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ROOTS OF THE LEMON TREE

Richard G. Kline and Edward T. Colbert***

This article is addressed to the current question concerning the priority benefits which are to be accorded foreign nationals who seek trademark registrations in the United States under the priority provisions of the International Convention for the Protection of Industrial Property,¹ as implemented by the United States Trademark Act of 1946 (Federal Trademark Act).² After its adoption in 1883, this multilateral International Convention and successive revisions have been ratified by virtually every major nation throughout the world,³ including the United States and Canada,⁴ to accommodate prevailing basic differences that continue to exist between common law countries where use of a trademark is an essential prerequisite to obtaining protection by registration and civil law countries where rights to a trademark are established by registration without a requirement of use. In

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1. International Convention for the Protection of Industrial Property of 1883, revised at Washington in 1911, 204 O.G. 1011, July 21, 1914 (38 Stat. 1645; T. S. No. 579); signed at The Hague in 1925, 407 O.G. 298, June 9, 1931 (47 Stat. 1789); T. S. No. 834; at London in 1934, 613 O.G. 23, August 3, 1948 (53 Stat. 1748; T. S. No. 941); at Lisbon in 1958, 775 O.G. 321; February 13, 1962 (53 Stat. 1748); and at Stockholm July 14, 1967, 21 U.S.T. 1583, T.I.A.S. No. 6923.

2. 15 U.S.C. §§ 1051-1127 (1970).

3. Countries which have adhered to various revisions of the Convention include: Algeria, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Cameroon, Canada, Central African Republic, Ceylon, Chad, Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, Dominican Republic, Germany (Federal Republic), Finland, France, Gabon, Greece, Haiti, Hungary, Iceland, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Kenya, Lebanon, Liechtenstein, Luxembourg, Madagascar, Malawi, Malta, Mauritania, Mexico, Monaco, Morocco, Netherlands, New Zealand, Niger, Nigeria, Norway, People's Republic of the Congo, Philippines, Poland, Portugal, Rhodesia, Romania, San Marino, Senegal, South Africa, Spain, Sweden, Switzerland, Syrian Arab Republic, Tanzania, Togo, Trinidad-Tobago, Tunisia, Turkey, Uganda, U.S.S.R., United Arab Republic, United Kingdom, United States of America, Upper Volta, Uruguay, Viet-Nam, Yugoslavia, Zambia.

4. The last revision to which both the United States and Canada have adhered, and which consequently governs the obligations and rights between citizens of those countries, is the London revision of 1934.

the vast majority of nations, use is not a requirement for the application for or obtaining of a trademark registration.⁵

I. CONVENTION PRIORITY

Few problems pertaining to the international recognition of trademark rights have created more controversy than the provisions relating to the benefit of priority accorded by this Convention.⁶ These provisions were reinterpreted recently by the United States Court of Appeals for the District of Columbia in *SCM Corporation v. Langis Foods, Ltd.*,⁷ where the concept of "constructive use" was recognized for the first time to provide protection for foreign applicants seeking to register a trademark in the United States under the International Convention. This decision has been universally referred to as the "*Lemon Tree*" case which designates the trademark both parties sought to register in the United States for a flavored mix used to produce a lemon beverage.

Langis Foods, Ltd., a Canadian corporation obtained a registration for the mark *Lemon Tree* in the United States based upon an application for registration filed within six (6) months after applying to register the mark in Canada. John Lecroy &

5. LADAS, PATENTS TRADEMARKS AND RELATED RIGHTS, Chapter 31 § 632 p. 1196 (Harv. Univ. Press 1975); *Section 44(d) of the Lanham Act-Use in Commerce by the Foreign Applicant as a Prerequisite to Securing a United States Trademark Registration*, 1975 BRIGHAM YOUNG U. L. REV. 308, n.1.

6. See 53 Stat. 1748. Priority rights are based upon Article 4 of the International Convention, which provides in pertinent part:

A. (1) Any person who has duly applied for the registration of a . . . trade mark in one of the countries of the Union, or his legal representative or assignee, shall enjoy for the purposes of registration in other countries a *right of priority* during the period hereinafter stated. (Emphasis added.)

(2) Any filing having the value of a formal national filing by virtue of the international law of each country of the Union or of international treaties concluded among several countries of the Union shall be recognized as giving rise to a right of priority.

B. Consequently, subsequent filing in one of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, as, for instance, by another filing . . . or by use of the trade mark, and these facts cannot give rise to any right of third parties or any personal possession. The rights acquired by third parties before the day of the first application on which priority is based shall be reserved by the internal legislation of each country of the Union.

C. (1) The above-mentioned periods of priority shall be . . . 6 months . . . for trade marks.

7. 539 F.2d 196 (D.C. Cir. 1976).

Son, Inc.⁸ petitioned to cancel the *Lemon Tree* registration predicated upon an intervening use of the identical mark in the United States initiated during the period between the filing of the application for registration of the conflicting mark in Canada⁹ and presentation of a corresponding application for registration of the Canadian mark in the United States.¹⁰ *Lemon Tree* presented the issue of whether a corporate foreign national, which had applied for a trademark registration in Canada, had priority in registering that trademark in the United States over a domestic corporation when: (1) the foreign national filed a trademark application in Canada without prior use of the trademark in any country; (2) the foreign national subsequently filed a timely application to register the trademark in the United States based upon the earlier Canadian application; (3) the foreign national used the trademark in Canada, but not in the United States prior to filing of the United States application; and (4) the domestic corporation used the trademark in the United States *after* the foreign national's Canadian application had been filed but *before* the foreign national's United States application was filed. The District Court concluded that the domestic corporation was entitled to registration of the trademark. The Appellate Court reversed.¹¹

To the extent necessary to give effect to the benefits of priority provided by the Convention, the United States enacted an enabling provision to assure foreign nationals of other member countries that an application for registration of a trademark filed in the United States within the 6-month period of priority provided by the Convention would "be accorded the same force and effect" as if filed in this country on the date of the initial foreign filing in a Convention country.¹² Article 4B of the Convention provides that the subsequent filing in a member country shall not be invalidated by any intervening acts taking

8. The case proceeded before the Trademark Trial and Appeal Board of the United States Patent Office and United States District Court for the District of Columbia as *John Lecroy & Son, Inc. v. Langis Foods, Ltd.* 177 USPQ 717 (TTAB, 1973); *id.*, 376 F. Supp. 962 (D.D.C. 1974). John Lecroy & Son, Inc. was acquired by SCM Corporation during the pendency of the controversy.

