I. INTRODUCTION

As a result of the 1984 decision in Crocker National Bank v. Canadian Imperial Bank of Commerce, foreign nationals are permitted to register trademarks in the United States under Section 44 of the Lanham Act without having to demonstrate use anywhere. Likewise, under the Madrid Protocol Implementation Act (MPIA), foreign nationals of Protocol countries are permitted to extend their international registrations to the United States, without having to prove use anywhere. In our view, Crocker was wrongly decided, and as a result, U.S. registrations issued to foreign nationals without any prior use anywhere, are unenforceable if not invalid. It will be shown that the Board in Crocker wrongly interpreted the Paris Convention For The Protection of Industrial Property (the “Paris Convention” or “Convention”) in holding that U.S. law could not validly impose a
condition on foreign applicants that the mark must have been used somewhere as a condition for registration in the United States.\footnote{7} Not only is the current situation unfair to domestic applicants,\footnote{8} it is also unfair to foreign applicants because their U.S. trademark registrations, even if obtained with a bona fide intention to use the trademark in commerce, could be unenforceable or invalid if issued prior to any use of the mark anywhere, or if the actual use does not support the coverage of the U.S. registration. Furthermore, the present situation leads to the creation of unnecessary “deadwood”\footnote{9} on the register. Legislative amendment appears to be necessary to correct the situation.

Although the focus of this article is on the Crocker case and what followed, the starting point in the analysis must be an examination of the meaning of “use” under the Lanham Act.

II. USE UNDER THE LANHAM ACT

For over one hundred years prior to the Trademark Law Revision Act of 1988 (“1988 Act”),\footnote{10} United States trademark law was firmly rooted in the principle that a trademark had to be used before it could be protected. As the United States Supreme Court stated in the Trade-Mark Cases of 1879, trademark use was always the raison d’être of U.S. trademark jurisprudence:

The trade-mark recognized by the common law is generally the growth of a considerable period of use. . . . The trade-mark may be, and generally is, the adoption of something already in existence as the distinctive symbol of the party using it. At common law the exclusive right to it grows out of its use, and

\footnote{7} The authors agree with the careful analysis of Nies, C.J. in In re Compagnie Generale Maritime, 993 F.2d 841 (Fed. Cir. 1993) who likewise concluded that Crocker was wrongly decided. For an opposing view, see Zelnick, Shaking the Lemon Tree: Use and the Paris Union Treaty, 67 TMR 329 (1977).

\footnote{8} Whereas foreign applicants currently need not prove use anywhere under s. 44 or the MPIA, domestic applicants must prove use in commerce prior to issuance of a U.S. registration. Also, domestic applicants relying on the Protocol for securing protection in other Protocol countries, must limit the coverage of their international registration to the goods and services covered by their U.S. registration. Further, foreign applicants, facing a s. 8 deadline without having used the mark in commerce, have the option of re-filing, an option not available to domestic applicants who cannot secure a registration without having shown use in commerce. Although foreign applicants must have a bona fide intention to use the mark in commerce in or with the United States, no time limits are prescribed for making good this intention, other than the possibility of constructive abandonment after three years from the date of filing the registration, or cancellation under s. 8.

\footnote{9} In this paper, “deadwood” generally means registered marks that are not in use in the country for which the registration has been issued, or registered marks that are in use but only for some of the goods and services covered by the registrations.

not its mere adoption. By the act of Congress this exclusive right attaches upon registration.\textsuperscript{11}

Illustrative of the prominence of use in modern U.S. trademark jurisprudence was the reasoning of the Federal Court of Appeals (Fifth Circuit) in the Boston Professional Hockey Association v. Dallas Cap & Emblem MFG., Inc. case:

A trademark is a property right which is acquired by use. . . . An individual selects a word or design that might otherwise be in the public domain to represent his business or product. If that word or design comes to symbolize his product or business in the public mind, the individual acquires a property right in the mark. The acquisition of such a right through use represents the passage of a word or design out of the public domain into the protective ambits of trademark law.\textsuperscript{12}

As use has been the Archimedes Point of U.S. trademark rights, U.S. trademark law has always been seen as normatively distinct from the trademark jurisprudence of other nations in which trademark rights are based on registration and not use. Many of the differences between U.S. trademark law and that of registration-based legal systems such as the Community Trade Mark (CTM),\textsuperscript{13} can be traced to the profoundly different meaning of what a “trademark” means.

The 1988 Act created for the first time in the United States a potential trademark right that initially is not based on use. Under the 1988 Act, domestic and foreign applicants alike have the right to apply for registration in the United States based on a bona fide intention to use the mark in commerce. This is subject to safeguards designed to minimize trafficking in trademarks, token use and other abuses. Such safeguards include the requirement that the applicant must have, at the filing date, a bona fide intention of using the mark in commerce for all of the goods and services recited in the application, time limitations to ensure there is no undue delay in the commencement of use, and bona fide use in commerce prior to the issuance of the registration.

