

No. 21-1043

IN THE
Supreme Court of the United States

ABITRON AUSTRIA GMBH, ET AL.,
Petitioners,

v.

HETRONIC INTERNATIONAL, INC.,
Respondent.

**On Writ of Certiorari
to the United States Court of Appeals
for the Tenth Circuit**

BRIEF FOR PETITIONERS

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QUESTION PRESENTED

Petitioners—all foreign nationals—were subjected to a \$90 million damages award under the Lanham Act, 15 U.S.C. § 1051 *et seq.*, for allegedly infringing respondent’s U.S. trademarks. While trademark rights are distinctly territorial, the accused sales occurred almost entirely abroad. Of approximately \$90 million in sales, 97% were purely foreign: They were sales in foreign countries, by foreign sellers, to foreign customers, for use in foreign countries, that never reached the United States or confused U.S. consumers.

The Tenth Circuit nonetheless held that the Lanham Act applies extraterritorially to *all* of petitioners’ foreign sales. Recognizing that the circuits have splintered in this area, the Tenth Circuit adopted an expansive view that other courts, including the Fourth Circuit, have concededly rejected. Under the Tenth Circuit’s view, the Lanham Act applies extraterritorially whenever foreign defendants’ foreign conduct allegedly diverts *foreign sales* from a *U.S. plaintiff*. Such an effect, the court held, sufficiently affects U.S. commerce because it prevents foreign revenue from flowing into the U.S. economy.

The question presented is:

Whether the court of appeals erred in applying the Lanham Act extraterritorially to petitioners’ foreign sales, including purely foreign sales that never reached the United States or confused U.S. consumers.

**PARTIES TO THE PROCEEDINGS BELOW
AND CORPORATE DISCLOSURE STATEMENT**

Petitioners Abitron Austria GmbH, Abitron Germany GmbH, Hetronic Germany GmbH, Hydronic-Steuer-systeme GmbH, ABI Holding GmbH, and Albert Fuchs were defendants in the district court and appellants in the court of appeals.

Respondent Hetronic International, Inc. was plaintiff in the district court and appellee in the court of appeals.

Pursuant to this Court's Rule 29.6, petitioners state that the corporate disclosure statement in the petition for a writ of certiorari remains accurate.

TABLE OF CONTENTS

	Page
Preliminary Statement	1
Opinions Below.....	2
Statement of Jurisdiction	2
Statutory and Treaty Provisions Involved.....	2
Statement.....	3
I. Statutory Background.....	3
A. Origins of Federal Trademark Legislation	3
B. The Lanham Act’s Protections for U.S. Trademarks “Used in Commerce”	4
1. Registration of Marks Used in Commerce.....	4
2. Cancellation of Marks Not Used in Commerce.....	5
3. Remedies for Unauthorized Use of Marks in Commerce.....	5
C. International Treatment of Trademarks.....	6
II. Factual Background	7
A. The Dispute’s Origins.....	8
B. District Court Proceedings	9
C. Tenth Circuit Proceedings	11
Summary of Argument	14
Argument.....	16
I. The Lanham Act Is Not Extraterritorial ...	16

TABLE OF CONTENTS—Continued

	Page
A. The Act Lacks the Requisite Unmistakable Indication of Extraterritorial Effect	17
1. The Act’s Text Gives No Clear, Affirmative Indication that It Applies Extraterritorially.....	17
2. The Act’s Lack of Extraterritorial Guidance Underscores Its Domestic Scope.....	18
3. Extraterritoriality Raises Fair-Notice and Separation-of-Powers Problems	21
B. Extraterritoriality Defies Traditional Trademark Principles.....	21
C. The Act’s Commerce Provision Reinforces Rather than Lifts Territorial Limits.....	25
D. Extraterritoriality Contravenes Treaty Obligations and Threatens International Friction	27
1. Projecting U.S. Trademarks into Foreign Markets Defies U.S. Treaty Commitments	27
2. Applying the Act to Foreign Conduct Risks International Friction.....	30
E. <i>Steele</i> Does Not Counsel a Different Result	32

TABLE OF CONTENTS—Continued

	Page
II. The Act Does Not Apply “Domestically” to Foreign Sales.....	37
A. Any Argument that the Act Applies “Domestically” to Foreign Sales Is Waived	38
B. The Act Requires Domestic Use in Commerce	39
III. The “Diversion of Foreign Sales” Theory Must Be Rejected.....	45
A. The “Diversion of Foreign Sales” Theory Distorts the Lanham Act Beyond Recognition.....	45
B. Any Extraterritorial Application Must Be Confined to Statutory Criteria	47
Conclusion.....	49
Appendix	
Lanham Act, 15 U.S.C. § 1051 <i>et seq.</i>	1a
Paris Convention for the Protection of Industrial Property	48a
Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks	58a

TABLE OF AUTHORITIES

	Page(s)
CASES	
<i>A. Bourjois & Co. v. Katzel</i> , 260 U.S. 689 (1923).....	6, 22, 24
<i>Alexander v. Sandoval</i> , 532 U.S. 275 (2001).....	36
<i>American Banana Co. v. United Fruit Co.</i> , 213 U.S. 347 (1909).....	42
<i>American Circuit Breaker Corp.</i> <i>v. Oregon Breakers Inc.</i> , 406 F.3d 577 (9th Cir. 2005).....	23
<i>American Rice, Inc. v. Ark.</i> <i>Rice Growers Co-Op. Ass'n</i> , 701 F.2d 408 (5th Cir. 1983).....	19
<i>The Apollon</i> , 22 U.S. (9 Wheat.) 362 (1824)	33
<i>Argentine Republic v. Amerada</i> <i>Hess Shipping Corp.</i> , 488 U.S. 428 (1989).....	17
<i>Baglin v. Cusenier Co.</i> , 221 U.S. 580 (1911).....	22
<i>Baldwin v. Reese</i> , 541 U.S. 27 (2004).....	38
<i>Boesch v. Graff</i> , 133 U.S. 697 (1890).....	25
<i>Brown v. Duchesne</i> , 60 U.S. (19 How.) 183 (1856).....	24
<i>Crowell v. Benson</i> , 285 U.S. 22 (1932).....	46
<i>Deepsouth Packing Co. v. Laitram Corp.</i> , 406 U.S. 518 (1972).....	25, 32

TABLE OF AUTHORITIES—Continued

	Page(s)
<i>Edwards v. Vannoy</i> , 141 S. Ct. 1547 (2021).....	36
<i>EEOC v. Arabian Am. Oil Co.</i> , 499 U.S. 244 (1991).....	18, 21, 37
<i>F. Hoffmann-La Roche Ltd. v.</i> <i>Empagran S.A.</i> , 542 U.S. 155 (2004).....	42
<i>Fuji Photo Film Co. v. Shinohara Shoji</i> <i>Kabushiki Kaisha</i> , 754 F.2d 591 (5th Cir. 1985).....	23
<i>Hernandez v. Mesa</i> , 140 S. Ct. 735 (2020).....	21, 36
<i>Herrera v. Wyoming</i> , 139 S. Ct. 1686 (2019).....	36
<i>Impression Products, Inc. v.</i> <i>Lexmark Int’l, Inc.</i> , 137 S. Ct. 1523 (2017).....	24
<i>Ingenohl v. Walter E. Olsen & Co.</i> , 273 U.S. 541 (1927).....	22, 23, 24
<i>Jesner v. Arab Bank PLC</i> , 138 S. Ct. 1386 (2018).....	21, 34
<i>Kiobel v. Royal Dutch Petroleum Co.</i> , 569 U.S. 108 (2013).....	21, 25, 31, 42
<i>Kos Pharms., Inc. v. Andrx Corp.</i> , 369 F.3d 700 (3d Cir. 2004)	23
<i>Law v. Siegel</i> , 571 U.S. 415 (2014).....	41
<i>Matal v. Tam</i> , 137 S. Ct. 1744 (2017).....	3, 5
<i>McBee v. Delica Co.</i> , 417 F.3d 107 (1st Cir. 2005)	48

TABLE OF AUTHORITIES—Continued

	Page(s)
<i>Microsoft Corp. v. AT&T Corp.</i> , 550 U.S. 437 (2007).....	24, 30, 47, 49
<i>Morrison v. National Australia Bank Ltd.</i> , 561 U.S. 247 (2010)	19-20, 25, 31, 34-35, 37, 39-40, 42-44
<i>Murray v. Schooner Charming Betsy</i> , 6 U.S. (2 Cranch) 64 (1804)	30
<i>Nestlé USA, Inc. v. Doe</i> , 141 S. Ct. 1931 (2021).....	37, 42
<i>Nintendo of Am., Inc. v. Aeropower Co.</i> , 34 F.3d 246 (4th Cir. 1994).....	19
<i>Person’s Co. v. Christman</i> , 900 F.2d 1565 (Fed. Cir. 1990)	22
<i>Pfizer Inc. v. Government of India</i> , 434 U.S. 308 (1978).....	36
<i>POM Wonderful LLC v. Coca-Cola Co.</i> , 573 U.S. 102 (2014).....	47
<i>RJR Nabisco, Inc. v. European Community</i> , 579 U.S. 325 (2016).....	1, 16-18, 25-27, 30-31, 33-36, 40, 42
<i>Rodriguez de Quijas v. Shearson/American Express, Inc.</i> , 490 U.S. 477 (1989).....	36, 37
<i>Scherk v. Alberto-Culver Co.</i> , 417 U.S. 506 (1974).....	36
<i>Shearson/American Express, Inc. v. McMahon</i> , 482 U.S. 220 (1987)	35, 36

TABLE OF AUTHORITIES—Continued

	Page(s)
<i>Societe Des Produits Nestle, S.A.</i> <i>v. Casa Helvetia, Inc.</i> , 982 F.2d 633 (1st Cir. 1992)	23
<i>Steele v. Bulova Watch Co.</i> , 344 U.S. 280 (1952).....	12, 15, 32-37, 46
<i>Tire Engineering & Distribution, LLC v.</i> <i>Shandong Linglong Rubber Co.</i> , 682 F.3d 292 (4th Cir. 2012).....	20
<i>Topps Co. v. Cadbury Stani S.A.I.C.</i> , 526 F.3d 63 (2d Cir. 2008)	23
<i>Trade-Mark Cases</i> , 100 U.S. 82 (1879).....	3-4, 24, 26, 46
<i>Trader Joe’s Co. v. Hallatt</i> , 835 F.3d 960 (9th Cir. 2016).....	20
<i>United States v. Palmer</i> , 16 U.S. (3 Wheat.) 610 (1818)	25, 34
<i>Vanity Fair Mills, Inc. v. T. Eaton Co.</i> , 234 F.2d 633 (2d Cir. 1956)	19-20, 33
<i>WesternGeco LLC v. ION Geophysical Corp.</i> , 138 S. Ct. 2129 (2018).....	40, 41, 42
<i>Wilko v. Swan</i> , 346 U.S. 427 (1953).....	36
CONSTITUTIONAL PROVISIONS	
U.S. Const. art. I, § 8, cl. 3	3, 26, 46
U.S. Const. art. I, § 8, cl. 8	24
STATUTES AND RULES	
Lanham Act, Act of July 5, 1946, ch. 540, 60 Stat. 427, codified as amended at 15 U.S.C. § 1051 <i>et seq.</i> : 15 U.S.C. § 1051(a)	25, 43

TABLE OF AUTHORITIES—Continued

	Page(s)
15 U.S.C. § 1051(a)(1).....	4
15 U.S.C. § 1051(a)(2).....	40
15 U.S.C. § 1051(a)(3).....	40
15 U.S.C. § 1051(a)(3)(C)	4
15 U.S.C. § 1051(a)(3)(D)	4
15 U.S.C. § 1052(d)	5, 18
15 U.S.C. § 1057(b)	5
15 U.S.C. § 1057(c).....	4, 18
15 U.S.C. § 1058	43
15 U.S.C. § 1058(a)	5
15 U.S.C. § 1058(b)	43
15 U.S.C. § 1058(b)(1)(A).....	4-5, 40
15 U.S.C. § 1061	19
15 U.S.C. § 1062(a)	4
15 U.S.C. § 1066a	40
15 U.S.C. § 1066a(a)	5
15 U.S.C. § 1066b.....	40
15 U.S.C. § 1066b(a)	5
15 U.S.C. § 1066b(g).....	5
15 U.S.C. § 1114	5, 9, 41, 43
15 U.S.C. § 1114(1)(a)	4-5, 9, 17, 25, 39-40, 43-44, 48
15 U.S.C. § 1115	5
15 U.S.C. § 1115(a)	40
15 U.S.C. § 1115(b)	40
15 U.S.C. § 1116(a)	6, 17, 45
15 U.S.C. § 1117(a)	5, 11, 17, 31, 49
15 U.S.C. § 1117(b)	31
15 U.S.C. § 1117(c).....	31
15 U.S.C. § 1124	44
15 U.S.C. § 1125	5, 9, 41, 43
15 U.S.C. § 1125(a)	17, 44

TABLE OF AUTHORITIES—Continued

	Page(s)
15 U.S.C. § 1125(a)(1).....	4-5, 9, 25, 39-40, 48
15 U.S.C. § 1125(a)(1)(A)	17, 43
15 U.S.C. § 1125(a)(1)(B)	47
15 U.S.C. § 1125(b)	44
15 U.S.C. § 1126	28, 29
15 U.S.C. § 1126(b)	7
15 U.S.C. § 1126(c).....	7
15 U.S.C. § 1126(d)	7
15 U.S.C. § 1126(e)	7
15 U.S.C. § 1126(f).....	7, 30
15 U.S.C. § 1127	3-4, 7, 18, 26, 28-30
15 U.S.C. § 1141	28
15 U.S.C. § 1141(5)	7, 30
15 U.S.C. § 1141a	7, 28
15 U.S.C. § 1141b.....	28
15 U.S.C. § 1141c	28
15 U.S.C. § 1141d.....	7, 28, 30
15 U.S.C. § 1141e	7, 28
15 U.S.C. § 1141f.....	28
15 U.S.C. § 1141g.....	28
15 U.S.C. § 1141h.....	7, 28
15 U.S.C. § 1141h(a)(1).....	30
15 U.S.C. § 1141i.....	7, 28
15 U.S.C. § 1141i(b)(1)	7
15 U.S.C. § 1141j.....	7, 28
15 U.S.C. § 1141k.....	28
15 U.S.C. § 1141l.....	28
15 U.S.C. § 1141m.....	28
15 U.S.C. § 1141n.....	28
18 U.S.C. § 351(i)	17

TABLE OF AUTHORITIES—Continued

	Page(s)
18 U.S.C. § 1203(b)(1)	18
18 U.S.C. § 1751(k)	17
18 U.S.C. § 1837	18
18 U.S.C. § 1957(d)(2)	18
28 U.S.C. § 1254(1)	2
42 U.S.C. § 2000e(f)	18
42 U.S.C. § 2000e-1(b)	18
42 U.S.C. § 2000e-1(c)	18
Act of July 8, 1870, ch. 230, §§ 77-84, 16 Stat. 198	3
Act of March 3, 1881, ch. 138, § 1, 21 Stat. 502	3
Act of Feb. 20, 1905, ch. 592, § 1, 33 Stat. 724	4
Fed. R. Evid. 703	11
S. Ct. R. 15.2	38

TREATY PROVISIONS

Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, as revised July 14, 1967, [1970] 21 U.S.T. 1583	3, 6, 28-29
art. 2(1)	29, 46
art. 2(2)	29
art. 3	29
art. 4	29
art. 6	29
art. 6(1)	7, 28
art. 6(3)	6, 28
art. 6 <i>quinquies</i>	7, 29

TABLE OF AUTHORITIES—Continued

	Page(s)
Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, June 27, 1989, T.I.A.S. No. 03-1102.....	3, 29-30
art. 2(1)	6-7, 29
art. 3 ^{ter}	6-7, 29
art. 3 ^{ter} (2)	7
art. 4(1)(a).....	7, 29
art. 5(1)	29
 LEGISLATIVE MATERIALS	
<i>Hearings on H.R. 9041, Subcommittee on Trade-Marks, House Committee on Patents, 75th Cong. (1938)</i>	26, 27
<i>Hearings on H.R. 4744, Subcommittee on Trade-Marks, House Committee on Patents, 76th Cong. (1939)</i>	27
S. Rep. No. 79-1333 (1946)	27
 AGENCY MATERIALS	
<i>Johnson & Johnson v. Salve S.A., 183 U.S.P.Q. 375 (T.T.A.B. 1974)</i>	4
U.S. Dep't of Commerce, Int'l Trade Admin., <i>Does a U.S. Trademark Registration Protect a Trademark in a Foreign Country?</i> , https://www.stopfakes.gov/article?id=Does-a-U-S-Trademark-Registration-Protect-a-Trademark-in-a-Foreign-Country (Oct. 29, 2019)	6
U.S. Patent & Trademark Office, <i>Trademark Manual of Examining Procedure</i> (July 2022)	4, 18, 41