9. March 28, 1969.

10. September 19, 1969. A detailed discussion of the facts appear in *Berry, Recent Developments Affecting the Protection of Convention Registration Marks in the United States*, 57 JPOS 591 (1975).

11. 539 F.2d at 197.

12. 15 U.S.C. § 1126(d) (1970).

place during the limited six-month period of priority, specifically by use of a conflicting mark by another person initiated during the priority period, or by filing an application for registration during the priority period.

Under the enabling provisions of the Federal Trademark Act, which were enacted with the express intent "to provide rights and remedies stipulated by treaties and conventions respecting trademarks . . . entered into between the United States and foreign nations,"¹³ foreign applicants are entitled to the benefits of priority provided by the Convention "to the extent necessary to give effect to any provision of such convention."¹⁴

II. INTERNATIONAL CONSIDERATIONS

The argument that this Convention discriminates against United States citizens, an argument which the District Court accepted and relied upon in deciding *Lemon Tree*,¹⁵ conflicts with the very principle of accord represented by the Convention. This protective attitude also ignores precedents in the interpretation of treaties. As expressed by the Supreme Court in *United States v. Pink*,¹⁶ "[t]he power of a state to refuse enforcement of rights based on foreign law which runs counter to the public policy of the forum . . . must give way before the superior Federal policy evidenced by a treaty or international compact or agreement."

In proper perspective, the limited reservation of registration rights does not extend beyond the six-month period of priority. Recognition of this limited reservation of registration rights is both rational and reasonable.

First, the object of the Convention is to secure to the nationals of all the contracting countries priority protection, not merely a "procedural advantage." The district court misconstrued this policy goal in reaching its decision.

13. 15 U.S.C. § 1127 (1970).

14. 15 U.S.C. § 1126(b) (1970).

15. "To allow a substantive priority to a foreign applicant would be to grant to him greater rights than those available to United States citizens. This is contrary to the Paris Union Treaty [the Convention] and to the Lanham Act." 376 F. Supp. at 968. By failing to recognize a clear provision of the Convention a misapplication of domestic law occurred. *E.g.*, *Edey v. Robertson*, 112 U.S. 580, 599 (1884). In *American Petrofina, Inc. v. Brown*, 184 USPQ 483 (E.D.N.C., 1974), that court declined to follow this misinterpretation which it found difficult to reconcile with the priority provisions of the Federal Trademark Act, 15 U.S.C. § 1126(d) (1970).

16. 315 U.S. 203, 231 (1942).

Secondly, in the context of international relationships a manufacturer may adopt a trademark in one country in connection with articles manufactured there, often for exportation to other countries. No manufacturer can reasonably be expected or required to transport these products, immediately following an initiated use of a trademark in his own country, to all other foreign markets in order to acquire rights there by use of the mark.¹⁷ Investigations of the marketing conditions and the product acceptability in different foreign countries must first be evaluated to determine whether there is a commercial demand. Distribution outlets must be established. Promotional material often precedes the introduction of a product line which competitors will immediately evaluate long before the product is available for export. While the trademarked product is being test-marketed and packaged in preparation for its introduction, pirates are everywhere ready to misappropriate a competitor's trademark.¹⁸

If the lower court in *Lemon Tree* had succeeded in repudiating by judicial interpretation this limited reservation of the right to register a trademark during the six-month period of priority provided under the International Convention, not only foreign interests but United States manufacturers would have been threatened with the danger of introducing a product for export to a foreign market under a particular mark that has been misappropriated and registered during the interim. To guard against this danger and to protect such rights, the International Convention accords a limited right of priority for a six-month period, allowing nationals of any member country to apply for registration of the trademark in other member countries, which otherwise could be denied if required to first use that mark in order to acquire a valid trademark right by registration.

Thirdly, equally important is the recognition that member countries have always extended United States trademark owners the benefits of priority accorded under this international arrangement without requiring use of a trademark during the limited period of priority while preserving the right to register, even if conflicting rights of a third party may have arisen either by use of the mark or the filing of an application during the six-month period of priority. This imposes an obligation upon the United

17. See LADAS, *supra* note 5, § 632, p. 1196.

18. This problem has been widely recognized for a long time. See, ROGERS, GOODWILL, TRADEMARKS AND UNFAIR TRADING, 111-113 (A. W. Shaw & Co., 1914).

States to respect these commitments in exchange for expecting similar treatment of United States' nationals under the International Convention. To suggest that this is discriminatory in favor of foreign nationals is an unreasonable construction of the principles undergirding the Convention and in complete discord not only with the historical negotiations surrounding adherence to the International Convention by the United States, but also the legislative history of the enabling enactment.

International criticism of the lower court decision in *Lemon Tree* was immediate:

Through . . . the 1974 decision of Chief Judge Hart of the District Court for the District of Columbia in the *Lemon Tree* case, the attention of foreign applicants has once again been focused upon the inequitable treatment afforded the foreign applicant under the U.S. interpretation of the Paris Convention.¹⁹

III. INTERPRETIVE PRINCIPLES

As a self-executing treaty,²⁰ the International Convention would stand on its own for purposes of interpretation and enforcement,²¹ in the absence of a later act of Congress purporting to limit or eliminate some or all of the Convention provisions.²² The Supreme Court has long recognized this principle:

19. See, Wegner and Pagenberg, *Paris Convention Priority: a Unique American Viewpoint Denying "The Same Effect" to the Foreign Filing*. 5 IIC 361, 361-62 (1974); the original German text of which appeared in 1974 GRUR (Gewerblicher Rechtsschutz und Urheberrecht) 308.