Although the 1988 Act requires foreign applicants relying on Section 44 as the basis for registration to have a bona fide intention to use the trademark in commerce, the 1988 Act does not address the issue of permitting registration of Section 44 trademarks without prior use anywhere, and the United States Patent and Trademark Office (USPTO) continues to follow the decision in Crocker. Further, under the MPIA, foreign applicants

\textsuperscript{11} Trade-Mark Cases, (1879), 100 U.S. 82 at 94.

\textsuperscript{12} Boston Professional Hockey Ass'n v. Dallas Cap & Emblem MFG., Inc., 510 F. 2d 1004, 1014 (5th Cir. Texas 1975).

\textsuperscript{13} Council Regulation 40/94 on the Community trade mark, 1994 O.J. (L 11).
taking advantage of the Protocol for registering a trademark in the United States have the additional advantage of deemed “constructive use” similar to that of a domestic applicant filing on the basis of intent-to-use, without having the obligation of proving use in commerce, or use anywhere in fact, prior to registration in the United States. It seems odd that foreign applicants relying on the Protocol are entitled to the benefit of “constructive use” as of the filing date of the international registration, without having to demonstrate anything more tangible than a recitation of a bona fide intention to use the mark in commerce, especially because there is no specific time limit for making good that intention, other than that provided by Section 8, or a third party cancellation action based on the ground of abandonment. If the Protocol proves popular to foreign applicants seeking to register their trademarks in the United States, the potential for significant increase in deadwood is real.

III. THE PROBLEM OF DEADWOOD

The accession of the United States to the Protocol made effective November 2, 2003 promises to reduce filing costs for U.S. trademark owners in countries of the Protocol and to lessen the cost of renewals, recordal of assignments, and name and address changes. That said, the Protocol was not intended to be an exercise in trademark harmonization, and it does not lessen the cost or complexity involved in clearing trademarks on a multinational basis. This is not the fault of the Protocol. Instead,

15. Although it is likely that an application filed by a foreign applicant with a false statement of bona fide intention to use the mark in commerce would be invalid, comparatively few applications are opposed, or registrations litigated, so the deadwood problem remains. The problem may be exacerbated under the Protocol, as a foreign applicant does not necessarily have to use local counsel, and the foreign counsel who procures the international registration may not be as familiar with this provision of U.S. law or its consequences as local counsel. Conversely, it is argued that there is no particular advantage in requiring foreign applicants to verify a bona fide intention to use the mark in commerce, except to the extent they rely on the ground of intent-to-use, because a verified statement that the mark is in use somewhere for specified goods and services should be enough to assure their bona fide intention, coupled with the provisions in the Lanham Act concerning constructive abandonment, and the requirements of section 8. It is likely that many U.S. registrations issued to foreign applicants covering more goods and services than those for which there was a bona fide intention to use are invalid.
to a considerable extent it is the consequence of permitting trademark registrations to be issued internationally without any requirement of use anywhere, and permitting them to be renewed without proof of use. This tends to clog trademark registers with deadwood, which in turn creates expensive clearance problems. If the situation continues indefinitely, it is possible that international clearance of trademarks in the future will become even more difficult, expensive, and uncertain than it is today.\textsuperscript{19}

If the Protocol is not an exercise in harmonization, at least it focuses attention on the yawning gap between common law and registration-based trademark systems, exemplified by the United States on the one hand, and Europe on the other. As indicated above, in the United States, the underlying premise upon which registration and enforcement have traditionally been based is that a trademark registration reflects underlying common law realities, and although filing based on intent-to-use now is permitted, intent-to-use applications are governed by stringent rules. Applicants filing on the basis of intent-to-use must demonstrate bona fide use of the mark in commerce\textsuperscript{20} prior to registration, and registration is limited to well-defined goods and services in association with which proof of bona fide use in commerce is made within relatively short time limits. Unlike the situation in many registration-based countries, applications for registration are examined not only on absolute grounds such as descriptiveness, but also on relative grounds, namely confusion with existing registrations and prior applications.\textsuperscript{21}

In contrast, a registration-based system such as the CTM confers an exclusive right to the use of the trademark for all goods and services covered by the registration without any requirement of use prior to registration, and irrespective of whether the applicant even had a bona fide intention of using the mark. Further, a CTM registration is not susceptible to cancellation for non-use until after five years from the date of the registration,\textsuperscript{22} and proof of use is not a condition of renewal. The theoretical possibility of canceling a registration for non-use often is cold comfort to trademark owners seeking to clear a new mark for use and registration, because trademark owners need an answer

\textsuperscript{19} Cotrone, supra note 17, at 93-4, argues that the benefits of the Protocol are weighted in favor of large trademark owners who more easily can afford the cost of international trademark clearance.

\textsuperscript{20} As used herein, “use in commerce” means use that is regulated by the Congress of the United States, e.g., use in interstate commerce in the United States, or use in foreign commerce with the United States. See also note 51.

\textsuperscript{21} Lanham Act §§ 1(b), 1(d), 15 U.S.C. §§ 1051(b), 1051(d).

\textsuperscript{22} Council Regulation 40/94 on the Community trade mark, Section 3, Art. 15, 1994 O.J. (L 11).
today, not in months or years. The alternatives are to search another mark, which causes delay and additional expense, or to investigate whether a relevant registered mark is in use, and to take a calculated risk in adopting the mark if the investigations prove negative.

