

# THE INTERNATIONAL PROTECTION OF TRADEMARKS AFTER THE TRIPS AGREEMENT

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## I. INTRODUCTION

Trademarks are signs that identify goods or services offered on a market.<sup>1</sup> Trademarks are nothing new. For example, ancient Greeks and Romans stamped or inscribed on various goods an identifying symbol or name.<sup>2</sup> Today the trademark is a way to attract the public. Consumers look at trademarks to choose goods and services, which increases the role of trademarks in global marketing. The economic value of trademarks in attracting customers requires that firms manage and protect them comparably to other assets.<sup>3</sup> The industrial property system offers a legal means for such protection.

Industrial property rights are comparable to ownership rights. Ownership rights are exclusive rights that preclude third parties from using an object without permission;<sup>4</sup> industrial property rights are viewed in the same way.<sup>5</sup> However, the object of industrial property

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1. See The Lanham Act of 1946 § 45, 15 U.S.C § 1127 (1994) [hereinafter Lanham Act]. “The term ‘trademark’ includes any word, name, symbol, or device, or any combination thereof . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” *Id.*

2. See STEPHEN P. LADAS, PATENTS, TRADEMARKS AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION 3-4 (1975). See generally, FRANK I. SCHECHTER, THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARK (1925).

3. See William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 274-75 (1987). See generally, ERIC GOLAZ, L’IMITATION SERVILE DES PRODUITS ET DE LEUR PRÉSENTATION: ETUDE COMPARÉE DES DROITS FRANÇAIS, ALLEMAND, BELGE ET SUISSE (1992).

4. See Louis Kaplow & Steven Shavell, *Property Rules Versus Liability Rules: An Economic Analysis*, 109 HARV. L. REV. 713, 716 (1996).

5. See Michael Lehman, *The Theory of Property Rights and the Protection of Intellectual and Industrial Property*, 16 INT’L REV. INDUS. PROP. & COPYRIGHT L. 525, 526-27 (1985).

rights is not a material good.<sup>6</sup> Instead, the object can be an industrial model or design, a technical invention covered by a patent, a distinctive sign such as a trademark, or an indication of geographic origin.<sup>7</sup> The ownership of immaterial goods, such as those listed above, does not stem from the nature of the objects.<sup>8</sup> Ownership is not acquired automatically, but may be granted by state authorities on request.<sup>9</sup> The resulting right is governed by the principle of territoriality, which is effective only in the country that created the right.<sup>10</sup>

The principle of territoriality complicates the protection of an industrial property right in international commerce. One who seeks protection will have to follow several filing procedures and pay several fees in each country where protection is sought.<sup>11</sup> Furthermore, the chances of success will vary in each country.<sup>12</sup>

Some regional industrial property systems cover the territory of several independent states.<sup>13</sup> For example, the European Community (EC) trademark, which can be applied for at the EC office in Alicante, Spain, provides an exclusive right that uniformly covers the territory of all fifteen European Union member states.<sup>14</sup> However, this system merely extends the principle of territoriality in a national context to a regional territory.<sup>15</sup>

Several international agreements have been signed to facilitate the international protection of industrial property rights. The oldest

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6. *See id.* at 540.

7. *See id.*

8. *See id.* at 531-32. *See generally*, W.R. CORNISH, *INTELLECTUAL PROPERTY: PATENTS, COPYRIGHT, TRADE MARKS AND ALLIED RIGHTS* 22 (1996).

9. *See* LADAS, *supra* note 2, at 33; *see also*, CORNISH, *supra* note 8, at 23.

10. *See* CORNISH, *supra* note 8, at 22-23.

11. *See* LADAS, *supra* note 2, at 33-34.

12. *See id.*

13. *See, e.g.*, Daniel R. Bereskin, *A Comparison of the Trademark Provisions of NAFTA and TRIPs*, 83 TRADEMARK. REP. 1, 2 (1993) (discussing introduction of intellectual property into the North American Free Trade Agreement); *see also* Horacio Rangel-Ortiz, *Well-Known Trademarks Under International Treaties: Regional Trade Agreements—Part 2*, 95 TRADEMARK WORLD 28, 30 (1997) (discussing Commerce treaties between South American States, which includes provisions relating to intellectual property).

14. *See* Council Regulation 40/94 of 20 December 1993 on the Community trade mark, art. 1, 1994 O.J. (L11) 1, 3, *amended by* Council Regulation 3288/94 of 22 December 1994 amending Regulation (EC) No 40/94 on the Community trade mark for the implementation of the agreements concluded in the framework of the Uruguay Round, 1994 O.J. (L 349) 83-84.

15. *See* Council Regulation 3288/94 of 22 December 1994, art. 5b, 1994 O.J. (L 349) 83 (stating that the EC trademark may be applied for by persons who are citizens or residents of all member states of the World Trade Organization). In this Article, I will not specifically address the EC trademark because it is treated as a national mark in the international protection system. *See* Council Regulation 40/94, *supra* note 14, at 3.

is the Paris Convention, signed in 1883.<sup>16</sup> The most recent is the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), included in the 1994 Marrakesh Convention that created the World Trade Organization and entered into force in 1995.<sup>17</sup> TRIPS is the most complete international treaty in intellectual property.<sup>18</sup> It provides the minimal rules of protection for all intellectual property rights including patents, unpatented know-how, trademarks, industrial designs and models, semi-conductor chips, geographical names, copyrights, and other related rights.<sup>19</sup> TRIPS is the first international treaty to introduce a system of sanctions against members who do not enforce the minimum protection of intellectual property rights.<sup>20</sup>

Several other global and regional agreements, signed between the Paris Convention and TRIPS, remain in force today. All of these conventions are interrelated such that an entire international system of trademark protection exists today. Agreements that pre-date TRIPS, based on the 1883 Paris Convention, coexist with the requirements of TRIPS.<sup>21</sup> A few of these older agreements include: the 1891 Madrid Agreement on the International Registration of Trade-marks;<sup>22</sup> the 1957 Nice Agreement Concerning the International Classification of Goods and Services For the Purposes of the Registration

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16. See Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, *as last revised* at Stockholm July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention].

17. See Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization [hereinafter WTO Agreement], Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31; 33 I.L.M. 81 (1994) [hereinafter TRIPS].

18. See J.H. Reichman, *Universal Minimum Standards of Intellectual Property Protection under the TRIPS Component of the WTO Agreement*, 29 INT'L LAW. 345, 347 (1995).