20. There is authority for the proposition that the Convention was self-executing and, therefore, the implementing legislation was unnecessary, but served only to affirm the commitments to its terms by the United States. LADAS, PATENTS, TRADEMARKS AND RELATED RIGHTS, (Harvard University Press 1975) §§ 135 & 641, p. 120. The district court in *Lemon Tree* expressly assumed the self-executing nature of the Convention. *But see*, *Kawai v. Metlesics*, 480 F.2d 880 (CCPA, 1973) dealing with *patent* rights under Article 4 of the International Convention, which held the Convention was *not* self-executing. However, under the pertinent tests for the self-executing nature of a treaty, the Convention appears to possess the necessary attributes, "in that no legislation was necessary to authorize executive action pursuant to its provisions." *Cook v. United States (The Mazel Tov)* 288 U.S. 102, 119 n.19 (1933).

21. U.S. CONST. art. VI, cl. 2. *Valentine v. United States*, 299 U.S. 5, 10 (1936). 74 Am. Jur. 2d *Treaties* § 3 (1974).

22. *Pigeon River Improvement, Slide & Boom Co. v. Charles W. Cox, Ltd.*, 291 U.S. 138, 160 (1934); *Ward v. Race Horse*, 163 U.S. 504, 511 (1896).

A treaty, then, is a law of the land as an act of Congress is, whenever its provisions prescribe a rule by which the rights of the private citizen or subject may be determined. And when such rights are of a nature to be enforced in a court of justice, that court resorts to the treaty for a rule of decision for the case before it as it would to a statute.²³

Repudiation or modification of a convention or treaty is not to be lightly inferred, and "never admitted where the former can stand with the new act,"²⁴ but rather, the words of the act of Congress must be clear and unequivocal that the prior treaty is meant to be abrogated. "A treaty will not be deemed to have been abrogated or modified by a later statute unless such purpose on the part of Congress has been clearly expressed."²⁵

This principle of avoiding a legislative act of abrogation is accorded special consideration when it would modify provisions of a treaty according a valuable right to the United States or its citizens,²⁶ or, when the act by its very terms or title purports to recognize the existence as well as enforce the provisions of a treaty obligation of the United States.²⁷

It is inconceivable that a convention which, while granting foreign nationals certain specific, limited rights, also secured to United States citizens in every member country the same special rights being accorded those foreign nationals, should be nullified by a restrictive interpretation of a statute purporting to give "full force and effect" to the very terms of that treaty.

Where, as here, the enabling statute specifically seeks to give the "same force and effect," not merely "some" force and effect, to the corresponding priority provisions of the International Convention and also seeks to implement these provisions to the extent necessary to give effect thereto, the Convention should be consulted for interpretive assistance, rather than ignored by a

23. *Edye v. Robertson*, 112 U.S. 580, 598-99 (1884).

24. *Chew Heong v. United States*, 112 U.S. 536, 549 (1884).

25. *Cook v. United States*, 288 U.S. 102, 120 (1933). *Accord*, *Ward v. Race Horse*, 163 U.S. 504, 511 (1896); *Pigeon River Improvement Co. v. Charles W. Cox, Ltd.*, 291 U.S. 138, 160 (1934). 74 Am. Jur. 2d *Treaties* § 16 (1974).

26. *Cf.*, *United States v. Forty-three Gallons of Whiskey*, 108 U.S. 491, 496 (1883).

27. 112 U.S. at 553-54. The official title of the Federal Trademark Act is: "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes." (Emphasis supplied). 60 Stat. 427 (1946).

restrictive construction, if that can be done without violating the language of either.²⁸ The Convention and Statute should be construed together so as to give effect to both and thereby insure that the international obligations of the United States are performed, rather than breached. This requires consideration of the basic principles of treaty interpretation.

IV. TREATY INTERPRETATION

Under the Supremacy Clause contained in Article VI, Section 2 of the Constitution, courts should endeavor to construe an International Convention and a United States statute so as to give effect to *both* without violating the language of either.²⁹

Courts also must recognize the principles which control diplomatic relations between sovereign nations. Accordingly, the enabling provisions contained in 15 U.S.C. 1126(b) should be *liberally construed* "to the extent necessary to give effect to Article 4 of the Convention."³⁰ These principles were restated by the Supreme Court in *Factor v. Laubenheimer*:³¹

In choosing between conflicting interpretations of a treaty obligation, a narrow and restricted construction is to be avoided as not consonant with the principles deemed controlling in the interpretation of international agreements. Considerations which should govern the diplomatic relations between nations, and the good faith of treaties, as well, require that their obligations should be liberally construed so as to effect apparent intention of the parties to secure equality and reciprocity between them. For that reason if a treaty fairly admits of two constructions, one restricting the rights which may be claimed under it, and the other enlarging it, the more liberal construction is to be preferred.

28. *United States v. Lee Yen Tai*, 185 U.S. 213, 221 (1902); *United States v. Gue Lim*, 176 U.S. 459, 465 (1900); *Whitney v. Robertson*, 124 U.S. 190, 194 (1888); 74 *Am. Jur. 2d, Treaties* § 16 (1974).

29. *Whitney v. Robertson*, 124 U.S. 190, 194 (1888); *Horner v. United States*, 143 U.S. 570, 578 (1892).

30. 15 U.S.C. 1126(b) (1946); *Hauenstein v. Lynham*, 100 U.S. 483, 487 (1879); *Chew Heong v. United States*, 112 U.S. 536, 540 (1884); *Valentine v. United States*, 299 U.S. 5, 10 (1936); *Jordan v. Tashiro*, 278 U.S. 123, 127 (1929); *Nielson v. Johnson*, 279 U.S. 47, 51-52 (1929).

31. 290 U.S. 276, 293-94 (1933).

