

sion new avenues of approach that might be blended into our on-going research activities.

Although I am with the U.S. Department of Commerce, I am appearing today as a member of The PTC Research Institute staff, and of course as Moderator of this Clinic. I believe that I have a very easy job today because, actually, I don't have to say anything substantive. All I have to do is call on people to speak. Nevertheless, any comments or questions I may have are strictly my own and not necessarily those of the U.S. Department of Commerce. Francis, is that a good disclaimer that will stand up in any court?

FRANCIS C. BROWNE: I think you can depend on that.

MODERATOR LIGHTMAN: This morning's session, as Jim mentioned, will be devoted to national and international frameworks of trademark protection and as the first speaker, I call on Francis Browne, senior partner of the firm Browne, Beveridge and DeGrandi. His subject will be National Laws and International Conventions and Treaties: Implications and Interactions. Francis.

DIRECTOR HARRIS: Before you do, Francis, may I ask Mr. McCloskey to identify himself.

R. J. MCCLOSKEY: I am from Eaton, Yale and Towne, Incorporated, Cleveland.

DIRECTOR HARRIS: Welcome aboard.

MR. MCCLOSKEY: Thank you.

MODERATOR LIGHTMAN: Francis.

FRANCIS C. BROWNE

Thank you, Jim and Joe. To say that I am presenting a paper is probably an overstatement, and to say the least, flattering, because, what I am about to say is not in the form of a paper in the academic sense. My guidelines and instructions, when I was invited to participate in this discussion, were that it was to be rather informal, anything that was said was subject to revision, I could retract anything that I say that may be found to be in error, or something that I wish I hadn't said. With that as an introduction, let me plunge directly into the merits of the topic which has been assigned to me because we'll find that the time

will run all too short if we cover all the subject matter that we have to cover on the agenda.

The subject of National Laws and International Conventions and Treaties: Implications and Interactions, presents a subject of such broad scope that I couldn't possibly do justice to it in the time allotted here. Therefore, my treatment will be more in the nature of an outline, with the possibility that, when it comes time for elaborating or extending my remarks, I may want to fill in some of the gaps in the outline. But I'd like it at least to be a framework for discussion, and, if I may plagiarize some of the points that come up in the discussion, I will try to identify them in the edited remarks as to their source, but please forgive me if I fail to give proper recognition to someone who contributes something of substance in the course of the discussion which may appear to be part of my dissertation. How much time am I allotted?

DIRECTOR HARRIS: Approximately 15 minutes. If you need more time, I am sure the Moderator will be considerate.

MR. BROWNE: Let's start with the historical origin of trademarks themselves, for the setting. It's too academic to go into detail as to the historical origin, nature and function of trademarks before a group like this. But I must, since these remarks will be published, have a frame of reference for the subsequent remarks.

The origins and functions of trademarks (I would rather refer to "trade identification" rather than trademarks) is deep-rooted in history. All of you know the function of heraldic symbols, indicating affiliation with or origin from a particular family. The plaids of the various clans of Scotland and Ireland perform a similar function. When you come to the commercial side of things, you have the hallmarks of the artisans, indicating membership in certain Guilds and then, ultimately, you have symbols indicating origin in a particular commercial enterprise. This brings us up to the time of the industrial revolution and subsequent thereto.

We have a broadening of trade identification in more recent years to identify services, as distinguished from goods, by means of trade origin indicating symbols or devices.

It would seem at the outset that the nature, purpose and function of trade origin indicators would not present any great problem as far as jurisprudence is concerned. The fact of the matter is, the difference in the jurisprudence applicable to the protection of trade origin indicia in the world today is the greatest line of division between the various countries of the world in the field of industrial or intellectual property

rights. We have the Anglo-Saxon common law concept of protection of those symbols arising out of use. We have the code approach, where the right arises out of the sheer fact of registration. As we go on in our discussion, we'll see how this dichotomy of jurisprudence leads to severe obstacles to bringing about interaction by way of international conventions or treaties.