19. See TRIPS, *supra* note 17, art. 1(2) & pt. II.

20. See Reichman, *supra* note 18, at 385. These sanctions are administered by the Dispute Resolution Organ, a body within the World Trade Organization. See Paul Edward Geller, *Intellectual Property in the Global Marketplace: Impact of TRIPS Dispute Settlements?*, 29 INT'L LAW. 99, 107-14 (1995); Thomas Cottier, *The Prospects for Intellectual Property in GATT*, COMMON MKT. L. REV. 383, 392-93 (1991). The proceedings are ruled by Articles XXII and XXIII of the General Agreement on Tariffs and Trade of 1994, together with the Memorandum on Rules and Procedures Relating to the Dispute Resolution. See TRIPS, *supra* note 17, art. 64; Cottier, *supra*.

21. See TRIPS, *supra* note 17, art. 2(2). Article 2(2) states that "[n]othing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention, and the Treaty on Intellectual Property in Respect of Integrated Circuits." *Id.*

22. Madrid Agreement Concerning the International Registration of Marks, Apr. 14, 1891, *as revised* July 14, 1967, 828 U.N.T.S. 389 [hereinafter Madrid Agreement].

of Marks;<sup>23</sup> the 1973 Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks;<sup>24</sup> the 1989 Madrid Protocol on the International Registration of Trademarks;<sup>25</sup> and the 1994 Trademark Law Treaty.<sup>26</sup> Each of these conventions offers a different link to TRIPS.

Article 2(1) of TRIPS covers the relationship between TRIPS and the Paris Convention.<sup>27</sup> It obliges all member states to comply with Articles 1-12 and Article 19 of the Paris Convention's 1967 Stockholm version.<sup>28</sup> These articles include all of the substantive rules of the Paris Convention, with the exception of budget and administrative provisions.<sup>29</sup> Therefore, TRIPS signatories are bound by the Paris Convention's substantive provisions even if they have not ratified the Paris Convention itself.<sup>30</sup> This binding effect is described as the "Paris-plus approach."<sup>31</sup>

This Article examines the new rules of trademark protection under TRIPS and compares them with existing Paris Convention rules as well as the rules of international agreements based on the Paris Convention.

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23. Nice Convention Concerning the International Classification of Goods and Services For the Purposes of the Registration of Marks, June 14, 1957, *as last revised* at Geneva Oct. 2, 1979, 23 U.S.T. 1336, 550 U.N.T.S. 45.

24. Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks, June 12, 1973, *as last revised* Oct. 1, 1985, in 3 MANUAL OF INDUSTRIAL PROPERTY CONVENTIONS (1965).

25. Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted June 28, 1989, 9 INDUSTRIAL PROPERTY LAWS AND TREATIES text 3-007, 001 (July-August, 1989) [hereinafter Madrid Protocol].

26. Trademark Law Treaty, adopted Oct. 27, 1994, 9 INDUSTRIAL PROPERTY LAWS AND TREATIES text 3-010, 001 (Jan. 1995) [hereinafter Trademark Law Treaty].

27. See TRIPS, *supra* note 17, art. 2(1); see also, Annette Kur, *TRIPS and Trademark Law*, in GATT TO TRIPS, THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS 93, 96 (Fredrich-Karl Beier and Gerhard Schricker eds., 1996).

28. See TRIPS, *supra* note 17, art. 2(1).

29. See Arpad Bogisch, *The First Hundred Years of the Paris Convention for the Protection of Industrial Property*, 22 INDUS. PROP. 187, 195-212 (1983). See generally, Jean Foyer, *Problèmes Internationaux Contemporains Des Brevets D'Invention*, 171 RECUEIL DES COURS, 340 (1981). The International Bureau of the Union for the Protection of Industrial Property was created by the Convention and today is managed by the World Intellectual Property Organization (WIPO) in Geneva. See Bogisch, *supra*, at 212-13.

30. See Kur, *supra* note 27.

31. *Id.*

## II. GENERAL PRINCIPLES

The Paris Convention and TRIPS both include general principles for the protection of intellectual property rights and provide specific trademark rules. The general principles deal with the substance and procedure of protection and apply to all industrial property rights.<sup>32</sup>

### A. Principles Relating to the Substance of Protection

1. *The Paris Convention of 1883.* The Paris Convention on the Protection of Industrial Property is the oldest and most important treaty with respect to industrial property rights.<sup>33</sup> It contains two basic principles of international law that members must enforce in their reciprocal relations. The first is the national treatment principle, discussed generally in Article 2 and specifically as it relates to trademarks in Article 6, sections 1 and 2.<sup>34</sup> The second is the principle of independence of rights, as embodied in Article 6, section 3.<sup>35</sup>

a. *National Treatment Principle.* The principle of national treatment is applicable to all industrial property rights.<sup>36</sup> The principle generally states that a member state may not subject foreigners benefiting from the Paris Convention to higher industrial property protection standards than those applicable to its own citizens.<sup>37</sup> In addition, it is not necessary to justify that a trademark has been registered in the country of origin prior to registering it in another member state.<sup>38</sup> For example, if a citizen or corporation of Singapore wishes to obtain an industrial property right in France,

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32. See generally TRIPS, *supra* note 17.

33. See Kur, *supra* note 27, at 93.

34. See Paris Convention, *supra* note 16, arts. 2, 6(1)-(2).

35. See *id.* art. 6(3).

36. See LADAS, *supra* note 2, at 269.

37. See Paris Convention, *supra* note 16, art. 2. Article 2(1) of the Paris Convention provides the nationals of any member state with the same advantages that domestic laws grant to nationals of the states where the protection is sought; reciprocity is denied. See *id.* art. 6(2). The member states may not discriminate against the nationals of the other member states without violating the cardinal principle of the national treatment, a principle which is innately "opposed to the principle of reciprocity." LADAS, *supra* note 2, at 269.

38. See Paris Convention, *supra* note 16, art. 6(2). Article 6(2) of the Paris Convention states: "However, an application for the registration of a mark filed by a national of a country of the Union in any other country of the Union may not be refused, nor may a registration be invalidated, on the ground that filing, registration, or renewal, has not been effected in the country of origin." *Id.*

where both countries are Paris Convention member states, the Singapore national will obtain the right under the same conditions as a French citizen or corporation. The same outcome results at a multilateral level.

To understand fully the practical impact of the national treatment principle, it is necessary to understand that a member state may refuse industrial property rights protection to citizens or corporations of states that are not members of the Paris Convention.<sup>39</sup> A member state may also subject non-member protections to stricter conditions than those applicable to its own nationals.<sup>40</sup> For instance, because Thailand has not ratified the Paris Convention, a member state of the Convention could refuse to protect industrial property rights claimed by Thai citizens or corporations. A member state could also subject protection for these non-members to a condition of reciprocity, residence, the payment of a supplementary fee, or anything else.