This interpretative inter-relationship between treaties and federal statutes requires consideration of the principles of international law and treaty interpretation.³² Although the Vienna Convention is not retroactive in nature,³³ it does specifically provide for and enumerates the common principles of treaty interpretation generally applied by the United States in accordance with international law and comity among nations.³⁴

A. *Pacta Sunt Servanda*

“Every treaty in force is binding upon the parties to it and must be performed by them in good faith.”³⁵

This requirement of good faith is the *sine qua non* of all international arrangements, and is especially important in the case of treaties and international conventions. The need for good faith in the interpretation of treaties was paramount, since the enforcement of the obligations of a treaty are dependent upon the honor of the country where rights are sought to be enforced, there being no means for the enforcement of international arguments except by unilateral aggressive or retaliatory action, such as boycotts, blockades, armed conflict or the threat of such conflict,³⁶ as was recognized by the Supreme Court in *Edye v. Robertson*.³⁷

A treaty is primarily a compact between independent nations. It depends for the enforcement of its provisions on the interest and the honor of the governments which are parties to it. If these fail, its infraction becomes the subject of international negotiations and reclamations, so far as the injured party chooses to seek redress, which may in the end be enforced by actual war.

It is, of course, not suggested that the failure to award priority as required by the International Convention would lead to

32. Vienna Convention on the Law of Treaties adopted by the United Nations Conference on May 23, 1959, reprinted in [1969] U.N. JURIDICAL Y.B. 140.

33. *Id.* Part I, Article 4.

34. *Id.* Part I, Articles 3 and 4.

35. Vienna Convention, Part III, Observance, Application and Interpretation of Treaties, Section 1: Observance of Treaties, Article 26.

36. 112 U.S. at 540.

37. *Id.* at 598.

international conflict, but the alternatives are given only to demonstrate the reliance placed upon good faith enforcement of treaty obligations.

B. *Internal Law and Observance of Treaties*

"A party may not invoke the provisions of its internal law as justification for its failure to perform a treaty."³⁸

This principle has long been recognized and enforced in the United States.³⁹ There is nothing in the domestic law of the United States which conflicts with the provisions of the Convention. To the contrary, Section 44(d) of the Federal Trademark Act of 1946 was enacted to ensure the application of the provisions of the Convention in the registration and protection of certain trademarks by foreign applicants. Article 27 prohibits a refusal to perform under the treaty provisions while Article 46 prohibits the invalidation of consent to a treaty, predicated on possible conflicts with domestic law. These articles constitute an international recognition of the United States constitutional provisions which place self-executing treaties on the same level as Acts of Congress.⁴⁰

The most important case in the area of interpretation of international conventions, as applied to trademark rights, is *Bacardi Corp. v. Domenech*.⁴¹ There the court was concerned with an act of the Puerto Rican legislature that prohibited the use of previously known or used brands or trademarks on distilled beverages manufactured or sold in Puerto Rico, unless such use commenced prior to a certain date or had been used exclusively in the continental United States. The question presented was whether this limitation discriminated against foreign nationals, contrary to the provisions of the General Inter-American Convention for Trade Mark and Commercial Protection of 1929.⁴²

38. Vienna Convention, Article 27.

39. *The Amiable Isabella*, 19 U.S. (6 Wheat.) 1, 70-71 (1821).

40. *Kennett v. Chambers*, 55 U.S. (14 How.) 38, 46 (1852); *Foster v. Neilson*, 27 U.S. (2 Pet.) 253, 314 (1829); *Valentine v. United States*, 299 U.S. 5, 10 (1936).

41. 311 U.S. 150 (1940).

42. Ratified February 11, 1931 and proclaimed February 27, 1931. 46 Stat. 2907. The pertinent provision, Article 3, stated:

Every mark duly registered or legally protection in one of the Contracting States shall be admitted to registration or deposit and legally protected in the other Contracting States, upon compliance with the formal provisions of the domestic law of such States.

The Puerto Rican government defended itself from the charge of discrimination against foreign nationals⁴³ by alleging that the law was enforced against its own citizens, and, therefore, no one was permitted to use an established foreign trademark on distilled beverages.

In rejecting that argument, the Supreme Court established principles which should have been, but were not, observed by the district court in *Lemon Tree*, "When protection is sought for such marks a ratifying State cannot escape the obligations of the treaty and deny protection by the simple device of embracing its own nationals in that denial. That would make a mockery of the treaty."⁴⁴

C. *General Rule of Interpretation*

"A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose."⁴⁵

This provision is merely an amplification of the previously stated requirement of good faith in the performance of treaty obligations, with the clarification of terms of such treaties or internal conventions being made in accordance with the established statutory interpretation requirement of using the ordinary meaning of words when taken in their whole context, and not in an artificial or special sense impressed upon such terms by local law or usage.⁴⁶

D. *Supplementary Means of Interpretation*

Recourse may be had to supplementary means of interpretation, including the preparatory work of the treaty and the circumstances of its conclusion, in order to confirm the meaning resulting from the application of article 31 [ordinary meaning of term], or to determine the meaning when the interpretation according to article 31:

(a) leaves the meaning ambiguous or obscure; or

43. The "Bacardi" trademark was the property of a Cuban corporation, Compañia Ron Bacardi, S.A., and licensed to the petitioner/plaintiff, Bacardi Corporation of America, for manufacture and sale in Puerto Rico.

44. *Bacardi Corp. v. Domenech*, 311 U.S. 150, 165 (1940).

45. Vienna Convention, Section 3: Interpretation of Treaties, Article 31.

46. *Geofroy v. Riggs*, 133 U.S. 258, 271 (1890).

