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Patricia V. Norton

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## The Effect of Article 10bis of the Paris Convention on American Unfair Competition Law

### Cover Page Footnote

This note is dedicated to my parents, my sister and my grandparents. I would also like to give special thanks to Kristin D. Kiehn for her insightful comments.

# THE EFFECT OF ARTICLE 10*bis* OF THE PARIS CONVENTION ON AMERICAN UNFAIR COMPETITION LAW

*Patricia V. Norton*

## INTRODUCTION

In the United States, the law of unfair competition attempts, in part, to ensure free competition while protecting trademark owners' goodwill and preventing consumer confusion. Federal and state statutes incorporate the broad unfair competition law that has developed in the United States. The Trademark Act of 1946 ("Lanham Act"),<sup>1</sup> a federal statute, unified the common law of unfair competition.<sup>2</sup> Section 43(a) of the Lanham Act protects against forms of unfair competition, such as likelihood of confusion, misrepresentation, and misappropriation.<sup>3</sup>

The Lanham Act, through section 44, also incorporates international agreements involving trademark law to which the United States is a signatory nation.<sup>4</sup> One such agreement is the Paris Convention for the Protection of Industrial Property.<sup>5</sup> Signatory nations attempted to devise international legal protection for the property of citizens of member nations. Article 10*bis* of the Paris Convention, an amendment, was subsequently drafted to afford protection to member nations' citizens from unfair competition.<sup>6</sup>

Since that time, courts in the United States have devised different interpretations of Article 10*bis*'s effect on the unfair competition provisions of the Lanham Act.<sup>7</sup> While these interpretations diverge

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1. Trademark Act of 1946 (Lanham Act), Pub. L. No. 79-489, 60 Stat. 427 (codified as amended at 15 U.S.C. §§ 1050-1127 (1994)).

2. See Doris E. Long, *Unfair Competition and the Lanham Act 2* (1993).

3. See *id.*

4. See 15 U.S.C. § 1126 (section 44 of the Lanham Act). "The intent of this chapter is . . . to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations." *Id.* § 1127 (section 45 of the Lanham Act).

5. See Paris Convention for the Protection of Industrial Property, July 14, 1967, 21 U.S.T. 1583, *translated in* G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property 17* (1968) [hereinafter Paris Convention].

6. See *id.* art. 10*bis*.

7. See *infra* Part III.

on several levels, the main controversy is whether Article 10*bis* through section 44 of the Lanham Act grants substantive rights or merely reciprocal rights. If Article 10*bis* grants reciprocal rights, then the Paris Convention affords citizens of signatory nations only the rights that each signatory nation affords its citizens within its borders. On the other hand, if the Paris Convention affords substantive protections, then each signatory nation agrees, at a minimum, to protect against unfair competition as defined by the treaty, not as defined by each individual country's laws. Under the latter interpretation, the Paris Convention may actually expand the protections against unfair competition that some foreign plaintiffs receive in signatory nations' courts.<sup>8</sup> Furthermore, as more cases involving international trademark disputes arise, a definitive unitary interpretation of Article 10*bis* becomes even more important in order to determine whether plaintiffs are afforded different levels of protections based on the country in which they find themselves.

In 1998, the District Court of New Jersey interpreted section 44 of the Lanham Act and Article 10*bis* of the Paris Convention under the reciprocal rights approach.<sup>9</sup> The court held that section 44 of the Lanham Act does not allow an American plaintiff to invoke the Paris Convention's unfair competition prohibitions in order to sue a foreign defendant for acts that are not actionable under American law.<sup>10</sup> Other courts, however, have concluded that the Lanham Act incorporates Article 10*bis*'s broad prohibitions against unfair competition.<sup>11</sup>

This Note analyzes these disparate results and addresses whether section 44 of the Lanham Act incorporates the Paris Convention's substantive prohibitions against unfair competition. Part I of this Note outlines sections 43(a) and 44 of the Lanham Act, and the legislative intent behind these provisions. Part II addresses how treaties become law in the United States. It then describes the Paris

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8. The phrase "may actually expand" is critical to understanding the premise of this Note. This Note contends that Article 10*bis* is both a substantive provision *and* a reciprocal rights provision. Under this theory, if a member country affords less protection than is granted by the Paris Convention, then as a signatory nation that country promises to protect citizens of other signatory nations from the unfair competition as defined by Article 10*bis*. In such a country, Article 10*bis* is a substantive provision. In this situation, the citizens of other signatory nations would actually have more protections in a court in that nation than its own citizens would receive. However, if the country affords *more* protections than those provided by Article 10*bis*, then that country promises to afford citizens of other signatory nations the same rights as it affords its own citizens. Thus, in this situation, Article 10*bis* guarantees equal (reciprocal) rights for citizens of signatory nations. See 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 29:25 (4th ed. 1999).

9. See *Eli Lilly & Co. v. Roussel Corp.*, 23 F. Supp. 2d 460 (D.N.J. 1998); see also *infra* Part III.A (discussing the reciprocal rights approach).

10. See *Eli Lilly*, 23 F. Supp. 2d at 482.

11. See *infra* Part III.B (discussing the substantive rights approach).

Convention, the enactment of Article 10bis, and how the United States generally interprets such a treaty. Part III analyzes courts' diverging interpretations of Article 10bis and section 44. This part compares the reciprocal rights approach as adopted by the Second Circuit in *Vanity Fair Mills, Inc. v. T. Eaton Co.*,<sup>12</sup> as well as its interpretations of section 44 of the Lanham Act and Article 10bis of the Paris Convention, with the approach adopted by the Eastern District of Michigan in *General Motors Corp. v. Ignacio Lopez de Arriortua*.<sup>13</sup> Part IV argues that American courts should interpret the Paris Convention as adopting the European definition of substantive rights and protections against unfair competition as enunciated in Article 10bis. Furthermore, because Article 10bis protects only member nations' citizens on foreign soil from acts the Convention deems to be unfair, Americans can use the Paris Convention as their source of protection only from acts of unfair competition by citizens of other member nations, not from acts by fellow Americans. This Note argues that because Article 10bis affords greater protection than does the Lanham Act, there is a disparity in the protections afforded from unfair competition in American courts.<sup>14</sup> To avoid situations, in which American courts would enforce different rights for different parties depending on their citizenship, this Note advocates that Congress should adopt Article 10bis as the definition for all disputes, not just for cases involving citizens of Convention nations.

#### I. SECTIONS 43(a) AND 44 OF THE LANHAM ACT

Prior to 1946, unfair competition law was effectively absent from federal statutes and was entirely a construction of the common law.<sup>15</sup> Federal statutes prior to the Lanham Act viewed trademark law as primarily a state concern and properly governed by common law.<sup>16</sup> This led to a wide disparity of rights and protections for product owners throughout the country.<sup>17</sup> This disparity became more noticeable as the volume of interstate commerce increased.<sup>18</sup> Along with the disparity in protections afforded in the judicial setting, other

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12. 234 F.2d 633 (2d Cir. 1956).

13. 948 F. Supp. 684 (E.D. Mich. 1996).

14. See *supra* note 8.

15. For a discussion of the definition of unfair competition, see *infra* Part I.A.

16. See Kenneth L. Port, *Trademark Harmonization: Norms, Names & Nonsense*, 2 Marq. Intell. Prop. L. Rev. 33, 34 (1998). Trademarks are used "to identify and distinguish" goods of a producer. 15 U.S.C. § 1127 (1994).

17. See Port, *supra* note 16, at 34.

18. If trademark law had remained only a state concern, then parties could have potentially encountered fifty different laws on trademark. See *id.* Accordingly, as markets expanded from local to national in scope, the potential to have problems due to different states' laws increased as well. Thus, the government realized the increasing necessity to enact a federal unitary law.

problems stemming from the 1905<sup>19</sup> and 1920<sup>20</sup> acts led to the Lanham Act's passage. These problems included: "a lack of substantive protection for certain trademarks; inconsistent and limiting judicial interpretations; limits on the scope of relief; and ambiguities in the textual language."<sup>21</sup>

In creating a uniform federal trademark law in the 1940s, "Congress determined that 'a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them.'"<sup>22</sup> The result of this determination is the Lanham Act, a federal law "unify[ing] the common law of unfair competition and trademark protection."<sup>23</sup> The Lanham Act was enacted in broad rather than constricting language in order to eliminate the limits on the scope of relief.<sup>24</sup>

Because Congress drafted the Act broadly and did not outline the explicit goals of each section, Congress established an overall purpose to which courts could aspire when hearing a case. Section 45 of the Lanham Act reflected this purpose,<sup>25</sup> and was intended to give the judiciary flexibility in affording justice while maintaining a minimum standard of protection for trademark owners. Section 45 states that "[t]he intent of this chapter is to . . . mak[e] actionable the deceptive and misleading use of marks[;] . . . to protect persons engaged in . . . commerce against unfair competition; [and] to prevent fraud and deception . . . by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks . . . ."<sup>26</sup>

While the Lanham Act eliminated the problems created by differing levels of protection afforded by the states, this was not the Act's sole purpose.<sup>27</sup> The Act, through section 45, focuses primarily on protecting both the consumer public and trademark owners.<sup>28</sup> The Lanham Act achieves these purposes by securing the owner's

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19. See Act of Feb. 20, 1905, Pub. L. No. 58-84, 33 Stat. 724, *repealed by* Trademark Act of 1946, Pub. L. No. 79-489, 60 Stat. 427.

20. See Act of Mar. 19, 1920, Pub. L. No. 66-163, 41 Stat. 533, *repealed by* Trademark Act of 1946, Pub. L. No. 79-489, 60 Stat. 427.

21. See Joseph P. Bauer, *A Federal Law of Unfair Competition: What Should Be the Reach of Section 43(a) of the Lanham Act?*, 31 UCLA L. Rev. 671, 679 (1984).

22. Port, *supra* note 16, at 34.

23. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 846 n.2 (1982); see also H.R. Rep. No. 76-944 at 4 (1939) (stating that trademarks are no longer just a local concern but a national concern because of the need to secure rights for trademark owners involved in interstate commerce).