Let us take the common law approach, where you have an inherent right, just as you have with your own surname, to be protected against someone else representing himself to be you, by use of your name. He may do other things (which we're not concerned with in this topic at the moment) to lead others to believe that he's someone other than who he really is—let's call it "passing off"—but I'm talking now only about trade origin indicia, I think Shakespeare deserves credit for being a harbinger of our present jurisprudence when a good many years ago he said something to the effect that: "He who steals my purse, steals trash, but he who takes my good name, takes all." This is an indication that back even as far as the time of Shakespeare the name was a sacred thing, and, in more recent times, in the Supreme Court decisions, I believe it was Chief Justice Hughes in one of his opinions, who said that "a trademark is a fragile thing, and it must be protected under the law, if it is to preserve the function which it was intended to perform."

At this point, let us consider *who* the trademark is intended to serve. Too often, those of us in practice and those who are the proprietors of a trademark think that the law is intended to protect the *owner* only. The fact of the matter is, there is an equal public interest if the trademark is to serve its intended function and purpose and that is to enable the *public* to distinguish between sources or origins of goods or services. This is a fact which is very often overlooked in judicial decisions.

I'm glad to say that most recent decisions are taking more cognizance of the consumer interest—the public interest—in determining whether or not a newcomer should be allowed to encroach upon another's trade origin indication by whatever means he may do it, whether its using a similar script, using a phonetically similar designation, or using something that has a similar connotation.

I believe that, as far as the development of the common law is concerned, the consumer protection aspect is equal in importance to that of protecting the right of the party whose goods or services are identified and distinguished by that device.

I'm afraid that in the statutory law countries the emphasis is not on

protection of the consumer. As you all know, by the sheer fact of registration, certain rights are purported to arise on behalf of the registrants under that system of jurisprudence. The right arises even without an examination of the preexisting registrations to determine how close the latecomer is to another party with respect to sound appearance or significance of his mark.

So, if we have the right—any right—arising out of sheer registration, it doesn't seem, in my opinion, to take sufficiently into consideration either the matter of public interest or the protection of the right to which the trademark is supposed to be entitled—the right of the public to be free of deception on the one hand, and, on the other, the right of the user of the mark to be free from encroachment upon his identification by his competitors. (If I may add a little footnote—not just competitors—but those who would seek to trade on that goodwill or, as it's sometimes called, taking a free ride on a preexisting goodwill—reaping where he has not sown.)

With this background of dichotomy of jurisprudence, I think it becomes evident that international arrangements are not likely to come about, even on a bilateral basis, unless there is a homogeneity or uniformity of jurisprudence with respect to the trademark *right*. I think this accounts for the fact that at least France and Italy, in recent years, undertook to have a bilateral arrangement whereby registration in either country would extend protection to the other country automatically. I think the experience of those of us who have dealt with that situation—and I think Dr. Ladas, here, is in a good position to comment on the effectiveness of that arrangement—hasn't been too effective. There still is a certain amount of national pride, I'm afraid, which makes one country reluctant to give full faith and credit to the administrative action which takes place in another country, even though there may be a treaty which purports to give a right equally to the citizens of both countries.

So much for the bilateral arrangement. Now let's go to the next step of regional arrangements. I think again you must have homogeneity or uniformity of the jurisprudence (and, to the fullest extent possible, similarity), if not identity, of national laws in order to make regional trademark arrangements fully effective.

The Benelux arrangement which we are most recently familiar with, and the Malagasy Union arrangement, I think, exemplify what I'm referring to now. On the one hand, the Malagasy Union has certain economic ties which make it easier for the members to give reciprocal privileges to the single registrant arising out of a single registration

applicable throughout the Union. It's a little more difficult taking the Benelux countries, each of whose histories and origin have been somewhat different. But yet, there's a compatibility among the Benelux countries which, I think the future will show, will work out more successfully, perhaps even than the French-Italian arrangement, which existed and still exists, as far as I know.

Another regional approach was made many years ago, as you all know, on a hemisphere basis, in the Inter-American Treaty. I think the arrangement which was worked out at that time was probably 50 maybe even 100 years ahead of its time. The principle upon which the Inter-American arrangement was based was sound but there were practical considerations which prohibited it from being fully effective. Let's take, for example, the provision for the establishment of two Bureaus, one in Havana and another in Rio de Janeiro which was contemplated by the arrangement for deposit of marks and registration of marks. The system never really got off the ground—but it was mainly practical considerations which prevented it from doing so. I don't think it was anything by the way of dichotomy of jurisprudence because, I think, for the most part the jurisprudence was homogeneous among the Latin members of the arrangement.