(b) leads to a result which is manifestly absurd or unreasonable.⁴⁷

This provision is a formal international recognition of the basis for and propriety of seeking out the "negotiating history" of a treaty or international convention in the same manner as statutes may be interpreted upon consideration of the "legislative history" thereof, a practice long established before the courts of the United States.⁴⁸ Early Supreme Court cases even went so far as to endorse examination of convention history without first making a finding of ambiguity.⁴⁹

Included in this history of the Convention, should be the interpretation and construction of all prior texts of the Convention, in light of which all revisions were necessarily made.⁵⁰

V. HISTORY OF THE INTERNATIONAL CONVENTION NEGOTIATIONS⁵¹

The relevant language of Article 4 of the original text of the 1833 Paris Convention, first adhered to by the United States in 1887, leaves no doubt about the preservation of rights to effectively protect the benefits of Convention priority: "Consequently, the subsequent filing . . . shall not be invalidated through any acts accomplished in the interval, as for instance, by another filing . . . or by use of the mark."⁵²

During the original proceedings of the first conference in Paris, "filing" and "use" were considered essential aspects of the priority provision. The first draft of the treaty contained language describing a limited reservation of the registers in all the adhering

47. Vienna Convention, Article 32.

48. *Nielsen v. Johnson*, 279 U.S. 47, 52 (1929). As stated by the Supreme Court in *Arizona v. California*, 292 U.S. 341, 359-60 (1934):

"It has often been said that when the meaning of a treaty is not clear, recourse may be had to the negotiations, preparatory works, and diplomatic correspondence of the contracting parties to establish its meaning."

49. *Factor v. Laubenheimer*, 290 U.S. 276, 294-95 (1933); *Cook v. United States*, 288 U.S. 102, 112 (1933).

50. *Cf.*, *United States v. Henning*, 344 U.S. 66, 72 (1952).

51. The authors gratefully acknowledge the assistance of the United States Patent Office in opening its archives and permitting access to many Convention documents and other contemporaneous related documents.

52. The priority rights were recognized by the United States Circuit Court for the District of Columbia, before which the *Lemon Tree* case is pending, in *Deitsch Bros. v. Loomen*, 39 App. D.C. 114, 117 (1912).

countries. This resulted from an amendment which made it clear that the rights of the first applicant, claiming priority, would be protected against *any and all intervening acts*, not just an intervening *filing* by another person. In the revised draft, trademarks were specifically referred to, with the clear intent that any use of the mark during the period of priority that might have the effect under national law of invalidating the rights of priority could not have any such effect on the applicant asserting priority in a member country. Essentially the same language was adopted at the conference on November 18, 1880 *and the concept embodied therein has been unchanged throughout the history of the Convention.*

Subsequent texts of the Convention contained some revisions of the language of Article 4 but, in every respect, these changes served only to confirm or clarify the original intent of the text as far as its priority benefits were concerned.

However, the original text of Article 4 contained a clause in the first paragraph to the effect that enjoyment of the right of priority was "subject to the rights of third parties" which was not deleted until the London revision in 1934. Considerable doubt existed in other countries as to whether that exception would only apply to one who obtained rights in a mark by use *prior* to the filing date of the first *foreign* application. This ambiguity was definitively clarified at the revision conference of London in 1934, as a result of which the reservation was eliminated and replaced by a sentence to the opposite effect; namely, that acts accomplished during the priority period "*cannot give rise to any right of third parties.*"⁵³ In addition, the London text completed this interpretation by a specific reservation of third party rights acquired *prior* to the date of the first application in the foreign country (Article 4B, last sentence).

An article entitled "The London Conference of 1934" in the magazine *Industrial Property*, 1934, published by the International Bureau for the Protection of Industrial Property, recognized that the modification of Article 4 of the Convention, pertaining to the abolishment of the reservation of the rights of third parties during the priority period was the most significant result achieved at the London Conference.

This shift in emphasis in the Convention is all the more significant since it has been held in connection with the

53. Article 4B, *supra* n.6.

interpretation of domestic United States statutes that the use of *negative* language is a strong indication of the mandatory nature of a provision, *i.e.*, a prohibition is absolute and cannot be modified, limited or conditioned.⁵⁴ Similar negative language appeared in the Paris Treaty of 1783, ending the American War of Independence which was interpreted in *Ware v. Hylton*.⁵⁵ Article 4 of the treaty provided, "It is agreed that creditors, on either side, shall meet with no lawful impediment to the recovery of the full value, in sterling money, of all bona fide debts, heretofore contracted."

The defense interposed and considered by the Court, was performance by the debtor under a Virginia statute which permitted payment of debts owed to citizens of Great Britain into a special fund established by the state for that express purpose, and thereby be discharged under Virginia law. The Court rejected the theory that the treaty was not self-executing but had to be affirmatively enacted into law:

On the best investigation I have been able to give the 4th article of the treaty, I cannot conceive, that the wisdom of men could express their meaning in more accurate and intelligible words, or in words more proper and effectual to carry their intention into execution.⁵⁶

On none of the occasions when the United States ratified the revisions to the International Convention of 1883 at Washington in 1911, at the Hague in 1925, and at London in 1934, were any reservations made or legislative restrictions enacted purporting to limit the clear effect of these Convention priority benefits. This is confirmed in each of the proclamations ratifying the revisions of 1911, 1925 and 1934 under the Treaty Power of the United States, "to the end that the same and every article and clause thereof may be observed and fulfilled in good faith by the United States of America and citizens thereof."⁵⁷

54. See, *French v. Edwards*, 80 U.S. (13 Wall.) 506, 509-11 (1872); SUTHERLAND, STATUTORY CONSTRUCTION, § 57.09 (Callaghan & Company 1972).

55. 3 U.S. (3 Dall) 199 (1796).

56. 3 U.S. (3 Dall) at 245 (1796).

57. See, 53 Stat. 1748.

A. *Provisions of Internal Law Regarding Competence to Conclude Treaties*

1. A State may not invoke the fact that its consent to be bound by a treaty has been expressed in violation of a provision of its internal law regarding competence to conclude treaties as invalidating its consent unless that violation was manifest and concerned a rule of its internal law of fundamental importance.
2. A violation is manifest if it would be objectively evident to any State conducting itself in the matter in accordance with normal practice and in good faith.⁵⁸

This provision serves the purpose of limiting the enforcement of treaties and international conventions as domestic law, to such provisions as would not violate the Constitution or be *ultra vires* with respect to the authority of the federal government. Such a limitation does not modify the previously noted principle that treaties are on a parity with Acts or Congress, since such limitations have long been applied as against constitutionally infirm statutes.