TABLE OF AUTHORITIES—Continued

	Page(s)
FOREIGN AND INTERNATIONAL MATERIALS	
Bundesgerichtshof [BGH] [Federal Court of Justice] June 4, 1992, Entscheidungen des Bundesgerichtshofes in Zivilsachen [BGHZ] 118 (312), 1993 (Ger.), 32 I.L.M. 1320	31
Council Regulation 2271/96, 1996 O.J. (L 309) art. 1 (European Union)	32
European Commission Regulation 864/2007 (Rome II), 2007 O.J. (L 199/40) art. 26 (European Union)	27
Foreign Extraterritorial Measures Act, R.S.C., ch. F-29 (1985) (Can.)	32
<i>Hengstenberg Case</i> , Entscheidungen des Reichsgerichts in Zivilsachen [RGZ] 118, 76 (Sept. 20, 1927) (Ger.)	27
MOFCOM Order No. 1 of 2021, Rules on Counteracting Unjustified Extraterritorial Application of Foreign Legislation (China)	32
World Intellectual Property Organization, WIPO-Administered Treaties, Contracting Parties, Paris Convention, https://wipolex.wipo.int/en/treaties/ShowResults?search_what=C&treaty_id=2	28

TABLE OF AUTHORITIES—Continued

	Page(s)
OTHER AUTHORITIES	
C. Bradley, <i>Territorial Intellectual Property Rights in an Age of Globalism</i> , 37 Va. J. Int'l L. 505 (1997).....	6, 17-21 24, 29, 34-35
H. Clark, <i>Dealing with U.S. Extraterritorial Sanctions and Foreign Countermeasures</i> , 25 U. Pa. J. Int'l Econ. L. 455 (2004).....	32
W. Dodge, <i>The New Presumption Against Extraterritoriality</i> , 133 Harv. L. Rev. 1582 (2020)	34, 36
T. Hiebert, <i>Parallel Importation in U.S. Trademark Law</i> (1994).....	27
T. Holbrook, <i>Is There a New Extraterritoriality in Intellectual Property?</i> , 44 Colum. J.L. & Arts 457 (2021).....	30, 34, 36
H. Koziol, <i>Punitive Damages—A European Perspective</i> , 68 La. L. Rev. 741 (2008).....	31
J. McCarthy, <i>Trademarks and Unfair Competition</i> (5th ed. 2022).....	3, 6-7, 21-23 28-30, 48
M. Nimmer, <i>Nimmer on Copyright</i> (2022)	25
A. Peukert, <i>Territoriality and Extraterritoriality in Intellectual Property Law</i> , in <i>Beyond Territoriality: Transnational Legal Authority in an Age of Globalization</i> 189 (G. Handl, <i>et al.</i> eds., 2012)	27

TABLE OF AUTHORITIES—Continued

	Page(s)
R. Rayle, <i>The Trend Towards Enhancing Trademark Owners' Rights—A Comparative Study of U.S. and German Trademark Law</i> , 7 J. Intell. Prop. L. 227 (2000)	31
Webster's New International Dictionary (2d ed. 1954)	25

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BRIEF FOR PETITIONERS

PRELIMINARY STATEMENT

This case involves whether the Lanham Act applies extraterritorially to foreign companies' sales in foreign countries. Under the strong presumption against extraterritoriality, a U.S. statute does not "apply to foreign conduct" unless "Congress has affirmatively and unmistakably instructed that the statute will do so." *RJR Nabisco, Inc. v. European Community*, 579 U.S. 325, 335 (2016). Nothing in the Lanham Act comes close to rebutting that presumption. The Act concerns a subject—trademarks—that this Court and the world have long understood to be strictly territorial. Allowing plaintiffs to bring U.S. trademark claims for sales in foreign markets would defy that

principle, contravene treaty obligations, and threaten international friction.

The Tenth Circuit gave the Lanham Act sweeping extraterritorial effect nonetheless. It affirmed a \$90 million damages award encompassing petitioners’ *total world-wide sales*. It did so even though virtually all were *foreign sales in foreign countries, by foreign sellers, to foreign buyers, for goods that never reached the United States*. Nothing in the Act’s text, structure, or history warrants giving the statute *any* extraterritorial application—much less the extreme global reach the Tenth Circuit approved.

The Lanham Act’s strictly domestic scope cannot be evaded by calling the imposition of liability for *foreign use* a “domestic application” of the Act because of supposed “effects” in this country. The Act reaches only domestic uses of trademarks. Foreign uses do not qualify.

OPINIONS BELOW

The court of appeals’ opinion (Pet. App. 1a-67a) is reported at 10 F.4th 1016. The district court’s orders, opinions, and judgment (Pet. App. 68a-138a) are unreported.

STATEMENT OF JURISDICTION

The court of appeals entered judgment on August 24, 2021. Pet. App. 1a. On November 15, 2021, Justice Gorsuch extended the time to file a petition for certiorari until December 22, 2021, and on December 15, 2021, extended the time until January 21, 2022. No. 21A153. The petition was filed January 21, 2022, and granted November 4, 2022. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY AND TREATY PROVISIONS INVOLVED

Relevant provisions of the Lanham Act, Act of July 5, 1946, ch. 540, 60 Stat. 427, codified as amended at 15 U.S.C. § 1051 *et seq.*; the Paris Convention for the Protec-

tion of Industrial Property, Mar. 20, 1883, as revised July 14, 1967, [1970] 21 U.S.T. 1583; and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, June 27, 1989, T.I.A.S. No. 03-1102, are set forth in the appendix to this brief.

STATEMENT

I. STATUTORY BACKGROUND

A. Origins of Federal Trademark Legislation

A trademark is a “word, name, symbol, or device, or any combination thereof,” used to “identify and distinguish” one merchant’s goods from another’s. 15 U.S.C. § 1127. With use, consumers come to associate a mark with a particular source. It “is use of a mark in the marketplace that creates a trademark.” 3 J. McCarthy, *Trademarks and Unfair Competition* § 19:8 (5th ed. 2022) (McCarthy).

To “provide a degree of national uniformity,” Congress “pass[ed] the first federal legislation protecting trademarks in 1870.” *Matal v. Tam*, 137 S. Ct. 1744, 1751-1752 (2017); see Act of July 8, 1870, ch. 230, §§ 77-84, 16 Stat. 198, 210-212. The effort was ill-fated. In the *Trade-Mark Cases*, 100 U.S. 82 (1879), this Court held the statute unconstitutional because it was not “limited” to trademarks used in “the kind of commerce which Congress is authorized to regulate”—*i.e.*, “commerce with foreign nations, commerce among the States, and commerce with the Indian tribes.” *Id.* at 96-97; see U.S. Const. art. I, § 8, cl. 3. The statute encompassed intrastate “trade or traffic between citizens of the same State,” which was “beyond the control of Congress.” *Trade-Mark Cases*, 100 U.S. at 96.

Congress therefore limited later trademark statutes to uses in commerce within its constitutional authority. See Act of March 3, 1881, ch. 138, § 1, 21 Stat. 502, 502 (“used in commerce with foreign nations, or with the Indian

tribes”); Act of Feb. 20, 1905, ch. 592, § 1, 33 Stat. 724, 724 (“used in commerce with foreign nations, or among the several States, or with Indian tribes”). The Lanham Act continues that approach. Echoing the *Trade-Mark Cases*, the Lanham Act states its intent to “regulate commerce within the control of Congress.” 15 U.S.C. § 1127. The Act applies to trademarks “used in commerce,” § 1051(a)(1); see §§ 1058(b)(1)(A), 1114(1)(a), 1125(a)(1), and defines “commerce” as “all commerce which may lawfully be regulated by Congress,” § 1127.

B. The Lanham Act’s Protections for U.S. Trademarks “Used in Commerce”

The Lanham Act establishes a system for protecting U.S. trademarks.

1. Registration of Marks Used in Commerce

If a trademark is “used in commerce,” its owner may apply to register the mark on the “principal register” administered by the U.S. Patent and Trademark Office (PTO). 15 U.S.C. § 1051(a)(1). The application must verify that “the mark is in use in commerce” and that “no other person has the right to use such mark in commerce.” § 1051(a)(3)(C)-(D). The PTO maintains that “foreign” use is “not acceptable” and “immaterial.” PTO, Trademark Manual of Examining Procedure § 901.03 (July 2022) (TMEP); *Johnson & Johnson v. Salve S.A.*, 183 U.S.P.Q. 375, at *2 (T.T.A.B. 1974). An applicant must “use” the mark in commerce “in the United States.” TMEP § 901.03.

Contingent on registration, filing an application establishes a “right of priority, nationwide in effect.” 15 U.S.C. § 1057(c). Before registration, however, the PTO conducts an examination. § 1062(a). The PTO may deny registration, or impose conditions, if the mark’s resemblance to another registered mark or a mark “previously used in the

United States” would likely cause confusion. §1052(d). Registration constitutes prima facie evidence of “the owner’s exclusive right to use the registered mark in commerce” for relevant products. §1057(b); see §1115.

2. *Cancellation of Marks Not Used in Commerce*

A registered trademark’s “use in commerce” must be periodically reconfirmed. §1058(b)(1)(A). Otherwise, the PTO must cancel the registration. §1058(a). The PTO may also cancel registration of a mark that “has never been used in commerce” as recited in the registration, §1066a(a), or “was not in use in commerce” as of the application date, such that “the registration should not have issued,” §1066b(a), (g).

3. *Remedies for Unauthorized Use of Marks in Commerce*

The Lanham Act provides remedies for infringement of registered and unregistered U.S. trademarks. Section 32 gives owners of *registered* marks a cause of action against persons who “use in commerce” a “reproduction, counterfeit, copy, or colorable imitation of a registered mark” “likely to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. §1114(1)(a). Section 43 provides a cause of action against anyone who “uses in commerce” a “word, term, name, symbol, or device”—including an *unregistered* trademark—that is “likely to cause confusion, or to cause mistake, or to deceive,” as to the user’s affiliation with another person or “the origin, sponsorship, or approval of his” products. 15 U.S.C. §1125(a)(1); see *Tam*, 137 S. Ct. at 1752.

A plaintiff that establishes a “violation” under Section 32 or Section 43 may recover “any damages sustained” and “defendant’s profits.” 15 U.S.C. §1117(a). Courts may enhance damages to “three times” “actual damages,” *ibid.*,

and “grant injunctions” to “prevent” Lanham Act “violation[s],” § 1116(a).

C. International Treatment of Trademarks

Trademarks have long been understood to be “territoria[.]” 5 McCarthy § 29:1; see *A. Bourjois & Co. v. Katzel*, 260 U.S. 689, 692 (1923). As the Commerce Department explains, domestic “registration will not protect your trademark in a foreign country. Trademarks are territorial and must be filed in each country where protection is sought.”¹ That principle is “‘basic to American trademark law.’” 5 McCarthy § 29:1.

Territoriality is also “‘a cornerstone of international trademark law.’” C. Bradley, *Territorial Intellectual Property Rights in an Age of Globalism*, 37 Va. J. Int’l L. 505, 543 (1997) (Bradley). The Paris Convention—the principal international trademark treaty—declares that a “mark duly registered in a country * * * shall be regarded as independent of marks registered in the other countries.” Paris Convention for the Protection of Industrial Property (Paris Convention), Mar. 20, 1883, as revised July 14, 1967, [1970] 21 U.S.T. 1583, art. 6(3). Other treaties likewise recognize that trademark protection in one country does not itself “secure protection for [the] mark in the territory” of other countries. Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol), June 27, 1989, T.I.A.S. No. 03-1102, arts. 2(1), 3^{ter}.

Accordingly, those treaties facilitate registration in multiple countries. Under the Paris Convention, trade-

¹ U.S. Dep’t of Commerce, Int’l Trade Admin., *Does a U.S. Trademark Registration Protect a Trademark in a Foreign Country?*, <https://www.stopfakes.gov/article?id=Does-a-U-S-Trademark-Registration-Protect-a-Trademark-in-a-Foreign-Country> (Oct. 29, 2019).

marks registered in one country can be registered under the “domestic legislation” of a second country. Paris Convention arts. 6(1), *6quinquies*. The Lanham Act thus allows owners of foreign-registered marks to seek U.S. registration, subject to the Act’s registration requirements. 15 U.S.C. § 1126(b)-(e). U.S. registration is “independent of the registration in the country of origin.” § 1126(f).

The Madrid Protocol similarly allows mark owners to “secure protection * * * in the territory of” another country. Madrid Protocol art. 2(1). Owners in one country can obtain an “international registration,” which allows them to request “territorial extension” of protection to another country. *Id.* arts. 2(1), *3ter*(2); see *id.* art. 4(1)(a). The “international registration” “is *not* a single legal right applicable in several nations,” but a “streamlined process” for *requesting* protection in other countries “under their *domestic law*.” 5 McCarthy § 29:32 (emphasis added); see *id.* § 19:31.20.

The Lanham Act directs the PTO to assist *U.S.* mark owners seeking “extension of protection” to other countries. 15 U.S.C. §§ 1141a, 1141d. It also allows owners of *foreign* marks to “see[k] extension of protection of a mark to the United States,” provided they meet the Act’s registration requirements. § 1141(5); see §§ 1141e, 1141h-1141j. If granted, extension of protection to the United States has the “same effect” as U.S. registration, § 1141i(b)(1), for “all territory which is under [U.S.] jurisdiction and control,” § 1127.

II. FACTUAL BACKGROUND

This case concerns U.S. trademarks for radio remote controls used to operate heavy equipment, such as cranes.

A. The Dispute's Origins

Starting in the 1980s, German engineer Max Heckl developed radio controls, including products at issue here. He formed the German company Hetronic Steuersysteme GmbH. 13. C.A. App. 3090; 3. C.A. Supp. App. 586.

In 2000, Heckl formed Hetronic International, Inc. (HII) in the U.S. Pet. App. 50a. HII entered into a research-and-development agreement with Hetronic Steuersysteme and two co-developers. The agreement provided that Hetronic Steuersysteme and its co-developers were “sole owner[s]” of “all” intellectual property developed by any party, including “designs, product descriptions, trade marks, [and] trade names.” 12. C.A. App. 2987-2988.

In 2006, Hetronic Steuersysteme sold the “Hetronic” trademark to HII. Pet. App. 51a. After Heckl sold HII to the U.S. company Methode in 2008, HII reorganized as respondent Hetronic International, Inc. (International). Pet. App. 51a-52a.

The Methode sale did not include Hetronic Steuersysteme, by then renamed Hetronic Deutschland. Instead, Heckl sold Hetronic Deutschland to petitioner Hetronic Germany in 2010. Pet. App. 52a. Petitioner Albert Fuchs owned Hetronic Germany as well as petitioner Hydronic-Steuersysteme GmbH, an Austrian company later renamed Hetronic Central Eastern Europe (HCEE). Pet. App. 4a, 89a; 1. C.A. App. 65.

Hetronic Germany and Hydronic-Steuersysteme licensed the “Hetronic” name from International and acted as its distributors. Pet. App. 4a. At the time, Fuchs was unaware of the R&D agreement declaring that Hetronic Steuersysteme (and its successor, Hetronic Germany) owned the intellectual property for the products being distributed (apart from the “Hetronic” name). 15. C.A. App.

3673, 3680. After discovering the R&D agreement, Hetronic Germany “consult[ed] with legal counsel” and determined that it—not International—“owned all the technology developed under” or before the agreement. Pet.App. 5a, 53a. International subsequently terminated the distribution and license agreements. Pet.App. 5a.

Hetronic Germany and Hydronic-Steuersysteme (*i.e.*, Hetronic Central Eastern Europe) reorganized as petitioners Abitron Germany and Abitron Austria. Pet.App. 5a. They informed customers of the new Abitron name—and their disassociation from other “Hetronic locations” like International—in letters sent on their “Hetronic Germany” and “Hetronic Central Eastern Europe” letterhead. JA15; JA26.

Believing they owned the relevant trademarks, petitioners competed with International. Pet.App. 5a-6a. They focused on “secur[ing their] base” in “Germany + Austria” and “build[ing] products in accordance with European requirements.” 3.C.A.Supp.App. 743. Petitioners considered competing with International “at their doorstep in the U.S.,” *ibid.*, but over 99.7% of competing sales were made outside the U.S.