The national treatment principle was the first elementary and efficient rule aimed at facilitating the international protection of industrial property rights.<sup>41</sup> This principle, asserted in 1883, has now been introduced into TRIPS and applies between all TRIPS member states.<sup>42</sup>

b. The Principle of Independence of Rights. Under the principle of independence of rights, a trademark granted in a member state is independent from those that already exist in other member states for the same object, including in the country where it was first protected.<sup>43</sup> Consequently, trademarks consisting of the same sign designating the same goods and belonging to the same owner in several Paris Convention member states are independent from one another.<sup>44</sup> This rule extends the national treatment principle to an extreme because the trademark owner is subject exclusively to the national law of each country.<sup>45</sup> The nullification, refusal, or transfer,

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39. See LADAS, *supra* note 2, at 269.

40. See *id.*

41. See J.H. Reichman, *Intellectual Property in International Trade: Opportunities and Risks of a GATT Connection*, 22 VAND. J. TRANSNAT'L L. 747, 844 (1989).

42. See TRIPS, *supra* note 17, art. 3.

43. See Paris Convention, *supra* note 16, art. 6(3). Article 6(3) of the Paris Convention states: "A mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin." *Id.*

44. See *id.*

45. See G.H.C. BODENHAUSEN, GUIDE D'APPLICATION DE LA CONVENTION DE PARIS POUR LA PROTECTION DE LA PROPRIÉTÉ INDUSTRIELLE 89 (1969). The same rule applies to patents under Article 4*bis*(1). See *id.* at 63; see also Paris Convention, *supra* note 16, art.

for example, of the trademark in one member state has no influence on the rights protected in another member state.

The exceptions to the principle of independence include the priority right and the protection of the trademark “as such.” The priority right in Article 4 is designed to facilitate the international protection of industrial property rights.<sup>46</sup> Within six months from the first application in a member state, the applicant may file for registration of the same trademark in other member states using the date of the first application.<sup>47</sup> As a result, disclosures or uses of the trademark within the priority period are not grounds for nullification of the mark.<sup>48</sup> This priority right exception does not apply to service marks under the Paris Convention.<sup>49</sup>

The second exception is the protection of the trademark “as such” in Article 6*quinquies*.<sup>50</sup> This exception aims to solve the difficulties that arise from the existence of different prerequisites for trademark protection in different countries.<sup>51</sup> For instance, some national laws prohibit registration of numbers or letters, whereas others allow such trademarks.<sup>52</sup> Under such a system it would be impossible for a trademark holder to use a mark in the same form in several countries. The Paris Convention resolves this problem by providing that a trademark that has been registered in its country of origin in compliance with local law is to be registered in other contracting states “as it is,” or in French, “*telle quelle*.”<sup>53</sup>

2. *TRIPS*. TRIPS incorporates more precisely the principle of national treatment already in force for the Paris Convention member states. As with the Paris Convention,<sup>54</sup> Article 3 of TRIPS provides

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4bis(1).

46. See BODENHAUSEN, *supra* note 45, at 35; see also Paris Convention, *supra* note 16, art. 4A(1).

47. See Paris Convention, *supra* note 16, art. 4C.

48. See *id.* art. 4B.

49. See BODENHAUSEN, *supra* note 45, at 37.

50. See Paris Convention, *supra* note 16, art. 6*quinquies*.

51. See Kur, *supra* note 27, at 98.

52. See BODENHAUSEN, *supra* note 45, at 112.

53. See *id.* at 109; see also Paris Convention, *supra* note 16, art. 6*quinquies*.

54. See Paris Convention, *supra* note 16, art. 2. See generally H.P. Kunz-Halstein, *The US Proposal for a GATT Agreement on Intellectual Property and the Paris Convention for the Protection of Industrial Property*, in GATT OR WIPO? NEW WAYS IN THE INTERNATIONAL PROTECTION OF INTELLECTUAL PROPERTY RIGHTS 28 (Fredrich-Karl Beier & Gerhard Schricker eds., 1989) (discussing the Paris Convention’s reciprocity requirements and rule of “national treatment”).

for reciprocity between member states: each member state must grant the citizens<sup>55</sup> of fellow member states intellectual property rights protection at least as favorable as that granted to its own citizens.<sup>56</sup> Article 3 also includes the exceptions contained in the Paris Convention.<sup>57</sup>

While TRIPS reasserts the Paris Convention's principles, it goes beyond the Paris Convention by introducing the most favored nation clause (MFNC) for the first time in the realm of intellectual property.<sup>58</sup> According to Article 4, "[a]ll advantages, favors, privileges or immunities granted by a [m]ember to citizens of any other country will be, immediately and without further conditions extended to all other members."<sup>59</sup> However, this provision does not apply to advantages granted under international agreements entered into force prior to TRIPS, if the TRIPS Council is notified about the agreements and the advantages do not constitute an arbitrary or unjustified discrimination against other member states.<sup>60</sup>

National treatment and MFNC apply from the date TRIPS entered into force<sup>61</sup> and extend to members benefiting from a delayed application of the agreement.<sup>62</sup> However, these two principles "do not apply to procedures provided for in multilateral agreements con-

55. The word "citizen" within the meaning of the WTO Agreement designates "physical or legal persons who fulfill the criterias required to benefit from a protection according to the Paris Convention." WTO Agreement, *supra* note 17, art. 1.3. Under the Paris Convention, even the citizens of countries that are not members may be "assimilated" as citizens of the Union, if the citizens are domiciled or have an effective and serious industrial or commercial establishment on the territory of one of the member states of the Union. *See* Paris Convention, *supra* note 16, art. 3.

56. *See* TRIPS, *supra* note 17, art. 3(1). "Each Member shall accord to the nationals of other Members treatment no less favorable than that it accords to its own nationals with regard to the protection of intellectual property, subject to exceptions already provided in, respectively, the Paris Convention (1967) . . . ." *Id.*

57. *See id.* The Paris Convention provides for these exceptions, expressly reserving laws of the member states that relate to administrative and judicial procedure. *See* Paris Convention, *supra* note 16, art. 2(3). Some nations, such as France, give their own citizens a privilege of jurisdiction. *See, e.g.,* CODE CIVIL [C. CIV.] arts. 14, 15 (Fr.).

58. *See* Cottier, *supra* note 20, at 398.

59. TRIPS, *supra* note 17, art. 4.

60. *See id.* "Exempted from this obligation are any advantage, favour, privilege or immunity accorded by a Member: . . . (d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the Agreement Establishing the WTO, provided that such agreements are notified to the Council for Trade-Related Aspects of Intellectual Property Rights and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members." *Id.*

61. *See* TRIPS, *supra* note 17, arts. 3 & 4.