B. *Termination or Suspension of the Operation of a Treaty as a Consequence of its Breach*

A material breach of a multilateral treaty by one of the parties entitles:

- (a) the other parties by unanimous agreement to suspend the operation of the treaty in whole or in part or to terminate it either:
 - (i) in the relations between themselves and the defaulting State, or
 - (ii) as between all the parties;
- (b) a party specially affected by the breach to invoke it as a ground for suspending the operation of the treaty in whole or in part in the relations between itself and the defaulting State;
- (c) any party other than the defaulting State to invoke the breach as a ground for suspending the operation of the treaty in whole or in part with respect to itself if the

58. Vienna Convention, Part V, Invalidity, Termination and Suspension of the Operation of Treaties, Section 2: Invalidity of Treaties, Article 46.

treaty is of such a character that a material breach of its provisions by one party radically changes the position of every party with respect to the further performance of its obligations under the treaty.⁵⁹

This provision is in accord with the general adherence by the courts of the United States to the international rule of law that a treaty is *voidable*, and not void upon breach by one of the parties, and compliance may be insisted upon by aggrieved members.⁶⁰

Failure to grant the Convention priority right of registration to proper applicants would constitute a denunciation of the Convention obligations of the United States, and such a material breach of the Convention would permit the rescission of the Convention by its members vis-a-vis the United States, and the concomitant denial of special Convention privileges to citizens of the United States seeking registration of trademarks in those rescinding countries.

This analysis demonstrates the compelling importance of the Circuit Court decision in *Lemon Tree* which reinterpreted the Convention with respect to priority so as to fulfill the obligations undertaken by the United States in conformity with the enabling provision of the Federal Trademark Act.

VI. STATUTORY CONSTRUCTION

Construction of the law on priority cannot be restricted merely to the enabling language of the Federal Trademark Act since this would ignore the very purpose of the statute "to give effect to any provision of such Convention." To give force to Article 4B of the Convention does no violence to other provisions of the Federal Trademark Act. Section 1 of the Trademark Act⁶¹ cannot properly be construed to limit the protection of trademark rights to those acquired *solely* by use in commerce. A corresponding provision appeared in Section 2 of the 1905 Act which exempted foreign applicants from stating that the mark had been used in commerce with the United States or among the States thereof.⁶²

59. Vienna Convention, Section 3: Termination and Suspension of the Operation of Treaties, Article 60.

60. *Factor v. Laubenheimer*, 290 U.S. 276, 298 (1933); *Terlinden v. Ames*, 184 U.S. 270, 287 (1902).

61. 15 U.S.C. § 1051 (1975) requires submission of a statement "that the mark is in use in commerce."

62. See also *Report of the Commissioner, infra* n.81, at 83, 86.

The requirement in Section 1, that the applicant state that the mark is in use in commerce (meaning commerce which may be regulated by Congress pursuant to 15 U.S.C. 1127), is expressly waived by Section 44(d)(2) if the application is filed under Section 44(d) by a national of a Convention country. The fact that an applicant is a national of a Convention country does not preclude the applicant from making the statement, required by Section 1, that "to the best of his knowledge and belief, the applicant has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive."

Section 2(d)⁶³ prohibits registration of a trademark "previously used in the United States by another." In the *Lemon Tree* case, the District Court, *sub silentio*, interpreted "previously" to mean before the actual U.S. filing date rather than the earlier effective filing date corresponding to the foreign filing date in Canada under Section 44(d). That construction of Section 2(d) could not have been intended by Congress. It not only ignores Section 44(d), but the enabling mandate of Section 44(b) "to the extent necessary to give effect to any provision of such convention . . . in addition to the rights to which any owner of a mark is otherwise entitled by this Act." It also ignores the intent of the Act specified in Section 45. *Neither should be ignored in construing Section 2(d)*. Instead, it is well established that the task of the courts in interpreting separate provisions of a single Act is to give the Act "the most harmonious, comprehensive meaning possible" in light of the legislative policy and purpose.⁶⁴

The word *previously* in Section 2(d) could only have been intended by Congress to mean *before the filing date in the Convention country* in those cases where the application is entitled to a Convention filing date pursuant to Section 44(d). This construction is confirmed by Section 44(d)(3) where the rights acquired by third parties "*before*" the date of the filing of the first application in a foreign country shall in no way be affected by a registration under the priority provisions of the Statute.

Both of these interpretations were evaluated by the Appellate Court in light of the legislation attempts to reconcile differences between American and foreign trademark registration systems. Although Section 1 required an indication of when a trademark

63. 15 U.S.C. 1052 (d) (1975).

64. *See*, *Weinberger v. Hynson, Westcott & Dunning*, 412 U.S. 609, 631-32 (1973); *Clark v. Uebersee Finanz-Korn*, 332 U.S. 480, 488 (1947).

was first used in commerce, "foreign nationals applying pursuant to Section 44(d) are exempted from that requirement."⁶⁵ Next, the Appellate Court examined the language of the Convention which resolved whatever doubt that may have existed concerning the reach of Section 44(d), "[t]his revised version clearly provides that an intervening use during the priority period cannot give rise to rights on the part of third parties."⁶⁶

As for Section 2(d) of the Federal Trademark Act, which prohibits registration of a trademark "previously used in the United States by another," the Appellate Court refused to interpret that section in isolation from the context of the entire statute, stating: "We need only interpret the word 'previously' in Section 2(d) to mean 'before the filing date in the Convention country' in order to give meaning to both statutory provisions. As our earlier discussion indicates, both the structure of the Act and its legislation history support such an interpretation."⁶⁷

If the Appellate Court in *Lemon Tree* had followed the same restrictive statutory interpretation as the District Court, these convention priority benefits could have been effectively nullified, even though it had been ratified by the United States without reservation. But when liberally construed, the benefits of priority afforded by the Convention were effectively implemented. As for the narrow construction by the District Court in *Lemon Tree*, this violated the principles of international comity and might have resulted in further reprisals in relations between the United States and other foreign nations, the very evil that Congress sought to remedy by the enabling legislation:

Industrialists in this country have been seriously handicapped in securing protection in foreign countries due to our failure to carry out by statute our international obligations. There has been no serious attempt fully to secure to nationals of countries signatory to the conventions their trade-mark rights in this country and to protect them against the wrongs for which protection has been guaranteed by the conventions. Naturally under such circumstances foreign governments do not always give to citizens of the United States their convention rights. To remedy this discreditable situation is merely an act of international good faith.⁶⁸

65. *SCM Corp. v. Langis Foods Ltd.*, 539 F.2d 196, 200 (1976).