24. See Bauer, *supra* note 21, at 679-81.

25. See *id.* at 692.

26. See 15 U.S.C. § 1127 (1994).

27. See S. Rep. No. 79-1333 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1276-77; Jerold A. Jacover & Kathleen E. Brennan, *Trade Dress and Product Configuration Law, in* *Protecting Trade Dress* 21, 23 (Robert C. Dorr & Christopher H. Munch eds., 1992).

28. See Lori L. Bean, Note, *Ambush Marketing: Sports Sponsorship Confusion and the Lanham Act*, 75 B.U. L. Rev. 1099, 1111 (1995).

goodwill, banning commercial misrepresentation and preventing consumer confusion.<sup>29</sup> Because these concepts may at times conflict with one another, courts must weigh each concept in reaching their decision, ultimately deciding a case by “universal concepts of justice.”<sup>30</sup> This emphasis on just treatment is indicative of trademark law’s approach toward unfair competition: the three factors are not an exact science, but rather are used as a guide in reaching a just resolution.<sup>31</sup> Likewise, the primary premise behind the Lanham Act is to afford relief in cases where the denial of protection would lead to an unjust outcome.<sup>32</sup>

To achieve this balanced approach, Congress enacted section 43(a) of the Lanham Act in broad terms in order to provide uniform protection from unfair competition to all American trademark owners.<sup>33</sup> Additionally, just as Congress saw the necessity of creating uniform national protection in the 1940s due to the increase in interstate commerce, Congress foresaw that more international protections in trademark law might be created through treaties.<sup>34</sup> Thus, Congress enacted section 44 to give effect to international conventions affecting American trademark law.<sup>35</sup> This part briefly examines the common law definition of unfair competition and outlines section 43(a)’s definition of unfair competition and the legislative intent behind the section. It then analyzes section 44’s integration of international conventions within American borders, as well as the legislative intent behind this provision.

### A. *Unfair Competition*

Courts have continually grappled with defining unfair competition precisely,<sup>36</sup> often invoking such vague terms as “fair play” and “honesty.”<sup>37</sup> As one court noted, “[u]nfair competition is not a tort with specific elements; it describes a general category of torts which

29. See Steven M. Auvil, *Gray Market Goods Produced by Foreign Affiliates of the U.S. Trademark Owner: Should the Lanham Act Provide a Remedy?*, 28 *Akron L. Rev.* 437, 447 (1995); see generally McCarthy, *supra* note 8, ch. 23 (discussing the elements of likelihood of confusion).

30. McCarthy, *supra* note 8, § 2:2.

31. See *id.*

32. See *id.*

33. See *id.*

34. See Walter J. Derenberg, *Federal Unfair Competition Law at the End of the First Decade of the Lanham Act: Prologue or Epilogue?*, 32 *N.Y.U. L. Rev.* 1029, 1037-39 (1957).

35. See McCarthy, *supra* note 8, § 2:2.

36. See generally *id.* § 1:9 (elaborating on the difficulty of defining unfair competition).

37. See *Johnson & Johnson v. Quality Pure Mfg.*, 484 F. Supp. 975, 979 (D.N.J. 1979) (discussing boundaries of fair play in competition); *Pennwalt Corp. v. Becton, Dickinson & Co.*, 434 F. Supp. 758, 763-65 (D.N.J. 1977) (discussing the element of fair dealing in competition).

courts recognize for the protection of commercial interests."<sup>38</sup> Because recognizing unfair competition is not a completely objective exercise, courts and scholars alike have failed to give it precise meaning. A court's analysis of an alleged unfair act often involves determining whether the defendant has "played too hard" or "competed too hard."<sup>39</sup> Unfortunately, these metaphorical phrases offer little objective guidance in determining the existence of unfair competition, and lead to a judge's subjective analysis bordering on "I know it when I see it."<sup>40</sup>

While such judicial definitions may be vague and expansive, too precise a definition would not be useful. For example, if the United States attempted to set strict parameters on the scope of unfair competition, the definition might not encompass the ingenious actions of those who did compete unfairly.<sup>41</sup> In fact, the California Court of Appeals stated that "it would be impossible to draft in advance detailed plans and specifications of all acts and conduct to be prohibited . . . , since unfair or fraudulent business practices may run the gamut of human ingenuity and chicanery."<sup>42</sup> Thus, a flexible definition of unfair competition is more useful because it actually allows courts to weigh competing interests and to determine a fair outcome.<sup>43</sup>

Congress, realizing the greater benefits afforded by a broad definition, drafted section 43(a) to encompass all acts likely to cause unfair competition.<sup>44</sup> Because this definition has been applied by

38. *Rehabilitation Specialists, Inc. v. Koering*, 404 N.W.2d 301, 305 (Minn. Ct. App. 1987).

39. *See* McCarthy, *supra* note 8, § 1:8.

40. *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964) (Stewart, J., concurring) (explaining the difficulty in defining hard-core pornography); *see also* McCarthy, *supra* note 8, § 1:9 (concluding that courts often explain unfair competition in a similar fashion to Justice Stewart's famous quote and thus the courts' conclusions offer "little guidance or predictability").

41. The Supreme Court's definition, in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), exemplifies how a concrete definition is also not necessarily useful. The majority stated: "The law of unfair competition has its roots in the common law tort of deceit: its general concern is with protecting consumers from confusion as to source." *See id.* at 157. Because the definition was narrowly construed to include only confusion of a product's source, it left other forms of unfair competition, such as false advertising and dilution, out of the definition. *See* McCarthy, *supra* note 8, § 1:9.

42. *People ex rel. Mosk v. National Research Co. of Ca.*, 20 Cal. Rptr. 516, 521 (1962) (citations omitted).

43. *See* McCarthy, *supra* note 8, § 1:13.

44. 15 U.S.C. § 1125 (1994) states:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or



courts for the past fifty years,<sup>45</sup> there are a wide variety of acts that courts have deemed unfair under this definition including: infringement of a trademark, dilution, misappropriation, false representations, and passing off.<sup>46</sup> Thus, while section 43(a)'s expansive definition may be too broad to offer much guidance on its own, the definition combined with these concrete examples creates more definitive parameters to measure alleged acts of unfair competition against.<sup>47</sup>

### B. Section 43(a)

As noted above, section 43(a) of the Lanham Act provides broad federal statutory protection against unfair competition by both

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as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or  
 (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

*See id.*

45. Section 43(a) has been amended since enactment. Due to the absence of legislative history, the law surrounding section 43(a) has developed mainly through courts' interpretations of the provision. *See infra* notes 48-65 and accompanying text (discussing the effects of the absence of legislative comment on section 43(a)). This absence "has resulted in expansion of the law of unfair competition into areas not previously envisioned by Congress." Gregory L. Pehlman, Note, *Unfair Competition-Infringement Claims Under the Lanham Act—Relaxed Standards for Protection of Distinctive Trade Dress*, 60 Tenn. L. Rev. 449, 453 (1993). The Trademark Law Revision Act of 1988 incorporated this judicial expansion into section 43(a). *See* Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935. Congress intended the revised section 43(a) to "codify the interpretation [section 43(a)] has been given by courts." *See* H.R. Rep. No. 100-515, at 40 (1988).

46. Passing off is the substitution of a product for another seller's product. *See* McCarthy, *supra* note 8, § 25:1. For court cases holding that the listed acts fall under section 43(a), see *American Steel Foundries v. Robertson*, 269 U.S. 372 (1926) (discussing passing off); *International News Serv. v. Associated Press*, 248 U.S. 215 (1918) (holding INS had "quasi-property rights in news" gathered by INS and thus Associated Press had misappropriated such news); *Scotch Whisky Ass'n v. Majestic Distilling Co.*, 958 F.2d 594 (4th Cir. 1992) (analyzing whether the spelling of whisky could represent the geographical origin of a product); *Keds Corp. v. Renee Int'l Trading Corp.*, 888 F.2d 215 (1st Cir. 1989) (holding that trademark infringement is a tort); *Ameritech, Inc. v. American Techs. Corp.*, 811 F.2d 960 (6th Cir. 1987) (describing effects of dilution of trademark). For more examples, see McCarthy, *supra* note 8, § 1:10. These examples should be used as a guide when analyzing unfair competition, not as a list of the only forms of unfair competition against which the laws protect.

47. However, because these examples are just guidelines, courts are not required to follow them. Thus, although there is a certain amount of assurance in these examples, due to the flexible nature of unfair competition law, an analysis should not examine whether an act fits into a pre-established category and then end its analysis there. Rather, a court should analyze the alleged act in the abstract as well to determine whether it is the type of action section 43(a) was drafted to protect against.

codifying and expanding common law restrictions.<sup>48</sup> Unfortunately, while Congress drafted a uniform national law, Congress did not give the interpreters of section 43(a) much guidance. Courts and scholars alike have noted that section 43(a) is marked by a lack of legislative history and comment.<sup>49</sup> In fact, the Second Circuit has stated that although the legislative history of the Lanham Act as a whole was generally "long and convoluted," the legislative history surrounding section 43(a) was "inconclusive and therefore of little or no help."<sup>50</sup> The Second Circuit concluded that section 45's general purpose of affording protection against unfair competition should apply to section 43 of the Lanham Act.<sup>51</sup>

This lack of legislative history has left courts little to examine when interpreting the section but the words of the section itself. Some scholars contend that because Congress did not focus on section 43(a), thus leaving the intent behind the provision ambiguous, courts should analyze section 43(a) in the dual contexts of the Lanham Act as a whole and of the acts it was replacing.<sup>52</sup> One scholar, in particular, advocated analyzing section 43(a) "based on the 25 years of development of the language which eventually was incorporated into section 43(a), and on its historical setting—restrictive judicial decisions, expanded international trade, and treaty obligations."<sup>53</sup> Other commentators noted that section 43(a) included only three changes from the 1920 act that the Lanham Act replaced.<sup>54</sup> These differences included: (1) the broadening of the scope of the section to include false designation of origin or any false descriptions or representations; (2) the inclusion of protection for both goods and services; and (3) that the "elements of willfulness and intent were no longer required to support a claim of relief."<sup>55</sup> These differences and

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48. See Ethan G. Zlotchew, "Scandalous" or "Disparaging"? It Should Make a Difference in Opposition and Cancellations Actions, 22 Colum.-VLA J.L. & Arts 217, 221 (1998). The Lanham Act expands the protections in several ways. First, the Act protects "not only trademarks, but also . . . service marks." See *id.* Additionally, the Lanham Act has no requisite intent. Rather, the plaintiff must show only similarity of any symbol to its own mark. See *id.* Finally, if a plaintiff registers a mark, the registration is prima facie evidence of the plaintiff's ownership. See *id.*

49. See, e.g., *Colligan v. Activities Club of N.Y., Ltd.*, 442 F.2d 686, 689-90 (2d Cir. 1971) (concluding that the legislative history of section 43(a) was not helpful); *Derenberg*, *supra* note 34, at 1037-39 (noting that the legislative history of section 43(a) was quite brief).

