



JIPeL

NYU Journal of Intellectual Property
& Entertainment Law

VOLUME 13

NUMBER 1



Statement of Purpose

Consistent with its unique development, the New York University Journal of Intellectual Property & Entertainment Law (JIPEL) is a nonpartisan periodical specializing in the analysis of timely and cutting-edge topics in the world of intellectual property and entertainment law. As NYU's first online-only journal, JIPEL also provides an opportunity for discourse through comments from all of its readers. There are no subscriptions or subscription fees; in keeping with the open-access and free discourse goals of the students responsible for JIPEL's existence, the content is available for free to anyone interested in intellectual property and entertainment law.

The *New York University Journal of Intellectual Property & Entertainment Law* is published up to three times per year at the New York University School of Law, 139 MacDougal Street, New York, New York, 10012. In keeping with the Journal's open access and free discourse goals, subscriptions are free of charge and can be accessed via www.jipel.law.nyu.edu. Inquiries may be made via telephone (212-998-6101) or e-mail (submissions.jipel@gmail.com).

The Journal invites authors to submit pieces for publication consideration. Footnotes and citations should follow the rules set forth in the latest edition of *The Bluebook: A Uniform System of Citation*. All pieces submitted become the property of the Journal. We review submissions through Scholastica (scholasticahq.com) and through e-mail (submissions.jipel@gmail.com).

All works copyright © 2024 by the author, except when otherwise expressly indicated. For permission to reprint a piece or any portion thereof, please contact the Journal in writing. Except as otherwise provided, the author of each work in this issue has granted permission for copies of that article to be made for classroom use, provided that (1) copies are distributed to students free of cost, (2) the author and the Journal are identified on each copy, and (3) proper notice of copyright is affixed to each copy.

A nonpartisan periodical, the Journal is committed to presenting diverse views on intellectual property and entertainment law. Accordingly, the opinions and affiliations of the authors presented herein do not necessarily reflect those of the Journal members.

The Journal is also available on WESTLAW, LEXIS-NEXIS and HeinOnline.

NEW YORK UNIVERSITY
JOURNAL OF INTELLECTUAL PROPERTY
AND ENTERTAINMENT LAW

VOLUME 13

FALL 2023

NUMBER 1

INTERNATIONAL IMPLEMENTATION OF THE DOCTRINE
OF FOREIGN EQUIVALENTS:
HOW TO SAVE FOREIGN GENERIC TERMS FROM
APPROPRIATION

ALBERT SIMONYAN*

Trademark protection became a subject of international regulations decades ago. However, in the modern era of globalization and international trade, it is vital to address new issues and undertake regulatory remedies. The foreign equivalents doctrine has been deemed as an “expired” doctrine in trademark law to the extent that it was abolished in some jurisdictions. Nonetheless, this article reveals the doctrine’s true potential to provide a solution to the appropriation of foreign generic terms that might raise legal uncertainties and new challenges to the expansion of new products in foreign markets. The article proposes “reincarnation” of the doctrine with specific amendments to the TRIPS agreement and provides analyses of potential positive and negative impacts on trademark protection and possible issues that should be evaluated. The comparative law analysis reveals the vital necessity of such regulatory adoption and worldwide harmonization.

* IP Fellow, IIT Chicago-Kent College of Law. For their comments and suggestions, I would like to thank Alexander Arnaud, Anny Wang, Salome Goumareli, Anais Chabert, Goncagul Cengiz, Kristijan Dimoski, Dimitar Dimoski and Laura Duran. I’m especially grateful to Professor Edward Lee for his research contribution, suggestions and guidance throughout the project. For endorsement and professional support thanks to the Minister of Justice of the Republic of Armenia Grigor Minasyan and AM Law Firm.

INTRODUCTION	136
I. THE DOCTRINE OF FOREIGN EQUIVALENTS IN A GLOBAL PERSPECTIVE	139
A. <i>The Doctrine of Foreign Equivalents and Comparative Overview</i>	139
1. <i>The Circuit Split in the United States</i>	140
2. <i>How Does the EU Deal with Foreign Equivalents?</i>	144
3. <i>The Australian Approach to Foreign Equivalents Doctrine</i>	147
B. <i>International Harmonization of the Doctrine</i>	148
1. <i>The Lack of International Harmonization</i>	149
2. <i>Why Do We Need to Imply the Doctrine Internationally?</i>	151
II. PROPOSAL	153
A. <i>Amending the TRIPS Agreement</i>	153
1. <i>Proposing the Text of the Provision</i>	153
2. <i>Analyzing the Key Parts of the Provision</i>	155
i. <i>Decisions of Foreign Jurisdictions</i>	155
ii. <i>Same-Language Jurisdictions</i>	156
iii. <i>Retroactivity</i>	156
iv. <i>Genericness by Evidence</i>	157
B. <i>Substantiation for Adopting the Proposal</i>	158
1. <i>Harmonization Perspective</i>	158
2. <i>International Comity Perspective</i>	158
3. <i>Solving Market Predictability Problem</i>	159
III. RESPONDING TO THE CRITICISM	159
A. <i>Political Feasibility</i>	160
B. <i>Economic Disadvantages</i>	161
CONCLUSION	162

INTRODUCTION

John is a Chicagoan who planned a tour with his daughter Tracy to Argentina. He decided to travel for one month. John had plans to start a business and he was interested in importing and marketing. On the 5th day of their trip, John and Tracy were walking down the street in Buenos Aires, when Tracy noticed a candy shop. They walked into the market and Tracy pointed out chewing gum. The product was far on the vitrine, and John tried to explain what his daughter wanted when he heard the shop assistant say, “chicle?,” which is the Spanish equivalent of chewing gum. She handed the gum to Tracy, and they walked up to the cashier. John looked at his

daughter chewing and thought that it was a good idea to import chewing gums to the United States and market them under the mark “CHICLE.”

John returned to the United States, and, as an aspiring entrepreneur, figured out that the word he sought to appropriate was in the public domain in almost every Spanish-speaking country and community. Regardless, John established a company and met his friend Albert to discuss the trademark registration. John explained that he was planning to file an application with the U.S. Patent and Trademark Office (“USPTO”) under § 1 subsection (b) of the Lanham Act and was worried about possible failure because the term is in the public domain.¹ Albert was not the most sophisticated trademark lawyer, but he explained that there is no precise answer to that question. John was surprised, but as a scholar, Albert promised to do some research and try to come up with a solution.

While diving into the problem, Albert faced substantial issues. What if all the Spanish communities in the United States use that word to describe such a product in general? Can the generic term be appropriated from the public domain of a foreign language? Suppose that the trademark obtains a United States registration, and the business expands to Spanish-speaking countries. Can the trademark be protected internationally?

The above questions look complicated, but the problem goes beyond that. Especially, the issue can arise even when there is no foreign language involved.² UGG boots originated in Australia—another English-speaking society—where the term refers to regular sheepskin winter shoes.³ Unexpectedly, UGG is a registered trademark in the United States.⁴ Moreover, the Australian company that imported such footwear for years was unsuccessful in its attempts to cancel such registration.⁵ Both are English-speaking countries with multiple common legal and cultural similarities. How can one country hold a term generic and unregistrable but the other one grants protection to the same term? How does this ambiguity support international trade and global economic growth?