66. 539 F.2d at 201.

67. *Id.* at 202.

68. *Id.* at 200.

Since international agreements are completely dependent upon the good will and honor of the contracting parties, the courts have an obligation to interpret a statute related to a treaty so as to avoid an infraction of any obligation thereunder and thereby a breach of the pledged faith of the government of the United States.

Under the Supremacy Clause of the Constitution of the United States, the courts should endeavor to construe the convention and statute so as to give effect to *both*, which can be done without violating the language of either. By this clause, the Constitution places Convention provisions such as these in the same category as other laws of Congress by its declaration that, "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; *and all Treaties made*, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land. . . ." (emphasis supplied).⁶⁹

VII. APPLICABLE STATUTES

Section 44(d) of the Federal Trademark Act⁷⁰ entitles nationals of foreign countries which have reciprocal trademark treaties with the United States to a right of priority.⁷¹ This section provides in pertinent part:

In application for registration of a mark under sections 1, 2, 3, 4, or 23 of this Act filed by a person described in paragraph (b) of this section who has previously duly filed an application for registration of the same mark in one of the countries described in paragraph (b) shall be accorded the same force and effect as would be accorded to the same

69. U.S. Const. art. 6, cl. 2.

70. 15 U.S.C. §1126(d) (1970).

71. Section 44(b) of the Lanham Act, 15 U.S.C. §1126(b), limits the applicability of the Act to nationals of foreign countries, which have granted reciprocal rights to citizens of the United States; and provide

Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names of the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which an owner of a mark is otherwise entitled by this Act. (Amended Oct. 9, 1962, 76 Stat. 759).

application if filed in the United States on the same date on which the application was first filed in such foreign country: *Provided, That—*

- (1) the application in the United States is filed within six months from date on which the application was first filed in the foreign country;
- (2) the application conforms as nearly as practicable to the requirements of this Act, but use in commerce need not be alleged;
- (3) the rights acquired by third parties before the date of the filing of the first application in the foreign country shall in no way be affected by a registration obtained on an application filed under this subsection (d);
- (4) nothing in this subsection (d) shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country unless the registration is based on use in commerce.⁷²

Section 44(d) must be construed in context with the intent of the Act expressed in Section 45 of the Lanham Act.⁷³ "The intent of this Act is . . ." to provide rights and remedies stipulated by treaties and conventions respecting trademarks . . . entered into between the United States and foreign nations."⁷⁴

These statutory prerequisites were met in the *Lemon Tree* case: (1) Appellant Langis was a Canadian corporation; (2) An application for United States registration of the "Lemon Tree" mark was filed in the United States within 6 months of an earlier Canadian application for registration of the same mark; and (3) Canada is a party to the International Convention, as revised at London in 1934, to which the United States is also a party. By its very terms, the enabling provisions of Section 44(b) extend the benefits of priority under Section 44(b), to any person whose country of origin is a party to any convention or a treaty relating to trademarks to which the United States is also a party, "to the extent necessary to give effect to any provisions of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this Act."

72. Amended Oct. 3, 1961, 75 Stat. 748.

73. 15 U.S.C. §1127 (1970).

74. Amended October 9, 1962, 76 Stat. 769.

When the formalities or procedural prerequisites for priority have been met, "it is the intent of the treaty to confer a substantive right to the protection of the foreign mark."⁷⁵

The right of priority has long been regarded by the Patent Office as a substantive right of a foreign applicant which is not defeated by the application of a domestic applicant who claims use in commerce commencing during the interval between the foreign applicant's convention filing date and its application filing date within 6 months of the first foreign filing date.⁷⁶

VIII. LEGISLATIVE HISTORY OF STATUTORY PROVISIONS

Section 44(d) of the Trademark Act of 1946 carries forward the right of priority enacted by Congress for the first time in Section 4 of the 1905 Trademark Act:

Sec. 4. That an application for registration of a Trade-mark filed in this country by any person who has previously regularly filed in any foreign country which, by treaty, convention, or law, affords similar privileges to citizens of the United States an application for registration of the same trade-mark shall be accorded the same force and effect as would be accorded to the same application if filed in this country on the date on which application for registration of the same trade-mark was first filed in such foreign country: *Provided*, That such application is filed in this country within four months from the date on which the application was first filed in such foreign country.⁷⁷

The intent of Congress in enacting the priority provisions of the 1905 Act was to implement what is understood to be the obligations of the United States to provide a priority right under Article 4 of the Paris Convention. Congress further understood that the priority right necessary to give effect to Article 4 meant a right which would not be defeated by use of the mark by a third party during the priority period of four months (now 6 months) after the filing of an application for registration in a convention country.⁷⁸ In the Congressional Report accompanying the bill

75. *Bacardi Corp. v. Domenech*, 311 U.S. 150, 163 (1940).

76. *Purex Corp., Ltd. v. C.R.I.E.*, 148 USPQ 388, 389 (TT&AB, 1965).

77. Act of February 20, 1905, ch. 592 § 4, 33 Stat. 725.

78. S. REP. NO. 3278 (incorporating H. REP. NO. 3147), 58th Cong., 3d Sess., 3-4 (1905).

enacted as the Trademark act of 1905, the House Committee stated that the bill "would so amend the trade-mark laws of the United States as to conform to our treaty obligations with the other nations."⁷⁹

Specifically, Congress had before it the following Committee interpretation of Article 4 of the Paris Convention:

Article 4 provides that any person who shall have regularly deposited an application for a trademark in one of the contracting States shall enjoy, for the purpose of making the deposit in the other States, and under the reserve of the rights of third parties, a right of priority of three months in Europe and four months in countries beyond the sea,⁸⁰ during which a deposit subsequently made in one of the other States of the said Union cannot be invalidated by another deposit or by the employment of the mark.