B. District Court Proceedings

International sued petitioners—all German and Austrian nationals—under the Lanham Act. International alleged that petitioners’ sales of various radio controls infringed International’s U.S. registered trademarks, unregistered trademarks, and trade dress in violation of Sections 32 and 43, 15 U.S.C. §§ 1114(1)(a), 1125(a)(1). Pet.App. 2a-3a; 3.C.A.App. 718-725.

1. International accused petitioners’ *worldwide* sales, totaling about €77 million, or \$90 million. JA41-46. Of that sum, about €75 million (nearly \$88 million) were “purely

foreign” sales—sales in foreign countries, by foreign sellers, to foreign customers, of equipment used in foreign countries. For example, they included sales in Germany to a Norwegian customer that used the equipment in Iceland. JA8(¶22), JA10. Purely foreign sales constituted over 97% of accused sales. Pet.App. 32a, 43a; JA8(¶22).

International also accused €1,750,211.35 (about \$2 million) in foreign sales of products that “could have ended up in the US-territory.” JA8(¶22(c)); Pet.App. 41a. Those included sales to foreign buyers who incorporated the controls into cranes that may have later reached the U.S. JA5-6(¶¶16-17). For example, Zagro, “a customer of Abitron Germany located in Germany,” bought controls it planned to use “in the U.S.” JA28. Those sales amounted to less than 3% of the total.

Finally, International accused €202,134.12 (about \$240,000) in sales to U.S. customers. Pet.App. 40a n.8; JA5(¶15(e)). All but €16,670.60 of those sales were to International itself (or affiliates). JA4-5(¶15(a)-(d)). U.S. sales were less than 0.3% of the total.

2. Petitioners sought summary judgment that the Lanham Act did “not apply extraterritorially to their foreign sales.” Pet.App. 91a. The district court denied petitioners’ motion, Pet.App. 77a-96a—and later declared it had *granted* summary judgment for *International* on extraterritoriality, Pet.App. 163a-164a.

The district court thus barred petitioners from adducing evidence that their “purely foreign sales” caused “no confusion among U.S. citizens.” Pet.App. 33a. When an International witness testified about customer “confusion,” the court prohibited cross-examination showing that those examples involved “non-U.S. customers.” *Ibid.*; see JA37-40; Pet.App. 162a-164a. It sustained International’s

objection that “[w]here the confusion took place is irrelevant.” Pet.App. 163a-164a.

3. The jury awarded International \$90,143,492 for Lanham Act violations, reflecting petitioners’ “profits” from accused sales. See Pet.App. 134a-136a(¶2(c)-(j)); 15 U.S.C. §1117(a). That figure encompassed petitioners’ *total worldwide sales*—even though over 99.7% of those sales occurred abroad, and over 97% involved products that never reached the U.S.²

4. The district court entered a worldwide injunction prohibiting petitioners from using the asserted marks anywhere in the world. Pet.App. 113a-121a. The court again rejected petitioners’ arguments against extra-territorial application of the Lanham Act, refusing to limit its injunction. Pet.App. 126a-132a.³

C. Tenth Circuit Proceedings

The Tenth Circuit affirmed in part. Pet.App. 20a-47a.

1. Everyone agreed that applying the Lanham Act to “direct U.S. sales” constituted a “domestic,” not an “extraterritorial,” application. Pet.App. 40a n.8, 41a. But the court did not limit damages or the injunction to petitioners’ U.S. sales (totaling at most €202,134.12). It affirmed the entire \$90 million award, encompassing petitioners’ total worldwide sales.

² The damages award reflected gross sales, without deduction for costs. The district court excluded petitioners’ expert on costs, see §1117(a), despite acknowledging the information he relied on was “sufficient * * * under Rule 703.” Pet.App. 65a.

³ Petitioners stopped selling to U.S. customers and “geoblocked” their website to prevent access from the U.S. JA47(¶3). The district court later ruled, at International’s request, that petitioners violated the injunction by continuing to provide website access and making sales to German and Austrian customers. JA53-54.

Invoking *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952), the Tenth Circuit held that the Lanham Act applies “extraterritorially.” Pet. App. 21a, 47a. *Steele* held that the Lanham Act encompassed alleged trademark infringement “consummated in a foreign country by a citizen and resident of the United States,” where the U.S. defendant took “essential steps” “in the United States.” 344 U.S. at 281, 285-287. In the Tenth Circuit’s view, *Steele* established that the “Lanham Act could apply abroad at least in some circumstances,” but “[e]ft much unanswered” about the Act’s “extraterritorial reach”—especially “as it relates to foreign defendants.” Pet. App. 21a-22a.

The Tenth Circuit surveyed five different tests circuits had adopted to evaluate extraterritorial application of the Lanham Act. Pet. App. 24a-31a. It then created a sixth. Under the Tenth Circuit’s framework, courts first consider “whether the defendant is a U.S. citizen.” Pet. App. 31a. If so, the Act applies extraterritorially without further inquiry. If “the defendant is *not* a U.S. citizen,” courts ask “whether the defendant’s conduct had a substantial effect on U.S. commerce.” *Ibid.* If so, courts consider potential conflicts with foreign trademark rights. *Ibid.*

2. The Tenth Circuit recognized that petitioners are foreign citizens. Pet. App. 39a. It held the Lanham Act applies extraterritorially to their foreign conduct nonetheless, because their foreign sales putatively had a “substantial effect on U.S. commerce.” Pet. App. 39a-47a.

For a small portion of foreign sales—less than 3%—the Tenth Circuit found a substantial effect on U.S. commerce because the products “ended up in the United States” and “caused confusion among U.S. consumers.” Pet. App. 41a-

43a. The court identified only €1.7 million in foreign sales that potentially reached the U.S. Pet.App. 43a.⁴

Over 97% of petitioners' sales, however, were made in foreign countries, to foreign customers, for use in foreign countries. Pet.App. 32a, 43a. The Tenth Circuit did not deny that “‘all of th[os]e challenged transactions occurred abroad’” and any putative confusion was limited to foreign consumers. Pet.App. 44a. It concluded, however, that those purely foreign sales substantially affected U.S. commerce on a “diversion-of-foreign-sales” theory. It reasoned that petitioners “stole sales from [International] *abroad*, which in turn affected [International’s] *cash flows in the United States*.” *Ibid.* (emphasis added). The court concluded U.S. law should “protec[t]” an “‘American plaintiff’” from “lost sales” in foreign countries, because revenues from such foreign sales “would have flowed into the U.S. economy.” Pet.App. 44a-45a.

The Tenth Circuit also suggested that the Lanham Act could apply extraterritorially to *all* of petitioners' foreign sales, based on the 3% that may have reached the U.S. Pet.App. 43a-44a. It suggested that, if *some* foreign conduct confused U.S. consumers, the Act should extend to “all” of petitioners' foreign conduct. *Ibid.*

3. The Tenth Circuit declined to restrict the injunction to U.S. sales or products destined for the U.S. But it concluded the worldwide injunction should encompass

⁴ International failed to present trial evidence identifying foreign-sold products that may have “eventually entered the United States.” Pet.App. 44a. The only evidence about such products was a declaration *petitioners* submitted at summary judgment and as an offer of proof at trial. Pet.App. 40a n.8, 44a; JA1-9. The Tenth Circuit accepted the declaration’s figures. Pet.App. 40a n.8, 44a. International has not challenged them.

only “countries in which [International] currently markets or sells its products.” Pet.App. 48a-50a.

SUMMARY OF ARGUMENT

I. A. This Court enforces a strong presumption against extraterritoriality: Absent *clearly expressed* congressional intent, federal laws have only domestic effect. The Lanham Act gives *no* indication that it applies extraterritorially. And the Act’s lack of *any* guidance for imposing liability based on foreign conduct reinforces that it does not reach that far.

Courts applying the Lanham Act abroad have replaced its silence with conflicting, atextual standards. That inability to ground *any* test for the Act’s extraterritorial application in the Act’s text confirms that the Act lacks extraterritorial effect. Imposing extraterritorial liability under amorphous, judge-made standards creates serious fair-notice and separation-of-powers problems.

B. This Court has long recognized that trademarks are territorial: Trademark rights in one country provide no protection against use of a mark in other countries. The decision below defies that principle and conflicts with the treatment of other intellectual property.

C. The Lanham Act’s definition of “commerce” does not give it extraterritorial effect. This Court has repeatedly held that such references to “commerce” cannot overcome the presumption against extraterritoriality. The definition, moreover, was enacted after earlier trademark legislation was declared unconstitutional because it was not *limited* to commerce Congress could regulate. The definition *cabins* rather than *expands* the Act’s reach.

D. Trademark treaties rest on the principle that trademarks are strictly territorial. Applying Lanham Act rem-

edies to foreign conduct contravenes those treaties, risks international friction, and invites retaliation.

E. *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952), does not counsel otherwise. *Steele* rested on the defendant’s *U.S. citizenship* and U.S. conduct; it did not address the Act’s extraterritorial application to foreign defendants. And the Court has since repudiated *Steele*’s reasoning, limiting or eviscerating its vitality.

II.A-B. The government agrees the Lanham Act does not apply extraterritorially. It suggests that applying the Act to a foreign sale represents a “domestic” application if the “effect” of that sale might be U.S. consumer confusion. That argument is waived and without merit. The Lanham Act requires “use in commerce.” Because the Act’s definition of “commerce” does not extend to foreign conduct, the “use in commerce” must be *in the United States*.

Likewise, the Act’s text and structure make clear that its “focus” is trademarks’ “use in commerce.” It is that “use” that must be domestic. The government suggests that the statute’s “focus” is consumer confusion, such that the Act is applied “domestically” to foreign conduct if that conduct has the potential “effect” of confusing U.S. consumers. But extraterritoriality is primarily concerned with *conduct*, not *effects*. The government’s standard is a test for determining when an *extraterritorial law* should cover foreign conduct—not distinguishing extraterritorial from domestic application. The government’s test gives the statutory term “use in commerce” inconsistent meanings. It is unpredictable, threatens international friction, and serves little practical purpose.

III.A. The Tenth Circuit’s diversion-of-foreign-sales theory—that the Lanham Act applies extraterritorially whenever *U.S.* plaintiffs claim lost *foreign* sales—distorts

the Act beyond recognition. It is divorced from statutory text; exceeds the commerce power; and would impose a protectionist regime in breach of treaty obligations.

B. *If* the Act could apply abroad—and it cannot—that application must be limited to foreign uses likely to cause consumer confusion in the U.S. Here, the only foreign sales that *might* have caused U.S. confusion were the 3% of products sold abroad that may have reached the U.S. But there was no evidence of which (if any) particular sales likely confused U.S. consumers. Nor could potential confusion from 3% of sales support liability for 100% of world-wide sales.

ARGUMENT

Time and again, this Court has held that U.S. statutes do not apply abroad absent an unmistakable indication of extraterritorial effect. The Lanham Act contains no such indication. Applying it extraterritorially would contravene the principle that trademarks are strictly territorial, conflict with treaty obligations, and invite international friction. Nor does the Act reach foreign sales as a “domestic application” of the Act’s terms. Only domestic “use[s] in commerce” fall within the Act’s scope.

I. THE LANHAM ACT IS NOT EXTRATERRITORIAL

“It is a basic premise of our legal system that, in general, ‘United States law governs domestically but does not rule the world.’” *RJR Nabisco, Inc. v. European Community*, 579 U.S. 325, 335 (2016). That principle reflects the “‘commonsense notion that Congress generally legislates with domestic concerns in mind.’” *Id.* at 336. It also “avoid[s] the international discord that can result when U.S. law is applied to conduct in foreign countries.” *Id.* at 335.

This Court enforces a strong “presumption against extraterritoriality”: “Absent *clearly expressed* congressional intent to the contrary, federal laws will be construed to have only domestic application.” *RJR*, 579 U.S. at 335 (emphasis added). Under the Court’s “two-step framework for analyzing extraterritoriality issues,” the Court first asks “whether the presumption against extraterritoriality has been rebutted—that is, whether the statute gives a clear, affirmative indication that it applies extraterritorially.” *Id.* at 337. “If the statute is not extraterritorial,” the Court asks “whether the case involves a domestic application of the statute.” *Ibid.* The Lanham Act does not extend to petitioners’ foreign sales at either step.

A. The Act Lacks the Requisite Unmistakable Indication of Extraterritorial Effect

1. *The Act’s Text Gives No Clear, Affirmative Indication that It Applies Extraterritorially*

A federal statute may “apply to foreign conduct” only if Congress has “affirmatively and unmistakably instructed that the statute will do so.” *RJR*, 579 U.S. at 335. The Lanham Act does not meet that demanding standard. Nothing in its text says it applies outside the United States. Sections 32(1)(a) and 43(a)(1)(A), which create the causes of action here, nowhere mention extraterritorial application. 15 U.S.C. §§ 1114(1)(a), 1125(a); CVSG Br. 11. Likewise, neither the provisions authorizing monetary and injunctive relief, §§ 1116(a), 1117(a), nor any others, see Bradley 531-535, extend liability to conduct abroad.

That should be dispositive. “Congress knows how to place” foreign territory within the “reach of a statute,” and expressly does so elsewhere. *Argentine Republic v. Amerada Hess Shipping Corp.*, 488 U.S. 428, 440 & n.7 (1989); see, e.g., 18 U.S.C. §§ 351(i), 1751(k) (“There is extraterritorial jurisdiction over the conduct prohibited by this

section.”); § 1957(d)(2) (statute applies to conduct “outside the United States” where “defendant is a United States person”); *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 258-259 (1991) (*Aramco*) (collecting examples). There is no remotely comparable language here.

While an “express statement of extraterritoriality is not essential,” it is exceedingly “rare” for a statute to “clearly evidenc[e] extraterritorial effect” without one. *RJR*, 579 U.S. at 340. *RJR* illustrates how “rare” that is: It held that RICO’s substantive prohibitions apply extraterritorially, “despite lacking an express statement of extraterritoriality,” because they *incorporate by reference* “statutes that *do* expressly apply extraterritorially.” *Ibid.* The Lanham Act, by contrast, contains *no* indication—by reference to other statutes or otherwise—that Congress intended it to “extend to foreign conduct.” *Id.* at 339.

To the contrary, the Act expresses *domestic* concerns. When examining applications, the PTO considers similarities to marks “previously used *in the United States*.” 15 U.S.C. § 1052(d) (emphasis added). Filing an application grants priority “*nationwide* in effect.” § 1057(c) (emphasis added). And the Act protects registered marks from “interference by State, or territorial”—but not *foreign*—“legislation.” § 1127. The agency charged with administering the Act recognizes that it requires use of trademarks “in the United States.” TMEP § 901.03.

2. *The Act’s Lack of Extraterritorial Guidance Underscores Its Domestic Scope*

The Lanham Act’s dearth of guidance on *when* it applies abroad confirms “Congress did not intend for the statute to apply abroad.” *Aramco*, 499 U.S. at 256. When Congress gives statutes extraterritorial effect, it regularly “provide[s] express guidance regarding extraterritorial scope.” Bradley 554; *e.g.*, 18 U.S.C. §§ 1203(b)(1), 1837; 42

U.S.C. §§2000e(f), 2000e-1(b)-(c); pp. 17-18, *supra*. And given the “obvious” “probability of incompatibility with the applicable laws of other countries,” Congress will “‘addres[s] the subject of conflicts with foreign laws and procedures’” when it “intend[s] such foreign application.” *Morrison v. National Australia Bank Ltd.*, 561 U.S. 247, 269 (2010). The Lanham Act does nothing of the sort.

The one Lanham Act provision that does address conduct abroad underscores the illogic of extraterritorial liability. Section 11 addresses when “[a]cknowledgments and verifications” supporting U.S. registrations may be “made in a foreign country.” 15 U.S.C. § 1061. It painstakingly details that they must be made before either a U.S. official or an “official authorized to administer oaths in the foreign country concerned whose authority is proved by a certificate of a diplomatic or consular officer of the United States, or apostille of an official designated by a foreign country which, by treaty or convention, accords like effect to apostilles of designated officials in the United States,” provided “they comply with the laws of the * * * country where made.” *Ibid.* The absence of any comparable provision addressing when *sales* made in foreign countries fall within the Act shows that they do not. It is implausible that Congress crafted detailed requirements for foreign *acknowledgments*, yet authorized foreign *liability* without any guidance whatsoever.