50. *Colligan*, 442 F.2d at 689-90 (citation omitted).

51. See *id.* at 692. Section 45 states that the purpose of the Lanham Act is "to protect persons engaged in such commerce against unfair competition." 15 U.S.C. § 1127 (1994).

52. See *Derenberg*, *supra* note 34, at 1037-39; *supra* note 18 and accompanying text (discussing the 1905 act); see also *supra* note 19 (discussing the 1920 act).

53. See *Bauer*, *supra* note 21, at 681.

54. See *Charles McKenney & George F. Long*, *Federal Unfair Competition* § 1:02 (1982).

55. *Id.*

the historical setting have led to the conclusion that the drafters did intend to expand protections afforded to trademark owners.<sup>56</sup>

Unfortunately, despite section 43(a)'s broad language,<sup>57</sup> many courts were cautious in implementing the protections afforded to plaintiffs from trademark infringement under this section.<sup>58</sup> Courts tended to limit claims plaintiffs were allowed to bring as well as the relief granted under section 43(a).<sup>59</sup> Early in the Act's history, many courts interpreted the Lanham Act as only codifying existing common law,<sup>60</sup> rather than substantively adding any new protections or prohibitions.<sup>61</sup> Indeed, one scholar argued that the section should not be liberally construed as a "catch-all for all forms of unfair competition," but instead interpreted as only "directly concerned with the sale of goods or services."<sup>62</sup>

Additionally, as a result of the lack of legislative guidance, courts initially often depended on pre-existing common law to interpret the section.<sup>63</sup> Many judicial decisions based on the nineteenth-century common law conception of unfair competition narrowly defined actionable conduct, and thus limited prospective challengers to only a few recognized unfair practices.<sup>64</sup> On the other hand, some courts did afford expanded protection, thus creating a large disparity in the remedies available to owners in different states.<sup>65</sup> Thus, while section 43(a) was enacted in part to unify unfair competition law throughout the country, courts were unsure of their proper focus due to the lack of legislative commentary when deciding a case. This absence of legislative guidance ironically created disparities similar to those the Lanham Act was intended to remedy.

Finally, in 1954, the Third Circuit discarded the limits courts had previously placed on the language of section 43(a).<sup>66</sup> In *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, the court abandoned the notion that a plaintiff must prove "passing off" in order to prove a false advertising claim.<sup>67</sup> Although some courts subsequently rejected the Third Circuit's view, other courts did follow suit. For example, the D.C. Circuit held that "Section 43(a) does create a federal statutory

56. *See id.*

57. *See id.*

58. *See Long, supra note 2*, at 15.

59. *See, e.g., Long, supra note 2*, at 11 & n.41 (citing cases from the Second and Seventh Circuits as well as several district courts).

60. *See McCarthy, supra note 8*, § 27:8.

61. *See id.* chs. 4-5 (noting that courts continued to require the common law element of "passing off" in order to be entitled to relief).

62. *Derenberg, supra note 34*, at 1039.

63. *See Bauer, supra note 21*, at 682-84.

64. *See id.*

65. *See id.* at 683-84.

66. *See L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649, 649 (3d Cir. 1954).

67. *See id.* at 651; *see also supra note 46* (defining passing or palming off).

tort, *sui generis* . . .”<sup>68</sup> Finally, in 1982, the Supreme Court interpreted the Lanham Act as governing all types of trademark infringement and unfair competition claims.<sup>69</sup> Thus, since the section’s creation, judicial protection afforded under section 43(a) has been greatly expanded to provide protections more in line with the intent of the drafters.<sup>70</sup>

This is not to say that section 43(a) was enacted solely to unify American trademark law. On the contrary, it was also enacted “to bring American law into express conformity with the more liberal principles of a number of foreign countries, standards to which the United States had pledged adherence by treaty and convention.”<sup>71</sup> In response to these international obligations, Congress drafted sections 43(a) and 44.

### C. Section 44

Section 44 of the Lanham Act, entitled International Conventions, addresses rights stipulated by international treaties and conventions to which the United States is a signatory nation.<sup>72</sup> Section 45, which states the general purposes of the Lanham Act, declares that one purpose of the Act is “to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.”<sup>73</sup> To give effect to this purpose, section 44(b) provides that “any person whose country of origin is a party to any convention . . . to which the United States is also a party . . . shall be entitled to the benefits of this section . . . to the extent necessary to give effect to any provision of such convention.”<sup>74</sup>

To ensure that American citizens have the same rights as foreigners under treaties to which the United States is a signatory nation, Congress enacted section 44(i). This section affords American citizens in litigation with any foreign parties any extra protections that may have been afforded to such foreigners through treaties.<sup>75</sup> Thus, any additional rights afforded to citizens of member nations are only afforded to Americans when they are in litigation with such member nations’ citizens. In fact, one Representative stated, “We have the curious anomaly of this Government giving by treaty and by law with

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68. *Gold Seal Co. v. Weeks*, 129 F. Supp. 928, 940 (D.D.C. 1955), *aff’d sub nom. S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832 (D.C. Cir. 1956).

69. *See Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 858-59 (1982).

70. The Lanham Act has been amended to incorporate these judicial interpretations. *See supra* note 45 (discussing the 1988 amendment to the Lanham Act).

71. Bauer, *supra* note 21, at 680.

72. *See* 15 U.S.C. § 1126 (1994).

73. *Id.* § 1127.

74. *Id.* § 1126(b).

75. *See id.* § 1126.

respect to trade-marks and unfair competition to nationals of foreign governments greater rights than it gives its own citizens. . . . This [subsection 44(i) in the final draft] is an attempt to put the citizen on equality with the foreigner."<sup>76</sup> Additionally, one court concluded that Congress must have intended section 44 to incorporate all substantive provisions of any trademark treaty to which the United States is a signatory nation.<sup>77</sup> The court reasoned that if section 44 did not fully incorporate substantive provisions of such treaties, section 44(i) would be superfluous because the subsection would never be used to grant the same rights to American citizens.<sup>78</sup>

Congress arguably intended to define unfair competition more broadly in section 44 of the Lanham Act than it was defined at common law. Because section 44 gives effect to treaties, "it is a wholly justifiable inference that the term 'unfair competition,' used in a section designed 'to provide rights and remedies stipulated by treaties and conventions respecting . . . unfair competition' was intended by the draftsmen in its broader sense, as it is used in such treaties and conventions."<sup>79</sup> In fact, in one draft of the Lanham Act, one member of Congress proposed that section 44(g) state that "[a]ll acts of unfair competition in commerce are declared to be unlawful. . . ."<sup>80</sup> Although Congress ultimately rejected this all-inclusive definition of unfair competition, this does not mean that Congress chose not to give full effect to any treaty that more broadly defined unfair competition. In fact, section 44 uses the phrase "effective protection against unfair competition."<sup>81</sup> This phrase was adopted from Article 10bis of the Paris Convention.<sup>82</sup> Thus, while Congress did not explicitly state that section 44 substantively incorporates international treaties and conventions, the use of the

76. *General Motors Corp. v. Ignacio Lopez de Arriortua*, 948 F. Supp. 684, 689 (E.D. Mich. 1996) (alteration in the original) (quoting *Hearings on H.R. 4744 Before the Subcomm. on Trademarks of the House Comm. on Patents*, 76th Cong. 164 (1939)).

77. *See id.*

78. *See id.* Additionally, in *United States v. Menasche*, the Supreme Court held that a court must interpret a statute in a way that gives effect to all of its provisions. *See* 348 U.S. 528, 538-39 (1955).

79. Rudolph Callmann, *Callmann on Unfair Competition, Trademarks and Monopolies* § 2.06 (4th ed. 1997).

80. Lopez, 948 F. Supp. at 690 (quoting *Hearings on H.R. 4744 Before the Subcomm. on Trademarks of the House Comm. on Patents*, 76th Cong. 164 (1939)). Section 44(h) now states:

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

15 U.S.C. § 1126(g) (1994).

81. 15 U.S.C. § 1126(h).

82. *See* David B. Wolf, "Effective Protection Against Unfair Competition" Under Section 44 of the Lanham Act, 82 *Trademark Rep.* 33, 55 (1992).

phrase from the Paris Convention, an arguably substantive treaty, implies that section 44 does not merely grant reciprocal rights, but rather implements the substantive language of all trademark treaties.<sup>83</sup> To determine exactly what the United States promised to protect against, the next part examines the Paris Convention and the purposes behind its unfair competition provision, Article 10bis.

## II. THE EFFECT OF THE PARIS CONVENTION ON UNITED STATES TRADEMARK LAW

The Paris Convention was originally adopted in 1883,<sup>84</sup> and since then, has been amended several times.<sup>85</sup> Its primary purpose is to create a set of unitary international standards for trademark, patent, and unfair competition law.<sup>86</sup> Though the United States is a signatory nation, whether the Paris Convention has any substantive effect on American unfair competition law, or whether it grants only reciprocal rights to members' citizens is difficult to determine. This part explores how a treaty becomes law in the United States, and how courts determine a treaty's effects on pre-existing law. It then examines the Paris Convention in detail, including its purposes and the intent behind its provisions, in particular Article 10bis.

### A. *How Treaties Become Law in the United States*

Treaties are often characterized as "contracts between nations."<sup>87</sup> Consequently, they are instruments that establish obligations in accordance with international law with which countries, as parties to such treaties, agree to comply.<sup>88</sup> In the United States, treaties also have the status of domestic law.<sup>89</sup> The United States Constitution considers a treaty entered into by the executive branch or Congress to be the law of the land, subordinate only to the Constitution itself.<sup>90</sup> Thus, courts should consider a treaty or convention equal to acts of Congress.<sup>91</sup>

Because treaty law and federal statutory law are considered equal,<sup>92</sup>

83. *See id.*

84. *See* Paris Convention, *supra* note 5.