¹ See generally 15 U.S.C. § 1051(b)(3)(D) (requiring that the trademark applicant testify that no other person has the right to use such a mark in commerce in the identical or nearly identical form).

² See *Decker Outdoor Corp. v. Australian Leather PTY.*, 340 F. Supp. 3d 707, 707 (N.D. Ill. 2018).

³ *Id.* at 707.

⁴ *Id.* at 709 (stating that Australian Leather sought declaratory judgment and cancellation of Decker’s trademark registration of “UGG”).

⁵ *Id.* at 711.

The doctrine of foreign equivalents stands to protect consumers across jurisdictions from linguistic clashes over generic terms. This doctrine focuses on the foreign generic terms which can be used as a trademark in a local market.⁶ According to the classic approach of the doctrine, those terms should be translated to be tested for possible confusion raised for the consumers,⁷ but there are several limits and issues that this paper will reveal further. The doctrine was criticized over the years and was met with calls to abolish it in the United States.⁸ Today, the USPTO applies the “stop and translate” test,⁹ which might raise practical issues discussed in further detail below. As a result, there is no equitable test for its application. The doctrine application problem is left to a case-by-case resolution in the EU as well.¹⁰ There are 24 official languages in the EU and no definitive binding regulation regarding foreign equivalents.¹¹

Because of the lack of precise international regulations, the doctrine under discussion loses its functionality and raises risks in international trade by restraining prospective entrepreneurs from expanding their business to foreign markets. This regulatory gap also results in a failure to address a crucial function of trademark law: to protect consumers from potential confusion and deception when a foreign generic term is used as a trademark.

This article proposes an international standard for the prohibition of generic term appropriation by foreign economies and highlights the necessity of international implementation of the doctrine of foreign equivalents to prevent a negative impact on international trade and markets. The possible detrimental consequences of the appropriation of foreign generic terms should not be ignored in the age of global trading.

⁶ See 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12:41 (5th ed. 2019) (stating that a word commonly used in another language cannot be imported into the United States and used as a valid trademark).

⁷ *Id.* (stating that foreign words used as a mark must be tested for descriptiveness, genericness, and similarity of a meaning to determine confusing similarity with an English word).

⁸ Serge Crimnus, *The Doctrine of Foreign Equivalents at Death's Door*, 12 N.C. J.L. & TECH. 159, 161 (2010).

⁹ See *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1377 (Fed. Cir. 2005).

¹⁰ Stephan Erickson, *Is European trademark protected in all EU languages?*, DOSSIER LABS, <https://www.dossierlabs.com/knowledge-base/is-european-trademark-protected-in-all-eu-languages> [<https://perma.cc/N9LZ-US4T>].

¹¹ *Id.*

Part I discusses the historical development of the doctrine of foreign equivalents and how the scopes of the implementation were narrowed in the United States. It compares how the doctrine survives in other jurisdictions such as the EU and Australia, what problems it can raise, and how the lack of international harmonization and the doctrine's downfall may impact international trade. Part II proposes a solution through international regulations that may stimulate the implementation of the doctrine worldwide and decrease the negative impact of the appropriation of generic terms. Part III responds to criticisms of the doctrine and possible new difficulties that should be considered before the international execution of the proposed solutions.

I

THE DOCTRINE OF FOREIGN EQUIVALENTS IN A GLOBAL PERSPECTIVE

The appropriation of foreign generic terms is another way to get an advantage in a competitive market. The doctrine of foreign equivalents was used to restrict the perspective of such forfeiture. "A 'generic' term is one that refers, or has come to be understood as referring, to the genus of which the particular product or service is a species. It cannot become a trademark under any circumstances."¹²

The problem is that globally there are different approaches to foreign generic words' registrability as a trademark, and the rationales are, in some cases, different even in domestic jurisdictions. For example, in the United States judiciary, there is a circuit split about the doctrine implementation.¹³ This Part expands on the problem of ambiguous regulations and different approaches to the doctrine, as well as the lack of international harmonization.

A. *The Doctrine of Foreign Equivalents and Comparative Overview*

The purification and clear implementation of the doctrine is the only method to avoid the issues raised above. The doctrine has developed in diverse directions in different jurisdiction which should be considered in determining the overall problem discussed in this paper. This Section compares the approaches to foreign generic terms as a trademark in the U.S., EU, and Australia.

¹² *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011, 1014 (9th Cir. 1979) (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–10 (2d Cir. 1976)).

¹³ Petition for a Writ of Certiorari at 10, *Australian Leather Pty. Ltd. v. Deckers Outdoor Corp.*, 847 F. App'x 917 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 587 (Dec. 6, 2021).

1. *The Circuit Split in the United States*

Under the doctrine of foreign equivalents, a word commonly used in another language as the generic name of a product cannot be registered in the United States as a valid trademark.¹⁴ The doctrine was developed to serve two main purposes.¹⁵ The first purpose is to protect multilingual customers from possible confusion.¹⁶ Especially, a term that is generic in a foreign language should be translated into the language of the local jurisdiction and evaluated in terms of distinctiveness and likelihood to deceive prospective customers.¹⁷ The second purpose serves a global purpose of comity.¹⁸ When one country is strict with trademark registrations but another is open to foreign generic terms, it raises issues within the economic collaboration of those countries. The protection from foreign generic term appropriation expands the opportunities for trademark owners to evolve in international trade.¹⁹ The registrant faces the barrier of its native generic words usage in the foreign market, as they are already registered as a trademark in the state in which one plans to expand.²⁰ The latter raises competitive issues, as the registrant of a foreign equivalent can gain an unfair advantage by owning a name which is descriptive of a product or a generic term that is in the public domain.²¹

The protection of multilingual consumers alleges a narrower interpretation of the doctrine. As the Trademark Trial and Appeal Board (“T.T.A.B.”) observed, the doctrine of foreign equivalents “extends the protection of the [Lanham] Act to those consumers in this country who speak other languages in addition to English. . . . At least one significant group of ordinary American purchasers is the purchaser who is knowledgeable in English as well as the pertinent foreign language.”²²

From the perspective of international comity, the doctrine is interpreted broadly. Historically, the main commercial progress was in the United States, which majorly consists of multilingual communities, and it was the fastest-growing

¹⁴ See *Holland v. C. & A. Import Corp.*, 8 F. Supp. 259, 261 (S.D.N.Y. 1934).