Lacking “any statutory guidance,” Bradley 565-566, courts have devised a cacophony of conflicting, atextual tests, Pet.App. 23a-31a. Those tests consider whether foreign conduct has a “substantial effect on United States commerce,” *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 642 (2d Cir. 1956), a “significant” effect, *Nintendo of Am., Inc. v. Aeropower Co.*, 34 F.3d 246, 250 (4th Cir. 1994), or just “some” effect, *American Rice, Inc. v. Ark.*

Rice Growers Co-Op. Ass'n, 701 F.2d 408, 414 n.8 (5th Cir. 1983). They ask whether effects are “‘sufficiently great’” and American interests “‘sufficiently strong.’” *Trader Joe’s Co. v. Hallatt*, 835 F.3d 960, 969 (9th Cir. 2016). They debate what *kinds* of “effects” count. Pet.App. 45a-46a; *Tire Engineering & Distribution, LLC v. Shandong Linglong Rubber Co.*, 682 F.3d 292, 311 (4th Cir. 2012). They consider whether *defendants* are American, *Vanity Fair*, 234 F.2d at 642; *Tire Engineering*, 682 F.3d at 311, and whether *plaintiffs* are “‘American,’” Pet.App. 44a. Some consider “potential conflicts with foreign law”; others “esche[w] such an analysis.” Pet.App. 30a. Some throw in “*seven* additional factors” for good measure. Pet.App. 26a n.5.

All those tests are “unmoored” from the statute’s text. CVSG Br. 21. They replay the error this Court corrected in *Morrison*, where courts confronting a statute “silent as to * * * extraterritorial application” mistakenly believed that silence left it to “court[s] to ‘discern’ whether Congress would have wanted the statute to apply.” 561 U.S. at 255. There, as here, courts “produced a collection of tests for divining what Congress would have wanted, complex in formulation and unpredictable in application.” *Id.* at 255-256. There, as here, courts devised “an ‘effects test’” that would apply U.S. law to foreign “‘conduct [with] a substantial effect in the United States or upon United States citizens.’” *Id.* at 257. And there, as here, courts were “‘unable’” to “‘point to language in the statutes’” supporting their tests. *Id.* at 258; see *Vanity Fair*, 234 F.2d at 642; Bradley 528-532. The inability to ground *any* test for extraterritorial application of the Lanham Act in the Act’s text is a sure sign the “statute gives no clear indication of an extraterritorial application.” *Morrison*, 561 U.S. at 255.

3. *Extraterritoriality Raises Fair-Notice and Separation-of-Powers Problems*

Imposing extraterritorial liability without clear statutory direction gives “little advance notice about [what] conduct is subject to regulation,” Bradley 556—especially for foreign nationals unfamiliar with U.S. law, who have little reason to suspect it governs in their own countries. Extraterritorial liability also raises separation-of-powers concerns. Bradley 516, 550-566. Defining private causes of action raises many questions properly answered by “‘Congress,’” not “‘the courts,’” *Hernandez v. Mesa*, 140 S. Ct. 735, 749-750 (2020), especially where a cause of action would “reac[h] conduct within the territory of another sovereign,” *Kiobel v. Royal Dutch Petroleum Co.*, 569 U.S. 108, 117 (2013). Only the “political branches, not the Judiciary, have the responsibility and institutional capacity to weigh foreign-policy concerns.” *Jesner v. Arab Bank PLC*, 138 S. Ct. 1386, 1403 (2018). They can “calibrate” laws to navigate those concerns “in a way [courts] cannot.” *Aramco*, 499 U.S. at 259. “[R]espect for the separation of powers” dictates that any intrusion on conduct “outside our borders” must come, if at all, from Congress. *Hernandez*, 140 S. Ct. at 749.

B. Extraterritoriality Defies Traditional Trademark Principles

The Lanham Act’s lack of extraterritorial reach should be no surprise. Trademark law traditionally is subject to its own, restrictive “territoriality doctrine.” 5 McCarthy §29:1. That doctrine “‘is basic to American trademark law.’” *Ibid.* Under it, “a trademark is recognized as having a separate existence in each sovereign territory in which it is registered or legally recognized as a mark.” *Ibid.* (emphasis added). Because of that rule, “trademark rights exist in each country solely according to that

country's statutory scheme.” *Person's Co. v. Christman*, 900 F.2d 1565, 1568-1569 (Fed. Cir. 1990). Trademark protection in one country thus does not confer the right to control the mark's use in other countries. Instead, trademark protection within a given country must come from—and be enforced under—the laws of that country alone.

1. This Court recognized that principle long ago, refusing to apply foreign trademark law to U.S. conduct. In *Baglin v. Cusenier Co.*, 221 U.S. 580 (1911), the Court held that a French law seizing the Carthusian monks' “Chartreuse” trademarks “cannot be conceived to have any extra-territorial effect to detach the trade-marks *in this country* from the products of the monks.” *Id.* at 596 (emphasis added).

The Court cemented that rule in *A. Bourjois & Co. v. Katzel*, 260 U.S. 689 (1923), often considered the definitive adoption of the territoriality principle. 5 McCarthy §29:1 n.4. In *Katzel*, the plaintiff had obtained U.S. trademarks for “Java” and “Bourjois” face powder from a French company, which retained equivalent French trademarks. 260 U.S. at 690-692. The defendant in that case purchased “the same powder in France” from the French company, and resold it in the U.S. “in the French boxes which closely resemble[d] those used by the plaintiff.” *Id.* at 691. The Court held that violated the plaintiff's U.S. trademarks. *Ibid.* It did not matter that the defendant was selling “the genuine product of the French” trademark owner because, “in the United States,” it was “the trade mark of the plaintiff only.” *Id.* at 691-692.

Conversely, this Court has held that U.S. trademark rights do not extend to *foreign* countries. In *Ingenohl v. Walter E. Olsen & Co.*, the plaintiff was a cigar-maker in the Philippines (then a U.S. territory); however, the U.S. government seized its business and trademarks in the

Philippines and sold them to the defendant. 273 U.S. 541, 543 (1927). The plaintiff later successfully sued the defendant for trademark infringement in Hong Kong. *Id.* at 542-543. When the plaintiff brought an action in the U.S. to recover costs from that suit, this Court rejected the defendant’s argument that its purchase of the plaintiff’s trademarks under U.S. law gave it “the exclusive right to use the trade-marks in” Hong Kong. *Id.* at 544. The Court held that a “trade-mark started elsewhere” (*e.g.*, the U.S.) “depend[s] for its protection *in Hongkong* upon *the law prevailing in Hongkong*” and “confer[s] no rights *except by the consent of that law.*” *Ibid.* (emphasis added). “[N]o principle,” the Court held, required the defendant’s U.S. trademark rights “to be given effect outside of the United States.” *Id.* at 545.

This Court thus established the “concept of territoriality” as “‘basic to American trademark law’” a century ago. 5 McCarthy § 29:1. It “rejected” the competing “‘universality’ theory, which posit[ed] that a mark signifies the same source wherever the mark is used in the world.” *Ibid.* U.S. courts have acknowledged the territoriality principle ever since—that “trademark rights exist in each country solely according to that country’s statutory scheme.” *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 599 (5th Cir. 1985).⁵

⁵ See *Societe Des Produits Nestle, S.A. v. Casa Helvetia, Inc.*, 982 F.2d 633, 636-637 (1st Cir. 1992) (trademark “congruent with the boundaries of the sovereign”); *Topps Co. v. Cadbury Stani S.A.I.C.*, 526 F.3d 63, 70 (2d Cir. 2008) (“separate legal existence under each country’s laws”); *American Circuit Breaker Corp. v. Oregon Breakers Inc.*, 406 F.3d 577, 582 (9th Cir. 2005) (similar); *Kos Pharms., Inc. v. Andrx Corp.*, 369 F.3d 700, 714 (3d Cir. 2004) (“Trademark standards do not traverse international borders.”).

The courts below effectively read the Lanham Act to overturn that longstanding principle. If Congress had meant to overturn the rule that U.S. trademarks are territorial and do not confer “the exclusive right to use the trade-marks in” other countries, *Ingenohl*, 273 U.S. at 544, there would be some indication in the statute. There is none—and certainly no clear statement extending U.S. law abroad.

2. This Court has refused to apply other intellectual property extraterritorially. *Bradley* 520-525, 536-545. U.S. patent laws “do not, and were not intended to, operate beyond the limits of the United States.” *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 195 (1856); see *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 454-456 (2007). “[C]opyright protections” likewise “do not have any extraterritorial operation.” *Impression Products, Inc. v. Lexmark Int’l, Inc.*, 137 S. Ct. 1523, 1536-1537 (2017). Trademarks, this Court has recognized, should have no broader territorial scope. *Katzel*, 260 U.S. at 692 (analogizing trademarks’ territorial scope to patents’).

The Constitution, moreover, grants Congress “more extensive” authority over patents and copyrights than trademarks. *Katzel*, 260 U.S. at 692; see U.S. Const. art. I, § 8, cl. 8; *Trade-Mark Cases*, 100 U.S. 82, 94 (1879). It would be upside-down for trademarks to have *broader* territorial scope than patents or copyrights. *Bradley* 539, 570-572. Congress created no such inversion. As with other intellectual property, the “remedy” for foreign uses of a trademark “lies in obtaining and enforcing *foreign*” trademark rights—not in stretching *U.S.* trademark rights beyond their territorial bounds. *Microsoft*, 550 U.S. at 456 (emphasis added).

The contrary rule would invite foreign efforts to regulate U.S. markets. But the “sale of articles in the United

States under a United States patent” or copyright “cannot be controlled by foreign laws.” *Boesch v. Graff*, 133 U.S. 697, 703 (1890); see 5 M. Nimmer, *Nimmer on Copyright* § 17.05[A] (2022). It is precisely *because* the U.S. “patent system makes no claim to extraterritorial effect” that the United States can “correspondingly reject the claims of others to such control over our markets.” *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 531 (1972). The same is true here.

C. The Act’s Commerce Provision Reinforces Rather than Lifts Territorial Limits

The only conceivable hook for extending the Lanham Act to foreign conduct is the statute’s definition of “commerce.” The Act applies to uses of marks in “commerce,” 15 U.S.C. §§ 1051(a), 1114(1)(a), 1125(a)(1), defined as “all commerce which may lawfully be regulated by Congress,” § 1127. This Court, however, has “emphatically rejected reliance on such language” to overcome the presumption against extraterritoriality. *RJR*, 579 U.S. at 353. It has “repeatedly held that even statutes that contain broad language in their definitions of ‘commerce’ that *expressly* refer to ‘foreign commerce’ do not apply abroad.” *Morrison*, 561 U.S. at 262-263 (emphasis added). *A fortiori*, the Lanham Act’s at-best *implicit* reference is insufficient to extend the statute abroad.

The word “all” does not alter that result. It is “well established that generic terms like ‘any’ or ‘every’ do not rebut the presumption against extraterritoriality.” *Kio-bel*, 569 U.S. at 118; see *United States v. Palmer*, 16 U.S. (3 Wheat.) 610, 631 (1818). The synonym “all” is no different.⁶ Such terms may “ordinarily connot[e] breadth,”

⁶ See Webster’s New International Dictionary 67 (2d ed. 1954) (defining “all” as “[e]very” and explaining that the terms “agree in inclusive-

but are “insufficient to displace the presumption.” *RJR*, 579 U.S. at 349-350. Besides, under the Constitution, “all commerce which may lawfully be regulated by Congress,” § 1127, is synonymous with “Commerce with foreign Nations, and among the several States, and with the Indian Tribes,” U.S. Const. art. I, § 8, cl. 3. This Court has already held that such express references to “foreign” commerce do not rebut the presumption. The vaguer reference to “commerce” here cannot either.

The history behind the Lanham Act’s “commerce” definition confirms the point. Congress’s first trademark law was held unconstitutional because it was not “limited” to “the kind of commerce which Congress is authorized to regulate” (*i.e.*, “commerce with foreign nations, commerce among the States, and commerce with the Indian Tribes”), but also covered intrastate commerce “beyond the control of Congress.” *Trade-Mark Cases*, 100 U.S. at 96-97. Legislating in the shadow of that decision, Congress confined later trademark statutes—including the Lanham Act—to “commerce which may lawfully be regulated by Congress” and “within the control of Congress.” § 1127; see pp. 3-4, *supra*. The Act’s definition of “commerce” thus serves to *cabin* the statute’s reach, not *extend* it. It certainly does not reflect “‘unmistakable congressional intent to apply extraterritorially.’” *RJR*, 579 U.S. at 339.

As the Act’s principal drafter explained, the “purpose” of limiting the law to commerce that “Congress has power over” was to make it “a regulation of commerce, so as to get it clearly within Federal jurisdiction.” *Hearings on H.R. 9041, Subcommittee on Trade-Marks, House Committee on Patents*, 75th Cong. 51 (1938) (E. Rogers, Chair-

ness”); *id.* at 121 (defining “any” as “every” and “all”); *id.* at 885 (defining “every” as “all”).

man, ABA Section of Patent, Trade-Mark, and Copyright Law); see *id.* at 69 (“commerce that Congress can control” would “include the District of Columbia”); *Hearings on H.R. 4744, Subcommittee on Trade-Marks, House Committee on Patents*, 76th Cong. 52 (1939) (“commerce over which Congress has control” covers companies “doing business all over the country” but not “locally”). The committee report accompanying the final bill expressed “no doubt” that Congress could constitutionally secure rights to “owners of trade-marks in interstate commerce,” because “trade is no longer local, but is national.” S. Rep. No. 79-1333, at 5-6 (1946). Nothing indicates Congress anticipated—much less clearly instructed—the law would apply abroad. It was touted as “*national* legislation along *national* lines.” *Id.* at 5 (emphasis added).

D. Extraterritoriality Contravenes Treaty Obligations and Threatens International Friction

1. Projecting U.S. Trademarks into Foreign Markets Defies U.S. Treaty Commitments

Trademark law’s territoriality principle has “long been accepted” worldwide, including “by the EU, its Member States like Germany or the Netherlands, other European countries like Switzerland, common-law countries around the globe, [and] Japan.”⁷ Recognizing the “nationality of marks,” foreign countries have rejected the view that “trademark law reaches out across [their] boundaries.”⁸

⁷ A. Peukert, *Territoriality and Extraterritoriality in Intellectual Property Law*, in *Beyond Territoriality: Transnational Legal Authority in an Age of Globalization* 189, 190-191 (G. Handl, *et al.* eds., 2012).

⁸ T. Hiebert, *Parallel Importation in U.S. Trademark Law* 131 & n.21 (1994) (quoting *Hengstenberg Case*, *Entscheidungen des Reichsgerichts in Zivilsachen* [RGZ] 118, 76 (Sept. 20, 1927) (Ger.)); see European Commission Regulation 864/2007 (Rome II), 2007 O.J. (L

Trademark territoriality forms the “premis[e]” of treaties to which the United States is a party and that the Lanham Act implements. 5 McCarthy §29:25; see 15 U.S.C. §§1126-1127, 1141-1141n. The principle is embedded in the Paris Convention, “the principal international treaty” for trademarks. 5 McCarthy §29:25. Dating from 1883, the Convention now boasts 179 members.⁹ “The Convention is *not* premised upon the idea that the trademark laws of each member nation shall be given *extraterritorial* application, but on exactly the converse principle that *each nation’s law shall have only territorial application.*” 5 McCarthy §29:25 (emphasis added). It “recognizes the principle of the territoriality of trademarks: a mark exists only under the laws of each sovereign nation.” *Ibid.*

The Convention declares that “conditions for the filing and registration of trademarks shall be determined *in each country * * * by its domestic legislation,*” and that a “mark duly registered in a country * * * shall be regarded as *independent of marks registered in other countries.*” Paris Convention art. 6(1), (3) (emphasis added). As the Solicitor General explains, those provisions “presuppos[e] an international system in which trademark users will seek out the trademark protections of the countries in which they operate,” CVSG Br. 19—not one where countries project their trademark laws into other sovereigns’ territories.

The Convention requires “national treatment,” meaning each signatory must give the “same protection” and “same legal remedy” to nationals of other members as it

199/40) art. 26 (preserving “*lex loci protectionis*”—law of the place of protection—for “infringements of intellectual property rights”).

⁹ See World Intellectual Property Organization, WIPO-Administered Treaties, Contracting Parties, Paris Convention, https://wipolex.wipo.int/en/treaties/ShowResults?search_what=C&treaty_id=2.

gives its own citizens. Paris Convention art. 2(1)-(2); see *id.* art. 3. “As numerous courts and commentators have observed, the national treatment principle implies a territorial approach to choice of law, pursuant to which the applicable law is the law of the place where the conduct in question occurs.” Bradley 547 & n.219 (collecting authorities). “The national treatment principle is needed precisely because each nation’s intellectual property laws are assumed *not* to apply extraterritorially.” Bradley 547-548.