85. The treaty was amended in Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958, and Stockholm in 1967.

86. *See* McCarthy, *supra* note 8, § 29:25.

87. *See* Carlos Manuel Vazquez, *Treaty-Based Rights and Remedies of Individuals*, 92 Colum. L. Rev. 1082, 1082 (1992).

88. *See id.*

89. *See* Hugh C. Thatcher, *The Doctrine of Specialty*, 32 Vand. J. Transnat'l L. 1321, 1327 (1998).

90. *See id.*

91. *See* Foster v. Neilson, 27 U.S. 253, 314 (1829).

92. *See* David M. Shamberger, Note, *The Helms-Burton Act: A Legal and Effective Vehicle for Redressing U.S. Property Claims in Cuba and Accelerating the Demise of the Castro Regime*, 21 B.C. Int'l & Comp. L. Rev. 497, 535 n.297 (1998).

neither should be given an advantage if a conflict exists. Instead, courts must attempt to interpret the terms of each in order to avoid conflict and hopefully to reconcile the differing doctrines.<sup>93</sup> Furthermore, if the two provisions cannot be reconciled, the statutory law does not automatically override the treaty. In fact, the Supreme Court has held that the last in time prevails.<sup>94</sup> Thus, a treaty could conceivably supersede a previously-enacted statute.<sup>95</sup>

Unfortunately, courts are generally reluctant to substantively uphold a treaty that is in conflict with statutory law.<sup>96</sup> Furthermore, because American courts ultimately decide the meaning of treaties, they can be misinterpreted in order to uphold a statute.<sup>97</sup>

As with statutes, a court should attempt to determine a treaty's purposes by examining its text and intent in the recorded history.<sup>98</sup> Unfortunately, courts are not as enthusiastic about interpreting treaties as they are about interpreting statutes.<sup>99</sup> Perhaps this is due to the inherent complexity in intermingling the laws of several nations, or to the fact that a treaty is not "born" in the same way as a statute.<sup>100</sup> Additionally, "because treaty interpretation has both municipal and international implications," American courts realize the need to take into consideration the expectation of all signatory nations when interpreting a treaty.<sup>101</sup> Whatever the reason, courts often defer interpretation to the branches that make treaties under American law.<sup>102</sup> Due to this tendency to avoid interpretation of treaties, courts often stall the United States in its performance of its international promises and obligations by declaring a treaty non-self-executing.<sup>103</sup>

In the United States, Congress need not create a law giving effect to a treaty if the treaty is self-executing. A treaty is "self-executing" if it can be directly applied in domestic law at the moment of its adoption

93. See *United States v. Palestine Liberation Org.*, 695 F. Supp. 1456, 1464 (S.D.N.Y. 1988).

94. See *Whitney v. Robertson*, 124 U.S. 190, 194 (1888).

95. See *Shamberger*, *supra* note 92, at 535 n.297.

96. See generally Louis Henkin, *Lexical Priority or "Political Question": A Response*, 101 Harv. L. Rev. 524 (1987) (examining the relative priority of statutes versus treaties in the context of the Chinese Exclusion Case).

97. See generally David J. Bederman, *Revivalist Canons and Treaty Interpretation*, 41 UCLA L. Rev. 953 (1994) (discussing treaty interpretation by United States courts).

98. See *Thatcher*, *supra* note 89, at 1329.

99. See *Bederman*, *supra* note 97, at 954; see also Restatement (Third) of Foreign Relations Law of the United States § 111 (1986) (stating that international agreements are to be interpreted according to the ordinary meaning of the terms considered in context and in light of the object and purpose of the treaty).

100. See *Bederman*, *supra* note 97, at 954.

101. See *id.* at 956.

102. See *id.*

103. See James D. Willets, *International Human Rights Law and Sexual Orientation*, 18 *Hastings Int'l & Comp. L. Rev.* 1, 13 n.30 (1994).

without an implementing statute.<sup>104</sup> According to the Third Restatement of Foreign Relations, a treaty is presumed to be self-executing unless its language indicates that implementing legislation will be necessary, Congress passes a resolution requiring implementing legislation, or the United States Constitution requires implementing legislation.<sup>105</sup>

As noted above, courts often attempt to give precedence to statutory law over treaty law by declaring a treaty to be non-self-executing.<sup>106</sup> In *Foster v. Neilson*, Chief Justice Marshall stated that some treaties are addressed "to the political, not judicial department; and the legislature must execute the contract before it can become a rule for the Court."<sup>107</sup> This distinction in a treaty's mode of address is a decisive factor in determining whether a treaty is self-executing. Along with analyzing other factors, if a treaty's language squares neatly with judicial application,<sup>108</sup> it is found to be self-executing, and thus can be directly applied by the courts.

Some argue that the self-executing nature of a treaty can be determined by identifying whom the treaty was enacted to affect. It is frequently stated that treaties are enforceable by individuals in court only when the treaty confers rights on those individuals.<sup>109</sup> In order for courts to be able to give effect to a treaty, it must be directed at the citizens of the United States, because "[t]he province of the court is, solely, to decide on the rights of individuals . . ."<sup>110</sup> Accordingly, under this theory, courts can determine whether a treaty is self-executing by determining whether the treaty creates privately enforceable rights.<sup>111</sup> In order to make this determination, courts

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104. In *Davis v. Burke*, the Supreme Court stated that:

A constitutional provision may be said to be self-executing if it supplies a sufficient rule by means of which the right given may be enjoyed and protected, or the duty imposed may be enforced; and it is not self-executing when it merely indicates principles, without laying down rules by means of which those principles may be given the force of law.

179 U.S. 399, 403 (1900).

105. See Restatement (Third) of Foreign Relations Law of the United States § 111 (1986).

106. See Wilets, *supra* note 103, at 1, 13 n.30.

107. 27 U.S. 253, 314 (1829).

108. See John P. Donohue, Recent Case, 17 Suffolk Transnat'l. Rev. 298, 302 (1994).

109. See *id.*

110. *Marbury v. Madison*, 5 U.S. 137, 169 (1803).

111. See Donohue, *supra* note 108, at 302. This view has been criticized. See *id.* See also Yuji Iwasawa, *The Doctrine of Self-Executing Treaties in the United States: A Critical Analysis*, 26 Va. J. Int'l L. 627, 637 (1986) (arguing that a treaty must be determined to be self-executing before it can be analyzed to ascertain whether the treaty confers any individual rights). Additionally, the Restatement (Third) of Foreign Relations Law of the United States does not mention the creation of privately enforceable rights in its requirements for self-executing treaties. Instead, the Restatement presumes a treaty is self-executing unless the treaty's language requires additional implementing legislation. See Restatement (Third) of Foreign



must examine the language and the intent behind the treaty.<sup>112</sup> This is not an exact science, but rather is governed by general guidelines set forth by scholars and conventions, such as the United Nations International Law Commission, the International Court of Justice, and the Permanent Court of International Justice.<sup>113</sup>

When a court interprets a treaty's purpose and effect, it should properly consider the historical intent behind the treaty, both as a whole and as to its separate provisions.<sup>114</sup> The following section explores the historical purposes of the Paris Convention as a basis for interpreting Article 10bis.

### B. *The Paris Convention for the Protection of Industrial Property*

The first meeting of the Paris Convention in 1883 attempted to afford protection to industrial property<sup>115</sup> and to ensure uniform legal consequences amongst all signatory nations.<sup>116</sup> Since its enactment, the Paris Convention has been revised to include various other protections.<sup>117</sup> Article 10bis, adopted as an amendment to the Convention, is primarily concerned with ensuring effective protection against unfair competition.

Article 10bis broadly defines unfair competition as "any act contrary to honest practices in industrial or commercial matters."<sup>118</sup> Unfair competition, as defined in the Paris Convention, expresses the idea that a "particular act of competition is to be condemned as unfair because it is inconsistent with currently accepted standards of honest practice."<sup>119</sup> Although the American law of unfair competition has broadened to include tortious acts other than "passing off,"<sup>120</sup> the use in the Paris Convention of definitions that are more European and thus broader tends to evidence the belief that the Convention should be read to include the broader definitions used in Europe.<sup>121</sup>

Article 10bis is an extremely flexible provision as are European unfair competition laws generally.<sup>122</sup> This flexibility is both an asset and a drawback.<sup>123</sup> Because the Paris Convention's definition of

Relations Law of the United States § 111 (1986).

112. See Donohue, *supra* note 108, at 302.

113. See Leigh Ann Kennedy, Case Note, *Jurisdiction in Violation of an Extradition Treaty*: United States v. Alvarez-Machain, 27 Creighton L. Rev. 1105, 1119 (1994).

114. See *supra* note 98 and accompanying text.

115. See Paris Convention, *supra* note 5.

116. See Bodenhausen, *supra* note 5, at 7.

117. See Paris Convention, *supra* note 5, art. 10bis.

118. See *id.*

119. Callmann, *supra* note 79, § 26.10.

120. See *supra* note 45 (defining "passing off"); *supra* note 47 and accompanying text (listing different illegal acts held to be within section 43(a)'s application).