¹⁵ E.g., *McCarthy*, *supra* note 6.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.* at n.12.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² *In re Spirits Int. N.V.*, 86 U.S.P.Q.2d 1078, 1084–85 (T.T.A.B. 2008).

economy of the 20th century.²³ As a novelty, the doctrine served to avoid the possible appropriation of English words by foreign countries. Especially U.S. courts, in their analysis, emphasize the necessary reciprocal protection of generic foreign equivalents from possible registration considering the threat of market restriction caused by the registration of generic or destructive English words by foreign governments.²⁴

The market restriction threat was the cornerstone of the U.S. courts' decisions for about eighty years.²⁵ In 1931, a court held that "the general practice of the Patent Office and courts was to deny registration to any misleading term even where it only becomes misleading through the understanding of a foreign language."²⁶ In *McKesson & Robbins v. Charles H. Phillips Chemical Co.*, the Second Circuit described this rule as a "sound" one that has been followed for a long time.²⁷ In 1934, this position was evolved by determining that "a word commonly used in other countries to identify a kind of product and there in the public domain as a descriptive or generic name may not be appropriated here as a trade-mark on that product."²⁸ In 1961, a court was compelled to consider the registration of the name, in Hungarian, of at least some of the noodle products enumerated in the registration.²⁹ Further, in 1997, T.T.A.B. held that the mark FRUTTA FRESCA plainly designates a genus of fruit that is fresh.³⁰

Following such a restrictive approach, the Second Circuit interpreted the doctrine of foreign equivalents—finding the genericness of the term in its country of origin as an obstacle.³¹ The court in that case considered a dispute between two importers of Japanese sake over the use of the term "otokoyama."³² In reversing the district court's opinion, the Second Circuit described "a bedrock principle of the

²³ See *List of countries by GDP growth 1980-2010*, WIKIPEDIA, https://en.wikipedia.org/wiki/List_of_countries_by_GDP_growth_1980%E2%80%932010 [<https://perma.cc/TRV3-7DY9>].

²⁴ See, e.g., *Otokoyama Co. v. Wine of Japan Import, Inc.*, 175 F.3d 266, 272 (2d Cir. 1999).

²⁵ *Petition for a Writ of Certiorari at 10, Australian Leather Pty. Ltd. v. Deckers Outdoor Corp.*, 847 F. App'x 917 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 587 (Dec. 6, 2021).

²⁶ *McKesson & Robbins v. Charles H. Phillips Chemical Co.*, 53 F.2d 1011, 1011 (2d Cir. 1931).

²⁷ *Id.*

²⁸ *Holland v. C. & A. Import Corp.*, 8 F. Supp. 259, 261 (S.D.N.Y. 1934).

²⁹ *Weiss Noodle Co. v. Golden Cracknel & Specialty Co.*, 290 F.2d 845, 847 (C.C.P.A. 1961).

³⁰ *In re Sambado & Son Inc.*, 45 U.S.P.Q.2d 1312, at *4 (T.T.A.B. 1997).

³¹ See *Otokoyama Co. v. Wine of Japan Import, Inc.*, 175 F.3d 266, 268 (2d Cir. 1999).

³² *Id.*

trademark law that no trader may acquire the exclusive right to the use of a term by which the covered goods or services are designated in the language.”³³ The court determined that “if otokoyama in Japanese signifies a type of sake, and one United States merchant was given the exclusive right to use that word to designate its brand of sake, competing merchants would be prevented from calling their product by the word which designates that product in Japanese.”³⁴

As we’ve seen above, several Circuits still prioritize the genericness of foreign equivalents in their country of origin and therefore prevent misappropriation. In addition to the Second Circuit, this pattern is followed in the Fifth³⁵ and Seventh Circuits.³⁶

The Federal Circuit, on the other hand, has adopted a narrower rule, which stipulates that the foreign equivalents doctrine “applie[s] only when it is likely that the ordinary American purchaser would ‘stop and translate [the word] into its English equivalent.’”³⁷ The term “ordinary American purchaser” includes both those who would tend to translate foreign words into English and those who would not.³⁸ Under the Federal Circuit’s rule, therefore, there may be situations in which a term is generic in its place of origin—and would be recognized as generic by purchasers familiar with the term—but nevertheless protectable as a trademark simply because “the ordinary American purchaser” would not first translate the word into English.³⁹

This circuit split is a good example of how the uncertainty or lack of regulations results in legal unpredictability for entrepreneurs and creates artificial

³³ *Id.* at 270.

³⁴ *Id.* at 272.

³⁵ See *Enrique Bernat F., S.A. v. Guadalajara, Inc.*, 210 F.3d 439, 441–45 (5th Cir. 2000) (considering the doctrine of foreign equivalents as the “governing” one regarding the registration of word “chupa” in combination as a trademark and thus prohibiting the registration substantiating the possibility of confusion among Spanish-speaking American consumers).

³⁶ See *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, 662 (7th Cir. 1965) (noting that the word combination “yo-yo” had “originated and was used in the Philippine Islands as the generic name of the toy,” so the registration of that term as a trademark was improper).

³⁷ *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 1377 (Fed. Cir. 2005) (quoting *in re Pan Tex Hotel Corp.*, 190 U.S.P.Q. 109, 110 (T.T.A.B. 1976)).

³⁸ *In re Spirits Intern., N.V.*, 563 F.3d 1347, 1352 (Fed. Cir. 2009).

³⁹ See, e.g., *id.*

obstacles to economic growth. Recently, there was an outstanding opportunity to design a precise test on the registrability of foreign equivalents.

In 2016, the Australian company that imported UGG boots, Australian Leather, appeared in a lawsuit with Deckers Outdoor Corporation.⁴⁰ The core of the dispute was whether the UGG registration in USPTO can be appropriated in ignorance of the genericness of the term in its English-speaking country of origin.⁴¹ Australian Leather argued the word “ugg” originated from Australia, and the Australian customer associated that term with any sheepskin boot in general.⁴² They also argued that, for any surfer, the term is a general description of the boots used in surfing.⁴³

Unfortunately, the district court missed the opportunity to determine a specific test and concluded that the mere fact of the term being generic in a foreign market was insufficient to uphold its genericness.⁴⁴ Moreover, this court provided no ruling regarding the applicability of the doctrine when the generic term originates from another English-speaking country.⁴⁵ The district court held that UGG was a distinctive mark in the United States.⁴⁶ The court absolutely ignored the fact that the term under discussion was held generic in foreign English-speaking jurisdictions.⁴⁷ Importantly, the Australian Trademark Office (“ATMO”) found the term UGG to be generic.⁴⁸ The Australian decision noted The Macquarie Dictionary (1981), The New Shorter Oxford Dictionary (1993), the Dinkum Dictionary (1988), The Australian Concise Oxford Dictionary of Current English (1982), and the Oxford English Dictionary Online (2004) all independently recognized one or multiple spellings of “ugg” to be a generic term.⁴⁹ Nevertheless, the district court ordered the contrary.

⁴⁰ *Deckers Outdoor Corp. v. Australian Leather Pty. Ltd.*, 340 F. Supp. 3d 706, 708 (N.D. Ill. 2018), *aff'd*, 847 F. App'x 917 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 587 (Dec. 6, 2021).

⁴¹ *Id.* at 709.

⁴² *Id.* at 710.

⁴³ *Id.*

⁴⁴ *Id.* at 710.

⁴⁵ *Id.* at 715–16.

⁴⁶ *Id.* at 720.

⁴⁷ *See Deckers Outdoor Corporation v B&B McDougal* [2006] ATMO 5 (16 January 2006) 9 (Austl.).

⁴⁸ *Id.* at 5.

⁴⁹ *Id.* at 4.