Cost and the risk of oppositions tend to have a limiting effect on the number and scope of speculative trademark applications, but it remains the case that CTM as well as some European national registrations routinely issue with specifications of goods and services that are broader than the reasonable present or future needs of their owners.\(^\text{23}\) If anything, the situation is exacerbated by the fact that the exclusive right under a CTM registration covers the whole of the EC, at present 15 countries, soon to be 25, which is beyond the ability or interest of many trademark owners of CTM registrations to exploit.

Not surprisingly, the CTM has become very popular for some of these very reasons, although that popularity may begin to wane as the register becomes clogged with excessive deadwood. Deadwood not only drives up the cost of clearing trademarks, it tends to degrade the trademark system because it facilitates the parallel registration of similar marks for which there is a greater risk of confusion and dilution. Like a slowly progressing disease the effect of which is hard to detect on a monthly or even yearly basis, the steady buildup of deadwood will eventually take its toll.

An important rationale of the CTM and similar registration-based systems is that registration without prior use provides an important incentive to manufacturers and marketers to invest substantial time, money and effort in launching a product on a substantial scale. This is said to encourage economic growth, a goal of most trademark owners. The question, though, is whether the deadwood resulting from this approach eventually will make trademark clearance a practical impossibility for all but the wealthiest trademark owners. International clearance of trademarks has already become very expensive and uncertain, and the situation can only get worse unless a change is made to the fundamental basis on which registrations are granted. It is submitted that the incentive to be given to trademark owners to create new trademarks for new products or services can and should be tailored to suit their particular needs, neither too little nor too much. In this regard, the U.S. and Canadian intent-to-use

\(^{23}\) See, e.g., In re Compagnie Generale Maritime, 993 F.2d 841 (Fed. Cir. 1993) ("the CGM case"). In the CGM case, the applicant, a French company, had filed U.S. applications for the same mark covering over 200 goods in numerous classes, without any allegation of use anywhere. Quaere whether the USPTO should challenge an applicant's statement as to bona fide intention to use when that statement appears to be contradicted by the sheer number of disparate goods recited in the application.
schemes more closely balance the long-term interests of the public and trademark owners alike, and minimize the amount of deadwood.

It is conceivable that eventually the examination burden the Protocol will place on the USPTO will reach the point that either the USPTO will not have sufficient human or financial resources to examine applications on relative grounds, i.e., for likelihood of confusion with prior registrations or pending applications, or the quality of examination will decline. Likely there would be strong opposition to the USPTO abandoning relative examination, but economic realities and other political priorities have a way of trumping philosophy. If relative examination were to end, important safeguards to the system would disappear.\(^{24}\) The threat of trademark oppositions tends to act as a brake against excessive filing zeal, but an impartial examination by an experienced examiner should be the first line of defense in safeguarding the public interest against the registration of confusingly similar marks.

It is against this background that it is appropriate to consider the decision in the Crocker case, that foreign nationals are permitted to register marks in the United States based on home registrations without proof of use anywhere.

\textbf{IV. CROCKER}

The Canadian Imperial Bank of Commerce (CIBC) filed a U.S. trademark application for COMMOCASH for banking services, without alleging use anywhere, but claiming convention priority based on its prior Canadian proposed use application. The Crocker National Bank (CNB) opposed CIBC’s application based on its 1978 registration of COMMUNICASH, and CNB moved for summary judgment on the ground that CIBC’s application was void ab initio for lack of use.

After finding that CIBC had not used its mark prior to filing its U.S. application, the Board proceeded to hold that use was not required prior to filing a U.S. application under Section 44(d). Although this holding was sufficient to decide the summary

\(^{24}\) Apart from the general advisability of examination on relative grounds by a neutral, experienced examiner, positions taken by applicants during prosecution of trademark applications may be used against them in subsequent proceedings. See, e.g., Second Chance Body Armor v. American Body Armor & Equip., 1999 U.S. Dist. LEXIS 17201, at 29, (N.D. Ill. 1999), stating, “[t]he Court realizes that a trademark equivalent of the ‘file wrapper estoppel’ doctrine from patent law might, for equitable reasons, prevent a party from asserting inconsistent positions regarding a mark’s distinctiveness before the PTO and then later before a court of law.” The same could be said to apply to arguing during prosecution that a cited mark is not confusing, and after registration, taking a position in infringement proceedings that is inconsistent with the position taken during prosecution.
judgment motion, the Board went on to hold that use was not necessary prior to registration under Section 44(e).\textsuperscript{25} The grounds relied upon by the Board will be discussed below.

Under the Lanham Act, there are four possible grounds for applying for a U.S. trademark registration:

(1) Section 1(a) - A domestic or foreign national may apply for a trademark registration based on use of the trademark in commerce.

(2) Section 1(b) - A domestic or foreign national may apply for a trademark registration based on a bona fide intention to use the trademark in commerce.

(3) Section 44 - A foreign national may apply for a trademark registration based on a foreign application (44(d)) or registration (44(e)) subject to the applicant stipulating a bona fide intent to use the mark in commerce.