121. See Bodenhausen, *supra* note 5, at 7.

122. See Anselm Kamperman Sanders, *Unfair Competition Law* 7 n.2 (1997).

123. See *id.*

unfair competition does not provide a specific interpretive structure, in some respects each country is able to use its own version of illegal unfair competition law in suits involving at least one member nation's citizen. This flexibility, however, does not mean that countries should use only their own version of unfair competition in suits between their citizens and other members' citizens. Rather, it means that, at a minimum, countries must assure effective protection against unfair competition as the Paris Convention defines it.<sup>124</sup> Because countries may afford greater protection against unfair competition than provided for in Article 10*bis*, member countries may have differing standards of protection for unfair competition. Nevertheless, member nations may not set a standard below the minimum set forth by the Convention.<sup>125</sup>

In the United States, the federal standard is set forth by section 43(a) of the Lanham Act. Section 43(a) and Article 10*bis* contain differing definitions of unfair competition. Section 43(a) is narrower and based upon a showing of three specific elements: (1) the "secondary meaning" of the trademark or its inherent distinctiveness; (2) the non-functional nature of the copied features; and (3) the resulting consumer confusion.<sup>126</sup> On the other hand, Article 10*bis*'s definition is much broader, stating that any act that is contrary to honest business practices is considered unfair competition.<sup>127</sup> Thus, if American courts confine the definition of unfair competition set forth in Article 10*bis* within the parameters of section 43(a), they may disregard the inherent minimum standard that signatory nations must give the doctrine.<sup>128</sup>

While participating countries have agreed to protect citizens of signatory nations from unfair competition as defined in Article 10*bis*, implementing the provision poses another issue. In order to give effect to the Convention, some countries must first create laws designed to enact the treaty's provisions.<sup>129</sup> If the Convention is self-executing, then its broad prohibitions would go into effect automatically upon signing. Whether the Paris Convention is self-executing depends upon the parties' intentions at the time of negotiation.<sup>130</sup>

There has been some debate over whether the Paris Convention is self-executing. In 1889, Attorney General William H. Miller stated that "each party to it covenants to grant in the future to the . . .

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124. *See id.*

125. *See* McCarthy, *supra* note 8, § 29:26.

126. *See* 15 U.S.C. § 1125 (1994); *see also supra* Part I.B (discussing section 43(a)).

127. *See supra* notes 118-25 and accompanying text (discussing the traits of Article 10*bis*).

128. *See* Wolf, *supra* note 82, at 42.

129. *See supra* notes 104-13 and accompanying text.

130. *See* Wolf, *supra* note 82, at 55.

citizens of other parties certain special rights[,]” and therefore the Paris Convention is “not self-executing.”<sup>131</sup> In 1938, however, the Commissioner of Patents stated that though certain provisions of the treaty were not self-executing, the proposed legislation (the Lanham Act) would give effect to such provisions in the United States.<sup>132</sup>

One commentator contends that Article 25 may evidence the theory that the Paris Convention is not self-executing.<sup>133</sup> Article 25 of the Convention states that “[a]ny country party to this Convention undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention.”<sup>134</sup> This provision may also have been enacted to ensure that each country would implement laws giving effect to the Convention if the country did not recognize the Convention’s self-executing nature. This commentator concluded that whether the treaty is self-executing should not affect Congress’s duty to implement the full Convention pursuant to Article 25 of the Paris Convention.<sup>135</sup> Thus, even if the Convention is not self-executing, the United States promised, as set forth by Article 25 of the Convention, that if needed, it would enact proper legislation to give effect to the Paris Convention. According to this argument, section 44 of the Lanham Act would give effect to the full provisions of the Paris Convention, including Article 10*bis*.<sup>136</sup>

By creating Article 25 of the Paris Convention, the signatory nations attempted to ensure that all signatory nations would enact uniform protection. Unfortunately, the clarity of this purpose has been subsequently tarnished by the contrasting definitions of unfair competition in section 43(a) and Article 10*bis*. The next part examines how American courts have interpreted Article 10*bis* of the Paris Convention and section 44 of the Lanham Act.

### III. A CONFLICT IN INTERPRETATION: DOES SECTION 44 INCORPORATE THE SUBSTANTIVE PROVISIONS OF ARTICLE 10*bis*?

Although section 44 of the Lanham Act expressly incorporates international treaties and conventions into American law,<sup>137</sup> it is unclear whether the section incorporates substantive or reciprocal rights and whether the Paris Convention is based on substantive or reciprocal rights. Courts are divided over whether Article 10*bis*’s

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131. OG of U.S. Patent Office XLVII 937 (1889), *quoted in* Stephen P. Ladas, *Patents, Trademarks and Related Rights-National and International Protection* § 130, at 218 (1975).

132. *See Hearings on H.R. 9041 Before the House Comm. on Patents, Subcomm. on Trade-Marks*, 75th Cong. 195 (1938). H.R. 9041 was a bill that eventually led to the enactment of the Lanham Act. *See* Wolf, *supra* note 82, at 35.

133. *See* Wolf, *supra* note 82, at 36 n.10.

134. *See* Paris Convention, *supra* note 5, art. 25.

135. *See* Wolf, *supra* note 82, at 49.

136. *See supra* Part I.C.

137. *See* 15 U.S.C. § 1126 (1994).

definition should be substantively adopted, or whether only reciprocal rights should be granted.<sup>138</sup> Courts holding that only reciprocal rights are afforded contend that the signatory nations did not intend to create a new international trademark law.<sup>139</sup> On the other hand, one court held that the signatory nations did intend to create a substantive uniform international protection for trademark owners from unfair competition.<sup>140</sup> This latter court asserts that the intent behind the Paris Convention is to protect against unfair competition as defined in Article 10*bis*, not as defined by each signatory nation.<sup>141</sup> This part explores these differing interpretations of Article 10*bis* and section 44.

### A. *The Vanity Fair Approach*

The more conservative approach toward interpreting section 44 and the Paris Convention is typified by *Vanity Fair Mills, Inc. v. T. Eaton Co.*<sup>142</sup> The main premise underlying this approach is that the legal protections afforded by trademark law have their source in the jurisdiction in which the alleged acts took place.<sup>143</sup> Courts adopting this national treatment approach interpret the Paris Convention as extending the same rights to foreigners as the United States affords its citizens. These courts, thus, read section 44 as granting only reciprocal rights and not incorporating the broad substantive prohibitions against unfair competition provided by Article 10*bis*.

The first case to apply this reciprocal rights approach was *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*<sup>144</sup> In *L'Aiglon Apparel*, the Third Circuit held that section 44(b) does not "create a federal law of unfair competition available to United States citizens one against the other nor does it grant the federal courts any new authority to hear such controversies between citizens."<sup>145</sup> Additionally, it contended that had Congress intended to create a federal common law, Congress would have enacted a provision that explicitly stated such intention.<sup>146</sup>

The Third Circuit correctly concluded that section 44 applied only in cases involving treaty nations' citizens and thus did not create a new trademark law between American citizens.<sup>147</sup> This is the extent of

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138. Under the reciprocal rights approach, citizens of signatory nations have the same rights as those afforded to American citizens under section 43(a).

139. See, e.g., *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 640 (2d Cir. 1956) (adopting the reciprocal rights approach); see also *infra* Part III.A (discussing these cases).

140. See, e.g., *General Motors Corp. v. Ignacio Lopez de Arriortua*, 948 F. Supp. 684, 687-90 (E.D. Mich. 1996) (adopting the substantive rights approach); see also *infra* Part III.B (discussing these cases).

141. See *Lopez*, 948 F. Supp. at 687-88.

142. 234 F.2d 633.

143. See *id.* at 640-41.

144. 214 F.2d 649 (3d Cir. 1954).

145. See *id.* at 652.

146. See *id.* at 649.

147. See *id.* at 653.

*L'Aiglon Apparel* holding. Although the Third Circuit did not consider whether section 44 incorporates the broad substantive prohibitions against unfair competition of Article 10bis in cases involving citizens of other member nations, other courts have interpreted *L'Aiglon Apparel* as implying that section 44 should be restricted to granting only reciprocal rights to foreigners.<sup>148</sup> In fact, however, the Third Circuit stated only that section 44 applied in those cases involving Convention nations' citizens. It contended that section 44(i) affords protection to American citizens equal to that afforded to foreigners by treaty:

This [section 44] is reasonably construed as comprehending not merely the national identification of beneficiaries of the legislation but also the limiting context in which rights are conferred upon them. That context is stated explicitly in the words, 'to the extent and under the conditions essential to give effect to any such conventions and treaties', as they appear near the end of [section 44(b)]. If the foregoing analysis is correct, the federal rights conferred in [section 44(i) to citizens are limited] in a way which obviously excludes the ordinary domestic controversy such as we have here.<sup>149</sup>

Thus, the Third Circuit concluded merely that section 44 could not be used to afford protection in a dispute between two American parties.<sup>150</sup>

Additionally, this analysis does not indicate whether the Third Circuit construed section 44 as affording only reciprocal rights. In fact, the analysis states that each treaty should be examined on a case-by-case basis to determine "the extent and under the conditions essential to give effect to any such conventions and treaties . . ."<sup>151</sup> Arguably, this implies that section 44 could give substantive effect to a treaty. Nevertheless, *L'Aiglon Apparel* did not discuss the Paris Convention or conclude that section 44 grants only reciprocal rights, the case is still considered as adopting the *Vanity Fair* approach.

While the Third Circuit in *L'Aiglon Apparel* focused on Congress's lack of intent to create a new federal trademark law, other courts have relied primarily on the national treatment espoused by parts of the Paris Convention.<sup>152</sup> "National treatment" requires that each member nation grant nationals of other member nations the same rights and protections as such country affords to its own citizens.<sup>153</sup> Thus, "[t]he substantive standards of protection and the procedures for effecting

148. See, e.g., *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 644 (2d Cir. 1956) (discussing *L'Aiglon Apparel* and section 44).

149. See *id.* at 652-53.

150. See *id.*

151. See *id.* at 653.

152. See, e.g., Paris Convention, *supra* note 5, art. 3 (requiring that citizens of member nations domiciled in another member nation must be treated similar to the nationals of the other nation).

153. See Samuel K. Murumba, *Globalizing Intellectual Property: Linkage and the Challenge of a Justice-Constituency*, 19 U. Pa. J. Int'l Econ. L., 435, 438 (1998).

that protection [are], largely, left to the autonomy of each member state."<sup>154</sup>

In *Vanity Fair*, the Second Circuit invoked a national treatment analysis to restrict section 44's reach.<sup>155</sup> *Vanity Fair*, an American company, brought suit against T. Eaton, a Canadian company, in the United States, alleging that T. Eaton had infringed the plaintiff's trademark when the defendant sold goods under the "Vanity Fair" label in Canada.<sup>156</sup> The Second Circuit concluded that the plaintiff did not have a claim based on any American statutory law.<sup>157</sup> It also held that the Paris Convention did not allow extra-territorial application of the laws of signatory nations.<sup>158</sup> The Second Circuit concluded that any trademark protection afforded to a company had its source in the law of the jurisdiction in which the alleged unfair competition took place.<sup>159</sup> It then interpreted the Convention as a mere compact between signatory nations to afford the same protections to each other's citizens as to their own citizens, and section 44 of the Lanham Act as only affording reciprocal rights.<sup>160</sup>

This holding was based on one purpose of the Paris Convention: to afford national treatment to signatory nations' citizens.<sup>161</sup> The Second Circuit did not even attempt to consider another purpose of the Convention: to assure a substantive minimum level of protection against certain acts, including unfair competition.<sup>162</sup> An examination

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154. *Id.*

155. *See Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 644 (2d Cir. 1956).