To help trademark owners in one country obtain protection in *other* countries, the Convention facilitates registration under other countries’ “domestic legislation.” Paris Convention arts. 4, 6(1), *6quinquies*. That too presumes trademarks do not apply extraterritorially.

The Madrid Protocol similarly provides a mechanism for a trademark owner to “secure protection for his mark in the territory” of other member countries. Madrid Protocol art. 2(1). It allows the owner to make a “request for territorial extension” of protection to a second country that—if approved under that country’s domestic law—provides the “same” protection as though the mark were registered directly with that second country. *Id.* arts. 3*ter*, 4(1)(a), 5(1). The Protocol thus “preserve[s]” the “principle of territoriality,” “with trademark rights granted by and enforced by each separate nation.” 3 McCarthy § 19:31:20.

Far from rejecting those treaties and the territoriality principle they embody, the Lanham Act embraces them. 15 U.S.C. § 1127 (stating “intent” to “provide rights and remedies stipulated by treaties and conventions respecting trademarks”). It implements the Paris Convention by allowing U.S. registration of marks registered in other member countries, § 1126, while declaring that U.S. registration “shall be independent of the registration in

the country of origin,” §1126(f). In implementing the Madrid Protocol, the Act does not extend U.S. trademarks into foreign countries by their own force. It directs the PTO to facilitate U.S. trademark owners’ filing of “request[s] [for] extension of protection” in other countries, §1141d, so those countries can examine the requests under *their own* laws. When foreign trademark owners “see[k] extension of protection of a mark to the United States,” §1141(5), they do so subject to the requirements of U.S. law, §1141h(a)(1), and the resulting protection extends to U.S. “territory,” §1127.

Those treaty obligations “commi[t] U.S. law to the principle of territoriality.” 5 McCarthy §29:1 & n.9 (collecting cases). The Lanham Act should not be read as *sub silentio* placing the U.S. in conflict with those solemn obligations. *Murray v. Schooner Charming Betsy*, 6 U.S. (2 Cranch) 64, 118 (1804).

2. *Applying the Act to Foreign Conduct Risks International Friction*

The presumption against extraterritoriality “avoid[s] the international discord that can result when U.S. law is applied to conduct in foreign countries.” *RJR*, 579 U.S. at 335. Extraterritorial application of *any* U.S. law presents a potential “affront to the sovereignty of the country within which the relevant activity is taking place.” T. Holbrook, *Is There a New Extraterritoriality in Intellectual Property?*, 44 Colum. J.L. & Arts 457, 459 (2021) (Holbrook). But “providing a *private civil remedy* for foreign conduct creates a potential for international friction” even “beyond that presented by merely applying U.S. substantive law to that foreign conduct.” *RJR*, 579 U.S. at 346-347 (emphasis added). It risks upsetting other countries’ “policy judgments,” *Microsoft*, 550 U.S. at 455, about regulating “transactions occurring within their territorial

jurisdiction,” *Morrison*, 561 U.S. at 269, and invites “serious foreign policy consequences,” *Kiobel*, 569 U.S. at 124.

That risk is particularly grave because the Lanham Act allows treble and statutory damages. 15 U.S.C. § 1117(a)-(c). Extending “‘American private treble damages remedies to * * * conduct taking place abroad has generated considerable controversy’ in other nations, even when those nations agree with U.S. substantive law.” *RJR*, 579 U.S. at 347. Many countries—including European countries where the bulk of petitioners’ sales occurred—disapprove treble and exemplary damages. See H. Koziol, *Punitive Damages—A European Perspective*, 68 La. L. Rev. 741, 748 (2008).¹⁰ Affording that remedy for conduct in those countries, even for plaintiffs with trademarks there, upsets those countries’ policy choices not to offer such a remedy. The resulting “potential for international controversy * * * militates against” applying the Lanham Act extraterritorially. *RJR*, 579 U.S. at 348.¹¹

¹⁰ See Bundesgerichtshof [BGH] [Federal Court of Justice] June 4, 1992, *Entscheidungen des Bundesgerichtshofes in Zivilsachen* [BGHZ] 118 (312), 1993 (Ger.), translated in 32 I.L.M. 1320, 1322 (enforcement of U.S. punitive-damages awards contrary to German public policy); R. Rayle, *The Trend Towards Enhancing Trademark Owners’ Rights—A Comparative Study of U.S. and German Trademark Law*, 7 J. Intell. Prop. L. 227, 290 n.399 (2000) (Lanham Act’s “concept[s] of statutory damages in lieu of actual damages” and “treble damages” are “unknown to German law”).

¹¹ While *International* did not seek treble damages, this Court has cautioned against applying treble-damages statutes extraterritorially regardless of whether “friction would necessarily result in every case.” *RJR*, 579 U.S. at 348. Besides, *International* maintains it was *eligible* for treble damages, and declined to seek them only because it recovered petitioners’ *gross revenues* without deductions for costs. Br. in Opp. 14 n.4.

The potential for conflict exists even if *no one* claims trademark rights under a foreign country’s law. In that case, neither party has exclusive rights to the mark in that country. Allowing plaintiffs to assert exclusive rights under U.S. law would interfere with the foreign country’s local prerogatives. The United States would not, for example, tolerate Bayer asserting its German “Aspirin” trademark against companies using the term in the U.S., where “aspirin” is generic. Other countries should not have to bear such impositions either.

Extraterritorial overreach invites retaliation. Many nations authorize measures to “counterac[t] the effects of the extra-territorial application” of foreign laws. Council Regulation 2271/96, 1996 O.J. (L 309) art. 1 (EU); MOFCOM Order No. 1 of 2021, Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation (China); Foreign Extraterritorial Measures Act, R.S.C., ch. F-29 (1985) (Canada); H. Clark, *Dealing with U.S. Extraterritorial Sanctions and Foreign Countermeasures*, 25 U. Pa. J. Int’l Econ. L. 455, 480 (2004) (Mexico). The United States “reject[s] the claims of others to such control over our markets” in part by “mak[ing] no claim [of] extraterritorial effect” for U.S. law. *Deepsouth*, 406 U.S. at 531. The judiciary should not, absent unmistakable legislative direction, depart from that policy.

E. *Steele* Does Not Counsel a Different Result

Rather than address whether the Lanham Act’s text contains a “‘clear, affirmative indication’” of extraterritoriality, the Tenth Circuit ruled that *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952), “already answered” the extraterritoriality “question in the affirmative.” Pet.App. 22a. That misapprehends *Steele*.

1. Issued decades “before [this Court] honed [its] extraterritoriality jurisprudence,” *Steele* did not ask

whether Congress “‘unmistakably instructed’” that the Lanham Act apply abroad. *RJR*, 579 U.S. at 335, 353. Instead, invoking Congress’s power over “American citizens,” *Steele* declared that, on “the facts of th[at] case,” Congress would have wanted to reach the U.S. defendant’s cross-border conduct, because the defendant was a “United States citizen.” 344 U.S. at 281, 285.

In *Steele*, Bulova brought a Lanham Act claim against Steele, “a United States citizen residing in San Antonio, Texas,” because Steele was selling watches stamped with Bulova’s name in Mexico. 344 U.S. at 281. The Court framed the issue as whether the Lanham Act afforded federal-court jurisdiction over claims alleging acts “consummated in a foreign country by a citizen and resident of the United States.” *Ibid.* In answering that question, the Court invoked Congress’s authority to “prescrib[e] standards of conduct for American citizens” abroad; “‘gover[n] the conduct of its own citizens * * * in foreign countries’”; and address practices “‘by citizens of the United States, although some of the acts are done outside the territorial limits of the United States.’” *Id.* at 282, 285-286. As the Court saw it, the case involved “‘the duty of the citizen in relation to his own government.’” *Id.* at 286.

Steele distinguishes itself from this case. *Steele* did not address, and issued no holding on, the Lanham Act’s application to foreign conduct by *foreign defendants* like petitioners—much less for goods that never reach this country. *Steele*’s rationale was “thoroughly based on the power of the United States to govern ‘the conduct of *its own citizens*’”—so much so that a defendant’s *foreign* citizenship “might well be determinative.” *Vanity Fair*, 234 F.2d at 642-643. The presumption against extraterritoriality, moreover, applies with *greatest* force to foreigners acting abroad. See *The Apollon*, 22 U.S. (9 Wheat.)

362, 370 (1824); *Palmer*, 16 U.S. (3 Wheat.) at 630-632; *Jesner*, 138 S. Ct. at 1407. The Lanham Act cannot be *extended* to *foreign nationals'* foreign conduct without fresh consideration—consideration that cuts decisively against extraterritoriality. See pp. 16-32, *supra*.

The conduct in *Steele* also was “not confined within the territorial limits of a foreign nation.” 344 U.S. at 286. While the defendant sold his watches in Mexico, he took “essential steps” in this country, such as buying parts “in the United States.” *Id.* at 286-287. *Steele's* conclusion that those “activities, when viewed as a whole,” fit within the statute’s “jurisdictional grant,” *id.* at 285-286, says nothing about whether the statute extends to foreign companies’ foreign sales, to other foreigners, of goods produced abroad.¹²

2. There is every reason not to extend *Steele* here. *Steele* was decided “during a period when [the Court] generally was not applying the presumption” against extraterritoriality. Holbrook 463; see W. Dodge, *The New Presumption Against Extraterritoriality*, 133 Harv. L. Rev. 1582, 1595-1597 (2020) (Dodge); Bradley 531-535. *Steele* thus did not ask, as the presumption requires, whether Congress “affirmatively and unmistakably instructed” that the statute apply abroad. *RJR*, 579 U.S. at 335. Instead, it asked “‘whether Congress intended to make the law applicable’ *to the facts of this case*.” 344 U.S. at 285 (emphasis added). This Court has since rejected that

¹² Because *Steele* relied on conduct “in the United States,” 344 U.S. at 286, it is unclear whether it even purported to apply the Lanham Act extraterritorially. While this Court has in dicta described *Steele* as giving the Act “extraterritorial effect,” it has recognized that *Steele* “might be read” as involving application of a “nonextraterritorial statute” to “conduct in the United States” contributing to a violation elsewhere. *Morrison*, 561 U.S. at 271 n.11.

approach, which improperly tries to “divin[e] what Congress would have wanted if it had thought of *the situation before the court.*” *Morrison*, 561 U.S. at 261 (emphasis added); see Bradley 533.

Indeed, the Court has repudiated nearly every aspect of *Steele*’s reasoning. *Steele* invoked the Lanham Act’s “broad” definition of “‘commerce.’” 344 U.S. at 283-284. But this Court has held that “‘broad language in [statutes] definitions of ‘commerce’” “does not defeat the presumption against extraterritoriality,” *Morrison*, 561 U.S. at 262-263, “emphatically reject[ing] reliance on such language,” *RJR*, 579 U.S. at 353; pp. 25-26, *supra*.

Steele assumed “there c[ould] be no interference with the sovereignty of another nation” because Mexico had cancelled *Steele*’s trademark registration. 344 U.S. at 289. But this Court has rejected “case-by-case inquiry” into whether particular suits sufficiently respect “foreign sovereigns’ dignity” and held that imposing U.S. remedies abroad risks international friction “even when [other] nations agree with U.S. substantive law.” *RJR*, 579 U.S. at 347, 349; pp. 30-31, *supra*.

Steele refused to “differentiat[e] between enforcement of legislative policy by the Government itself or by private litigants.” 344 U.S. at 286. But the Court has since recognized that those situations “raise distinct extraterritoriality problems.” *RJR*, 579 U.S. at 353; pp. 30-31, *supra*.

And *Steele* failed to consider the territorial nature of trademarks and corresponding treaty commitments. See pp. 21-25, 27-30, *supra*.

Steele does not reach this case on its own terms. And where prior decisions rest on since-discarded considerations, this Court has “refuse[d] to extend” them. *Shearson/American Express, Inc. v. McMahon*, 482 U.S. 220,

233-234 (1987).¹³ That includes decisions that, like *Steele*, are “at odds with [the Court’s] current extraterritoriality doctrine.” *RJR*, 579 U.S. at 354. In *RJR*, the Court “decline[d] to extend” a decision, dating from “before [the Court] honed [its] extraterritoriality jurisprudence,” that improperly relied on a reference to foreign commerce, failed to appreciate that private causes of action raise heightened extraterritoriality concerns, and tried to divine what Congress wanted instead of asking whether the statute itself gave an unmistakable indication of extraterritorial effect. *Id.* at 353 (discussing *Pfizer Inc. v. Government of India*, 434 U.S. 308 (1978)). *Steele* suffers the same defects.

3. While not necessary to resolve this case, the same considerations could warrant holding that *Steele* “‘retain[s] no vitality’” in light of intervening precedent. *Herrera v. Wyoming*, 139 S. Ct. 1686, 1697 (2019); *Edwards v. Van-noy*, 141 S. Ct. 1547, 1560 (2021). *Steele* is a remnant of an era when “the presumption [against extraterritoriality] fell into disuse.” Dodge 1585, 1595-1597; Holbrook 463. *Steele* did not look for—and did not find—anything like the “clear, affirmative indication” of extraterritoriality required to overcome the presumption. *RJR*, 579 U.S. at 337. And virtually every aspect of its analysis has since been rejected. See pp. 34-35, *supra*.

¹³ See, e.g., *McMahon*, 482 U.S. at 232-234 (refusing to extend *Wilko v. Swan*, 346 U.S. 427 (1953), because it rested on “mistrust of arbitration” this Court later “rejected”); *Scherk v. Alberto-Culver Co.*, 417 U.S. 506, 515 (1974) (refusing to extend *Wilko* to international arbitration); *Rodriguez de Quijas v. Shearson/American Express, Inc.*, 490 U.S. 477, 480-484 (1989) (overruling *Wilko* as “inconsistent” with later decisions); *Alexander v. Sandoval*, 532 U.S. 275, 286-287 (2001) (refusing to extend implied-right-of-action decisions); *Hernandez*, 140 S. Ct. at 741-743 (collecting cases).

Even *Steele*'s central pillar—the defendant's U.S. citizenship—has crumbled. While the presumption against extraterritoriality has special force with respect to foreign defendants, see pp. 33-34, *supra*, U.S. citizens are also entitled to its protections. See, e.g., *Nestlé USA, Inc. v. Doe*, 141 S. Ct. 1931, 1935-1937 (2021). This Court thus has refused to justify extraterritorial application based on U.S. citizenship where, as in the Lanham Act, the statute draws “no such distinction.” *Aramco*, 499 U.S. at 255.

This Court does not lightly “overturn [its] decisions construing statutes,” but will do so to “achieve a uniform interpretation of similar statutory language” and “correct a seriously erroneous interpretation of statutory language that would undermine congressional policy as expressed in other legislation.” *Rodriguez de Quijas*, 490 U.S. at 484. “[I]ncorrectly decided” and “inconsistent with the prevailing uniform construction of other federal statutes” on the issue of extraterritoriality, *ibid.*, *Steele* may warrant such treatment. No countervailing considerations favor its retention. Far from engendering legitimate reliance, *Steele* led to a morass of unpredictable standards that even today—70 years on—bedevils courts and litigants. At the very least, there is no reason to expand *Steele* beyond its limited confines.¹⁴

II. THE ACT DOES NOT APPLY “DOMESTICALLY” TO FOREIGN SALES

The government agrees that “the relevant Lanham Act provisions do not rebut the presumption against extraterritoriality because they contain no ‘clear, affirmative

¹⁴ Far from “reaffirm[ing]” Lanham Act extraterritoriality, Br. in Opp. 4, 29, this Court has merely distinguished *Steele* in dicta—when holding that other statutes *lack* extraterritorial effect. See *Morrison*, 561 U.S. at 271 n.11; *Aramco*, 499 U.S. at 252.

indication that [the statute] applies extraterritorially.’” CVSG Br. 11. The government nonetheless suggests that imposing liability for *foreign uses* of trademarks (*e.g.*, foreign sales) is a “permissible *domestic* application” so long as the specific sales have the “effect” of likely confusing U.S. consumers. *Id.* at 13 (emphasis added). That proposal is mistaken. The Act’s text and structure make clear the Act requires *domestic use in commerce*, not merely domestic confusion. And International has waived any argument that the Lanham Act applies “domestically” to foreign sales.