(4) Section 66(a) - A foreign national may obtain an international registration pursuant to the Protocol, and request extension of the protection to the United States. Such request must have attached to it a declaration of bona fide intention to use the mark in commerce that is verified by the applicant for, or holder of, the international registration.

At first glance, there does not appear to be a significant difference between a domestic applicant applying for a U.S. trademark registration under Section 1(b) and a foreign applicant applying under Sections 44(e) or 66(a). In all three cases the applicant must show a bona fide intention to use the mark in commerce, but does not have to show any actual use prior to the filing date of the application. There is, however, a critical difference between Section 1(b) on the one hand, and Sections 44(e) and 66(a) on the other. Under Section 1(b), the applicant is required to demonstrate that it has used its trademark in commerce prior to registration.\textsuperscript{26} In contrast, following Crocker, a

\textsuperscript{25} This proposition was mentioned several times by the Board in Crocker. For example: “[w]ere there doubt about our interpretation of S.44 as establishing a basis for registration without use, it seems to us this doubt is resolved in its favor by the legislative history of the Act.” Crocker Nat’l Bank, 223 U.S.P.Q. at 925. As a result of these statements, when discussing the case the authors will infer that the Board is suggesting that use is not required before registration. It is important to note, however, that throughout much of the Board’s decision its comments are limited to whether use is required prior to application.

\textsuperscript{26} The emphasis on use in Section 1(b) was no accident. Instead, the drafters of Section 1(b) insisted that use remain the focal point of U.S. trademark rights, as Professor Cohen discusses:

As the legislative history reveals, Congress included this prerequisite of actual use before registration “to emphasize the central role that use continues to play in U.S. trademark law.” Congress also wanted to make it clear that the commercially transparent practice of “token use” was to be eliminated by amending the definition of
foreign applicant is entitled to receive a U.S. registration under Section 44(e) without having to use its mark in U.S. commerce or anywhere. Likewise, under Section 68(a)(3), extension of protection of an international registration to the United States pursuant to the Protocol cannot be refused on the ground that the mark has not been used in commerce.

The foregoing situation is not only anomalous in that use is not required for registration in the United States if the foreign applicant holds a home or international registration, it is also unique in that foreign applicants enjoy a privileged status over domestic applicants. In In re Pony International Inc.,

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the Commissioner held that Section 44(e) could not be utilized by domestic applicants, only by foreign applicants. Thus, by exempting foreign applicants from the requirement of use before registration, Section 44(e) grants foreign applicants greater rights than domestic applicants.28 Further, as indicated above, foreign applicants filing on the basis of an international registration under the Protocol obtain the benefit of “constructive use” as of the filing date of the international registration, without having to aver use in commerce prior to registration in the United States.

This situation is a comparatively recent development in U.S. legal history. Although judicial interpretation of Section 44(e) has varied over the years, by the early 1980s, prior to Crocker, the TTAB had held that, in order to obtain a U.S. trademark registration under Section 44(e), the applicant had to demonstrate use of the trademark somewhere in the world.29 The leading authority on Section 44(e) before Crocker was In re Certain


28. As Edward S. Rogers, one of the primary drafters of the Lanham Act, stated in regard to Section 44: “[w]e have the curious anomaly of the Government giving by treaty and by law with respect to trade-marks and unfair competition to nationals of foreign governments greater rights than it gives to its citizens.” Id. at 1078. Also, as indicated above, foreign applicants facing a Section 8 deadline, can re-apply based on a home registration, thus enabling them to continue to own a U.S. registration without ever having to prove use in commerce, although the registration could be challenged for non-use.

29. Evans Chemetics, Inc. v. Chemetics Int’l Ltd., 207 U.S.P.Q. 695 (T.T.A.B. 1980). Evans citing In re Certain Incomplete Trademark Applications, 137 U.S.P.Q. 69 (Comr. 1963) as one of the leading cases in interpreting Section 44(e) held that a foreign applicant: “must show use of its mark somewhere for the services [or goods] identified in its application prior to the actual date of filing in the Patent and Trademark Office . . . in order to be entitled to a registration.” Evans, 207 U.S.P.Q. at 700. Accordingly, case law prior to the Crocker decision appeared to intimate that use was required prior to the filing of a U.S. application.
Incomplete Trademark Applications, where the Commissioner stated that, “[t]he concept of trademarks in the United States is that a mark cannot be registered as a trademark until after it has actually been used in trade in connection with particular goods.”

This interpretation of Section 44(e), however, was overruled by the TTAB in Crocker, which has remained the leading case interpreting Section 44(e). It seems reasonable to conclude that the Madrid Protocol Implementation Act was drafted on the assumption that Crocker was correctly decided. Indeed, even after the 1988 Act, in which substantial changes to Section 44 were made, the TTAB has continued to apply Crocker. For example, in In re Cyber-Blitz Trading Services the TTAB held:

Applicants who rely on Section 44 are not required to demonstrate use in order to obtain registration. [citing Crocker] In fact, the first time evidence of use usually is required for Section 44 applicants is upon the filing of an Affidavit of Continued Use under Section 8 of the Trademark Act. . . . This does not occur until five to six years after registration.

In support of its decision, the Board in Crocker relied on three grounds, each of which will now be evaluated as follows.