Further, the decision was appealed by Australian Leather but the Federal Circuit—as the supporter of the doctrine’s narrow interpretation—affirmed without an opinion.⁵⁰ Afterward, the appellant filed a petition to the Supreme Court of the United States,⁵¹ giving the Supreme Court a good opportunity to draw definite outlines for the doctrine implementation. Unfortunately, in December 2021, the Supreme Court rejected that opportunity and the issue was left unresolved.⁵² The Supreme Court of the U.S. mentioned that “one must be wary of United States trademark rights for terms that are generic for a product in the country of origin. . . . [S]imilar concerns also exist for U.S. companies hoping to enter foreign markets with terms considered generic in the U.S., but not in prospective foreign markets.”⁵³ This is one of the concerns this paper proposes to regulate.

2. *How Does the EU Deal with Foreign Equivalents?*

The European trademark system consists of two components: the Trade Mark Directive (“TMD”) and the European Union Trade Mark Regulation (“EUTMR”).⁵⁴ The EUTMR has established a unitary right extending throughout the EU, based on registration filed at a central office, the European Union Intellectual Property Office (“EUIPO”).⁵⁵ The TMD was enacted to impose on the member states to harmonize the main regulation on essential requirements and frames of trademark protection in the national systems.⁵⁶ The member state systems and EU systems are intended to co-exist and exclude a hierarchical structure prioritizing one or the other.⁵⁷

Along with the development of the European trademark system, back in 2010, it was decided to create a commission for the evaluation of its functionality.⁵⁸

⁵⁰ See *Deckers*, 847 F. App’x 917 (Fed. Cir. 2021).

⁵¹ See *Deckers*, 142 S. Ct. 587 (Dec. 6, 2021).

⁵² *Supreme Court Refuses to Hear Case Over Ugg Trademark in Win for Deckers*, THE FASHION LAW, (Dec. 8, 2021) <https://www.thefashionlaw.com/supreme-court-refuses-to-hear-case-over-ugg-trademark-in-win-for-deckers/> [https://perma.cc/59VL-TEUS].

⁵³ *Id.*

⁵⁴ Annette Kur, *The EU Trademark Reform Package—(Too) Bold a Step Ahead or Back to Status Quo?*, 19 MARQ. INTELL. PROP. L. REV. 15, 19 (2015).

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

The representatives from Max Planck Institute for Intellectual Property and Competition Law⁵⁹ in Munich were the members upholding the investigation about needed reforms.⁶⁰ The study was delivered in 2011 and published as a proposal for Community for Trade Mark Regulation (former EUTMR) amendment in March 2013.⁶¹ The amendment included analyses and proposals concerning the registrational issues of foreign equivalents in the EU excerpted below.⁶²

The examination at the EUIPO considers barriers actual in any member state; however, under the current law, member states merely take into account obstacles existing in their own respective territories.⁶³ This relates to the language in which the examination takes place as well.⁶⁴ Although all official EU languages are observed in proceedings at the EUIPO, member states usually confine the assessment to their own language.⁶⁵ Thus, a Greek term that is generic to describe the product cannot be registered as an EU Trademark, however, there are no bars against registration of that term in the member states other than Greece if the generic meaning of the word is not perceived outside Greece.

The proposal of the Commission offered a change to the system by determining an obligation for national offices to refuse trademark registration in cases when the rejection grounds were obtained in the other member state, or if the foreign language trademark application is filed along with translation or transcription in script or language of member states.⁶⁶ The proposal was rejected by the European Parliament and raised consistent objections from the member states.⁶⁷ An often cited reason for the rejection was that the scope of examination would be broadened and this burden might be disproportionate because the right would still be valid only in one member state.⁶⁸

⁵⁹ This is now re-named “Max-Planck-Institute for Innovation and Competition.”

⁶⁰ Kur, *supra* note 54, at 19–20.

⁶¹ *Id.* at 20.

⁶² *Id.* at 27–28.

⁶³ *Id.* at 27.

⁶⁴ *Id.* at 26.

⁶⁵ *Id.*

⁶⁶ *Id.* at 26–27.

⁶⁷ *Id.* at 27.

⁶⁸ *Id.*

Although the Commission has not given an express motivation for its move, it is generally assumed to be a reaction to a case in which a generic term “Matratzen”—meaning mattresses in German—was registered in Spain for bed accessory products.⁶⁹ The Spanish owner of the mark opposed the Community Trade Mark (former EUTM) application of the German mark MATRATZEN CONCORD based on the argument that Spanish consumers were likely to be confused by the German mark because “matratzen” was the dominant part of the sign.⁷⁰ Subsequent attempts by the German company to invalidate the Spanish mark because of its descriptive character were in vain.⁷¹

The question of whether the registration was likely to result in an impediment to the free movement of goods (i.e., importation of mattresses from Germany) was referred to the Court of Justice of the European Union but was denied.⁷² The court specified that “Article 3(1)(b) and (c) of the Directive does not preclude the registration in a Member State, as a national trademark, of a term borrowed from the language of another Member State in which it is devoid of the distinctive character or descriptive of the goods or services in respect of which registration is sought unless the relevant parties in the Member State in which registration is sought are capable of identifying the meaning of the term.”⁷³ This determination mirrors the ambiguity of EU regulations, and it seems like there is no doctrine of foreign equivalents at all. The *Matratzen* holding was further confirmed by *Bimbo SA v. OHIM* in 2012, a case involving the registration of DOUGHNUTS in Spain.⁷⁴

This poses a significant issue if national registrars—as happened in the *Matratzen* case—continue to ignore cases wherein the trademark registration is sought for a term that simply identifies the product in the language of another member state.⁷⁵ Unfortunately, Parliament rejected Commission proposals on the first reading, which was the ultimate approach to such a substantial problem.⁷⁶ It would be sufficient to adopt the doctrine of foreign equivalents as it is interpreted

⁶⁹ *Id.*

⁷⁰ Case C-3/03 P, *Matratzen Concord GmbH v. Office for Harmonisation in the Internal Market*, 2004 E.C.R. I-03657.

⁷¹ Kur, *supra* note 54.

⁷² Case C-421/04, *Matratzen Concord AG v. Hukla Ger. SA*, 2006 E.C.R. I-02303.

⁷³ *Id.*

⁷⁴ Case C-591/12P, *Bimbo SA v. OHIM*, 2014 E.C.R. 305, 1.

⁷⁵ Kur, *supra* note 54, at 27.

⁷⁶ *Id.*

in the Second, Fifth, and Seventh Circuits and reject the registration if those are generic or merely descriptive in other languages of member states.⁷⁷

There is an obvious difference between the EUTMR approach and member states' policy, and this dual standard should be covered by precise and unambiguous regulation. In fact, the EU law provides no precise harmonized regulation on how to deal with foreign generic term registration, which gives a good chance for member countries to adopt the doctrine. But even if the doctrine is adopted by the majority of member states, it would not provide a harmonized application, so the issues discussed above would persist.

3. *The Australian Approach to Foreign Equivalents Doctrine*

ATMO considers a diverse range of factors in foreign language mark distinctiveness analysis and explicitly ignores the international comity issues.⁷⁸ The approach of ATMO regarding trademarks consisting in part or in whole of foreign terms is that “such marks are subject to the same principles that apply to English words.”⁷⁹ To be eligible for registration, the characters, letters, or words of foreign marks should not be perceptible as to their indigenous meaning by a substantial part of the nationwide population.⁸⁰ In the opposite situation, if the foreign mark does not distinguish the goods, the registration can be rejected or, at least, provide grounds for opposition.⁸¹

As discussed in the U.S. regulation analysis, Australian Leather sought to invalidate the registration of the mark UGG, which is in the public domain in Australia.⁸² Surprisingly, the Australian High Court, just several years ago, granted protection to descriptive foreign-language marks, taking the position of U.S. Federal Circuit Court.⁸³ The High Court ruled that even though a wordmark should be “substantially different from any word in ordinary and common use... it need not be wholly meaningless and it is not a disqualification that it may be traced to a

⁷⁷ *See id.* at 27, 28.