62. *See id.* art. 65(2).



cluded under the auspices of the World Intellectual Property Organization (WIPO) relating to the acquisition or maintenance of intellectual property rights.”<sup>63</sup> The agreements referred to are those that organize various systems of international or regional registration of industrial property rights, such as the Madrid Agreement<sup>64</sup> and Madrid Protocol for trademarks,<sup>65</sup> and agreements that might be concluded on this basis in the future.<sup>66</sup>

## B. Principles Relating to the Procedure of Protection

1. *The Paris Convention.* Article 12 of the Paris Convention provides the relevant procedural provisions, stating that each member state must “establish a special industrial property service, and a central office for the communication to the public of patents, utility models, industrial designs, and trademarks.”<sup>67</sup> Furthermore, under Article 12, each member state’s service must publish an official periodical sheet.<sup>68</sup>

2. *TRIPS (part III and part IV).* TRIPS states general principles of procedure for the acquisition and sanction of industrial property rights that must be enforced by its members.<sup>69</sup> Under parts III and IV of TRIPS, member states must introduce procedures into their national legislation that will allow an efficient action against any infringement of intellectual property rights.<sup>70</sup> Member states also must introduce means designed to prevent any further infringement of the rights<sup>71</sup> and are obligated to enforce both of the above measures “so as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.”<sup>72</sup> Furthermore, procedures and formalities required for the acquisition of rights must be reasonable<sup>73</sup> and equitable and may not be “unnecessarily complicated and costly,” nor include unreasonable or unjustified

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63. *Id.* art. 5.

64. *See* Madrid Agreement, *supra* note 22.

65. *See* Madrid Protocol, *supra* note 25.

66. *See* Kur, *supra* note 27, at 97.

67. TRIPS, *supra* note 17, art. 12(1).

68. *See id.* art. 12(2).

69. *See id.* arts. 41, 62.

70. *See id.* art. 41(1).

71. *See id.*

72. *Id.*

73. *See id.* art. 62(1).

delays.<sup>74</sup>

TRIPS requires decisions about any infringement of intellectual property rights to be written, reasoned, and communicated to the parties without undue delay.<sup>75</sup> A member state's decision should be grounded on evidence only where the parties have had the opportunity to be heard.<sup>76</sup> While member states are not required to organize a separate judicial system,<sup>77</sup> they must provide a procedure for judicial review of all final administrative decisions.<sup>78</sup>

Part III, sections 2-5 of TRIPS provide a more detailed list of procedures and criminal, civil, and administrative corrective measures.<sup>79</sup> In cases of infringement, rightsholders may seek enforcement from judicial, administrative, and customs authorities, through measures such as injunctions<sup>80</sup> and penal sanctions,<sup>81</sup> or through the confiscation or destruction of counterfeit goods.<sup>82</sup> If infringement is threatening, the owner may demand provisional measures such as suspension of the goods from circulation.<sup>83</sup>

Each member state or group of states must organize protection of trademarks to be in compliance not only with these general principles but also with the rules specific to trademarks.<sup>84</sup>

### III. TRADEMARK PROTECTION IN THE PARIS UNION

The "Paris Union" consists of the 1883 Paris Convention and a series of agreements subsequently signed within the Paris Convention's framework.<sup>85</sup>

#### A. The Paris Convention of 1883

While the Paris Convention provides some rules specific to certain categories of industrial property rights, such as patents, trade-

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74. *Id.* art. 41(2).

75. *See id.*, art. 41(3).

76. *See id.* art. 41(3).

77. *See id.* art. 41(5).

78. *See id.* art. 41(4).

79. *See id.* arts. 42-61.

80. *See id.* art. 44.

81. *See id.* art. 61.

82. *See id.*

83. *See id.* art. 50.

84. *See* discussion *infra* Parts III, IV.

85. *See* Friedrich-Karl Beier, *One Hundred Years of International Cooperation—The Role of the Paris Convention in the Past, Present and Future*, 15 INT'L REV. OF INDUS. PROP. & COPYRIGHT L. 1, 1 (1984).

marks, and industrial designs,<sup>86</sup> in general, the Convention leaves further implementation of its directives to be applied through the member states' national laws.<sup>87</sup> To this extent, it achieves a limited harmonization of international trademark law. The few trademark rules provided by the Paris Convention relate to the acquisition and content of a trademark right.<sup>88</sup>

### 1. *Rules on the Acquisition of Rights*

a. **Prohibited Signs.** According to the Paris Convention, member states must prohibit trademark protection of certain official signs such as emblems of states, signs of control and guaranty, and emblems of international intergovernmental organizations.<sup>89</sup>

b. **Protection of Well-known Marks.** Even if they have not been registered, well-known marks benefit from an extended protection based on notoriety.<sup>90</sup> Such marks are protected against all unauthorized use, even if they appear on goods different from those for which the mark was originally registered or used.<sup>91</sup> Evidence of a well-known mark's notoriety must be found in the country where the protection of the mark is sought.<sup>92</sup>

c. **Service Marks.** While they do not have to provide for the registration of such marks,<sup>93</sup> member states have an obligation to protect service marks under Article 6*sexies*.<sup>94</sup> However, the marks may be protected by other rules such as unfair competition.<sup>95</sup>

d. **Collective Marks.** Member states have an obligation to protect collective marks under Article 7*bis*.<sup>96</sup> These marks belong to

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86. See Paris Convention, *supra* note 16, art. 1(2). "The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition." *Id.* The Paris Convention does address copyright, subject to the Berne Convention for the Protection of Literary and Artistic Works, September 9, 1886, 828 U.N.T.S. 221.

87. See LADAS, *supra* note 2, at 265.

88. See discussion *infra* Part III.A.1-2.

89. See Paris Convention, *supra* note 16, art. 6*ter*.

90. See *id.* art. 6*bis*(1).

91. See LADAS, *supra* note 2, at 1257.

92. See *id.* at 1253.

93. See *id.* art. 6*sexies*.

94. See *id.*

95. See BODENHAUSEN, *supra* note 45 at 127.

96. See Paris Convention, *supra* note 16, art. 7*bis*.

a so-called association.<sup>97</sup> However, such an association's existence cannot be contrary to the law of the country of origin.<sup>98</sup>

e. Nature of the Goods to which the Mark is Applied. The nature of the product to which a trademark is applied may not impede the registration of the mark.<sup>99</sup> For example, even if the marketing of certain goods is prohibited, the trademark applied to the goods may still be registered.

f. Temporary Protection. Member states have an obligation to grant temporary protection for trademarks during official international exhibitions.<sup>100</sup>

g. Specific Mention. Member states may not require as a condition of protection that the product bear a specific mention of the trademark registration.<sup>101</sup>

## 2. *Rules on the Content of Rights*

a. Use. Member states may require that the rightsholder effectively uses the trademark.<sup>102</sup> When an owner fails to use the trademark within a reasonable period of time, and does not have a valid reason for the disuse, the owner may be deprived of the trademark right.<sup>103</sup>

b. Co-Owners. Simultaneous use of the trademark by co-owners to designate identical or similar products will not limit the trademark's protection, so long as the use does not deceive the public and is not contrary to public interest.<sup>104</sup>

c. Grace Periods. A grace period of at least six months must be granted for payment of fees due for maintenance or renewal of the trademark right.<sup>105</sup>

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97. *See id.*

98. *See id.*

99. *See id.* art. 7.