A. Paris Convention Requires Registration Without Use

First, the Board stated that Section 44 must be interpreted as allowing foreign applicants to obtain a U.S. registration without prior use because this is the only interpretation that is consistent with U.S. treaty commitments under the London Text of the Paris Convention. In particular, the Board found that Article 6quinquies of the London Text did not permit a member country to require use as a prerequisite to registration. Article 6quinquies of the London Text states:

A. Every trade-mark registered in the country of origin shall be admitted for registration and protected in the form originally registered in the other countries of the Union under the reservations indicated below.

...
Nevertheless, the following marks may be refused or cancelled:

1. Those which are of such nature as to prejudice rights acquired by third parties in the country where protection is applied for.

2. Those which have no distinctive character, or which consist exclusively of signs or indications which serve in trade to designate the kind, quality, quantity, destination, value, place of origin, or time of production, or which have become customary in the current language, or in the bona fide and unquestioned usages of the trade in the country in which protection is sought.

3. Those which are contrary to morality or public order.

The Board decided that Article 6quinquies is a substantive treaty clause, which expressly limits a country’s ability to refuse a trademark to three grounds: prior third party rights, distinctiveness, and public order. Accordingly, although the Board acknowledged that the United States could impose certain formal requirements on foreign applicants (such as an applicable filing fee), the United States could not refuse a trademark registration based on non-use because this substantive requirement was not explicitly set out in Article 6quinquies.

The Board thus found that the London Text contained no other exceptions to refuse a registration beyond the three restrictive grounds of distinctiveness, prior third party rights, and public order. In this regard, it is submitted that the Board was in error, for the following reasons.

First, the decision conflicts with the fundamental idea behind the Paris Convention of national treatment. Essentially, national treatment means that, as regards the protection of industrial property, each party to the Paris Convention must grant the same protection to nationals of the other member countries as it grants to its own citizens. This means equal treatment, not superior treatment.


The Paris Convention is essentially a compact between the various member nations to accord in their own countries to citizens of the other member nations trademark and other rights comparable to those accorded their own citizens by their domestic law. The underlying principle is that foreign nationals should be given the same treatment in each of the member countries as that country makes available to its own citizens [“national treatment”]. The Convention is not premised upon the idea that the trademark laws of each member nation shall be given extraterritorial application, but
Second, Article 6quinquies is subject to the basic principle that a country of the Union is entitled to decide the conditions for the filing and registration of any mark presented for registration, whether by a domestic or foreign applicant, subject to national treatment. This must include the ability to decide what constitutes a registrable trademark. Contrary to the broad interpretation given to Article 6quinquies by the Board in Crocker, WIPO itself characterizes Article 6quinquies more narrowly:

5.102 The rule established by Article 6quinquies provides that a trademark which fulfills the required conditions must be accepted for filing and protected—as is (to use the expression found in the English version) or telle quelle (to use the expression adopted in the original French text)—in the other member countries, subject to certain exceptions. This rule is often called the “telle quelle” principle.

5.103 It is to be noted that the rule only concerns the form of the trademark. In this respect, the rule in this Article does not affect the questions relating to the nature or the function of the trademarks as conceived in the countries where protection is sought. Thus a member country is not obliged to register and extend protection to a subject that does not fall within the meaning of a trademark as defined in the law of that country. If, for example, under the law of a member country, a three-dimensional object or musical notes indicating tunes is not considered a trademark in that country, it is not obliged to accept that subject matter for registration and protection.

5.104 Article 6quinquies, Section B, contains certain exceptions to the obligation of accepting a registered trademark “as is” for registration in the other countries of the Union. That list of exceptions is exhaustive so that no other grounds may be invoked to refuse or invalidate the registration of the trademark. However, the list does not exclude any ground for refusal of protection for which there is a need in national legislation.36

Thus, domestic law will always govern registration conditions, subject to the principle of national treatment.37 It is for this reason


that it is not contrary to Article 6quinquies for the United States to require all applicants, domestic and foreign alike, to have a bona fide intention to use a trademark in commerce as a requirement for procuring a U.S. registration, and likewise the United States is entitled under the Convention to require all registrants to provide proof of use in commerce under section 8 of the Lanham Act. Why then cannot U.S. law require that foreign applicants relying on home or international registrations prove use somewhere as a condition for registration?

There are in fact two ways a foreign applicant can register a mark in the United States consistent with the Convention. The first is under Article 6(1) of the Convention, which provides:

The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation.

Under Article 6(1), therefore, foreign nationals seeking to register in a Convention country may do so irrespective of whether they own a registration in their home country, and their application is to be subject to the same rules as those governing an application by a domestic applicant. Thus a foreign applicant is entitled to apply to register a trademark in the United States based on use, or intent-to-use, subject to the same rules applying to domestic applicants.

Article 6quinquies, however, provides an alternative. It enables foreign nationals of Convention countries who have obtained registration of their mark in their country of origin or “home” country, to register the mark “as is” in other Convention countries. This enables foreign applicants to register in the United States without having to aver use in commerce, either at the filing stage, or prior to registration. Article 6quinquies does not prevent U.S. law from requiring such foreign applicants to have used the mark somewhere prior to registration in the United States, and it is in this respect that it is submitted the Board in Crocker erred.

