chapter 2, article 19 allows an applicant to file a request for recognition of its trademark as well-known in the territory of the Russian Federation.<sup>169</sup> The mark must have been “intensively used” as of the date of request and have become widely known in the Russian Federation among consumers with respect to the goods of the applicant.<sup>170</sup> The applicant may rely on a prior Russian registration, on protection under an international treaty, to which Russia is a party, or on the recognition of the applicant’s mark as a well-known sign in the Russian Federation.<sup>171</sup> Once the mark is recognized as well-known, the legal protection is also applied to the goods nonsimilar to those covered by the well-known trademark, provided the use of that trademark by another person with respect to the nonsimilar goods will be associated by consumers with the right holder and “may infringe upon his lawful interests.”<sup>172</sup> The Request may contain data on the advertising and sales volume, market share of the applicant in the relevant file, extent of the distribution of the goods, information on prior registrations, customer surveys and other relevant data tending to prove the fame of the mark in various countries.<sup>173</sup>

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165. Russian Agency for Patent and Trademarks, *supra* note 163.

166. *Id.*

167. *Id.*

168. *Id.*

169. *Id.*

170. *Id.*

171. *Id.*

172. *Id.*

173. *Id.*

The request is filed with the Board of Patent Disputes. Once the Board issues its decision, the well-known mark is entered in the List of well-known trademarks of the Russian Federation.<sup>174</sup> Pursuant to article 19(5), the legal protection afforded to well-known trademark is indefinite.<sup>175</sup>

### *B. Estonia*

The Republic of Estonia recognizes a special protection to be afforded to well-known marks.<sup>176</sup> Pursuant to section II, paragraph 5(4) of the Trademark Act,<sup>177</sup>

[t]he owner of a trademark has the right to prohibit the use of the trademark in relation to the same or similar goods and services as well as other goods and services if the trademark is well-known in the Republic of Estonia and such use takes unfair advantage of or is detrimental to the distinctive character or reputation of the trademark.<sup>178</sup>

The trademarks may consist of registrable and nonregistrable elements.<sup>179</sup> However, paragraph 6(5) of section II allows the owner of the mark to file a new application to cover the element not covered in the original application if that element becomes well-known in the Republic of Estonia within the meaning of article 6*bis* of the Paris Convention.<sup>180</sup> The examiner of the Trademark Office may refuse registration of a mark, which belongs to a third party and which is well known in the Republic of Estonia on the date of receipt of the application for registration of a trademark or on the priority date within the meaning of article 6*bis* of the Paris Convention, regardless of whether or not the famous mark is registered.<sup>181</sup>

### *C. Lithuania*

Under article 9 of the Lithuanian Trademark Law of 10 October 2000,<sup>182</sup> a mark may be recognized as well-known in Lithuania provided it is so recognized in the relevant sector of the public. In such a case, the

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174. *Id.* art. 19(2).

175. *Id.*

176. Republic of Estonia, Trademark Act (2000), *available at* <http://www.epa.ee/eng/6tm.htm> (last visited Jan. 27, 2004).

177. *Id.*

178. *Id.*

179. *Id.*

180. *Id.*

181. *Id.*

182. Lithuania Trademarks, No. VIII-1981 (2000), *available at* <http://www.gencs.v/Liet2.htm/> (last visited Mar. 19, 2004).

mark is protected even without a national registration, and the owner has the right to prohibit a third party from using “a sign, which constitutes a reproduction, an imitation or a translation, liable to create confusion.”<sup>183</sup> This special protection extends when the junior user’s mark is used for identical or similar goods.<sup>184</sup> If the goods are not identical or similar, the owner of a well-known mark may prevent unauthorized use of a confusingly similar mark if such use “would indicate a connection between those goods and/or services and goods and/or services under a well-known mark.”<sup>185</sup> The owner of the well-known mark must show that his interests are likely to be damaged by the unauthorized use.<sup>186</sup>

#### D. Moldova

The Republic of Moldova borders on Ukraine on the east and on Romania on the west. It is famous for its agriculture and award-winning wines.<sup>187</sup> When it became an independent country, following the break-up of the Soviet Union, it passed laws relating to the protection of intellectual property, including trademarks.<sup>188</sup> Law on Trademarks and Appellations of Origin, No. 588-XIII of September 22, 1995, was amended several times, with the latest amendment being law No. 1446-XV of November 8, 2002.<sup>189</sup> Chapter II, article 8(10)-(12) addresses the issue of applications for establishing the status of a well-known mark.<sup>190</sup> The owner of such mark must file an application with the Appeal Board of the State Agency on Industrial Property Protection (AGEPI) indicating the date, from which recognition of the mark is sought, reproduction and description of the mark, as well as the documents demonstrating the recognition of the mark as well-known within a certain sector of the public.<sup>191</sup> The applicant is also required to present a list of goods or services, with which the trademark is used and the date of first use of the

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183. *Id.*

184. *Id.*

185. *Id.*

186. *Id.*

187. See Microsoft® Encarta® Online Encyclopedia, *Moldova* (2004), available at <http://encarta.msn.com/encnet/refpages/RefArticle.aspx?refid=761566942> (last visited Feb. 2, 2004); Wine Moldova, *Facts About Moldovan Wine*, available at <http://www.winemoldova.com/facts.html> (last visited Feb. 4, 2004).

188. See *id.*; State Agency on Industrial Property Protection of the Republic of Moldova, Law on Trademarks and Appellations of Origin, No. 588-XIII of 22 Sept. 1995 (2002), available at [http://www.agepi.md/index\\_pages/index\\_eng.htm](http://www.agepi.md/index_pages/index_eng.htm) (last visited Jan. 27, 2004).

189. *Id.*

190. *Id.*

191. *Id.*

mark.<sup>192</sup> After the application has been examined and approved, it is published in the Official Bulletin for a three month opposition period.<sup>193</sup> If no opposition is filed, the mark is entered in the National Register of Trademarks.<sup>194</sup>

#### IX. CONCLUSION

The international law has developed the doctrine of well-known marks, recognizing the need for protection of a trademark with a reputation. The owners of famous trademarks can now enjoy special treatment, reaping the rewards of their investment in developing and nurturing customer recognition of their marks. But the need for vigilant protection of the acquired reputation has not diminished. The international treaties and national laws of many countries give the right holders the tools for enforcement of their unique rights. Even though many of the procedures are still being developed, there is a clear trend to make the enforcement procedures easier, harmonize the laws across the globe and provide the trademark owners with effective tools for protecting their marks in a variety of old and new markets.

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192. *Id.*

193. *Id.*

194. *Id.*