100. *See id.* art. 11.

101. *See id.* art. 5-D.

102. *See id.* art. 5-C(1).

103. *See id.*

104. *See id.* art. 5-C(3).

105. *See id.* art. 5bis (1).

d. Agents or Representatives. If a firm's agent or representative fraudulently registers a trademark belonging to the firm that he represents, the rightsholder may, according to national law, request either the nullification of the mark or transfer of the mark's ownership.<sup>106</sup>

e. Illegal Marks. A product bearing an illegal trade or service mark will be seized upon import into the member state where the mark is entitled to legal protection.<sup>107</sup>

Today, the rules of the Paris Convention must be applied under TRIPS, as discussed below.<sup>108</sup>

## B. Conventions Based on Paris

Article 19 of the Paris Convention permits the conclusion of special agreements between member states.<sup>109</sup> Presently, four such special agreements exist relating to trademarks: the Madrid Agreement,<sup>110</sup> the Trademark Registration Treaty,<sup>111</sup> the Madrid Protocol,<sup>112</sup> and the Trademark Law Treaty.<sup>113</sup>

The Madrid Agreement, Trademark Registration Treaty, and the Madrid Protocol are completely independent and distinct in aim and content from TRIPS. Whereas these three agreements organize an international registration of trademarks, TRIPS does not deal with procedural aspects of industrial property rights.<sup>114</sup> An example of the independence of these agreements is evident through an examination of Article 5 of TRIPS. Article 5 provides that national treatment and MFNC do not apply to procedures for the acquisition and maintenance of rights outlined in treaties concluded under auspices of the WIPO.<sup>115</sup>

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106. See *id.* art. 6<sup>septies</sup>(1).

107. See *id.* art. 9(1).

108. See discussion *infra* Part IV.

109. See Paris Convention, *supra* note 16.

110. See Madrid Agreement, *supra* note 22.

111. Trademark Registration Treaty, June 12, 1973, Hein's No. KAV 2310, 63 TRADEMARK REP. 640 (1973) [hereinafter Trademark Registration Treaty].

112. See Madrid Protocol, *supra* note 25.

113. See Trademark Law Treaty, *supra* note 26. For further elaboration, see I.J. Kaufman, *A View from the Outside: A Non-European Look at the Madrid Protocol, the Trademark Law Treaty and the Community Trademark*, TRADEMARK WORLD, Nov. 1995, at 17.

114. TRIPS only addresses this issue with the broad principles provided in Articles 42 to 49. See TRIPS, *supra* note 17, arts. 42-49.

115. See *id.* art. 5.

1. *The Madrid Agreement.* The Madrid Agreement Concerning the International Registration of Marks was concluded in 1891.<sup>116</sup> It is part of the Paris Convention, but only for ratifying countries.<sup>117</sup> Most of the industrialized countries have ratified the Madrid Agreement, with the exception of the United States, Japan, the United Kingdom, Ireland, and the Scandinavian countries.<sup>118</sup>

The Madrid Agreement simplifies international registration procedures for the acquisition of trademark protection by providing for a single international application upon payment of a single fee.<sup>119</sup> The system of the Madrid Agreement may be summarized as follows:

- a citizen or an organization of a member state owns a registered trademark in the country of origin;<sup>120</sup>
- on the basis of this initial registration, the national trademark owner applies for international trademark registration with the International Bureau of the WIPO in Geneva;<sup>121</sup>
- in the international application, the applicant lists the Madrid Agreement member states in which protection is sought;<sup>122</sup>
- the WIPO distributes the international application to each of the listed states;<sup>123</sup>
- in each of these states, the international application is treated as a national application<sup>124</sup> unless a national authority notifies the WIPO within one year that it seeks to refuse protection.<sup>125</sup>

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116. See Madrid Agreement, *supra* note 22.

117. See *id.* art. 2; see also M.A. LAEFFER, INTERNATIONAL TREATIES ON INTELLECTUAL PROPERTY 257 (2d ed. 1997).

118. See *id.* at 258 n.95 (listing signatories as of January 1996); see also WIPO, *The Madrid System* (visited Aug. 26, 1998) <<http://www.wipo.org/eng/ratific/g-madr-d-m.htm>> (listing signatories as of June, 1997).

119. See *id.*; Kur, *supra* note 27, at 94; see also Boggsch, *supra* note 29, at 187.

120. See Madrid Agreement, *supra* note 22, art. 1(2).

121. See *id.*

122. Article 4(1) of the Madrid Agreement states that “[f]rom the date of the registration so effected at the International Bureau in accordance with the provisions of Art. 3 and 3ter, the protection of the mark in each of the contracting countries concerned shall be the same as if the mark had been filed therein direct.” *Id.* art. 4(1). However, Article 3*bis* allows the contracting parties to “notify the Director General of WIPO in writing that the protection resulting from the international registration shall extend to the country only at the express request of the proprietor of the mark.” *Id.* art. 3*bis*. Since the countries made such notification, the applicant must, in practice, designate the countries of interest. See *id.*

123. See *id.* art. 3(4).

124. See *id.* art. 4(1).

125. See *id.* art. 5(2).

Therefore, the Madrid Agreement unifies the application procedure. However, it does not deal with the rules applicable to trademark protection that remain under the national law of each country of protection; the principle of territoriality applies.<sup>126</sup> During the first five years, trademarks registered through the international procedure are dependent upon initial registration in the country of origin.<sup>127</sup> This is the “central attack system.”<sup>128</sup> All trademarks issued from the international registration are void within five years from the date of international registration if the basic trademark, the trademark in the country of origin on which the international registration is based, is nullified.<sup>129</sup> This system has been criticized and has motivated some countries to refuse to join the Madrid Agreement.<sup>130</sup>

2. *The Trademark Registration Treaty.* The WIPO guided the conclusion of the Trademark Registration Treaty in 1973.<sup>131</sup> One of the goals of this agreement was to offer solutions to commonly cited concerns with the Madrid Agreement. The Trademark Registration Treaty creates a new system of international trademark registration designed to gain the approval of those states that had refused to sign the Madrid Agreement, including the United States.<sup>132</sup> This attempt was unsuccessful with regard to the United States, which has not ratified it, diminishing much of the treaty’s force.<sup>133</sup> The treaty, which entered into force in 1980, is now signed only by the Soviet Union (now CIS) and four African countries.<sup>134</sup>

3. *The Madrid Protocol.* The Madrid Protocol (Protocol) was signed on June 27, 1989, and entered into force on April 1, 1996.<sup>135</sup>

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126. See *id.* art. 4(1).