156. *See id.* at 637-38. Although the alleged actions took place outside of the United States, the United States may have jurisdiction so long as there is an effect on United States commerce. In *U.S. Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952), the Supreme Court upheld a Fifth Circuit decision that enjoined a Texan citizen from manufacturing watches in Mexico with the Bulova trademark. *See id.* at 289. The Supreme Court held actions deemed unlawful in the United States are not immune from American law simply because the acts took place outside of the United States so long as the acts have an effect on United States commerce. *See id.* at 288. *Vanity Fair* interpreted *Bulova* as stating that the defendant's actions must have a substantial effect on United States commerce to give the United States federal jurisdiction over the claim. *See Vanity Fair*, 234 F.2d at 642-43.

157. *See Vanity Fair*, 234 F.2d at 647-48. The *Vanity Fair* court reasoned that the Paris Convention is a compact between the signatory nations. *See id.* at 643. Accordingly, each country is a contracting party promising to protect citizens of other member nations from unfair competition. The underlying theory of these promises is that each country will afford such foreign citizens the same treatment under its laws as it affords its own citizens. Consequently, such protection has its source in the law of that country, not in the Convention. *See id.* at 640-41.

158. *See id.*

159. *See id.* at 641. Thus, the court concluded that Canada was the forum for this dispute. *See id.*

160. *See id.* at 643. The court indicated that only a treaty relying on section 44 for implementation could not afford substantive rights because section 44 could only afford reciprocal rights. *See id.*

161. *See id.* at 642.

162. *See Christopher D. DeCluitt, International Patent Prosecution, Litigation and Enforcement*, 5 Tulsa J. Comp. & Int'l L. 135, 143 (1997).

of all of the purposes and a detailed analysis of the intent behind the Paris Convention would have been worthwhile since the Second Circuit applied its holding to the entire Convention. Unfortunately, while the Second Circuit limited its analysis to examining one purpose of the Convention, it applied its conclusions to the Convention as a whole. Consequently, the Second Circuit declared the Paris Convention as based entirely on reciprocal rights rather than limiting its holding to the provisions it had actually analyzed.<sup>163</sup>

The Second Circuit could not limit its holding to the specific provisions analyzed because the court did not analyze any specific provisions. In fact, prior to determining that the Convention was a reciprocal rights doctrine, it did not even examine the intent behind the Paris Convention.<sup>164</sup> Without discussing the history of the Convention or examining any specific provisions, the Second Circuit merely stated that the Paris Convention is "essentially a compact between the various member countries to accord in their own countries to citizens of the other contracting parties trade-mark and other rights comparable to those accorded their own citizens by their domestic law."<sup>165</sup> Based on this assumption, it then stated that the Convention did not afford extra-territorial application of a country's laws.<sup>166</sup> While the Second Circuit correctly concluded that the Convention did not afford extra-territorial application of a country's laws, it did not consider another issue: whether the Convention created a law unique from that of all member countries. Because this case should have been tried in Canada, this incomplete analysis did not necessarily result in the wrong conclusion. Nonetheless, other courts chose to follow this holding without a critical analysis and thus potentially may have resolved the disputes before such courts incorrectly.<sup>167</sup>

Recently, after examining whether section 44 substantively incorporates treaties, several courts adopted the *Vanity Fair* approach.<sup>168</sup> In *Eli Lilly & Co. v. Roussel Corp.*,<sup>169</sup> Eli Lilly, a pharmaceutical company, claimed that Roussel engaged in unfair competition by filing an application with the Food & Drug Administration ("FDA") that contained false and misleading

163. See *Vanity Fair*, 234 F.2d at 642.

164. See *id.* at 641-42.

165. See *id.* at 640.

166. See *id.*

167. See, e.g., *Eli Lilly & Co. v. Roussel Corp.*, 23 F. Supp. 2d 460, 481-82 (D.N.J. 1998) (summarizing the two sides of the Article 10bis debate without an extensive analysis).

168. See *Piccoli v. Calvin Klein Jeanswear Co.*, 19 F. Supp. 2d 157, 169 (S.D.N.Y. 1998); *Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120, 1158 (C.D. Cal. 1998); *Eli Lilly & Co.*, 23 F. Supp. 2d. at 482.

169. 23 F. Supp. 2d 460.

information to gain FDA approval of the drug, Cefaclor.<sup>170</sup> Eli Lilly argued that it was entitled to relief under section 44(h) of the Lanham Act due to this misrepresentation.<sup>171</sup> The court held that section 44 does not permit an American plaintiff to bring a suit against a foreigner for acts that are not actionable under American law.<sup>172</sup>

*Eli Lilly* did not add any new arguments to bolster the reciprocal rights approach. Instead, the court merely summed up the two sides and elected to follow the *Vanity Fair* interpretation.<sup>173</sup> Similar to *Vanity Fair*, the court reasoned that because the Paris Convention was a compact between signatory nations, each country promised only to afford reciprocal rights to foreigners.<sup>174</sup> Thus, domestic protection from unfair competition is provided by section 43(a), not by Article 10bis. Furthermore, because American law did not allow a plaintiff to bring such a suit, the court concluded that this count must be dismissed.<sup>175</sup>

While most courts have focused on the national treatment argument as the basis for their conclusions about the Paris Convention, there is an additional factor underlying courts' refusal to adopt a substantive approach of the Paris Convention. For example, the incorporation of the Paris Convention's substantive prohibitions against unfair competition into American law may render section 1338(b) of the Judicial Code superfluous.<sup>176</sup> Section 1338(b) grants original jurisdiction in "any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark laws."<sup>177</sup> Thus, if the Lanham Act were interpreted as enacting a general unfair competition law, this would render section 1338(b) superfluous because the only cases that would not fall under the federal law would be those not affecting interstate commerce.<sup>178</sup> The Third Circuit in *L'Aiglon Apparel* used this argument to assert that section 44 did not incorporate a new federal trademark law between Americans.<sup>179</sup> The Third Circuit concluded that section 1338(b) was rendered superfluous only in a dispute between two Americans; it did not consider whether its conclusion

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170. *See id.* at 467-68.

171. *See id.* at 481.

172. *See id.* at 482.

173. *See id.*

174. *See id.*

175. *See id.* The court also dismissed a section 43(a) claim because the court concluded that the false representation argument attempted to stretch the reach of section 43(a) too far and because another act, the Federal Food, Drug, and Cosmetics Act, which did not grant a private right of claim, would be more applicable to the presented facts. *See id.* at 476-78.

176. *See Callmann, supra* note 79, § 2.06.

177. *See* 28 U.S.C. § 1338(b) (1994).

178. *See Callmann, supra* note 79, § 2.06.

179. *See L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649, 654 (3rd Cir. 1954).



changed if a foreign party were involved.<sup>180</sup>

Because the substantive prohibitions of the Paris Convention should apply only in international disputes, not in disputes arising solely between American parties, section 1338(b) would not be rendered superfluous. Section 1338(b) would still apply in any suits between Americans. However, in order not to render section 1338(b) superfluous, the protections afforded against unfair competition depend on the parties involved. Thus, the Paris Convention would afford Americans greater protection from unfair competition by foreigners than from fellow Americans.<sup>181</sup> Because this Note contends that Article 10bis is substantive, this disparity would exist under the approach adopted by this Note. Unfortunately, to give full effect to all statutory and treaty provisions, this disparity must exist.<sup>182</sup>

While all courts using the *Vanity Fair* approach have based their decisions on one of the three aforementioned factors,<sup>183</sup> these courts have not delved deeply into the treaty language itself. Most courts adopting this approach have briefly considered the issue under the national treatment analysis, before concluding that the Paris Convention affords only reciprocal rights.<sup>184</sup> The courts' analyses

180. *See id.*

181. *See* *Eli Lilly & Co. v. Roussel Corp.*, 23 F. Supp. 2d 460, 482 (D.N.J. 1998).

182. For a discussion attempting to resolve this disparity, *see infra* notes 264-66 and accompanying text.

183. These factors are: (1) the creation of a new federal trademark law; (2) adoption of the national treatment analysis of the Paris Convention; and (3) the rendering of section 1338 as almost always superfluous.

184. Other courts have also determined that section 44 does not substantively adopt the Paris Convention. *See, e.g.,* *Kemart Corp. v. Printing Arts Research Labs, Inc.*, 269 F.2d 375, 388 (9th Cir. 1959) (holding that the Paris Convention only creates "broad basic principles under which the laws of the [signatory nations] would follow"); *Piccoli v. Calvin Klein Jeanswear Co.*, 19 F. Supp. 2d 157, 169 (S.D.N.Y. 1998) (holding that the Paris Convention is based on reciprocal rights); *Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120, 1158 (C.D. Cal. 1998) (adopting the *Vanity Fair* approach); *Scotch Whisky Ass'n v. Majestic Distilling Co.*, 958 F.2d 594, 595 (4th Cir. 1992) (concluding that any protections from unfair competition were afforded under section 43(a)); *Majorica, S.A. v. Majorca Int'l., Ltd.*, 687 F. Supp. 92, 95 (S.D.N.Y. 1988) (holding that the Paris Convention does not afford extra-territorial application of a country's laws).

In 1988, the Southern District of New York followed the *Vanity Fair* analysis. *See Majorica*, 687 F. Supp. at 95. The court held that when a Spanish plaintiff sued an American corporation, the plaintiff was not entitled to apply Spanish law under the Paris Convention. *See id.* at 95. The court reasoned that signatory nations contracted only to afford the same protection to citizens of other signatory nations as they do to their own citizens. *See id.* at 95-96.