A. Any Argument that the Act Applies “Domestically” to Foreign Sales Is Waived

The Tenth Circuit held that extending the Lanham Act to petitioners’ foreign sales was an “extraterritorial” application of the statute, and that the Act applies “‘domestic[ally]’” only to petitioners’ “direct U.S. sales.” Pet. App. 39a-41a; see Pet. 12 n.1, 13-14. The petition thus asks “[w]hether the court of appeals erred in applying the Lanham Act *extraterritorially* to petitioners’ foreign sales.” Pet. i (emphasis added). International’s brief in opposition nowhere argued that the Lanham Act could reach some portion of petitioners’ foreign sales as a “domestic” application. To the contrary, it characterized the Act as applying “extraterritorially” to “foreign” sales, *even if* they caused “domestic consumer confusion.” Br. in Opp. 33; see *id.* at 4, 18, 27, 31.

“Under this Court’s Rule 15.2, ‘a nonjurisdictional argument not raised in a respondent’s brief in opposition * * * may be deemed waived.’” *Baldwin v. Reese*, 541 U.S. 27, 34 (2004). The Tenth Circuit recognized, and International has not timely contested, that the statute’s only *domestic* application is to petitioners’ €202,134.12 in direct U.S. sales (almost all of which were to International itself).

Pet. App. 40a-41a & n.8; pp. 10-11, *supra*. It is too late for International to argue that petitioners' *foreign* sales—the remaining 99.7%—are somehow “domestic.”

B. The Act Requires Domestic Use in Commerce

Regardless, applying the Lanham Act to *foreign uses* of trademarks is not a “domestic” application of the statute, even if the “effect” of that foreign conduct is potential confusion in the U.S. The government is correct that domestic confusion is *necessary* for a Lanham Act claim. But U.S. confusion is not *sufficient* to render an application of the Lanham Act “domestic.” The Act requires and focuses on *domestic uses* of marks in commerce.

1. That conclusion follows directly from the statute's text and the presumption against extraterritoriality. The Lanham Act's causes of action are triggered only by defendants' “use in commerce” of protected marks (*e.g.*, sales, offers for sale, advertising). 15 U.S.C. §§ 1114(1)(a), 1125(a)(1). As discussed above, pp. 25-27, *supra*, the Act's definition of “commerce” does not overcome the presumption against extraterritoriality. The government agrees. CVSG Br. 12. The definition thus “do[es] not apply abroad”—that is, it encompasses only commerce “in the United States.” *Morrison*, 561 U.S. at 263 & n.7. Accordingly, the “use in commerce” that the statute makes actionable must be “use” *in the United States*. Uses outside the United States—like petitioners' foreign sales—do not fall within the statute's terms.

While positing that the Act's commerce definition “encompasses some foreign transactions with a particular effect in the United States,” the government concedes “the Court has repeatedly rejected the argument” that “commerce” definitions like the Lanham Act's rebut the presumption against extraterritoriality. CVSG Br. 12 (citing *Morrison*, 561 U.S. at 263). The definition here, it ad-

mits, is “inadequate to establish ex[tra]territorial reach.” *Ibid.* Just so: Because the Act’s reference to “commerce” does not include commerce outside the U.S., neither do the Act’s causes of action for “use[s] in commerce.”

A contrary conclusion would render the presumption against extraterritoriality meaningless. A mainstay of the presumption is that “commerce” definitions—even ones referring to “foreign commerce”—do not give statutes extraterritorial effect. *Morrison*, 561 U.S. at 262-263. It would be nonsensical to simultaneously construe causes of action that require “use[s] in commerce” as an element to reach uses outside the United States.

2. Looking to the Lanham Act’s “focus” leads to the same conclusion. A statute’s application qualifies as “domestic” only if “the conduct relevant to the statute’s focus occurred in the United States.” *RJR*, 579 U.S. at 337. “When determining the focus of a statute,” this Court “do[es] not analyze the provision at issue in a vacuum. If the statutory provision at issue works in tandem with other provisions, it must be assessed in concert with those other provisions.” *WesternGeco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129, 2137 (2018) (citation omitted). Here, the Lanham Act’s focus—the “the objec[t] of [its] solicitude,” *ibid.*—is a trademark’s “use in commerce.”

The Act’s structure revolves around “use in commerce.” The owner’s “use in commerce” is required to *obtain protection* through registration. 15 U.S.C. § 1051(a)(2)-(3). “[U]se in commerce” is required to *maintain* that protection. §§ 1058(b)(1)(A), 1066a-1066b. Registration evidences the owner’s “exclusive right to use the registered mark in commerce.” § 1115(a)-(b). Trademark rights are *infringed* by others’ “use in commerce” of the mark. §§ 1114(1)(a), 1125(a)(1). Those provisions work in tandem, with “use in commerce” demarcating both trademark rights and

infringement of those rights. Together, they make plain that the statute’s focus is trademarks’ “use in commerce.”

Because the “conduct relevant to the statute’s focus” is the trademark’s use in commerce, the only “permissible domestic application” is when the use “occur[s] in the United States.” *WesternGeco*, 138 S. Ct. at 2137. That does not encompass petitioners’ €77 million in *foreign sales*—those uses “occurred in another country.” *Ibid.* It covers only petitioners’ €202,000 in *U.S. sales*.

As the PTO observes, “[u]se of a mark in a foreign country” is not a “use in commerce” that can *establish* U.S. trademark rights. TMEP §901.03; pp. 4-5, *supra*. It follows that “[u]se of a mark in a foreign country” is not a *violation* of U.S. trademark rights. The same term—“use in commerce”—should have equivalent scope in both contexts. See *Law v. Siegel*, 571 U.S. 415, 422 (2014).

In *WesternGeco*, the Court held that the “focus” of the patent-damages statute was the “act” of “infringement” underlying the plaintiff’s cause of action. 138 S. Ct. at 2137-2138. Likewise, the “focus” of Lanham Act Sections 32 and 43 is the alleged acts of infringement—uses of a mark—underlying the causes of action those provisions create. For petitioners’ foreign sales, those uses occurred abroad.¹⁵

3. The government posits that the Act’s “focus” is “consumer confusion or mistake.” CVSG Br. 13. It therefore asserts that whether the Act’s application is “domes-

¹⁵ Because the *infringement* in *WesternGeco* occurred in this country, the Court held the plaintiff could recover damages caused by that infringement even if damages were incurred abroad. 138 S. Ct. at 2138-2139. Here, however, the supposed infringement occurred abroad. There is no plausible contention that petitioners’ (limited) domestic sales caused foreign damages.

tic” depends on whether specified “effects” of foreign conduct (*e.g.*, consumer confusion) “are likely to occur in the United States.” *Ibid.* That is upside-down. Examining foreign conduct’s “effects” in this country, *ibid.*, is a way of deciding whether foreign conduct falls within *an otherwise extraterritorial statute*—not a way of distinguishing extraterritorial from domestic application. Indeed, the government’s test closely resembles the “effects” test for extraterritorial application of securities law this Court rejected in *Morrison*, under which U.S. laws would reach foreign conduct with “‘a substantial effect in the United States or upon United States citizens.’” 561 U.S. at 257; see *F. Hoffmann-La Roche Ltd. v. Empagran S.A.*, 542 U.S. 155, 161 (2004) (antitrust law applies extraterritorially when foreign “conduct” has requisite “effect” in U.S.).

Asking where *effects* of conduct are felt, rather than where the *conduct* occurred, overlooks the primary concern animating extraterritoriality doctrine: the problems that arise “when U.S. law is applied to *conduct* in foreign countries.” *RJR*, 579 U.S. at 335 (emphasis added); see *id.* at 346-347; *Nestlé USA*, 141 S. Ct. at 1936-1937; *Kiobel*, 569 U.S. at 115, 117, 121, 124. The presumption against extraterritoriality is rooted in the “general and almost universal rule” that “the character of an act as lawful or unlawful must be determined wholly by the law of the country *where the act is done*.” *American Banana Co. v. United Fruit Co.*, 213 U.S. 347, 356 (1909) (emphasis added). This Court thus describes the presumption as a “presumption against application to *conduct* in the territory of another sovereign.” *Kiobel*, 569 U.S. at 119 (emphasis added). The “focus” test for domestic application likewise asks where “conduct” occurred. *Nestlé USA*, 141 S. Ct. at 1936-1937; see *WesternGeco*, 138 S. Ct. at 2137.

In asserting that Sections 32 and 43 focus on consumer confusion, the government overlooks the rest of the Lanham Act. Read as a whole, the Act makes clear its focus is particular *conduct*—use of marks in commerce. That conduct provides the foundation for obtaining, maintaining, and enforcing trademark protections under the Act.

The “use in commerce” needed to *register* and *maintain* trademarks under Lanham Act Sections 1 and 8 must occur within the U.S. 15 U.S.C. §§ 1051(a), 1058(b). The PTO has repeatedly said so. See pp. 4-5, *supra*. Those provisions’ only conceivable “focus” is the “use in commerce.” Section 1 refers only to the *absence* of confusion, and Section 8 never mentions it. Yet the government would apply a completely different rule when determining what *infringes* domestic trademark rights.

Morrison does not help the government. *Morrison* held the Exchange Act’s “focus” was “purchases and sales of securities in the United States.” 561 U.S. at 266. While that shows a statute’s “focus” is not invariably the *defendant’s* conduct, it confirms the focus should be *conduct*—there, sales of securities; here, sales of goods. That “transactional test”—asking “whether the purchase or sale is made in the United States”—provides the “clear test” needed to avoid “interference” with other countries’ regulation of their own markets. *Id.* at 269-270.

By contrast, any test that looks to the “effect in the United States or upon United States citizens” is “unpredictable” and difficult to administer. *Morrison*, 561 U.S. at 256-258. The government’s test would be especially unruly, as the Lanham Act requires only “likely,” not actual, confusion. 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A). Foreign companies would be forced to prophesy whether sales to foreign buyers in foreign countries are sufficiently “likely”—in a jury’s view—to confuse consumers here.

They could be held liable even if that confusion never materializes.

The government’s approach invites the problems that extraterritoriality doctrine seeks to avoid. It would impose liability under U.S. law—including potential treble damages—for transactions in other countries, in service of trademark rights that are strictly territorial. The potential for unwelcome “interference” with other countries’ regulation of “transactions occurring within their territorial jurisdiction,” *Morrison*, 561 U.S. at 269, is obvious.

All for vanishingly little gain. The only “foreign” conduct with any genuine likelihood of confusing U.S. consumers would occur when companies located abroad sell to *buyers in the U.S.* But “direct U.S. sales” are considered to take place *in the U.S.*; the Lanham Act applies domestically to them under any conception. Pet. App. 40a-41a. Foreign sales between foreign entities are very unlikely to confuse U.S. consumers. The only contrary situation the Tenth Circuit identified is when goods sold abroad later enter the United States. Pet. App. 41a-44a. But if foreign buyers bring goods here for their *own* use, JA28, the risk of confusing U.S. consumers is minuscule. And if a foreign buyer brings goods here for resale, *the buyer’s domestic importation and sale* would themselves be subject to the Lanham Act. 15 U.S.C. §§ 1114(1)(a), 1124, 1125(a)-(b).¹⁶

There is no basis for extending the Lanham Act beyond U.S. sales, which here amounted to only €202,000

¹⁶ International asserts that displays at “overseas” trade shows could cause U.S. confusion because Americans attend those shows. Supp. Cert. Br. 6. But confusion from overseas trade shows would occur *overseas*. Regardless, if foreign trade shows (or letters or websites) cause consumer confusion *in the U.S.*, resulting sales *in the U.S.* would be covered by the Act as a domestic application.

(\$240,000) of the \$90 million damages award. Likewise, any injunction to “prevent” “violation[s]” can reach only use of marks *in the United States*, because only domestic uses constitute Lanham Act “violation[s].” § 1116(a).

III. THE “DIVERSION OF FOREIGN SALES” THEORY MUST BE REJECTED

The Tenth Circuit’s “diversion of foreign sales” theory for applying the Lanham Act abroad exemplifies why examining effects, rather than conduct, is unsustainable. The Tenth Circuit ruled that the Lanham Act extends to foreign defendants’ foreign sales whenever the *plaintiff* is a U.S. entity. In its view, there is a sufficient “effect” on U.S. commerce whenever foreign sales are diverted from an “‘American plaintiff,’” because that deprives the U.S. plaintiff of foreign revenues that otherwise “would have flowed into the U.S. economy.” Pet. App. 44a-47a. That theory is untethered from statutory text and would transform a law regulating *domestic markets* into a weapon that U.S. plaintiffs alone can wield across the globe.

A. The “Diversion of Foreign Sales” Theory Distorts the Lanham Act Beyond Recognition

The Tenth Circuit’s diversion-of-foreign-sales theory has no connection to the statute’s text. The Lanham Act addresses “uses in commerce.” As explained above, those uses in commerce are domestic uses, not foreign uses. The Lanham Act also addresses consumer confusion. But that confusion again is domestic confusion. There is nothing in the Lanham Act that suggests Congress meant to reach all foreign sales based on suppositions about global cash flows, much less anything that makes that intent unmistakable. The diversion-of-foreign-sales theory also eviscerates trademark law’s territoriality principle, regulating

foreign transactions between foreign entities because they purportedly cost a U.S. entity proceeds in a foreign land.¹⁷

Such a construction threatens to exceed Congress’s commerce powers. Congress is authorized to “regulate Commerce *with* foreign Nations”—not “among” or “within” foreign Nations. U.S. Const. art. I §8, cl. 3 (emphasis added). As this Court has explained in the trademark context, “commerce with foreign nations means commerce *between* citizens of the United States *and* citizens and subjects of foreign nations.” *Trade-Mark Cases*, 100 U.S. at 96 (emphasis added). It does not include commerce—like petitioners’ purely foreign sales—between foreign nationals in foreign countries, for goods that never reach U.S. citizens. By purporting to reach such sales, the diversion-of-foreign-sales theory crosses a constitutional line—and at minimum raises “a serious doubt of constitutionality.” *Crowell v. Benson*, 285 U.S. 22, 62 (1932).

The theory would also breach treaty obligations. Under the Paris Convention, the U.S. must give nationals of other signatory countries the “same protection” for their U.S. trademarks—and the “same legal remedy against any infringement”—that U.S. nationals enjoy. Paris Convention art. 2(1). The diversion-of-foreign-sales theory, however, would allow *U.S. nationals alone* to sue for diverted foreign sales on the ground that the “lost revenues would have flowed into the U.S. economy.” Pet.App. 45a. *Foreign* plaintiffs asserting U.S. trade-

¹⁷ The theory finds no support in *Steele*. *Steele* involved a U.S. defendant who completed “essential steps” “in the United States,” whose goods filtered “into this country” and could have affected Bulova’s “reputation” with consumers “here.” 344 U.S. at 286-287. It nowhere suggested the Act reaches foreign acts lacking those connections.

marks could *not* recover under that theory, because any lost revenues would have flowed to their own countries.

That breach would be blatantly protectionist. *U.S. plaintiffs* would have license to sue competitors in foreign markets over *lost foreign sales*, even if the defendant's products never reached the U.S. or risked confusing U.S. consumers, and even if the plaintiff lacks trademark rights in that country. U.S. trademark law would rule everywhere for the benefit of U.S. companies—while excluding foreign companies.

The impact would not be limited to trademarks. The Lanham Act covers unfair competition, such as misleading advertising and labeling. 15 U.S.C. § 1125(a)(1)(B). Under the diversion-of-foreign-sales theory, a U.S. beverage company could sue a foreign competitor for misrepresenting the pulp content of its orange juice in another country, cf. *POM Wonderful LLC v. Coca-Cola Co.*, 573 U.S. 102 (2014), on the ground that it cost the U.S. company foreign revenues it could have repatriated. A theory that would have U.S. law dictate the content of juice labels in Slovakia cannot be right.

B. Any Extraterritorial Application Must Be Confined to Statutory Criteria

For the reasons above, the Lanham Act should not apply to foreign uses. Insofar as the Court nonetheless looks to apply the statute abroad based on domestic effects, that application must be closely confined in view of statutory text. The presumption against extraterritoriality “remains instructive in determining the *extent* of” any extraterritorial effect. *Microsoft*, 550 U.S. at 456.

