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## Fame remains fleeting for well-known marks internationally

Trademarks are supposed to be hardy creatures. They come to life in the rough-and-tumble world of commerce, identifying the origin of the products we buy. Android phones are different from iPhones. Trademarks tell us which is which. But in the global marketplace of the 21st century, trademarks bear an even heavier burden.

They don't simply serve as source indicators. We ask them to become "brands." Instead of providing clues about the products that bear them, they introduce us to the lifestyle those brands represent.

Think of the mark Harley-Davidson for motorcycles. It clearly identifies the source of the branded bike and provides consumers with information about its performance qualities. But the brand Harley-Davidson also signifies a lifestyle of freedom and the open road. Ride a Harley-Davidson, or even buy a Harley-Davidson jacket, and you announce your membership in the secret rebel society.

Unfortunately, international law provides no protection for trademarks' "lifestyle" burden. Surprisingly, it does not even provide consistent protection for a trademark's renown.

For all the expectations owners place on their brands, trademarks can be surprisingly fragile. Fame may give a mark strength in the likelihood-of-confusion test that designates the legal boundaries of its international protection. But such strength may be fleeting. Does anyone remember Death Cigarettes? Or Pet Rock stones? Today's popular brand may be tomorrow's dim memory.

Fame also can be annoyingly local. While teaching a class on international intellectual property in May in Beijing, I asked my students to list famous marks they had seen in the city. The U.S. students predictably listed McDonald's, Apple and Tsingtao (a popular Chinese beer). The Chinese

students listed their marks, using Chinese characters. They translated them as Pizza Hut, Apple and Baidu (a well-known Chinese social media site).

The Chinese characters for Apple represented the Chinese symbols for an apple. But the Chinese characters for Pizza Hut, although they sounded roughly similar to the English mark, did not mean "a small building where pizza is made." Instead, students translated it as "the customer wins." A wise marketing decision, perhaps, from a cultural point of view. But a problematic one for assuring a consistent global meaning.

In today's marketplace, the goal of most companies is to achieve a globally recognized brand. McDonald's, Starbucks, Apple ... the list is endless. Despite international recognition that well-known marks are entitled to special protection, the commercial history of trademarks remains littered with otherwise well-known marks that failed the test of fame. International efforts to regularize such protection remain largely ineffective.

Registration is an obligation for trademark protection internationally. Yet well-known marks are entitled to protection against the use or registration of confusingly similar marks, even without securing

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a local registration (Article 6bis, Paris Convention for the Protection of Industrial Property). Sufficient renown is based on a mark's local reputation. Unfortunately, the Paris Convention does not define "well-known" or provide a list of factors to be considered.

Most countries made the easy default of requiring local use for protection to attach to well-known marks. This practice was targeted to end under Article 16 of the Agreement on Trade Related Aspects of Intellectual Property

### GLOBAL IP



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Rights. Article 16 required consideration of "the knowledge of the trademark in the relevant sector of the public."

It stressed that such knowledge could be secured "from the promotion of the trademark," as opposed to its use. Nevertheless, protection of well-known marks remains tied to the vagaries of the local markets in which their products are sold.

When Apple introduced its iPad to China, it discovered a prior user of the iPad mark. Apple reportedly paid \$60 million to secure rights to the name. Even transliterations can prove difficult. Michael Jordan discovered that a popular transliteration of his name Qiaodan was already registered by a sports clothing company in China. His fight to secure his name continues.

Even where renown alone is sufficient, the level of fame a mark must carry remains inconsistent. In the United States, "famous marks" subject to special protection under the Federal Dilution Act are limited to marks that are "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner."

By contrast in the European Union, marks need only have a "reputation" to qualify for enhanced protection. China requires that a mark be "widely known to the relevant sectors of the public and enjoy a relatively high reputation in China." These varying tests virtually assure that the same mark will face inconsistent treatment.

Despite the heavy burden of fame that marks must carry, changes in China's new trademark law are signaling some relief. Although China still requires a determination of well-known status through an administrative proceeding, it recognizes the right of well-known mark owners to prevent others from using the marks on dissimilar goods. (Article 13)

This significantly strengthens a mark owner's ability to stop unauthorized uses on unrelated goods. China has also increased the protection against bad faith registration by unauthorized parties. For well-known mark owners, the time limit for challenging such registrations have been eliminated. (Article 45)

While international standards remain in transition, there are positive steps current owners can take to strengthen their mark's potential fragility in the global marketplace. The first is to select critical markets and register the mark prior to entry. Unlike the United States, most countries do not require use before registration.

While deciding which countries to enter, consideration and registration of transliterations should be part of the strategic plan. Unlike the United States, most countries do not translate foreign terms into their domestic-language equivalent to determine infringement.

If the mark is already sufficiently famous, registration in those countries like China that maintain a well-known marks entry can significantly enhance enforcement efforts. If a product or service is popular enough to attract the attention of counterfeiters, being "famous" may still be the heaviest burden, but also the strongest defense, a mark carries.