⁷⁸ David Price, *The Multicultural Trade Mark: The Registration in Australia of Trade Marks with Foreign Language Elements*, 1 J. AUSTRALASIAN L. TCHRS. ASS'N 171, 171 (2008).

⁷⁹ *Id.* at 172.

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² *Deckers Outdoor Corp. v. Australian Leather Pty. Ltd.*, 340 F. Supp. 3d 706, 708 (N.D. Ill. 2018), *aff'd*, 847 F. App'x 917 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 587 (Dec. 6, 2021).

⁸³ *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* [2014] HCA 48, at 38 (Austl.).

foreign source or that it may contain a covert and skillful allusion to the character or quality of the goods.”⁸⁴ In that case, Cantarella Bros. had marked for coffee products registered as CINQUE STELLE and ORO.⁸⁵ These words originated from Italian and translate to “five-star” and “gold.”⁸⁶ Only 1.4 percent of the population in Australia was Italian-speaking at a time.⁸⁷ The Court analyzed the marks by prioritizing the “ordinary significance” of the marks to Australian consumers and whether they were distinctive—namely, “inherently adapted to distinguish” the source of the goods.⁸⁸ The High Court concluded so by substantiating that marks CINQUE STELLE and ORO were adapted to distinguish the source of Cantarella’s coffee because they do not “convey a meaning or idea sufficiently tangible to anyone in Australia concerned with coffee goods as to be words having a direct reference to the character or quality of the goods.”⁸⁹

Contrary to the EU and U.S. approaches, the Australian courts look more persuasive by at least trying to determine some kind of pattern on how to deal with foreign terms.⁹⁰ Anyway, there is still no harmonized approach to ensure international regulatory comity and avoid consumer deception.

B. *International Harmonization of the Doctrine*

Although the Paris Convention for Protection of Industrial Property (1967) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (2005) provide some general regulations on the international protection of registered trademarks, they correspondingly delegate distinctiveness issues to each member state.⁹¹ Unfortunately, there is no clear regulation regarding trademarks that are not distinctive in other states the registrant seeks to register, and how to deal with the international protection of such marks to avoid comity and customer

⁸⁴ *Id.* at 15.

⁸⁵ *Id.* at 1.

⁸⁶ *Id.* at 4.

⁸⁷ 2011 Census All persons QuickStats, AUSTRALIAN BUREAU OF STATISTICS, <https://www.abs.gov.au/census/find-census-data/quickstats/2011/0> [https://perma.cc/LV7G-SCQS].

⁸⁸ Thomas Merante, *Tomato, Tamatie? Revising the Doctrine of Foreign Equivalents in American Trademark Law*, 6 N.Y.U. J. INTELL. PROP. & ENT. L. 310, 345 (2017).

⁸⁹ *Id.*

⁹⁰ See, e.g., Price, *supra* note 78, at 173–79.

⁹¹ Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, as revised at Stockholm, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention]; Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, 1869 U.N.T.S. 299 [hereinafter TRIPS Agreement].

confusion issues. Unfortunately, this gap is one of the main reasons for global ambiguity and uncertain application of the doctrine.

1. *The Lack of International Harmonization*

The first problem with the current approach to foreign equivalents is the absence of an internationally defined applicable scope of application of the doctrine, which creates ambiguity and unpredictability in trademark registration procedure. The Marrakesh Declaration of 1994 finalized the establishment of the World Trade Organization (“WTO”).⁹² As a result, international trade was transferred from the General Agreement on Tariffs and Trade (“GATT”) regulations to the WTO structure.⁹³ Simultaneously, the new system encompassed the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”), which designed a worldwide consensus of the frames of intellectual property rights protection and terms of enactment.⁹⁴ At the time, the TRIPS agreement was a hopeful light at the end of a tunnel, but it barely cleared the air in this context.

The agreement is just a detailed replication of Paris Convention principles.⁹⁵ Article 15 determines the scope of protectable subject matter, but it provides no guidance on how to deal with foreign equivalent terms that are generic in one member state and distinctive in another.⁹⁶ In fact, it is a logical obligatory sequel of the Paris Convention for the Protection of Industrial Property, which contains Article 6quinquies. This determines the protection of marks registered in a country of the union.⁹⁷

Article 6quinquies restricts a member country from rejecting domestic registration of an already registered foreign mark unless that mark (i) infringes the rights of a third party in the country where registration is being claimed; (ii) is devoid of any distinctive character or has “*become customary in the current*

⁹² Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 3; 33 I.L.M. 1197 (1994).

⁹³ *Id.*

⁹⁴ TRIPS Agreement, *supra* note 91, at art. 15, ¶1.

⁹⁵ See Jonathan Skinner, *Overcoming Babel’s Curse: Adapting the Doctrine of Foreign Equivalents*, 93 J. PAT. & TRADEMARK OFF. SOC’Y 57, 59 (2011).

⁹⁶ TRIPS Agreement, *supra* note 91, at art. 15, ¶1.

⁹⁷ Paris Convention, *supra* note 91, at art. 6quinquies.

language or in the bona fide and established practices of the trade of the country where protection is claimed”; or (iii) is contrary to public order and morality or is likely to cause confusion.⁹⁸

By acknowledging that a foreign mark could become customary in bona fide practices, it appears that Article 6quinquies touches upon the doctrine of foreign equivalents. However, this provision sheds little to no light on the doctrine application as it determines no specific regulation for determining the bona fide genericness of the term.

As in the examples specified in Section A of this Part, countries simply ignore the genericness of a mark if it’s in a foreign language or even in the same language. The regulations of the Paris Convention are replicated otherwise in the TRIPS Agreement where the first paragraph of Article 15 determines the protectable subject matter of marks and the second paragraph refers to the Paris Convention: “Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).”⁹⁹ This provision ties TRIPS’s scope of protection to the Paris Convention, but the latter’s regulation appears vague. Instead of elaborating bona fide genericness, TRIPS simply ignores the doctrine of foreign equivalents and refers to the Paris Convention.

Article 17 of the TRIPS Agreement provides exceptions such as fair use.¹⁰⁰ But, as discussed in Section A, there is no practical implementation of a fair use defense for foreign equivalents in the U.S., Australia, and the EU. Fair use defense relates to the situations where the term is used to describe the product;¹⁰¹ however, the doctrine of foreign equivalents is the “protector” of generic terms of foreign languages or jurisdictions from appropriation.

Member countries of the WTO retain the right to implement their obligations through domestic legislation or judiciary.¹⁰² A good example of how this performs with domestic regulations is Section 44 of the Lanham Act,¹⁰³ which allows an

⁹⁸ *Id.* (emphasis added).

⁹⁹ TRIPS Agreement, *supra* note 91.