Let's shift now to the world-wide scope of international arrangements. I'd say that, by and large, the Paris Convention has been very effective insofar as it provides for "national treatment" under its broad terms. It also provides for priority, which becomes important in the registration countries whereas it's not quite so important in the use countries. Furthermore, the Paris Union extends beyond just the trademark or trade origin indicating subject matter to other acts which constitute acts of unfair competition. The treaty provides that each of the participating countries also must provide effective protection of trade names, even without registration. This is a part of the Paris Convention which, I think, has frequently been overlooked by practitioners as well as governments when it comes to enforcing the rights of foreign nationals in a Paris Union country. There are a few cases of record—I don't have the citations right now—but there are significant instances where the trade name protection clause of the Paris Union has been invoked successfully. It's more apt to be invoked successfully in those cases where famous or well-known marks—marks having world-wide renown—are involved.

If we are going to approach the problem of affording adequate protection to both the consumer and the owner on a world-wide basis, we run full circle into the problem of dichotomy of jurisprudence. The

efforts made under the Paris Union through the Madrid Arrangement to bring about some form of universal protection have not been successful largely because of this dichotomy of jurisprudence. The United States cannot adhere to the Madrid Arrangement in its present form because of that dichotomy. If the Madrid Arrangement is modified to accommodate the Anglo-Saxon jurisprudence or if a separate treaty is drawn up (perhaps even outside the framework of the Paris Union but under the auspices of WIPO) then maybe you can start reconciling the differences in jurisprudence and come up with a workable system for central registration to which trademark owners may turn to determine whether they are likely to encounter obstacles in using their mark in various parts of the world.

However, such an arrangement is not likely to provide that protection for consumers and the public which I believe should be provided, very firmly and definitely, if trademarks are to perform their real intended function. What probably would come of it is that, like in the Paris Union, there would have to be some provision which would state that each signatory country would afford effective protection of the trademark registered internationally; I may even go so far as to phrase that in such a way as to say that they will afford effective protection of the trademark in such a way as to assure protection of the public interest. At some of the meetings that I've attended in the past few years, I've had an opportunity to raise this point obliquely. It seems to be a new point—it hasn't been given much thought—and I must say that this is not peculiar to trademarks. I find the same thing to exist in discussions of international arrangements in the case of patents. It seems as though the participants in the international discussions are more concerned with protection of the right of the party *owning* the property or seeking to obtain a patent than they are about the role of the patent system generally in the *public interest* to promote the progress of science and the useful arts *after the patent has expired*. They look only up to the time of grant and try to work out a lot of different ways of getting the patent. Very little is said about enforcing the rights of the patent during its enforceable life and nothing seems to be said about utilization of the technology (which is free to the public) after expiration of the term.

Now, as far as trademarks are concerned, I think the thing that has been neglected in trademarks is a reflection of the consumer interest in the role of trademarks on an international scale because of our present speed of communication and transportation. When you can go from here to Tokyo in a matter of 12 hours (and if we have the SST, you

will get there even faster) there is less of a geographical difference than there was between Washington and Chicago in the days of rail transportation. All I'm doing is trying to illustrate that, with our speed of communication and transportation today, it's almost as if you never left home. When you go to a foreign country and see trademarks and trade indications or devices, they'll bring up ideas and notions that you connect with things back home—and vice versa. This is equally applicable to foreigners coming to the United States. Therefore, the *consumer* interest has to be given consideration in future international arrangements, so that the effective protection that we talk about will extend to the protection of the *consumer* against being defrauded, as well as protecting the right of the trademark *owner* in his right to free and fair competition.

I think this probably summarizes all of the thoughts that I have at the moment as an outline which bears on the question of National Laws and International Conventions and Treaties: Their Implications and Interactions, without going into detail as to what certain national laws provide and what certain treaties provide. I've tried to paint this in an outline form with a fairly broad brush, again hoping that the people who will raise questions and discuss this matter will fill in many of the gaps. It is my firm belief that as time goes on we will have more and more opportunity to discuss the problems of international registration and protection of marks and protection of consumer interests on an international scale.

Now, let me just digress with a footnote. This really doesn't belong in the body of the text, I don't think, but, because the administration of trademark systems in most of the countries of the world is placed in the hands of agencies which are also responsible for the administration of the patent systems, many misunderstandings and misconceptions arise. Let's take, for example, this matter of availability or registrability of a mark, as compared with patentability of an invention. In most countries, prior patenting anywhere will bar the issuance of a patent later on in the country in which you apply. This means that the country—practically every country—has to have an information bank telling what patents exist in *every* country in the world. Now this is good from the patent system's standpoint because, again, carrying out the purpose of the patent system each country should have available for its citizens this fund of technical knowledge to draw upon, particularly when it passes into the public domain. Also they may draw upon it on a royalty basis while the patent is in force and even while it is pending.