We are persuaded that the drafters of the Paris Convention did not intend such a result. If, even today, WTO Members have – as the European Communities concedes – reserved the right under the TRIPS Agreement to maintain domestic regimes of trademark ownership based on use, then it does not seem credible to us to contend – as the European Communities does – that many of those very same countries intended more than a century ago, in concluding the Paris Convention, or on the occasion of one of the subsequent Revision Conferences of the Paris Convention, to establish a global system for determining trademark ownership that could circumvent, and thereby undermine, a domestic regime of trademark ownership based on use. Id. at 42.
Third, U.S. courts have consistently held that Section 44 should be interpreted with respect to the most recent version of the Paris Convention, i.e., the Stockholm Text of 1967, not the London Text of 1934.\(^{38}\) The Stockholm Text clarified paragraph A of Article 6quinquies. In the London Text, paragraph A of Article 6quinquies stated:

A. Every trade-mark registered in the country of origin shall be admitted for registration and protected in the form originally registered in the other countries of the Union under the reservations indicated below.\(^{39}\)

This provision was changed in the Stockholm Text to the following:

A. Every trademark duly registered in the country of origin shall be accepted for filing and protected as is in the other countries of the Union, subject to the reservations indicated in this Article.\(^{40}\)

The Board in Crocker considered the London Text, not the Stockholm Text as it should have, although in any event the London Text does not appear to support the Board’s conclusion for the reasons expressed above.

Fourth, the judgment in Crocker does not mention the fact that Canada imposes a condition on foreign applicants applying to

38. See, e.g., GMC v. Jose Ignacio Lopez, 41 U.S.P.Q.2d 1490 at 1493 (D. Mich. 1996); Yamaha Corp. of Am. v. United States, 961 F.2d 245 at 252 (D.C. Cir. 1992); Larsen v. Terk Techs. Corp., 151 F. 3d 140 at 146 (4th Cir. 1998). In Crocker, the Board took the position that the London Text applied, because at the date of the decision, Canada had not adhered to Articles 1-12 of the Stockholm text (Crocker Nat’l Bank, 223 U.S.P.Q. at 909). That interpretation is particularly difficult to understand, considering that the Board in Crocker also found that the Convention was self-executing (a view disputed by many scholars), thus implying there simultaneously exists different U.S. laws to be invoked according to the nationalities of the litigants, a bizarre result. Even under the London Text, the reasoning of the Board is deeply flawed, considering that Article 6quinquies does not mandate registration in the United States without use somewhere. That is the case in Canada as well, as Alan Troicuk, Counsel to the Canadian Intellectual Property Office, states:

\[\text{[t]he limitations in Article 6quinquies of the Paris Convention do not apply [to the requirement of use] because they relate only to questions of form, i.e., with regard to the signs of which the trademarks are composed. It appears that both ss.16(2) and (3) of the CTMA [Canadian Trade-marks Act] were included in the Canadian Act because of a belief that they were required for compliance with the Paris Convention (notably Articles 6bis and 6quinquies). It appears clear, however, that this belief was incorrect and that nothing in the Paris Convention would prohibit the deletion of ss.16(2) and (3) from the Canadian Act.}\]


Author’s note: section 16(2) of the Canadian Trade-marks Act requires a foreign applicant to prove use in a Convention country prior to registration in Canada, and section 16(3) relates to filing on the ground of proposed use in Canada, which is available to domestic and foreign applicants equally.


40. Paris Convention, supra, note 6 (emphasis added).
register a mark in Canada based on registration abroad that the
trademark must have been used in a Convention country prior to
registration of the mark in Canada.41 Ironically, the Board in
Crocker afforded to CIBC, a Canadian applicant, a degree of
protection that Canadian law would not have afforded to a U.S.
applicant had the situation been reversed. The irony of this
appears to have escaped the attention of the Board.

The foregoing analysis is in full agreement with the view of a
number of scholars. In his treatise entitled Patents, Trademarks,
and Related Rights: National and International Protection,
Stephen P. Ladas commented on Article 6quinquies as follows:

The foregoing provision of the Final Protocol left little doubt
as to the meaning of the principle contained in article 6. The
words “telle quelle” were interpreted as meaning the signs
constituting the trademark (“au point de vue des signes qui les
composent”), and as concerning only the form of the mark (“ne
concerne que la forme de la marque”).42

Alan Troicuk, Counsel to the Canadian Intellectual Property
Office, has stated that Article 6quinquies of the Paris Convention
does not relate to any requirements relating to use.43 Indeed, when
reviewing the Paris Convention overall, Mr. Troicuk concluded:
“[t]here are no limitations in the Paris Convention on the ability of
a contracting party to require use of a trademark before
registration.”44 This interpretation of the Paris Convention was
shared by G.H.C Bodenhausen, former director of the Bureau for
the Protection of Intellectual Property (the predecessor to WIPO)
and the chief administrator of the Paris Convention during its
final revision in the Stockholm Text of 1967. In outlining the
objective of Article 6quinquies, Dr. Bodenhausen observed that:

Member States are equally free, regardless of Article
6quinquies, to apply to trademark applications other
provisions of their domestic law not concerning the signs of
which a trademark is composed, such as a requirement of use
of the mark, or the condition that the applicant must possess
an industrial or commercial enterprise.45

41. Trade-Marks Act, R.S.C. T-13, section 16(2), (1985)(Can.).
42. Stephen Ladas, Patents, Trademarks, and Related Rights: National and
International Protection 1214 (1975) (emphasis added).
43. Troicuk, supra, note 38.
44. Id. at 36.
45. G.H.C. Bodenhausen, Guide To The Application Of The Paris Convention For The
Protection Of Industrial Property 111 (1968) (emphasis added).
B. Requiring Foreign Use Is Contrary to Principle of Territoriality

The second reason that the Board in Crocker held that use was not a requirement of registration under Section 44 was because the alternative—requiring foreign use prior to a U.S. registration—is contrary to the common law principle of territoriality. As the Board stated:

[requiring foreign use is a] substantial departure from the common law in that it is totally inconsistent with the well established territoriality principle that use in a foreign country cannot create trademark rights in the United States.46

Thus, the Board asserted that foreign use could not be a condition of registration because this requirement was “totally inconsistent” with the philosophical foundation of U.S. trademark law. It is, of course, clear that the common law territoriality principle is based on the antecedent prerequisite of use of a mark in association with goods or services. That is, the territoriality principle does not exist in the common law independently from the principle of use. In effect, the Board’s argument is that it is necessary to eliminate the requirement of use anywhere in order to remain true to the common law nature of trademark rights, a most curious result. Furthermore, the territoriality principle at common law has always been subject to an important caveat: the principle of natural expansion.47 Accordingly, it could be argued that, by applying for a U.S. registration, the foreign applicant is providing constructive notice that the United States is within its natural zone of expansion. Seen in this light, it does not appear that the requirement of use somewhere in the world is “totally inconsistent” with the common law. Indeed, the alternative suggested by the Board is a greater deviation from the common law meaning of a trademark.

C. Section 44 Permits Registration Without Use

The third reason the Board in Crocker held that a foreign applicant must be entitled to register its trademark without prior use anywhere is that this is the only interpretation consistent with Section 44, as interpreted by the Court of Appeals (District of Columbia) in SCM Corp. v. Langis Foods Ltd.48 (“Lemon Tree”). According to the Board, the Court of Appeals in the Lemon Tree case held: “S.44 recognizes registration based on something other

47. See Hanover Star Milling Co. v. Metcalf, 240 U.S. 403 at 420 (1915).
than ‘use in commerce’ namely, a foreign registration.” In short, the Board held that the Lemon Tree decision stood for the proposition that Section 44 was intended to provide a basis for U.S. registration without an applicant having to use the trademark.

It is true that the Court of Appeals in the Lemon Tree decision made obiter dictum remarks intimating that “use in commerce” was not a requirement under Section 44. Nevertheless, the Board failed to mention that the Court of Appeals stated that there were two possible alternatives to “use in commerce”: no use and foreign use. Indeed, had the Court of Appeals in Lemon Tree actually needed to deal with the issue of use in its decision, it is possible that the Court of Appeals would have decided that foreign use, rather than no use, is a necessary prerequisite for a U.S. registration under Section 44(e). For example, the Court of Appeals stated that requiring use in the foreign applicant’s home country was a “more plausible interpretation” than not requiring any use whatsoever. Accordingly, in its obiter dictum statements, the Court of Appeals at least intimated that foreign use could be required prior to obtaining a U.S. registration.

V. PROPOSAL FOR LEGISLATIVE REFORM

The question is whether U.S. law should be amended in effect to reverse Crocker, and if so, how. Given that the United States has only recently adhered to the Protocol, it would seem untimely now to ask for legislative reform, when this could have been done as part of the MPIA or even the 1988 Act. Thus, one alternative is to do nothing, and see how the USPTO and trademark owners cope with international registrations extended to the United States.

The alternative of doing nothing is unsatisfactory for two reasons. First, foreign applicants are not as sensitive as domestic

50. Id.
51. Lemon Tree, 539 F.2d at 202. “Use in commerce” is defined under section 45 of the Lanham Act as “bona fide use of a mark in the ordinary course of trade” that “may lawfully be regulated by Congress.” Consequently, it is apparent that “use in commerce” means use in the United States since foreign use by foreign applicants would not ordinarily be regulated by Congress.
52. Id.
53. This insight is largely taken from John Pegram’s notable article, Trademark Law Revision: Section 44, 78 TMR 141, 170-71 (1988). As acknowledged by the Board earlier in the Crocker decision, the Court of Appeals did not make a ruling on whether use was required prior to registration. Instead, the Court of Appeals found that the foreign applicant had used its mark before it filed its U.S. trademark application and that was sufficient to resolve the issue. Accordingly, any of the Court of Appeals' comments with respect to use are obiter dictum.
54. Lemon Tree, 539 F.2d at 199.
applicants to the necessity of having a bona fide intention to use a mark in commerce. They routinely and validly file applications for registration of marks in their home countries covering a wide variety of goods and services, often without the necessity of having a bona fide intention to use the mark on at least some of the recited goods and services. When extending an international registration to the United States, there may thus be a tendency to have the U.S. extension application simply mirror the original international application. If so, the resulting registration would be unenforceable in the United States. Many foreign trademark owners will be startled to learn that some of their most important U.S. registered trademarks are invalid on the ground that the application falsely stated that the applicant had a bona fide intention to use the trademark in commerce on all the goods and services recited in the application, when in fact that intention applied only to some of the goods and services. Alternatively, when eventually foreign applicants and their legal advisors become more sensitive to the requirements of U.S. law, this may create a disincentive for them to rely on the Protocol for securing protection in the United States.