¹⁰⁰ *Id.* at art. 17.

¹⁰¹ *See generally* 15 U.S.C. § 1115.

¹⁰² TRIPS Agreement, *supra* note 91, art. 41.

¹⁰³ 15 U.S.C. § 1051.

applicant to register a mark in the United States based upon an application to register the mark in a foreign country which is a party to a trademark treaty with the United States (Sec. 44(d)) or upon registration for the mark in that country (Sec. 44(i)).¹⁰⁴

The EU has its unique approach to this issue. Due to the multiplicity of official languages of the European Union, marks are not necessarily translated into a specific language. Instead, “[p]roposed marks are examined for descriptiveness simultaneously in virtually all of the languages of the community.”¹⁰⁵

These realities show how the doctrine of foreign equivalents is “artificially adapted” to existing uncertainty. Moreover, in Section A of this Part, it is revealed that both in the European Union and the United States the doctrine was interpreted and executed in critically different ways even in internal examinations.

2. *Why Do We Need to Imply the Doctrine Internationally?*

Another problem solved by the implementation of the doctrine of foreign equivalents relates to international comity. In such an integrated world economy, ensuring the freedom of international trade “requires the free competitive use in all nations of the generic names of goods in any language.”¹⁰⁶ For example, if United States producers want to prohibit the registration of a generic English word in a non-English speaking country, principles of reciprocity and international comity would require that the United States not permit the registration of foreign generic words in its country.¹⁰⁷ As we see from the position of the Federal Circuit as well as the Australian and EU approaches, there is no reciprocity perspective in that scope.

This issue was allocated and specified by U.S. courts several times. In terms of importing, the exclusive right granted to a generic or descriptive foreign equivalent word would destructively constrain goods in the same classification from entering the United States and “give that importer a competitive advantage that the law

¹⁰⁴ 15 U.S.C. § 1126.

¹⁰⁵ Eric E. Bowman, *Trademark Distinctiveness in a Multilingual Context: Harmonization of the Treatment of Marks in the European Union and the United States*, SAN DIEGO INT’L L.J. 513, 520 (2003).

¹⁰⁶ Skinner, *supra* note 95, at 63 (quoting J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §12:41 (5th ed. 2019)).

¹⁰⁷ *Id.*

of trademark should not allow.”¹⁰⁸ “No merchant may obtain the exclusive right over a trademark designation if that exclusivity would prevent competitors from designating a product as what it is in the foreign language their customers know best.”¹⁰⁹ The Fifth Circuit in 2000 specified the problem more explicitly:

[T]he policy of international comity has substantial weight in this situation. If we permit [plaintiff] Chupa Chups to monopolize the term “chupa,” we will impede other Mexican candy makers’ ability to compete effectively in the U.S. lollipop market. Just as we do not expect Mexico to interfere with Tootsie’s ability to market its product in Mexico by granting trademark protection in the word ‘pop’ to another American confectioner, so we cannot justify debilitating [defendant’s] attempts to market “Chupa Gurts” in the United States by sanctioning [plaintiff] Chupa Chups’ bid for trademark protection in the word “chupa.”¹¹⁰

The EU regulations are obviously contradictory and need plain regulations, too. The EUTMR constrains registration by requiring translation of the mark in all EU member state languages but, at the same time, member states are not obliged to do so. The EUTMR approach goes further than the U.S. approach, considering the specific nature of a multilingual union, but, as discussed earlier, it has some specific disadvantages, too.¹¹¹

Some scholars offer general solutions such as a new treaty that would provide precise and detailed international regulations, which, in turn, would support harmonization and economic growth.¹¹² Those proposals are usually limited to a specific type of mark such as well-known marks. This paper proposes a general solution for all inherently generic foreign equivalent marks by amending existing international treaties.

¹⁰⁸ *OrtoConserviera Cameranesa d Giacchetti Marino & C. s.n.c. v. Bioconserve, s.r.l.*, No. 97 CIV. 6638 (JSM), 1999 WL 47258, at *2 (S.D.N.Y. Feb. 3, 1999), *aff’d sub nom. Orto Conservia Cameranesa Di Giacchetti Marino & C., S.N.C.*, 205 F.3d 1324 (2d Cir. 2000).

¹⁰⁹ *Otokoyama Co. v. Wine of Japan Import, Inc.*, 175 F.3d 266, 271 (2d Cir. 1999).

¹¹⁰ *Enrique Bernat F., S.A. v. Guadalajara, Inc.*, 210 F.3d 439, 445 (5th Cir. 2000).

¹¹¹ *Bowman*, *supra* note 105, at 522.

¹¹² *See Edward Lee, The Global Trade Mark*, 35 U. PA. J. INT’L L. 917, 938 (2014) (proposing creation of a new treaty called Global Trade Mark for well-known marks).

II PROPOSAL

The discussion in Part I leads us to the idea that there should be a solution to the ambiguity. The precise international legislative approach to foreign marks is necessary to provide foreseeability and clarity in international trade and market development. It may have a substantial economic impact encouraging foreign entrepreneurs to enter new markets and diminish investment risks. Moreover, there is an increasing potential for markets to expand to online platforms, such as the Metaverse. McDonalds filed a trademark application for a virtual restaurant, MCMETAVERSE, along with nine other marks to compete in virtual reality in 2022.¹¹³ Panera Bread had similar plans.¹¹⁴ Even though the Metaverse is no longer a hot topic, this virtual platform agenda is yet to come. This means that new issues are about to rise along with technological growth regarding foreign generic terms in the foreseeable future, and the best solution is to determine international regulation in the agreement regulating intellectual property circulation, preventing appropriation of generic terms, and monopolizing the market. The rest of Part II proposes the Amendment to the TRIPS Agreement for regulating the implementation of the doctrine of foreign equivalents.

A. *Amending the TRIPS Agreement*

The TRIPS Agreement is the most modern and inclusive international regulation dedicated to intellectual property rights. This Agreement provides the main outlines for intellectual property rights protection, and the doctrine of foreign equivalents could help to reinforce those rights. The general purpose of this amendment is to specify the outlines which would steer the course for the legislative implementation of the doctrine of foreign equivalents.

1. *Proposing the Text of the Provision*

This article proposes to amend the TRIPS Agreement with a provision that would determine additional limits for trademark registration which would regulate the following main aspects:

¹¹³ Brian Newar, *McDonald's files trademarks for McMetaverse restaurants ... that deliver*, COINTELEGRAPH (Feb. 10, 2022), <https://cointelegraph.com/news/mcdonalds-files-trademarks-for-mcmetaverse-restaurants-that-deliver> [<https://perma.cc/X689-VHT2>].

¹¹⁴ *Id.*

- Prevent monopolization by generic term appropriation,
- Respect language terms of Member States of WTO which are in the public domain and were held generic in their jurisdictions,
- Fair use defense implementation with regards to the doctrine of foreign equivalents, and
- Determine the applicability of the doctrine for the same-language societies.