With trademarks we have a different problem. Because of the nation-

al scope of the right, we don't have an "anticipation" test in trademarks. In other words, the right is geographical in scope by its very nature. At the outset we have a totally different juridical approach to trademarks than we do to patents. If you want to go into a comparison or contrast between trademarks and copyright, I think you may see a closer analogy between trademark and copyright than you can between trademark and patents. Copyright is more similar to trademark rights because the copyright—the so-called common law copyright—arises under the same common law concept of jurisprudence as the right arising out of the use of a trademark. It's the property of the party who first uses in the case of trademark: it's the property of the author in the case of someone who creates a work, whether it be a painting, sculpture or writing. Therefore, there's probably more fundamental similarity between trademarks and copyright than there is between trademarks and patents.

We might give consideration to these comparisons and contrasts in international arrangements with respect to trademarks. Let us be sure not to restrict our angle of vision to just those conventions and treaties which relate to "patents or trademark," but broaden our angle of vision and see what we can learn and benefit from such things as the Berne Convention on Copyright as contrasted to the Universal Copyright Convention. If we can profit by anything we learn from the efforts to reconcile the differences between those Conventions, it'll be all to the betterment of both the trademark and copyright systems. Thank you.

MODERATOR LIGHTMAN: Thank you, Francis. In keeping with our procedure, we will devote five minutes to clarifying and amplifying questions and then call on Mr. DeSimone, before getting into broader discussion. Are there any factual-type questions that anyone would like to ask Mr. Browne' at this point?

STEPHEN P. LADAS: Francis mentioned the French-Italian agreement, bilateral agreement of a few years ago, and then the African Malagasy Union agreement. Of course, he knows very well that the former was simply a formal agreement under which a registration in France extended automatically to Italy—not quite so automatically because Italy still has to issue a certificate itself of registration—but there is nothing but that formality. In other words, the validity of the registration in each country derived from the registration in each country is dependent on its national law, whereas the African and

Malagasy Union is a single, uniform, unique law for all the 13 African Republics, which covers all subjects of trademark law. It's quite different.

I think Francis could have mentioned, I'm sure, but time limitations prevented him from doing so, the Scandinavian example, where you have a uniform Scandinavian—practically uniform—trademark law in all four countries. There is no registration in one which extends to the others. Still, registration in every country is necessary. It's another form of regional agreement, if you will, which preserves the registration procedure of the country but unifies the law, and this absolutely unified law in four countries is very important.

MODERATOR LIGHTMAN: Dr. Ladas, do the reciprocal recognition benefits of the French-Italian agreement, pertain to foreigners who apply for a trademark in either country?

DR. LADAS: It was thought so. An amendment was made only recently under which it is limited to nationals, and the real worry now is: does that apply to past registrations. We hope that it does not change whatever has been done in the past.

MR. BROWNE: On this point, Dr. Ladas would you let us have your comments with respect to the Common Market arrangement and the accessibility with respect to trademarks. We've heard a lot about accessibility of patents, but what comments do you have regarding the trademark aspects of the Common Market plan?

DR. LADAS: Mr. de Haan had prepared a general draft trademark law for all the Common Market in 1963, but, in view of the efforts for the common patent law, the draft has remained as a project and nothing has been done. I'm sure in my own mind that it will be taken up again immediately as soon as the common patent law for the six countries is completed.

MODERATOR LIGHTMAN: Before continuing our discussion, I should introduce Gerry Weiser who just arrived. Gerry, do you want to identify yourself and corporate affiliation?

GERARD J. WEISER: I don't have much to say except that I'm an attorney in Philadelphia. I've been engaged in international patents and trademarks.

DIRECTOR HARRIS: And a member of the staff of The PTC Research Institute.

MR. WEISER: And I'm awfully sorry to be late.

MODERATOR LIGHTMAN: I now call on our second speaker, Anthony R. DeSimone, Trademark Counsel of Merck and Co., Inc. Tony is also an immediate Past-President of the U.S. Trademark Association and a