As explained above, the Lanham Act is directed to conduct. Insofar as it mentions effects, it identifies only one—it requires that use of a mark be “likely to cause con-

fusion” or “mistake” or to “deceive.” 15 U.S.C. § 1114(1)(a); see § 1125(a)(1). Accordingly, if the Court were to apply the Lanham Act extraterritorially—and it should not—that application must be limited to foreign conduct likely to cause *consumer confusion in the U.S.* That limit would reflect the principle that U.S. trademarks “symbolize the domestic goodwill of the domestic mark-holder.” 5 McCarthy § 29.1. There is “no United States interest in protecting [*foreign*] consumers.” *McBee v. Delica Co.*, 417 F.3d 107, 126 (1st Cir. 2005).¹⁸

Such a rule would require reversal here. As the Tenth Circuit recognized, the only foreign sales that *could* have caused U.S. confusion were the 3% (€1.7 million) of sales involving products that were sold abroad but may have reached the U.S. Pet.App. 41a-44a. The Tenth Circuit found no evidence that other foreign sales, of products that never reached the U.S., caused U.S. confusion. *Ibid.*

Even as to “foreign sales that eventually entered the United States,” International presented no evidence identifying those sales, Pet.App. 44a, much less identifying which (if any) “particular uses of [its] marks created a likelihood of consumer confusion in the United States,” CVSG Br. 18. Nor can confusion be assumed; a German buyer bringing foreign-bought equipment here for its own purposes, JA28, is highly unlikely to confuse *U.S.* consumers. That evidentiary shortcoming would warrant judgment for petitioners. At minimum, International would have to prove to a jury the existence and scope of U.S. confusion from particular sales, because “[w]here the

¹⁸ Likewise, if the Act could apply “domestically” to foreign conduct—and it cannot—it could do so only where there is a likelihood of U.S. confusion. CVSG Br. 14.

confusion took place” would not (as the trial court thought) be “irrelevant.” Pet.App. 163a-164a; pp. 10-11, *supra*.

The tiny fraction of foreign sales that may have reached the U.S. could not support damages covering *all* sales worldwide. Damages are available only for Lanham Act “violation[s].” 15 U.S.C. § 1117(a). If the “Act prohibits only those uses that have a likelihood of confusing or deceiving U.S. consumers,” then damages are available “only with respect to such uses.” CVSG Br. 17-18. “To award greater relief would be to provide a remedy for uses of a plaintiff’s trademark that do not violate the Act,” *id.* at 18, improperly turning a few infringing sales into a “‘springboard for liability’” reaching myriad *non-infringing* sales, *Microsoft*, 550 U.S. at 456.

Concern about defendants “escap[ing] Lanham Act liability” when “only a fraction of their sales” meet the Act’s requirements, Pet.App. 43a, is misplaced. If 3% of a defendant’s sales violate the statute, it is liable for that 3%—not 0%. But infringement by 3% of sales cannot justify liability for 100% of worldwide sales. That would allow a very small tail to wag a very large dog. Properly construed, however, the Lanham Act does not reach foreign sales at all—neither tail nor dog.

CONCLUSION

The judgment should be reversed with respect to petitioners’ foreign sales. The case should be remanded with instructions to reduce damages accordingly and limit any injunction to infringement in the United States.

Respectfully submitted.

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APPENDIX

APPENDIX – TABLE OF CONTENTS

	Page
Lanham Act, 15 U.S.C. § 1051 <i>et seq.</i> :	
Section 1, 15 U.S.C. § 1051	1a
Section 2, 15 U.S.C. § 1052.....	3a
Section 7, 15 U.S.C. § 1057.....	5a
Section 8, 15 U.S.C. § 1058.....	7a
Section 11, 15 U.S.C. § 1061.....	9a
Section 12, 15 U.S.C. § 1062.....	10a
Section 15, 15 U.S.C. § 1065.....	11a
Section 16A, 15 U.S.C. § 1066a.....	13a
Section 16B, 15 U.S.C. § 1066b.....	15a
Section 32, 15 U.S.C. § 1114.....	17a
Section 33, 15 U.S.C. § 1115.....	19a
Section 34, 15 U.S.C. § 1116.....	22a
Section 35, 15 U.S.C. § 1117.....	24a
Section 42, 15 U.S.C. § 1124.....	27a
Section 43, 15 U.S.C. § 1125.....	29a
Section 44, 15 U.S.C. § 1126.....	31a
Section 45, 15 U.S.C. § 1127.....	35a
Section 60, 15 U.S.C. § 1141.....	39a
Section 61, 15 U.S.C. § 1141a.....	41a
Section 62, 15 U.S.C. § 1141b.....	42a
Section 64, 15 U.S.C. § 1141d.....	43a
Section 65, 15 U.S.C. § 1141e.....	44a
Section 68, 15 U.S.C. § 1141h.....	45a
Section 69, 15 U.S.C. § 1141i.....	46a

APPENDIX – TABLE OF CONTENTS—Continued

	Page(s)
Section 70, 15 U.S.C. § 1141j.....	47a
Paris Convention for the Protection of Industrial Property:	
Article 2	48a
Article 3	49a
Article 4	49a
Article 6	53a
Article <i>6bis</i>	54a
Article <i>6quinquies</i>	55a
The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks:	
Article 2	58a
Article <i>3ter</i>	59a
Article 4	60a
Article 5	61a

APPENDIX

RELEVANT STATUTORY PROVISIONS

1. Section 1 of the Lanham Act, 15 U.S.C. § 1051, provides in relevant part:

§ 1051. Application for registration; verification

(a) Application for use of trademark

(1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

(2) The application shall include specification of the applicant's domicile and citizenship, the date of the applicant's first use of the mark, the date of the applicant's first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark.

(3) The statement shall be verified by the applicant and specify that—

(A) the person making the verification believes that he or she, or the juristic person in whose behalf he or she makes the verification, to be the owner of the mark sought to be registered;

(B) to the best of the verifier's knowledge and belief, the facts recited in the application are accurate;

(C) the mark is in use in commerce; and

(D) to the best of the verifier's knowledge and belief, no other person has the right to use such mark in

(1a)

2a

commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive, except that, in the case of every application claiming concurrent use, the applicant shall—

(i) state exceptions to the claim of exclusive use; and

(ii) shall^[1] specify, to the extent of the verifier's knowledge—

(I) any concurrent use by others;

(II) the goods on or in connection with which and the areas in which each concurrent use exists;

(III) the periods of each use; and

(IV) the goods and area for which the applicant desires registration.

* * * * *

¹ So in original. The word “shall” probably should not appear.

2. Section 2 of the Lanham Act, 15 U.S.C. § 1052, provides in relevant part:

§ 1052. Trademarks registrable on principal register; concurrent registration

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

* * * * *

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided*, That if the Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when

4a

the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Director when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Director shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

* * * * *

3. Section 7 of the Lanham Act, 15 U.S.C. § 1057, provides in relevant part:

§ 1057. Certificates of registration

* * * * *

(b) Certificate as prima facie evidence

A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner's ownership of the mark, and of the owner's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated in the certificate.

(c) Application to register mark considered constructive use

Contingent on the registration of a mark on the principal register provided by this chapter, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and who, prior to such filing—

(1) has used the mark;

(2) has filed an application to register the mark which is pending or has resulted in registration of the mark; or

(3) has filed a foreign application to register the mark on the basis of which he or she has acquired a right of priority, and timely files an application under

6a

section 1126(d) of this title to register the mark which is pending or has resulted in registration of the mark.

* * * * *

4. Section 8 of the Lanham Act, 15 U.S.C. § 1058, provides in relevant part:

§ 1058. Duration, affidavits and fees

(a) Time periods for required affidavits

Each registration shall remain in force for 10 years, except that the registration of any mark shall be canceled by the Director unless the owner of the registration files in the United States Patent and Trademark Office affidavits that meet the requirements of subsection (b), within the following time periods:

(1) Within the 1-year period immediately preceding the expiration of 6 years following the date of registration under this chapter or the date of the publication under section 1062(c) of this title.

(2) Within the 1-year period immediately preceding the expiration of 10 years following the date of registration, and each successive 10-year period following the date of registration.

(3) The owner may file the affidavit required under this section within the 6-month grace period immediately following the expiration of the periods established in paragraphs (1) and (2), together with the fee described in subsection (b) and the additional grace period surcharge prescribed by the Director.

(b) Requirements for affidavit

The affidavit referred to in subsection (a) shall—

(1)(A) state that the mark is in use in commerce;

(B) set forth the goods and services recited in the registration on or in connection with which the mark is in use in commerce;

8a

(C) be accompanied by such number of specimens or facsimiles showing current use of the mark in commerce as may be required by the Director; and

(D) be accompanied by the fee prescribed by the Director; or

(2)(A) set forth the goods and services recited in the registration on or in connection with which the mark is not in use in commerce;

(B) include a showing that any nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark; and

(C) be accompanied by the fee prescribed by the Director.

* * * * *

5. Section 11 of the Lanham Act, 15 U.S.C. § 1061, provides:

§ 1061. Execution of acknowledgments and verifications

Acknowledgments and verifications required under this chapter may be made before any person within the United States authorized by law to administer oaths, or, when made in a foreign country, before any diplomatic or consular officer of the United States or before any official authorized to administer oaths in the foreign country concerned whose authority is proved by a certificate of a diplomatic or consular officer of the United States, or apostille of an official designated by a foreign country which, by treaty or convention, accords like effect to apostilles of designated officials in the United States, and shall be valid if they comply with the laws of the state or country where made.

6. Section 12 of the Lanham Act, 15 U.S.C. § 1062, provides in relevant part:

§ 1062. Publication

(a) Examination and publication

Upon the filing of an application for registration and payment of the prescribed fee, the Director shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made and, if on such examination it shall appear that the applicant is entitled to registration, or would be entitled to registration upon the acceptance of the statement of use required by section 1051(d) of this title, the Director shall cause the mark to be published in the Official Gazette of the Patent and Trademark Office: *Provided*, That in the case of an applicant claiming concurrent use, or in the case of an application to be placed in an interference as provided for in section 1066 of this title the mark, if otherwise registrable, may be published subject to the determination of the rights of the parties to such proceedings.

* * * * *

7. Section 15 of the Lanham Act, 15 U.S.C. §1065, provides in relevant part:

§ 1065. Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under paragraphs (3), (5), and (6) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration under this chapter of such registered mark, the right of the owner to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided*, That—

(1) there has been no final decision adverse to the owner's claim of ownership of such mark for such goods or services, or to the owner's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Director within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and other matters specified in paragraphs (1) and (2) hereof; and

12a

(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.

* * * * *

8. Section 16A of the Lanham Act, 15 U.S.C. § 1066a, provides in relevant part:

§ 1066a. Ex parte expungement

(a) Petition

Notwithstanding sections 1057(b) and 1072 of this title, and subsections (a) and (b) of section 1115 of this title, any person may file a petition to expunge a registration of a mark on the basis that the mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration.

* * * * *

(e) Registrant's evidence of use

A registrant's documentary evidence of use shall be consistent with when a mark shall be deemed to be in use in commerce under the definition of "use in commerce" in section 1127 of this title, but shall not be limited in form to that of specimens as provided in section 1051(a) of this title.

* * * * *

(g) Examiner's decision; order to cancel

For each good or service for which it is determined that a mark has never been used in commerce, and for which the provisions of subsection (f) do not apply, the examiner shall find that the registration should be cancelled for each such good or service. A mark shall not be found to have never been used in commerce if there is evidence of use in commerce by the registrant that temporally would have supported registration at the time the application was filed or the relevant allegation of use was made, or after registration, but before the petition to expunge was filed under subsection (a), or an ex parte expungement proceeding

14a

was instituted by the Director under subsection (h). Unless overturned on review of the examiner's decision, the Director shall issue an order cancelling the registration, in whole or in part, after the time for appeal has expired or any appeal proceeding has terminated.

* * * * *

(k) Use in commerce requirement not altered

Nothing in this section shall affect the requirement for use in commerce of a mark registered under section 1051(a) or 1091 of this title.

9. Section 16B of the Lanham Act, 15 U.S.C. § 1066b, provides in relevant part:

§ 1066b. Ex parte reexamination

(a) Petition for reexamination

Any person may file a petition to reexamine a registration of a mark on the basis that the mark was not in use in commerce on or in connection with some or all of the goods or services recited in the registration on or before the relevant date.

(b) Relevant date

In this section, the term “relevant date” means, with respect to an application for the registration of a mark with an initial filing basis of—

(1) section 1051(a) of this title and not amended at any point to be filed pursuant to section 1051(b) of this title, the date on which the application was initially filed; or

(2) section 1051(b) of this title or amended at any point to be filed pursuant to section 1051(b) of this title, the date on which—

(A) an amendment to allege use under section 1051(c) of this title was filed; or

(B) the period for filing a statement of use under section 1051(d) of this title expired, including all approved extensions thereof.

* * * * *

(f) Registrant’s evidence of use

A registrant’s documentary evidence of use shall be consistent with when a mark shall be deemed to be in use in commerce under the definition of “use in commerce” in

section 1127 of this title, but shall not be limited in form to that of specimens as provided in section 1051(a) of this title.

(g) Examiner's decision; order to cancel

For each good or service for which it is determined that the registration should not have issued because the mark was not in use in commerce on or before the relevant date, the examiner shall find that the registration should be cancelled for each such good or service. Unless overturned on review of the examiner's decision, the Director shall issue an order cancelling the registration, in whole or in part, after the time for appeal has expired or any appeal proceeding has terminated.

* * * * *

10. Section 32 of the Lanham Act, 15 U.S.C. § 1114, provides in relevant part:

§ 1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this paragraph, the term “any person” includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any

State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

* * * * *

11. Section 33 of the Lanham Act, 15 U.S.C. § 1115, provides:

§ 1115. Registration on principal register as evidence of exclusive right to use mark; defenses

(a) Evidentiary value; defenses

Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b), which might have been asserted if such mark had not been registered.

(b) Incontestability; defenses

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 of this title, or in the renewal application filed under the provisions of section 1059 of this title if the goods or services specified in the renewal

are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 of this title, and shall be subject to the following defenses or defects:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to (A) the date of constructive use of the mark established pursuant to section 1057(c) of this title, (B) the registration of the mark under this chapter if the application for registration is filed before the effective date of the Trademark Law Revision Act of 1988, or (C) publication of the registered mark under subsection (c) of

21a

section 1062 of this title: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States; or

(8) That the mark is functional; or

(9) That equitable principles, including laches, estoppel, and acquiescence, are applicable.

12. Section 34 of the Lanham Act, 15 U.S.C. § 1116, provides in relevant part:

§ 1116. Injunctive relief

(a) Jurisdiction; service

The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title. A plaintiff seeking any such injunction shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation identified in this subsection in the case of a motion for a permanent injunction or upon a finding of likelihood of success on the merits for a violation identified in this subsection in the case of a motion for a preliminary injunction or temporary restraining order. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction

23a

was granted, or by any other United States district court
in whose jurisdiction the defendant may be found.

* * * * *

13. Section 35 of the Lanham Act, 15 U.S.C. § 1117, provides in relevant part:

§ 1117. Recovery for violation of rights

(a) Profits; damages and costs; attorney fees

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty. The court in exceptional cases may award reasonable attorney fees to the prevailing party.

(b) Treble damages for use of counterfeit mark

In assessing damages under subsection (a) for any violation of section 1114(1)(a) of this title or section 220506 of

title 36, in a case involving use of a counterfeit mark or designation (as defined in section 1116(d) of this title), the court shall, unless the court finds extenuating circumstances, enter judgment for three times such profits or damages, whichever amount is greater, together with a reasonable attorney's fee, if the violation consists of—

(1) intentionally using a mark or designation, knowing such mark or designation is a counterfeit mark (as defined in section 1116(d) of this title), in connection with the sale, offering for sale, or distribution of goods or services; or

(2) providing goods or services necessary to the commission of a violation specified in paragraph (1), with the intent that the recipient of the goods or services would put the goods or services to use in committing the violation.

In such a case, the court may award prejudgment interest on such amount at an annual interest rate established under section 6621(a)(2) of title 26, beginning on the date of the service of the claimant's pleadings setting forth the claim for such entry of judgment and ending on the date such entry is made, or for such shorter time as the court considers appropriate.

(c) Statutory damages for use of counterfeit marks

In a case involving the use of a counterfeit mark (as defined in section 1116(d) of this title) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in connection with the

26a

sale, offering for sale, or distribution of goods or services in the amount of—

(1) not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

(2) if the court finds that the use of the counterfeit mark was willful, not more than \$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.

* * * * *

14. Section 42 of the Lanham Act, 15 U.S.C. § 1124, provides:

§ 1124. Importation of goods bearing infringing marks or names forbidden

Except as provided in subsection (d) of section 1526 of title 19, no article of imported merchandise which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trademark registered in accordance with the provisions of this chapter or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs in enforcing this prohibition, any domestic manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration, or agreement between the United States and any foreign country to the advantages afforded by law to citizens of the United States in respect to trademarks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trademark, issued in accordance with the provisions of this chapter, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the Department facsimiles of his name, the

28a

name of the locality in which his goods are manufactured, or of his registered trademark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer of customs.