127. See *id.* art. 6(2).

128. Marshall A. Laeffer, *The New World of International Trademark Law*, 2 MARQ. INTELL. PROP. L. REV. 1, 13-14 (1998).

129. See Madrid Agreement, *supra* note 22, art. 6(3). “This opened the possibility for a third person to destroy the international registration in all members through a successful attack on the basic home registration.” Gabriel M. Frayne, *History and Analysis of TRT: Background*, 63 TRADEMARK REP. 422, 424 (1973).

130. The United States never signed the Madrid Agreement, while Brazil, Cuba, and Mexico withdrew their signatures. See Frayne, *supra* note 129, at 425.

131. See Trademark Registration Treaty, *supra* note 111.

132. See William E. Schuyler, Jr., *TRT, A Chance to Modernize our Trademark Statute*, 63 TRADEMARK REP. 478 (1973).

133. See *id.*

134. See Laeffer, *supra* note 128, at 14 (listing Burkina Faso, Congo, the Gabon, and Togo as the four African countries that had signed the treaty).

135. See LAEFFER, *supra* note 117, at 259.

Contrary to initial hopes, the United States has not acceded to it.<sup>136</sup>

Like the Trademark Registration Treaty, the Protocol tries to gain the approval of those countries that had refused to sign the Madrid Agreement by incorporating new approaches to international trademark registration.<sup>137</sup>

To begin, the Protocol expands the reach of international registration procedure by introducing English as a secondary procedural language.<sup>138</sup> Former agreements had designated that only French be used.<sup>139</sup>

On a more substantive level, the Protocol permits international registration on the basis of a national application instead of national registration.<sup>140</sup> The applicant must be a citizen, a resident, or be established in the state where the initial application was made.<sup>141</sup> The national office receiving the initial national application must submit the international application.<sup>142</sup> The consequences of an international registration, according to the Protocol, are the same as those under the Madrid Agreement; in each of the countries selected by the applicant, the international application is treated as a national one.<sup>143</sup> For example, if the applicant selects the European Community Office, the office of harmonization in the internal market, the application is treated as an EC trademark application.<sup>144</sup>

Furthermore, the Protocol extends the deadline to notify the applicant that protection has been denied to eighteen months. If opposition to protection is raised by a third party, the deadline is extended an additional seven months.<sup>145</sup> The duration of protection following an international registration is ten years, renewable under payment

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136. See Kur, *supra* note 27, at 95.

137. See LEAFFER, *supra* note 117, at 259; G.F. Kunze, *The Madrid System for the International Registration of Marks as Applied under the Protocol*, 16 E.I.P.R. 223 (1994); G.F. Kunze, *The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989*, 82 TRADEMARK REP. 58, 59 (1992).

138. See Madrid Protocol, *supra* note 25.

139. See Kur, *supra* note 27, at 95; Common Regulation under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement, 9 INDUSTRIAL PROPERTY LAWS AND TREATIES text 3-005, 006, rule. 6(1) (1996).

140. See LEAFFER, *supra* note 117, at 259.

141. See Madrid Protocol, *supra* note 25, art. 2(1).

142. See *id.* art. 2(2).

143. See *id.* art. 4(1)(b).

144. See *id.* art. 9 *quarter*(1)(i) (stating that contracting states may substitute a common office for their national office).

145. See *id.* art. 5(2).



of a fee to the International Bureau of the WIPO.<sup>146</sup>

The Protocol also operates to mitigate consequences of the “central attack.” If the basic trademark is nullified, an application can be made to convert it into a national trademark with the same priority as that to which the international registration was entitled.<sup>147</sup> This preserves national trademarks.

Although the Protocol is a new treaty independent from the Madrid Agreement and introduces new procedures for international registration, both are intended to be linked by means of a common implementation regulation, which entered into force on April 1, 1996.<sup>148</sup>

4. *The Trademark Law Treaty.* The Trademark Law Treaty was adopted in Geneva on October 27, 1994, and entered into force August 1, 1996. It is the result of initiatives undertaken by the WIPO for the preparation of a new international trademark agreement.<sup>149</sup> During the initial negotiations, started in 1989, the ambitious intent of this instrument was to span all aspects of trademark protection.<sup>150</sup> As no single acceptable solution could cover every difficulty regarding trademark protection,<sup>151</sup> the Trademark Law Treaty was finally limited to the goal of harmonizing and simplifying administrative procedures of national registration by delineating registration procedure.<sup>152</sup> In addition, the Trademark Law Treaty eliminates the requirement that documents be legalized before they are accepted by certain national trademark offices—which is one of the greatest procedural difficulties.<sup>153</sup> The Trademark Law Treaty also provides model forms that contracting states are encouraged to

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146. See *id.* arts. 6(1), 7.

147. See *id.* art. 9 *quinquies*.

148. See *id.*; Kur, *supra* note 27, at 95.

149. For the history of the Trademark Law Treaty, see *History of the Preparations for the Trademark Law Treaty: Memorandum Prepared by the International Bureau*, WIPO Doc. TLT/DC/Inf/2 (May 4, 1994).

150. See Kur, *supra* note 27, at 95.

151. See *id.* Certain difficulties resulted from political conflicts between non-Europeans (mainly the United States) and the European Union (EU). The EU demanded a separate vote in the Trademark Law Treaty Assembly, in addition to the individual votes of its member states; the non-Europeans refused to agree. See *id.* at 95 n.13.

152. See Trademark Law Treaty, *supra* note 26; LEAFFER, *supra* note 117, at 308. The Treaty includes the maximum requirements for the accordance of a filing date, representation before the Trademark Office, duration and renewal of registration and division of the application. See Kur, *supra* note 27.