In *Majorica*, the plaintiff was attempting to apply Spanish law, not to have the Convention's definition applied through section 44. *See id.* Since the Convention does not purport to effect the extra-territorial application of any country's laws, this case should not have been decided under the Paris Convention's definition. *See id.* Thus, the court was correct to conclude that the plaintiff's use of the Paris Convention and section 44 was erroneous. *See id.* Similar to *Vanity Fair*, however, *Majorica* misinterpreted the policies behind section 44 and the Paris Convention in reaching its conclusion that the Paris Convention only afforded reciprocal rights. *See supra* notes

exemplify their hesitation to view a treaty as equal to other forms of American law.<sup>185</sup> Instead of seriously attempting to analyze the intent behind the treaty,<sup>186</sup> these courts preferred to give effect to statutory law.<sup>187</sup> Thus, these courts may have caused the United States to breach a treaty.

### B. *The Lopez Approach*

The alternative to the reciprocal rights approach is a substantive rights approach typified by *General Motors Corp. v. Ignacio Lopez de Arriortua*.<sup>188</sup> Currently, only *Lopez* has examined the Paris Convention under this approach. While other cases are deemed to have adopted the *Lopez* approach, these courts have actually determined only that section 44 can incorporate substantive provisions of treaties.<sup>189</sup> These courts, however, have not declared that the Paris Convention affords substantive rights. Thus, the primary focus of this part will be the *Lopez* case.

In *Lopez*, the court held that section 44 of the Lanham Act incorporates the substantive provisions of the Paris Convention into American law, including the broad prohibition against unfair competition.<sup>190</sup> To justify this approach, the court relied on the following factors: (1) the purpose of the Lanham Act to provide rights as stipulated by treaties and conventions; (2) the rendering of section

155-65 and accompanying text (analyzing *Vanity Fair*).

Before deciding to follow a modified *Vanity Fair* approach, the Fourth Circuit briefly analyzed the two approaches interpreting the Paris Convention. In *Scotch Whisky Ass'n v. Majestic Distilling Co.*, Scotch Whisky sued Majestic alleging unfair competition. See 958 F.2d at 595. Scotch Whisky claimed that Majestic's trademark would deceive customers into believing that Majestic's whisky was distilled in Scotland. See *id.* at 596. "'Whisky' spelled without an 'e' is commonly used to refer to whisky distilled in Scotland, whereas 'whiskey' is used to refer to whiskey distilled in the United States or Ireland." *Id.* at 595 n.1. Thus, Scotch Whisky claimed that it was entitled to protection from unfair competition as defined in the Paris Convention. See *id.* at 596-97. The Fourth Circuit agreed with Scotch Whisky that the Paris Convention prohibits unfair competition. See *id.* at 597. However, the court held that section 44(b) only conferred the substantive rights needed to give effect to the Convention. See *id.* Furthermore, the Fourth Circuit stated that because this was a trademark protection question, and not an unfair competition question, foreigners were afforded no greater rights than those stated in section 43(a). See *id.* The court concluded that to grant protection under Article 10bis would change it from applying only to unfair competition to also applying to general trademark law infringements. See *id.*

185. See Wolf, *supra* note 82, at 34; see also *supra* Part II.A (discussing implementation of treaties in the United States).

186. While the *Vanity Fair* court discussed the intent behind the Paris Convention, its actual analysis is quite brief. See *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 641-43 (2d. Cir. 1956).

187. See Bederman, *supra* note 97, at 954.

188. 948 F. Supp. 684 (E.D. Mich. 1996).

189. See *infra* note 205 (setting forth court holdings on section 44).

190. See *Lopez*, 948 F. Supp. at 689.

44(i) of the Lanham Act as superfluous; and (3) the language of Article 10bis of the Paris Convention.

General Motors brought suit alleging that while Lopez was working at General Motors as a high-level executive, he agreed to leave and join Volkswagen, a German company.<sup>191</sup> General Motors also alleged that Lopez agreed to take trade secrets and confidential business plans with him.<sup>192</sup> As a result, the plaintiff's suit included an alleged violation of the Paris Convention through section 44 of the Lanham Act.<sup>193</sup> After an analysis of the current law regarding whether section 44 incorporates the substantive provisions of treaties, the court determined that the Lanham Act does incorporate Article 10bis.<sup>194</sup>

Similar to other courts' reluctance to interpret treaties, the *Lopez* court analyzed the Paris Convention through an examination of American statutory law.<sup>195</sup> It stated that signatory nations promised to protect individuals from the unfair competition set forth in Article 10bis.<sup>196</sup> The court determined that the Paris Convention affords substantive protections against unfair competition because section 44 was drafted to implement the treaty.<sup>197</sup> In fact, a previous draft would have included explicit protections against unfair competition similar to those defined in the Paris Convention.<sup>198</sup> In the end, section 44(h) incorporated the phrase "effective protection from unfair competition."<sup>199</sup> This phrase was adopted from the Paris Convention evidencing the belief that while American statutory law affords narrower protection in section 43(a) than the Convention does, the

191. *See id.* at 686.

192. *See id.*

193. *See id.*

194. *See id.* at 687-89.

195. *See id.* at 689-90.

196. *See id.* at 689.

197. *See id.* Other courts have also considered whether section 44 incorporates substantive provisions of treaties, without reaching a consensus. *See, e.g., In re Lyndale Farm*, 186 F.2d 723, 726 (CPA 1951) (stating in dictum that section 44(b) was enacted in order to give full effect to conventions or treaties); *Kemart Corp. v. Printing Arts Research Labs, Inc.*, 269 F.2d 375, 389 (9th Cir. 1952) (concluding that the "Paris Convention was not intended to define the substantive law in the area of 'unfair competition' of the signatory nations, but rather to set out the broad basic principles under which the laws of the said countries would operate"); *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 792-93 (9th Cir. 1981) (holding that a Japanese plaintiff was entitled to bring actions against an American defendant that were permitted by the substantive provisions of the treaty); *Maison Lazard et Compagnie v. Manfra, Tordella & Brooks, Inc.*, 585 F. Supp. 1286, 1288 (S.D.N.Y. 1984) (holding, contrary to the *Vanity Fair* decision, that the Lanham Act incorporates the Paris Convention's provisions); *Majorica, S.A. v. Majorca Int'l, Ltd.*, 687 F. Supp. 92, 96 (S.D.N.Y. 1988) (concluding that the practical effect of section 44 was to provide a forum for a foreign plaintiff, but stopping short of explicitly indicating that section 44 provides a forum for substantive rights under a treaty).

198. *See Lopez*, 948 F. Supp. at 690. The term "unfair competition" would have "included all types of artificial interference with trade, including disparagement [and] trade bribery . . ." *Id.*

199. *See id.*

United States planned to give effect to the substantive provisions of the Convention through section 44.

Additionally, because the Lanham Act states that “the intent of this chapter is . . . to provide rights and remedies stipulated by treaties and [conventions,]”<sup>200</sup> the court concluded that the “express purpose” of the Lanham Act dictates incorporation of the substantive provisions of the Paris Convention.<sup>201</sup> It reasoned that because Congress incorporated section 44(i) to give American citizens the same rights as foreigners under treaties, Congress foresaw that treaties might expand the laws of the United States.<sup>202</sup> Furthermore, the court noted that the Supreme Court has held that courts must give effect to every word in a statute, and avoid rendering certain language superfluous.<sup>203</sup> Consequently, the court contended that if section 44 is read to grant foreigners only the rights afforded to American citizens, it renders section 44(i) superfluous.<sup>204</sup>

Curiously, while the court carefully analyzed Congress’s intent when enacting the Lanham Act, it barely examined the signatory nations’ intent behind both the Paris Convention as a whole and specifically behind Article 10*bis*. Thus, this approach also exemplifies courts’ reluctance to interpret a treaty in order to determine its effect on American law.<sup>205</sup>

#### IV. THE PROPOSED STANDARD: GIVING FULL EFFECT TO ARTICLE 10*bis*

After examining Article 10*bis* of the Paris Convention, it is clear that the objective behind this provision was to create substantive protection against unfair competition.<sup>206</sup> If member nations had stated only that countries must protect other member nations’ citizens from unfair competition, but did not also create a minimum standard of unfair competition to protect against, then the countries would have agreed only to assure reciprocal rights. Under this theory of national treatment, the basic rule of the Convention would have been that all member nations would guarantee that citizens of all other signatory

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200. 15 U.S.C. § 1127 (1994).

201. *See Lopez*, 948 F. Supp. at 689. The court also stated that its holding was limited to the facts of the case. Thus, because this holding applies only between an American party and foreign party, the diversity jurisdiction requirements under section 1338(b) would not be eliminated. *See id.* at 690 n.5.

202. *See id.* at 689.

203. *See id.* (citing *Director, Office of Workers Compensation Programs v. Goudy*, 777 F.2d 1122, 1127 (6th Cir. 1985) (citing *United States v. Mensache*, 348 U.S. 528 (1955))).

204. *See Lopez*, 948 F. Supp. at 689. Section 44(i) affords American citizens in litigation with any foreign parties any extra protections that may have been afforded to such foreigners through treaties. *See* 15 U.S.C. § 1126 (1994).

205. *See Wolf*, *supra* note 82, at 34; *see also supra* notes 94-101 and accompanying text (discussing courts’ reluctance to uphold a treaty over statutory law).