The amendment would likely be included in Section 2 of the TRIPS Agreement, as that Section determines the regulations of trademark rights, and the provision would succeed Article 15 “Protectable Subject Matter” as a separate Article 15 bis. The reasoning behind this positioning is that specified limits relate to protectability which should be determined as an additional requirement. Article 15 bis would consist of four new paragraphs with the following content:

1. Any mark that in whole consists of an inherently generic term in a Member State’s official language and held so by the administrative or judicial body of that Member State should be considered generic in any other jurisdiction.
2. Any mark that, in part, consists of an inherently generic term in a Member State’s official language and held so by the administrative or judicial body of that Member State should be considered generic in any other jurisdiction for that part only.
3. Any trademark that in part or in whole consists of an inherently generic term in a specific foreign Member State’s official language, and held so by the administrative or judicial body of that Member State of WTO, may be a subject of the fair use exception consideration specified in Article 17 if the mark is already protected in another Member State.
4. If the mark was not held generic in any Member State of WTO but it totally or in part consists of an inherently generic term in a specific foreign Member State’s official language supported by an admissible and relevant evidence, that mark may not be protected as a trademark if reasonable percentage of population is likely to be confused. The reasonable percentage should be determined by each Member State.

The above-mentioned amendment would revive the doctrine of foreign equivalents. This text would cover the majority of issues the member states

have already faced regarding foreign generic terms and would provide additional guarantees for international traders.

2. *Analyzing the Key Parts of the Provision*

The proposed amendment offers a new, expanded approach to the doctrine of foreign equivalents. Under the proposed amendment, the doctrine would function as a balancing and restraining factor for foreign generic term appropriation by markets which may lead to possible competition and confusion related to issues in international trade. The proposed provision consists of four points which are constructed to correlate with the TRIPS Agreement. The remainder of this Section discusses and analyzes key parts of the amendment.

i. Decisions of Foreign Jurisdictions

The first and second parts of the provision consider the decisions of foreign sovereigns while examining the term appropriated from the foreign language as a trademark. The provision obliges the courts not to ignore the determinations of member states regarding the languages they use and provides a binding authority to the respective jurisdictions to decide the genericness of their terms. This approach means that all member states—regardless of their economic power—must respect the foreign culture and conform to international comity. It would prohibit other jurisdictions from granting protectability to a trademark which is generic in other jurisdictions where the same product or service can appear. If every jurisdiction must prohibit the appropriation of a generic term from the public domain, each jurisdiction should also have a reasonable opportunity to implement those rights internationally and to have those rights respected by other jurisdictions.

It is definitely impractical to let another jurisdiction appropriate one's generic term because the marketplace is extremely globalized, which allows businesses to expand beyond borders quickly. Online marketing and international trade allow businesses to market a product in foreign jurisdictions easily.

The first and second sections of the provision would also prohibit possible monopolization of specific products through the appropriation of a foreign generic term and, in doing so, provide additional guarantees to the market competitiveness.

ii. Same-Language Jurisdictions

The first and second parts of the proposal also address the problem raised in *Deckers Outdoor Corporation v. Australian Leather*, namely, whether the doctrine of foreign equivalents should apply when both jurisdictions have the same official language. Though the court held that it should not, this paper proposes a different approach. Basically, the purpose of the doctrine of foreign equivalents is to protect foreign generic terms from appropriation and, by doing so, prevent foreign jurisdictions from obtaining a legal monopoly on terms that directly describe and distinguish the product. It is obvious that this purpose cannot be accomplished if the doctrine would apply only to foreign languages. If the equivalent of a sheepskin boot was always called “ugg” and held generic in Australia, that means that for the United States UGG is a foreign equivalent of a sheepskin boot. Therefore, it is inappropriate for the United States to determine the Japanese term “otokoyama” for sake to be generic¹¹⁵ but to also grant protection to the UGG mark.

The above-mentioned examples show how relevant it is to determine international regulation for applicability of the doctrine of foreign equivalents to issues involving same-language jurisdictions. So the first and second provisions would provide another guarantee of the doctrine’s equal application.

iii. Retroactivity

The third part of the provision is dedicated to the retroactivity problem. Specifically, the provision suggested in the first point cannot apply to foreign generic trademarks which are already registered or used in respective jurisdictions and are protectable by state law. The only *de minimis* harmful way, which would not explicitly intervene with member states’ sovereignty, is to include such issues under possible fair use defense. This proposal would regulate situations where the importer names their product with a generic term which is already registered in the local registrar or, in cases with the United States, is already used and therefore is protectable. The importer would be able to seek a defense and succeed in that.

If this provision would explicitly provide retroactivity to these regulations, then in cases of adoption, member states should cancel the registrations of foreign generic terms. This issue may serve as a significant obstacle to adoption. Anyway,

¹¹⁵ *Otokoyama Co. v. Wine of Japan Import, Inc.*, 175 F.3d 266, 268 (2d Cir. 1999).

the final decision is left to the judiciary of the specific jurisdiction. This provision only imposes the obligation to discuss fair use possibility in consideration of Article 17 of the TRIPS Agreement, which states the following: “[E]xceptions take account of the legitimate interests of the owner of the trademark and of third parties.”¹¹⁶

iv. Genericness by Evidence

The fourth part of the provision relates to cases where the mark is not officially held generic in any of the respective member states, but the substantial evidence supports that the current mark is an inherently generic term in any specific language. The purpose of this proposal is not only to cover cases where the mark was officially held generic, but also to provide some guidance to states on how to deal with foreign generic terms.

Because there is no reasonable way to determine a percentage that would be a “golden middle” standard applicable for all member states, the percentage should be left for each jurisdiction to decide, considering their demographic, ethnic, racial, and market specifics. The necessity to propose this loose approach is dictated by practical differences in different jurisdictions. In the Australian case, *Cantarella Bros v. Modena Trading*, 1.4% of the population that was familiar with foreign language was considered insufficient for rejecting the protectability of the mark. In the USPTO, the census as evidence for foreign language speaking population is interpreted in different ways. For example, a census of 0.6% of the French-speaking population in the United States was used against the applicant as a sufficient number to find that French is a commonly spoken language.¹¹⁷ A similar situation was raised regarding the Russian-speaking population in the United States: 706,000 people (approximately 0.22% of the U.S. population) was considered sufficient “to establish that a ‘significant portion of consumers’ would understand the English meaning of the Russian mark for Russian vodka.”¹¹⁸ Therefore, proposing a specific percentage would be unreasonable considering how dramatically different societies and markets of member states can be.

¹¹⁶ TRIPS Agreement, *supra* note 91, art. 17.

¹¹⁷ *In re Thomas*, 79 U.S.P.Q.2d 1021, 1024 (T.T.A.B. 2006).

¹¹⁸ *In re Joint-Stock Co. “Baik,”* 80 U.S.P.Q.2d 1305, 1310 (T.T.A.B. 2006).

B. Substantiation for Adopting the Proposal

This proposal serves a specific purpose and to accomplish the main goals it is relevant to discuss how the proposal solves the problem of foreign generic terms. That problem is revealed by the decades of legal analysis and developments which are discussed in this paper. This Section discusses the solutions of the most significant ones.