It would be fairer to foreign applicants, and healthier for the system in general, to replace the requirement of a bona fide intention to use under Sections 44 and 66 with a requirement that the mark must have been used somewhere prior to registration in the United States. In addition, foreign applicants should also be permitted to file on the basis of intent to use, just like any domestic applicant, for any additional goods or services for which they have a bona fide intent to use the mark in commerce in or with the United States.

Second, should Crocker be overruled by a Court in the future, any registrations issued in the United States based on a home or international registration without use anywhere could be attacked as being unenforceable or invalid under the Lanham Act. To be sure, the persons holding such registrations could argue that they had a bona fide intention to use the mark in commerce, and that is sufficient to support the validity of the registration, even in the absence of use anywhere. On the other hand, it is also arguable that, without use anywhere, a mark is not entitled to protection under the Lanham Act on the ground that neither the 1988 Act nor the MPIA should be interpreted so as to create a right in a mark that does not symbolize goodwill anywhere. If there is no goodwill, a registered U.S. trademark in ordinary circumstances cannot be

55. Although Crocker has been cited approvingly by the TTAB, it has never been affirmed by a U.S. court. Indeed, in the only case where Crocker is analyzed, in In re Compagnie Generale Maritime, 990 F.2d 841 (Fed. Cir. 1993), Nies, C.J. found that Crocker was wrongly decided.
assigned, and if it cannot be assigned, how can it be a trademark right? For safety's sake, foreign trademark owners as well as their domestic and foreign legal advisors, would be well advised not to rely on either Section 44 or 66 as a basis for filing in the United States, unless the applicant has, at the filing date, a bona fide intention of using the mark in commerce on each and every good and service recited in the application, and the mark should not be permitted to issue to registration in the United States unless and until the mark has been used somewhere. For important marks, it would be worth considering filing a separate intent-to-use application if the trademark has not previously been used anywhere.

Pegram\textsuperscript{56} has proposed that Section 44(e) be amended to substitute the last sentence (added by the 1988 Act) with the following:

The application must comply with all pertinent provisions of this chapter including section 1, except that use in a foreign country may be substituted for use in commerce for the purposes of Section 1(d) unless a United States registration based on the same foreign registration has previously been issued to the applicant for the same goods or services.

That change appears to solve the problem, and a similar revision could be made to Section 68(a)(3).

If this proposal were accepted, it would follow that, in the case of a foreign applicant filing under the Protocol, valid registration in the United States would be initially contingent upon (a) subsistence of the international registration, (b) use in one or more countries prior to registration in the United States, and (c) restriction of the U.S. registration to the particular goods and services in association which the trademark has actually been used somewhere. Similarly, a foreign applicant who is unable or chooses not to rely on the Protocol can file in the United States on the ground of use or intent-to-use under Section 1, or on the basis of a home registration under Section 44, or a combination of both Sections 1 and 44, coupled with use in one or more Convention countries.

Requiring foreign applicants to use the mark somewhere prior to registration in the United States (or even prior to publication) is not a radical step, given that foreign applicants still have substantial benefits compared with domestic applicants, especially when relying on the Protocol. Under this proposal, U.S. law would


\textsuperscript{57} “Foreign” should be replaced with “Convention” as section 44 should only be applicable to nationals of Convention countries using their marks in one or more Convention countries.
continue to offer real and effective protection to the legitimate interests of foreign trademark owners, and would be more consistent with traditional principles of U.S. law.

VI. CONCLUSION

Permitting registration of trademarks in the United States of foreign applicants without prior use anywhere is unnecessary to assure compliance of the United States with the Paris Convention. The proposed alternative to the present situation is to permit foreign applicants relying on an international registration under the Protocol to extend the international registration to the United States only to the extent that the mark has been in bona fide use somewhere prior to registration in the United States. Likewise, foreign applicants not relying on the Protocol, should be entitled to register in the United States under Section 44 based on bona fide use and registration in one or more Convention countries. If this proposal were accepted, it would not be necessary to require applicants wishing to register based on a home or international registration to have a bona fide intention to use the mark in commerce; but they should have the option of adding the ground of intent-to-use in commerce to an application that also relies on Section 44 or the MPIA. This gives foreign applicants a reasonable degree of flexibility, cuts down on the scope, if not number, of foreign registrations extended to the United States, and could serve as a useful model in future debates concerning international harmonization of trademark laws. Above all, it would reduce the deadwood resulting from registration of marks that are not used anywhere.