206. *See Callmann*, *supra* note 79, §§ 2.06, 26.10.

nations shall enjoy the same rights and laws for the protection of their property as the citizens of the nation in which the unfair competition occurs.<sup>207</sup> Instead, Article 10bis includes both a provision defining unfair competition and a requirement that each nation assure effective protection against unfair competition to the citizens of all other signatory nations.<sup>208</sup> Additionally, if a nation grants more protection than that which is afforded by Article 10bis, the Paris Convention then demands the same treatment for citizens of other signatory nations through reciprocal rights. Thus, while Article 10bis creates a minimum standard of substantive law that all signatory nations agreed to uphold, the Article is also a reciprocal rights provision.<sup>209</sup>

While the American law of unfair competition has broadened to include tortious acts other than "passing off," the Lanham Act still affords less protection than that afforded by the Convention. Thus, the Paris Convention is a substantive provision in the United States. Specifically, the Paris Convention affords broader protection than does section 43(a) because the Convention includes prohibitions against "all types of artificial interference with trade, including disparagement [and] trade bribery . . ." <sup>210</sup> This use of broader and more European definitions of unfair competition in Article 10bis tends to evidence the belief that the Convention should be substantively read to include these broader definitions.<sup>211</sup> Thus, because section 43(a) affords narrower protection, the section does not afford member nations' citizens the protections set forth in the Paris Convention.<sup>212</sup>

Section 44, however, fills this gap because it fully incorporates the doctrine of any convention or treaty to which the United States is a signatory nation.<sup>213</sup> While section 44 does not explicitly state that it implements substantive provisions of treaties, its legislative history reveals that Congress realized that treaties involving trademark law may change the substantive laws of this nation.<sup>214</sup> In fact, Congress stated: "We have the curious anomaly of this 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 its own citizens."<sup>215</sup> Additionally, the phrase "effective protection against

207. See Bodenhausen, *supra* note 5, at 12.

208. See McCarthy, *supra* note 8, § 29:25.

209. See *supra* Part II.B (analyzing Article 10bis).

210. See *General Motors Corp. v. Ignacio Lopez de Arriortua*, 948 F. Supp. 684, 690 (E.D. Mich. 1996)

211. See Bodenhausen, *supra* note 5, at 7.

212. See *supra* notes 126-28.

213. See 15 U.S.C. § 1126 (1994).

214. See Derenberg, *supra* note 34, at 1037-39; see also *supra* notes 79-81 (discussing section 44's legislative history).

215. *Lopez*, 948 F. Supp. at 689 (quoting *Hearings on H.R. 4744 Before the Subcomm. on Trademarks of the House Comm. on Patents*, 76th Cong. 164 (1939)).

unfair competition" in section 44 was first used by the drafters of Article 10*bis*.<sup>216</sup> Thus, the adoption of these specific words evidences the conclusion that section 44 was intended to substantively implement the Paris Convention.

Although the Paris Convention sets the standard of protection that member nations must afford to citizens of other member nations, the Convention does not afford the protections of the Convention to member nations' citizens within their own borders. Section 44 of the Lanham Act, again, is the provision that gives effect to the Convention for United States citizens.<sup>217</sup> First, section 44 assures that citizens of signatory nations will receive the protections afforded under the Paris Convention.<sup>218</sup> Then, section 44(i) affords the same protection to Americans in order "to put the citizen on equality with the foreigner."<sup>219</sup>

Section 44 does not apply to all suits. It only applies to suits involving at least one foreigner.<sup>220</sup> As a result, section 44 causes a disparity of rights in the United States because an American party has more protection against a foreign party than the American has against a fellow American.<sup>221</sup> Courts under the *Vanity Fair* approach depended upon this disparity when interpreting the Convention.<sup>222</sup> Although Congress probably did not purposely intend to grant more rights to American citizens against foreigners than as against each other, this unequal treatment is the correct result if all sections of the Lanham Act are correctly interpreted.

Even if section 44 does not explicitly state that it does not apply in cases involving only Americans, the intent of Congress was to ensure that foreigners did not have more protection against Americans than Americans did against them.<sup>223</sup> Furthermore, to give effect to section 43(a) of the Lanham Act and section 1338(b) of the Judicial Code,<sup>224</sup> section 44 must be read to create this disparity.<sup>225</sup> Thus, because section 43(a) affords less protection against unfair competition than does Article 10*bis*, unequal protection exists for American plaintiffs depending on whom they sue.

Due to the reluctance of American courts to view treaties as equal

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216. See Wolf, *supra* note 82, at 42.

217. See 15 U.S.C. § 1126(i).

218. See *id.* § 1126(h).

219. See Lopez, 948 F. Supp. at 689 (quoting *Hearings on H.R. 4744 Before Subcomm. On Trademarks of the House Comm. on Patents, 76th Cong* 164 (1939)).

220. 15 U.S.C. § 1126.

221. See *Eli Lilly & Co. v. Roussel Corp.*, 23 F. Supp. 2d 460, 468 (D.N.J. 1998).

222. *Id.*

223. See Lopez, 948 F. Supp. at 689 (quoting *Hearings on H.R. 4744 Before the Subcomm. on Trademarks of the House Comm. on Patents, 76th Cong.* 164 (1939)).

224. See 28 U.S.C. § 1338(b) (1994); see also *supra* notes 175-82 (analyzing section 1338(b)).

225. See *supra* notes 180-82 and accompanying text.

to American statutory law,<sup>226</sup> many courts misinterpreted section 44 as only affording reciprocal rights in order to give greater effect to the domestic statutory law of section 43(a).<sup>227</sup> For example, courts under both the *Vanity Fair* reciprocal rights approach and the *Lopez* substantive rights approach did not analyze the Convention with the same vigor with which they analyzed the applicable statutory law.<sup>228</sup> "This . . . reluctance to view international conventions as the source of significant domestic rights explains why sections 44(h) and (i) have not been accorded greater attention . . ." <sup>229</sup> Thus, while section 44 has the ability to implement substantive provisions in treaties, many courts have either misconstrued the intent behind section 44 or behind a treaty to downplay the role of the treaty in American law.<sup>230</sup>

Additionally, the more intensive analysis of statutes by the judiciary further illustrates courts' reluctance to view treaties as equal to statutory law.<sup>231</sup> Even courts that find in favor of a treaty's substantive provisions will often weight American statutory language more heavily in their analysis. This uneven analysis is typified by *General Motors v. Ignacio Lopez de Arriortua*.<sup>232</sup> While the court held that the Paris Convention is indeed a substantive rights treaty, it weighted the Lanham Act more heavily than the Paris Convention in its determination.<sup>233</sup> In fact, the *Lopez* court primarily examined the legislative history of section 44 to determine whether the Paris Convention afforded substantive protections.<sup>234</sup> Although the court did examine the Paris Convention, its emphasis on section 44 is characteristic of a court's reluctance to analyze a treaty with the same enthusiasm with which it analyzes a statute.

Courts' reluctance to view treaties as equal to statutory law has caused many courts to misinterpret the Paris Convention. For example, some courts have incorrectly interpreted the Paris Convention to hold that section 43(a) of the Lanham Act is the provision governing all suits involving unfair competition in the federal courts.<sup>235</sup> As noted above, while the reciprocal rights approach maintains a uniform standard of unfair competition law within the United States, it is in direct conflict with the promise of the United States to uphold the unfair competition standard set forth in Article

226. See Wolf, *supra* note 82, at 33.

227. See Bederman, *supra* note 97, at 953; Wolf, *supra* note 82, at 34; Part III.A.

228. See, e.g., *Lopez*, 948 F. Supp. at 687 (briefly analyzing Paris Convention); *Vanity Fairs Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 641-43 (2d Cir. 1956) (analyzing both the Paris Convention and the Lanham Act).

229. Wolf, *supra* note 82, at 34.

230. See *supra* part III.

231. See Wolf, *supra* note 82, at 42; see also *supra* notes 87-114 and accompanying text.

232. 984 F. Supp. 684 (E.D. Mich. 1996).

233. See *id.* at 687-89.

234. See *id.* at 689-90.

235. See *supra* Part III.A.

10bis of the Paris Convention.

While the substantive rights approach gives effect to the substantive provisions of the Paris Convention and all statutory law, this approach results in a disparity of rights.<sup>236</sup> Consequently, this Note contends that to eliminate this disparity and not breach the Paris Convention, the United States should adopt Article 10bis's definition of unfair competition as the definition for all suits in the United States, even those between United States citizens. Congress should adopt a broader law of unfair competition that would create a unitary standard applied to Americans and foreigners alike in American courts. This approach would then erase the disparity between the protections from unfair competition afforded to an American plaintiff against an American defendant under section 43(a), and those afforded against a foreign defendant under Article 10bis.

This Note's advocacy of international trademark law harmonization is analogous to the argument for uniformity in nationwide trademark protection that created the Lanham Act in 1946.<sup>237</sup> The rise in international commerce has created the need for worldwide uniform protection similar to the need for a nationally coherent trademark law due to the rise in interstate commerce during the first half of this century.<sup>238</sup> As countries become increasingly interdependent, unitary standards, such as the Paris Convention, will gain in importance. Thus, Congress should adopt either the Paris Convention's broad definition of unfair competition as its own, or create a similar uniform protection that would give effect to Article 10bis's substantive protection against unfair competition, thus erasing the disparity of rights in American unfair competition law.

#### CONCLUSION

The law of unfair competition in the United States has its source in both national and international doctrines. Along with other signatory nations, the United States promised to protect against the standard of unfair competition adopted in the Paris Convention. Consequently, courts using *Vanity Fair's* reciprocal rights approach are not giving full effect to the treaty. On the other hand, the *Lopez* court has taken the opposite view and has found that the Paris Convention's substantive prohibitions against unfair competition are incorporated into American law. By adopting this approach, this court has given effect to all statutory language, including section 44 and Article 10bis.

The intent behind Article 10bis of the Paris Convention was to lay the foundation for a unitary standard of protection against unfair competition. As the world becomes ever more connected, the need

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236. See *supra* notes 180-82 and accompanying text.

237. See *supra* notes 15-35 and accompanying text.

238. See Port, *supra* note 16, at 34.



for such a unitary standard that all trademark owners can depend upon is urgent. By affording trademark owners in signatory nations the substantive protections accorded by Article 10*bis*, courts will simultaneously aid the United States in upholding its promise to enforce the uniform standard set forth by the Paris Convention and create a higher degree of confidence in the worldwide market among trademark owners by upholding this unitary standard.

Even if courts upheld the rights and aided in the development of a uniform global law, the United States's unfair competition law will suffer from a disparity of rights within its own borders because the Lanham Act creates two different laws depending on the parties. If the parties in an unfair competition suit are both American, the suit is decided under section 43(a). In contrast, if the suit is between an American and a foreigner, the suit may be decided under Article 10*bis*. To erase this disparity and uphold its treaty obligations, Congress should adopt Article 10*bis*'s definition for all unfair competition, not just for disputes arising between an American and a foreigner. As more unfair competition cases involving foreign parties are decided in the United States, this disparity of protections afforded to parties under Article 10*bis* versus section 43(a) in the United States will only worsen if it is not alleviated. Just as Congress once saw the need to create a federal standard of trademark law within the United States, the time has now come for Congress to conform United States unfair competition law to that of the rest of the world.

*Notes & Observations*