No provision is made in the law of 1881 for the precedence of a prior applicant in another State of the Union for the Protection of Industrial Property over an applicant for registration here.

It is to be noted that Article 4 excepts out from its provisions the right of third parties. We understand this to mean those in the United States who obtain title to a mark by use before application abroad. It is also to be noted that *the use of the mark after the deposit of the application is one of the States of the Union will not invalidate the claim to registration during the period of four months thereafter.* Now, as a trademark cannot be registered under the present law except to the first user, *the registration abroad should be given the effect of a user of the mark in this country at the date of the first application.* (Emphasis supplied.)⁸¹

Congress understood that the priority right necessary to implement Article 4 of the Paris Convention meant a right which

79. *Id.* at 4.

80. This includes the United States.

81. Report of the Commissioner Appointed to Revise the Statutes Relating to Patents, Trade and Other Marks, and Trade and Commercial Names, Senate Document No. 29, 56th Congress, 2d Session, p. 42 (1902). This earlier concept of constructive use, as opposed to merely a procedural right of constructive filing, has been recognized very recently by the Patent Office in *Satinine Societa in Mome Colletivo di S.A. e.M. Usellini v. P.A.B. Products et Appareils de Beaute*, 194 USPQ 209, 211 (TTAB, 1977).

would not be defeated by use of the mark by a third party commenced during the priority period of four months (now 6 months) after the filing of an application for registration in a convention country. Accordingly, Congress must have intended to provide such a right when it specified in Section 4 of the 1905 Trademark Act that the U.S. application of a foreign applicant "shall be accorded the same force and effect as would be accorded to the same application if filed in this country on the date on which application for registration of the same trademark was first filed in such foreign country." Section 2 of the 1905 Trademark Act specifically exempted foreign applicants from stating that the mark had been used in commerce with the United States or among the States thereof.

The legislative history accompanying the Federal Trademark Act of 1946 also subscribed to the recognized necessity for carrying out the provisions of the various international conventions pertaining to the protection of trademarks.⁸² Senate Report No. 1019 accompanying the 1961 amendments to the Federal Trademark Act contains the following pertinent language:⁸³

[I]n effect, the filing of an application for patent in one country constitutes a constructive filing of applications for patent for the same invention in all other countries on the same date, which *constructive filing* is made *actual* in a particular country by the filing of a formal application in that country within [one] year of the date of filing of the first application . . . *This provision of the convention is enacted in Title 35, United States Code, Section 119, in the case of patent applications and in Title 15, United States Code, Section 1126(d) in the case of trademark applications.* (Emphasis supplied.)⁸⁴

Since 1905, the Patent Office has consistently recognized prior rights claimed under the Convention by foreign nationals on the

82. Senate Report No. 1333 (May 14, 1946); 1946 United States Congressional Code Service, at page 1276, entitled "Purposes of the present Bill." See note 68 *supra*.

83. 1961 U.S. Code Cong. & Ad. News 3047, accompanying the 1961 amendments to the Lanham Act, prompted by the 1958 Lisbon Revision of the Convention.

84. The relevant interpretations and constructions of the Convention and the U.S. Patent Laws are applicable, as modified by specific context: to consideration of the Trademark Laws. LADAS, PATENTS, TRADEMARKS AND RELATED RIGHTS, § 633, p. 1197 (Harv. Univ. Press 1975).

basis of previously filed foreign applications, in lieu of use in commerce.⁸⁵ Great weight also must be given to this long prior construction of the priority provisions by the governmental agency charged with the administration thereof, as having risen to the level of Executive agency policy.⁸⁶ This legislative history reconfirms that Section 44(c) was enacted to carry out the underlying principles of the Convention that Congress initially sought to implement by enactment of Section 4 of the 1905 Trademark Act when the priority provisions were initially enacted, Article 4 of the Paris Convention at that time was thought not to be self-executing.⁸⁷ This same point was subsequently made to Congress by former Commissioner Conway P. Coe, who stated:

It has been held that those treaties, certain phases of them, are not self-executing; so in the interest of clarity, as well as the integrity of treating obligations, *we have put the treaty provisions into our law and this has that object in mind.* (Emphasis supplied.)⁸⁸

IX. CONCLUSION

There is no indication either in the legislative history of the Federal Trademark Act or the International Convention negotiations that the United States sought to restrict recognition of its priority obligations under the Convention which has been embraced within the implementing statute. To deny this benefit to foreign nationals, while desiring to take advantage of the benefits member countries were extending to nationals of this country would have been contrary to the basic objective of the Convention. Thus, the roots that lead to a satisfactory resolution of the Lemon Tree dispute arose from a heritage dedicated to achieve an accord between every industrial nation of the world.

85. Rules 27 and 34, Rules of the Patent Office, revised December 1, 1905; Rule 33, Rules of the Patent Office, revised August 1, 1932; Rule 7.9 Rules of Practice in Trademark Cases, July 5, 1947. *Testimony of First Assistant Commissioner Leslie Frazer, Hearings on H.R. 82, 78th Cong., 2d sess., p. 124 (1944).*

86. *United States v. Public Utilities Commission of California*, 345 U.S. 295, 314-15 (1953); *Commissioner of Internal Revenue v. 1st Security Bank of Utah*, 405 U.S. 394, 420 n.16 (1972).

87. 1902 Report of the Commissioners, *supra* n.81 at p. 83, comment referring to Section 8 of the proposed bill and p. 86 referring to Section 30 of the proposed bill. *But see*, Note 20, *supra* for later interpretations.

88. *Hearings on H.R. 9041, 75th Cong., 3d Sess. 195 (1938).*