153. See Trademark Law Treaty, *supra* note 26, arts. 8(4), 9.

adopt for their national trademark offices.<sup>154</sup>

The provisions of the Trademark Law Treaty are not incorporated into TRIPS, although there is partial overlap between the two. Through application of the Trademark Law Treaty, the procedures for national registration of trademarks are harmonized with those of other signatories, which not only allows registration to take effect on an international level, but also to do so rapidly.<sup>155</sup> The effect of Article 62 of TRIPS realizes the same aim, though in general terms and in relation to all types of intellectual property rights.<sup>156</sup> TRIPS requires "compliance with reasonable procedures and formalities"<sup>157</sup> and provides for judicial review of any final administrative decision, thus generally allowing a unified procedure for international trademark registration.<sup>158</sup>

#### IV. TRADEMARK PROTECTION IN THE TRIPS AGREEMENT

Articles 15-21 of TRIPS lay down the rules for protection of trademarks.<sup>159</sup> These provisions deal with the conditions and content of the protection, but only in a general way, stating some principles that the member states must enforce.<sup>160</sup>

##### A. Rules Relating to the Acquisition of the Protection (Article 15)

1. *Protectable Signs.* Article 15(1) of TRIPS establishes a uniform definition of a trademark that had been absent from the Paris Convention: all signs and combinations of signs that are capable of distinguishing the products or services of one undertaking from

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154. See LEAFFER, *supra* note 117, at 308. These model forms are attached to the Regulation Under the Trademark Law Treaty. If these forms are used, they must be accepted and no other formalities may be required. See Trademark Law Treaty, *supra* note 26, art. 3(2).

155. See LEAFFER, *supra* note 117, at 308; Kur, *supra* note 27, at 97.

156. See *id.*; TRIPS, *supra* note 17, art. 18.

157. *Id.* art. 62(1); Kur, *supra* note 27, at 97.

158. See TRIPS, *supra* note 17, art. 62(5); Kur, *supra* note 27, at 97.

159. See TRIPS, *supra* note 17, arts. 15-21. For further elaboration, see Paul J. Heald, *Trademarks and Geographical Indications: Exploring the Contours of the TRIPS Agreement*, 29 VAND. J. TRANSNAT'L L. 635, 637-43 (1996); B.W. Schwab, *The New Era in Trademark Treaties and Multinational Agreements*, in GLOBAL TRADEMARK AND COPYRIGHT 169, 173-79 (1994).

160. See J.H. Reichman, *Universal Minimum Standards of Intellectual Property Protection Under the TRIPS Component of the WTO Agreement*, 29 INT'L. LAW. 345, 362-63 (1995); Adrian Otten & Hannu Wager, *Compliance with TRIPS: The Emerging World View*, 29 VAND. J. TRANSNAT'L L. 391, 394, 399-400 (1996).

another are capable of acquiring trademark protection.<sup>161</sup> Distinctiveness is thus the sole substantive condition of protection of a trademark.

In the case of signs that are not inherently capable of distinguishing the relevant goods or services, registration may be made dependent on the condition that they have acquired distinctiveness through use.<sup>162</sup> Member states may exclude from protection signs that cannot be perceived visually, such as sound marks.<sup>163</sup>

Because Article 15(1) does not specifically exclude three-dimensional marks (such as bottles) from protection, the only question is to determine whether such a form distinguishes the product or service it is supposed to identify.<sup>164</sup>

2. *Other reasons for refusal.* Besides refusal on grounds of lack of distinctiveness provided in Article 15(1), refusal of protection is permissible only to the extent that the grounds do not conflict with the provisions of the Paris Convention.<sup>165</sup> Under the latter, denial of protection is permissible if registration in the country in question would infringe on the prior rights of third parties,<sup>166</sup> if the mark is devoid of any distinctive character or consists exclusively of descriptive terms,<sup>167</sup> or if the mark is contrary to accepted principles of morality or public order—in particular if it were to deceive the public.<sup>168</sup>

Article 15(3) states that registration may be made dependent on use, although actual use cannot constitute a condition for the filing of the application.<sup>169</sup> This wording is intended to cover the declaration of an intent to use, as allowed under Article 1(b) of the Lanham Act.<sup>170</sup>

Article 15(4) extends Article 7 of the Paris Convention to service marks so that the nature of a product or a service may not be an obstacle to registration of the mark.<sup>171</sup>

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161. See TRIPS, *supra* note 17, art. 15(1).

162. See *id.*

163. See *id.*

164. See *id.*

165. See *id.* art. 15(2).

166. See Paris Convention, *supra* note 16, art. 6*quinquies*(B)(1).

167. See *id.* art. 6*quinquies*(B)(2).

168. See *id.* art. 6*quinquies*(B)(3).

169. See TRIPS, *supra* note 17, art. 15(3).

170. See Lanham Act, *supra* note 1, art. 1(b); Kur, *supra* note 27, at 102.

171. See TRIPS, *supra* note 17, art. 15(4); Paris Convention, *supra* note 16, art. 7.

3. *Formal requirements.* TRIPS members are free to arrange the details of the application, registration, and cancellation proceedings, taking into account the general principles stated in Article 62(1) to (5) and Article 41.<sup>172</sup> Article 15(5) of TRIPS only provides for the obligation to publish the trademark either before or immediately after registration and to allow suitable opportunity for an opposing party to apply for cancellation of the registration.<sup>173</sup> While an opposition procedure may be provided, it is not required.<sup>174</sup>

#### B. Rules Relating to the Content of the Protection (Article 16)

TRIPS recognizes the classical nature of the right of the trademark holder. It is an exclusive right to use the trademark for designation of the goods or services listed in the registration.<sup>175</sup> As a consequence of this exclusivity, the rightholder may forbid third parties from using his trademark, but may also authorize them to do so.<sup>176</sup> In both respects, TRIPS provides for more detailed rules than those contained in the Paris Convention.<sup>177</sup>

1. *The Right to Prohibit the Use of the Trademark.* During the term of protection (a minimum of seven years that may be renewed indefinitely),<sup>178</sup> the owner of a trademark enjoys the exclusive right to prevent third parties from using, in the course of trade, an identical or similar sign for identical or similar goods or services where such a use would result in a likelihood of confusion.<sup>179</sup> The likelihood of confusion is presumed if identical signs are used for identical products or services.<sup>180</sup> In all other situations, the trademark owner must produce evidence to demonstrate the likelihood of confusion.<sup>181</sup>

Existing prior rights of any kind remain unaffected by the exercise of the trademark holder's rights.<sup>182</sup> For instance, a shop sign al-

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172. See TRIPS, *supra* note 17, arts. 62(1)-(5) (covering acquisition, maintenance, and inter partes procedures), 41 (covering enforcement obligations). Cf. M. BLAKENEY, TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS: A CONCISE GUIDE TO THE TRIPS AGREEMENT 65-66 (1996).