1. Harmonization Perspective

The first reason to adopt the proposal is harmonization of the legislature, which is a key element to solving the differentiated approach. This article reveals different approaches of countries to a similar issue of appropriation of foreign generic terms. This differentiation was considered during the drafting of the text of the provision, and the overall ratification of the proposed amendment would make a balanced regulation for all member states. Especially, the amendment would provide a specific outline for the countries as to how to implement the doctrine of foreign equivalents in the member states. The TRIPS Agreement has all the necessary mechanisms to solve the implementation issue, as the most regulating and adopted international agreement in intellectual property law.¹¹⁹

2. International Comity Perspective

The second reason to adopt the proposal is the problem of international comity which was specified in several court cases.¹²⁰ This problem arises when separate jurisdictions have separate approaches to foreign equivalents, and one state appears in a predominant position. For example, if the U.S. court considers “otokoyama” as a generic term with respect to Japanese sake type, but Japan then ignores the genericness of “chair” as a trademark for imported chairs and grants protection for that mark to a Japanese entrepreneur. The Japanese entrepreneur would obtain a monopoly on that term by gaining an unfair advantage over potential competitors from the U.S., who would limit their marketing strategy as to not infringe upon a registered mark. It might also raise issues when that Japanese company tries to expand its product to the U.S. market.

¹¹⁹ *Overview: the TRIPS Agreement*, WTO, https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm [<https://perma.cc/5L3J-XCMS>].

¹²⁰ *See, e.g.*, *Enrique Bernat F., S.A. v. Guadalajara, Inc.*, 210 F.3d 439, 443 (5th Cir. 2000).

In this situation, Japan in fact appropriates generic terms from English-speaking countries and hinders the possibility of rivals competing in the market for chairs. By doing so, Japan violates international comity and regulatory reciprocity in international trade. Yet, it does not directly violate any international law. Looking to its prioritized sovereignty in this situation, Japan just applies a stricter approach than the U.S. This provision would solve this inequality and unfairness by determining the “rules of the game.” This provision would balance all member states with respect to rights and obligations.

3. *Solving Market Predictability Problem*

The third and most general reason to adopt the proposal is the economic problem of regulatory ambiguity, which relates in some way to all issues discussed in this paper. If the entrepreneur plans to conduct a business in a foreign market, he has no idea whether the generic words he uses to specify his product are not registered trademarks by another party. In other words, businessmen from Japan never know what words from the Japanese were appropriated by the U.S. market, considering the fact that in the U.S. registration is not necessary for the trademark to be protected. Well, the obvious argument is that he could research the mark on the USPTO website and get the information, but in practice, it is not so easy. In the United States, trademarks may gain protection without registration. Indeed, Section 43(a) of the Lanham Act addresses infringement claims of unregistered trademarks.¹²¹ Therefore, there is no guarantee to Japanese entrepreneurs that they would steer clear of trademark infringement claims if they were to enter the U.S. market. So it is crucial to have precise regulations that would make the world market predictable and stimulate international trade. If generic terms of one country can be appropriated by another, the market would continue to generate higher upstart and cross-border expansion costs to international traders. This reality is just another obstacle to world economic growth.

III RESPONDING TO THE CRITICISM

The proposed amendment to the TRIPS Agreement would likely raise significant criticism. As this proposal relates to marketing and international trade, the two most global subjects of possible criticism are the implementation feasibility

¹²¹ 15 U.S.C. § 1125.

from political and economic perspectives. The analysis below tries to reveal the major possible issues in that respect and provide some countervailing responses.

A. *Political Feasibility*

The proposal can be objected to the extent of practical implementation by the member states. The member states can avoid ratification of this amendment because it imposes an obligation to recognize and verify foreign judicial orders, which can be challenging. The recognition of foreign judicial and administrative decisions is usually a subject of separate international agreements and frequently reflects specific political purposes. The opposing party may claim that states would barely agree to undertake the obligation to recognize a foreign state's official decisions just to protect foreign generic terms from appropriation. Moreover, they might claim that such recognition creates limits in language policy, as the determination of genericness by the same language entities may significantly impact each other's markets.

This critique is undermined by the fact that each state is also interested in protecting the generic terms of its official language. In other words, the ratification of this provision by all member states would create an appropriate political balance, as each state would be interested in protecting its language's generic terms from appropriation and would have equal opportunities to do so. Probably the biggest player in this game would be the U.S., so this amendment would majorly limit opportunities for registration there. However, the benefit of avoiding consumer deception definitely outweighs the freedom of trademark choice. This would help to prioritize the initial intent of trademark law to allow consumers to identify the source of the good.

As to the recognition of foreign decisions, there is a successful example against that critique. Especially because Section 3 of Article 22 of the TRIPS Agreement allows a member state to request that other member states "refuse or invalidate the registration of the trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated."¹²² This provision allows the foreign state to intervene in trademark registration on special occasions which in fact is included in TRIPS. This example

¹²² TRIPS Agreement, *supra* note 91, at art. 22.

shows that the consideration of a foreign state's ruling is not something unrealistic and can be practically implemented.

It is worth mentioning that the USPTO requests a word's meaning in foreign language to be provided while submitting a trademark application.¹²³ This means that the USPTO's policy tends to address the issue of potential appropriation of foreign equivalents. Therefore, as to the U.S., this proposal has a potential of political feasibility.

B. Economic Disadvantages

The economic impact is another issue that can be raised in regard to this proposal. Especially, one critique may be that limits on trademark choice may limit the opportunities of trademark holders to protect their rights. The efforts of a trademark owner to promote and advertise its product under a specific foreign equivalent term can be uncredited by a decision of a foreign official authority. How would this risk encourage business and trade? This objection looks substantiated until one considers the following factors:

- First, the entrepreneur majorly would be aware that she is using a potentially generic term in foreign language, and would be able to undertake reasonable steps to check whether the term contains risks to be held generic in the appropriate jurisdiction.
- Second, this proposal would provide foreseeability to entrepreneurs and liberty to international trade. Businesses would be provided by common binding rules equal for all members. This would help to evaluate more precisely the possible issues that may arise regarding trademark infringement and feel free to use generic terms to describe the products.
- Third, this proposal does not automatically invalidate existing foreign equivalent trademarks. It just makes them a subject of possible fair use. This retroactivity consideration tends to protect businessmen that have already invested substantial amounts in their marketing and still leave opportunities to protect their trademark rights.

¹²³ *Trademark/Service Mark Application, Principal Register*, USPTO, https://www.uspto.gov/sites/default/files/trademarks/teas/new_tetas.pdf [<https://perma.cc/X5GV-QTDC>].

- Fourth, even though concerns about trademark depletion are increasing¹²⁴ it is still hard to imagine that all marks in the world are expired and the only trademark that can be used is a foreign generic term. Every language has a substantial remainder of terms to be chosen as a trademark. There is no necessity to appropriate foreign generic terms, gain advantages in competitive markets, and raise risks of consumer confusion.

CONCLUSION

The problem of foreign generic terms raises issues with international trade and comity. Businesses are not shielded from a possible appropriation of generic terms by foreign companies, which limits their opportunities to expand their business to those markets. WTO member states have different approaches to this problem. Even within the U.S., there is a circuit split which causes legal chaos and uncertainty. A worldwide solution should be provided to eliminate those problems. The best way to do that is to amend the TRIPS Agreement by determining mandatory outlines for implementation of the doctrine of foreign equivalents. The doctrine—which seems to be exhausted—may be a hidden lifebuoy that international trademark protection can rely on.

¹²⁴ Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 945, 948–50 (2018).