173. See TRIPS, *supra* note 17, art. 15(5).

174. See *id.*

175. See *id.* art. 16(1).

176. See *id.*

177. See Heald, *supra* note 159, *passim*.

178. See TRIPS, *supra* note 17, art. 18.

179. See *id.* art. 16(1).

180. See *id.*

181. See *id.*

182. See *id.*

ready used prior to the registration may continue to be used by its owner.

Two specific paragraphs deal with the protection of well-known marks.<sup>183</sup> First, Article 16(2) extends *6bis* of the Paris Convention, which covers well-known marks, to service marks as well.<sup>184</sup> Second, Article 16(3) specifies that “account [shall be taken] of the knowledge of the trademark in the relevant sector of the public.”<sup>185</sup> Thus, a mark may be protectable even if it is not recognized by the general public.<sup>186</sup> This may be important for products that are sold to specialists rather than to the general public. Third, a well-known mark is protected beyond the limits of similarity of goods and services.<sup>187</sup> Its owner may prohibit the use of this mark by third parties even for goods or services that are different from those designated by the well-known mark. The owner may do so if such use would create in the mind of the public a connection between the well-known mark and the third party’s goods or services, those diluting or damaging the reputation or value of the well-known trademark.<sup>188</sup> For instance, the Coca-Cola Beverage Company has the right to forbid a shoe manufacturer from using the sign “Coca-Cola” to designate its shoes if consumers would be likely to believe that the shoes were manufactured or endorsed by the Coca-Cola Beverage Company, thereby diluting the “Coca-Cola” trademark.

Member states are permitted to make certain limited exceptions to the rights of a trademark holder. For example, states may permit third parties to use the trademark in cases of fair use or for use as a descriptive term, provided that they take into account the legitimate interests of the trademark owner and of third parties.<sup>189</sup> National or regional laws determine to what extent a trademark owner’s rights have been exhausted after goods approved by the owner and bearing the trademark are first marketed.<sup>190</sup> Article 6 expressly states that “[f]or the purposes of dispute settlement . . . nothing in this Agreement shall be used to address the issue of the exhaustion of intellec-

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183. *See id.* art. 16(2)-(3).

184. *See id.* art. 16(2).

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

186. *See* Kur, *supra* note 27, at 105.

187. *See* TRIPS, *supra* note 17, art. 16(3).

188. *See id.*; *see also* Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c) (Supp. II 1996).

189. *See* TRIPS, *supra* note 17, art. 17.

190. *See id.* art. 6.

tual property rights.”<sup>191</sup>

The maintenance of the registration and the enforcement of rights against third parties may be subject to a requirement of use of the trademark that must be made within a specified period.<sup>192</sup> Introduction of such a requirement is a matter of national law.<sup>193</sup> Insofar as the latter contains an obligation to use, it must comply with Article 19 of TRIPS, which stipulates that a period of at least three years must be granted for the use of the trademark.<sup>194</sup> Use of a trademark by another person shall be recognized as a valid use on condition it is done under the control of the trademark owner.<sup>195</sup> Such would be the case when the trademark is used by a licensee or by several undertakings within the same company.<sup>196</sup> Non-use will not necessarily invalidate a trademark registration. Article 19(2) excuses non-use when it is the result of special circumstances such as import restrictions or other government requirements.<sup>197</sup>

Article 20 of TRIPS deals with the question of whether use of a trademark may be subject to additional requirements under national law.<sup>198</sup> As a matter of principle, such additional requirements are permissible on condition they do not unjustifiably encumber the use.<sup>199</sup> Therefore, TRIPS members are free to require that use of the trademark comply with additional conditions. Such conditions might include an indication that the product has been manufactured by a licensee or a restriction of the use with certain products such as tobacco.

2. *The Right to Authorize the Use of the Trademark.* A third party may legally use a protected mark if he receives authorization from the owner through either licensing or assignment. While TRIPS addresses these two procedures, it does not provide a complete set of rules on licensing and assignment of trademarks, thus leaving member states relatively unrestricted in determining the scope of

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191. *Id.*

192. *See id.* art. 19(1).

193. *See id.* (“If use is required to maintain a registration . . .”).

194. *See id.* Article 5(C)(1) of the Paris Convention requires a more general “reasonable period.” *See* Paris Convention, *supra* note 16, art. 5(C)(1).

195. *See* TRIPS, *supra* note 17, art. 19(2).

196. *See* BLAKENEY, *supra* note 172, at 57.

197. *See* TRIPS, *supra* note 17, art. 19(1) (citing the examples of import restrictions and other government requirements).

198. *See id.* art. 20.

199. *See id.* (citing examples of what constitutes unjustifiable encumbrances).

licensing and assignment rules.<sup>200</sup>

With regard to licensing, Article 21 states that trademarks may not be subject to compulsory licenses.<sup>201</sup> Thus, TRIPS members are free to regulate conditions and effects of trademark licenses. In particular, members may specify in their national legislation appropriate measures to prevent or control licensing practices that restrict competition, have adverse effects on trade, or impede the transfer or dissemination of technology.<sup>202</sup>

Members must, nevertheless, comply with the basic principles set forth under TRIPS in Articles 1-8.<sup>203</sup> For instance, under the principle of national treatment, a member cannot discriminate against foreign licensees by extracting stringent conditions that it does not require from domestic licensees.<sup>204</sup> Article 8(2) allows members to take measures to avoid an abusive exercise of rights and practices that unreasonably restrain commerce or damage international technology transfer.<sup>205</sup>

With regard to assignment, Article 21 provides that an owner is free to assign his trademark, with or without transferring the business to which the trademark belongs.<sup>206</sup> As for the rest, the members have a great deal of latitude in regulating the conditions and effects of an assignment, while remaining in compliance with the basic principles of TRIPS.<sup>207</sup>

## V. CONCLUSION

What conclusions may be drawn from this brief overview of the international trademark protection system? Clearly, the Paris Convention has stood the test of time. Its principles are now incorporated into TRIPS, defining the basic rules of protection of industrial property rights in international trade. One could ask whether this solution was even necessary, let alone adequate. International trade means competition, which in turn, means conflict. In the past, wars were fought to conquer new markets. In the future, a free and well-

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200. *See id.* art. 21.

201. *See id.*

202. *See id.* art. 40(1).

203. *See id.* art. 1.

204. *See id.* art. 3.

205. *See id.* art. 8(2).

206. *See id.* art. 21.

207. *See id.*

balanced development of trade may help to avoid such conflicts.<sup>208</sup>  
The recognition and protection of industrial property rights is one element of this harmony, a condition for international peace.

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208. *See, e.g.*, U.N. CHARTER art. 1, para. 3; JOHN H. JACKSON, THE WORLD TRADING SYSTEM 11-13 (1997).