15. Section 43 of the Lanham Act, 15 U.S.C. § 1125, provides in relevant part:

§ 1125. False designations of origin, false descriptions, and dilution forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term “any person” includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal

register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

(b) Importation

Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this chapter in cases involving goods refused entry or seized.

* * * * *

16. Section 44 of the Lanham Act, 15 U.S.C. § 1126, provides:

§ 1126. International conventions

(a) Register of marks communicated by international bureaus

The Director shall keep a register of all marks communicated to him by the international bureaus provided for by the conventions for the protection of industrial property, trademarks, trade and commercial names, and the repression of unfair competition to which the United States is or may become a party, and upon the payment of the fees required by such conventions and the fees required in this chapter may place the marks so communicated upon such register. This register shall show a facsimile of the mark or trade or commercial name; the name, citizenship, and address of the registrant; the number, date, and place of the first registration of the mark, including the dates on which application for such registration was filed and granted and the term of such registration; a list of goods or services to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark. This register shall be a continuation of the register provided in section 1(a) of the Act of March 19, 1920.

(b) Benefits of section to persons whose country of origin is party to convention or treaty

Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the

conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this chapter.

(c) Prior registration in country of origin; country of origin defined

No registration of a mark in the United States by a person described in subsection (b) of this section shall be granted until such mark has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

For the purposes of this section, the country of origin of the applicant is the country in which he has a bona fide and effective industrial or commercial establishment, or if he has not such an establishment the country in which he is domiciled, or if he has not a domicile in any of the countries described in subsection (b) of this section, the country of which he is a national.

(d) Right of priority

An application for registration of a mark under section 1051, 1053, 1054, or 1091 of this title or under subsection (e) of this section, filed by a person described in subsection (b) of this section who has previously duly filed an application for registration of the same mark in one of the countries described in subsection (b) shall be accorded the same force and effect as would be accorded to the same application if filed in the United States on the same date on which the application was first filed in such foreign country: *Provided, That—*

(1) the application in the United States is filed within six months from the date on which the application was first filed in the foreign country;

(2) the application conforms as nearly as practicable to the requirements of this chapter, including a statement that the applicant has a bona fide intention to use the mark in commerce;

(3) the rights acquired by third parties before the date of the filing of the first application in the foreign country shall in no way be affected by a registration obtained on an application filed under this subsection;

(4) nothing in this subsection shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country unless the registration is based on use in commerce.

In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed application in the same foreign country, instead of the first filed foreign application: *Provided*, That any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority.

**(e) Registration on principal or supplemental register;
copy of foreign registration**

A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible, otherwise on the supplemental register in this chapter provided. Such applicant shall submit, within such time period as may be prescribed by the Director, a true copy, a photocopy, a certification, or a certified copy of the registration in the country of origin of the applicant.

The application must state the applicant's bona fide intention to use the mark in commerce, but use in commerce shall not be required prior to registration.

(f) Domestic registration independent of foreign registration

The registration of a mark under the provisions of subsections (c), (d), and (e) of this section by a person described in subsection (b) shall be independent of the registration in the country of origin and the duration, validity, or transfer in the United States of such registration shall be governed by the provisions of this chapter.

(g) Trade or commercial names of foreign nationals protected without registration

Trade names or commercial names of persons described in subsection (b) of this section shall be protected without the obligation of filing or registration whether or not they form parts of marks.

(h) Protection of foreign nationals against unfair competition

Any person designated in subsection (b) of this section as entitled to the benefits and subject to the provisions of this chapter shall be entitled to effective protection against unfair competition, and the remedies provided in this chapter for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

(i) Citizens or residents of United States entitled to benefits of section

Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in subsection (b) of this section.

17. Section 45 of the Lanham Act, 15 U.S.C. § 1127, provides in relevant part:

§ 1127. Construction and definitions; intent of chapter

In the construction of this chapter, unless the contrary is plainly apparent from the context—

The United States includes and embraces all territory which is under its jurisdiction and control.

The word “commerce” means all commerce which may lawfully be regulated by Congress.

* * * * *

The term “person” and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this chapter includes a juristic person as well as a natural person. The term “juristic person” includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The term “person” also includes the United States, any agency or instrumentality thereof, or any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States. The United States, any agency or instrumentality thereof, and any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

The term “person” also includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer,

or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any non-governmental entity.

* * * * *

The term “trademark” includes any word, name, symbol, or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

* * * * *

The term “mark” includes any trademark, service mark, collective mark, or certification mark.

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

A mark shall be deemed to be “abandoned” if either of the following occurs:

(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. “Use” of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.

The term “colorable imitation” includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive.

The term “registered mark” means a mark registered in the United States Patent and Trademark Office under this chapter or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The

phrase “marks registered in the Patent and Trademark Office” means registered marks.

The term “Act of March 3, 1881”, “Act of February 20, 1905”, or “Act of March 19, 1920”, means the respective Act as amended.

A “counterfeit” is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

* * * * *

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.

18. Section 60 of the Lanham Act, 15 U.S.C. § 1141, provides in relevant part:

§ 1141. Definitions

In this subchapter:

(1) Basic application

The term “basic application” means the application for the registration of a mark that has been filed with an Office of a Contracting Party and that constitutes the basis for an application for the international registration of that mark.

(2) Basic registration

The term “basic registration” means the registration of a mark that has been granted by an Office of a Contracting Party and that constitutes the basis for an application for the international registration of that mark.

* * * * *

(5) Declaration of bona fide intention to use the mark in commerce

The term “declaration of bona fide intention to use the mark in commerce” means a declaration that is signed by the applicant for, or holder of, an international registration who is seeking extension of protection of a mark to the United States and that contains a statement that—

(A) the applicant or holder has a bona fide intention to use the mark in commerce;

(B) the person making the declaration believes himself or herself, or the firm, corporation, or association in whose behalf he or she makes the declaration, to be entitled to use the mark in commerce; and

(C) no other person, firm, corporation, or association, to the best of his or her knowledge and belief, has the right to use such mark in commerce either in the identical form of the mark or in such near resemblance to the mark as to be likely, when used on or in connection with the goods of such other person, firm, corporation, or association, to cause confusion, mistake, or deception.

(6) Extension of protection

The term “extension of protection” means the protection resulting from an international registration that extends to the United States at the request of the holder of the international registration, in accordance with the Madrid Protocol.

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(13) Madrid Protocol

The term “Madrid Protocol” means the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted at Madrid, Spain, on June 27, 1989.

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19. Section 61 of the Lanham Act, 15 U.S.C. § 1141a, provides:

§ 1141a. International applications based on United States applications or registrations

(a) In general

The owner of a basic application pending before the United States Patent and Trademark Office, or the owner of a basic registration granted by the United States Patent and Trademark Office may file an international application by submitting to the United States Patent and Trademark Office a written application in such form, together with such fees, as may be prescribed by the Director.

(b) Qualified owners

A qualified owner, under subsection (a), shall—

- (1) be a national of the United States;
- (2) be domiciled in the United States; or
- (3) have a real and effective industrial or commercial establishment in the United States.

20. Section 62 of the Lanham Act, 15 U.S.C. § 1141b, provides:

§ 1141b. Certification of the international application

(a) Certification procedure

Upon the filing of an application for international registration and payment of the prescribed fees, the Director shall examine the international application for the purpose of certifying that the information contained in the international application corresponds to the information contained in the basic application or basic registration at the time of the certification.

(b) Transmittal

Upon examination and certification of the international application, the Director shall transmit the international application to the International Bureau.

21. Section 64 of the Lanham Act, 15 U.S.C. § 1141d, provides:

§ 1141d. Request for extension of protection subsequent to international registration

The holder of an international registration that is based upon a basic application filed with the United States Patent and Trademark Office or a basic registration granted by the Patent and Trademark Office may request an extension of protection of its international registration by filing such a request—

- (1) directly with the International Bureau; or
- (2) with the United States Patent and Trademark Office for transmittal to the International Bureau, if the request is in such form, and contains such transmittal fee, as may be prescribed by the Director.

22. Section 65 of the Lanham Act, 15 U.S.C. § 1141e, provides:

§ 1141e. Extension of protection of an international registration to the United States under the Madrid Protocol

(a) In general

Subject to the provisions of section 1141h of this title, the holder of an international registration shall be entitled to the benefits of extension of protection of that international registration to the United States to the extent necessary to give effect to any provision of the Madrid Protocol.

(b) If the United States is office of origin

Where the United States Patent and Trademark Office is the office of origin for a trademark application or registration, any international registration based on such application or registration cannot be used to obtain the benefits of the Madrid Protocol in the United States.

23. Section 68 of the Lanham Act, 15 U.S.C. § 1141h, provides in relevant part:

§1141h. Examination of and opposition to request for extension of protection; notification of refusal

(a) Examination and opposition

(1) A request for extension of protection described in section 1141f(a) of this title shall be examined as an application for registration on the Principal Register under this chapter, and if on such examination it appears that the applicant is entitled to extension of protection under this subchapter, the Director shall cause the mark to be published in the Official Gazette of the United States Patent and Trademark Office.

(2) Subject to the provisions of subsection (c), a request for extension of protection under this subchapter shall be subject to opposition under section 1063 of this title.

(3) Extension of protection shall not be refused on the ground that the mark has not been used in commerce.

(4) Extension of protection shall be refused to any mark not registrable on the Principal Register.

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24. Section 69 of the Lanham Act, 15 U.S.C. § 1141i, provides:

§ 1141i. Effect of extension of protection

(a) Issuance of extension of protection

Unless a request for extension of protection is refused under section 1141h of this title, the Director shall issue a certificate of extension of protection pursuant to the request and shall cause notice of such certificate of extension of protection to be published in the Official Gazette of the United States Patent and Trademark Office.

(b) Effect of extension of protection

From the date on which a certificate of extension of protection is issued under subsection (a)—

(1) such extension of protection shall have the same effect and validity as a registration on the Principal Register; and

(2) the holder of the international registration shall have the same rights and remedies as the owner of a registration on the Principal Register.

25. Section 70 of the Lanham Act, 15 U.S.C. § 1141j, provides in relevant part:

§ 1141j. Dependence of extension of protection to the United States on the underlying international registration

(a) Effect of cancellation of international registration

If the International Bureau notifies the United States Patent and Trademark Office of the cancellation of an international registration with respect to some or all of the goods and services listed in the international registration, the Director shall cancel any extension of protection to the United States with respect to such goods and services as of the date on which the international registration was canceled.

* * * * *

RELEVANT TREATY PROVISIONS

1. The Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14, 1967, and as amended on September 28, 1979, provides in relevant part:

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Article 2

[National Treatment for Nationals of
Countries of the Union]

(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

(2) However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights.

(3) The provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, and to the designation of an address for service or the appointment of an agent, which may be required by the laws on industrial property are expressly reserved.

Article 3

[Same Treatment for Certain Categories of Persons
as for Nationals of Countries of the Union]

Nationals of countries outside the Union who are domiciled or who have real and effective industrial or commercial establishments in the territory of one of the countries of the Union shall be treated in the same manner as nationals of the countries of the Union.

Article 4

[A to I. *Patents, Utility Models, Industrial Designs, Marks, Inventors' Certificates: Right of Priority.*
– G. *Patents: Division of the Application*]

A.—

(1) Any person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed.

(2) Any filing that is equivalent to a regular national filing under the domestic legislation of any country of the Union or under bilateral or multilateral treaties concluded between countries of the Union shall be recognized as giving rise to the right of priority.

(3) By a regular national filing is meant any filing that is adequate to establish the date on which the application was filed in the country concerned, whatever may be the subsequent fate of the application.

B.— Consequently, any subsequent filing in any of the other countries of the Union before the expiration of the periods referred to above shall not be invalidated by

reason of any acts accomplished in the interval, in particular, another filing, the publication or exploitation of the invention, the putting on sale of copies of the design, or the use of the mark, and such acts cannot give rise to any third-party right or any right of personal possession. Rights acquired by third parties before the date of the first application that serves as the basis for the right of priority are reserved in accordance with the domestic legislation of each country of the Union

C.—

(1) The periods of priority referred to above shall be twelve months for patents and utility models, and six months for industrial designs and trademarks.

(2) These periods shall start from the date of filing of the first application; the day of filing shall not be included in the period.

(3) If the last day of the period is an official holiday, or a day when the Office is not open for the filing of applications in the country where protection is claimed, the period shall be extended until the first following working day.

(4) A subsequent application concerning the same subject as a previous first application within the meaning of paragraph (2), above, filed in the same country of the Union shall be considered as the first application, of which the filing date shall be the starting point of the period of priority, if, at the time of filing the subsequent application, the said previous application has been withdrawn, abandoned, or refused, without having been laid open to public inspection and without leaving any rights outstanding, and if it has not yet served as a basis for claiming a right of priority. The previous application

may not thereafter serve as a basis for claiming a right of priority.

D.—

(1) Any person desiring to take advantage of the priority of a previous filing shall be required to make a declaration indicating the date of such filing and the country in which it was made. Each country shall determine the latest date on which such declaration must be made.

(2) These particulars shall be mentioned in the publications issued by the competent authority, and in particular in the patents and the specifications relating thereto.

(3) The countries of the Union may require any person making a declaration of priority to produce a copy of the application (description, drawings, etc.) previously filed. The copy, certified as correct by the authority which received such application, shall not require any authentication, and may in any case be filed, without fee, at any time within three months of the filing of the subsequent application. They may require it to be accompanied by a certificate from the same authority showing the date of filing, and by a translation.

(4) No other formalities may be required for the declaration of priority at the time of filing the application. Each country of the Union shall determine the consequences of failure to comply with the formalities prescribed by this Article, but such consequences shall in no case go beyond the loss of the right of priority.

(5) Subsequently, further proof may be required. Any person who avails himself of the priority of a previous application shall be required to specify the number of that application; this number shall be published as provided for by paragraph (2), above.

E.—

(1) Where an industrial design is filed in a country by virtue of a right of priority based on the filing of a utility model, the period of priority shall be the same as that fixed for industrial designs

(2) Furthermore, it is permissible to file a utility model in a country by virtue of a right of priority based on the filing of a patent application, and vice versa.

F.— No country of the Union may refuse a priority or a patent application on the ground that the applicant claims multiple priorities, even if they originate in different countries, or on the ground that an application claiming one or more priorities contains one or more elements that were not included in the application or applications whose priority is claimed, provided that, in both cases, there is unity of invention within the meaning of the law of the country.

With respect to the elements not included in the application or applications whose priority is claimed, the filing of the subsequent application shall give rise to a right of priority under ordinary conditions.

G.—

(1) If the examination reveals that an application for a patent contains more than one invention, the applicant may divide the application into a certain number of divisional applications and preserve as the date of each the date of the initial application and the benefit of the right of priority, if any.

(2) The applicant may also, on his own initiative, divide a patent application and preserve as the date of each divisional application the date of the initial application and the benefit of the right of priority, if any. Each country of the Union shall have the right to

determine the conditions under which such division shall be authorized.

H.— Priority may not be refused on the ground that certain elements of the invention for which priority is claimed do not appear among the claims formulated in the application in the country of origin, provided that the application documents as a whole specifically disclose such elements.

I.—

(1) Applications for inventors' certificates filed in a country in which applicants have the right to apply at their own option either for a patent or for an inventor's certificate shall give rise to the right of priority provided for by this Article, under the same conditions and with the same effects as applications for patents.

(2) In a country in which applicants have the right to apply at their own option either for a patent or for an inventor's certificate, an applicant for an inventor's certificate shall, in accordance with the provisions of this Article relating to patent applications, enjoy a right of priority based on an application for a patent, a utility model, or an inventor's certificate.

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Article 6

[*Marks: Conditions of Registration; Independence of Protection of Same Mark in Different Countries*]

(1) The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation.

(2) However, an application for the registration of a mark filed by a national of a country of the Union in any country of the Union may not be refused, nor may a

54a

registration be invalidated, on the ground that filing, registration, or renewal, has not been effected in the country of origin.

(3) A mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin.

Article 6^{bis}

[Marks: Well-Known Marks]

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

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Article 6^{quinquies}

[*Marks: Protection of Marks Registered in One Country of the Union in the Other Countries of the Union*]

A.—

(1) Every trademark duly registered in the country of origin shall be accepted for filing and protected as is in the other countries of the Union, subject to the reservations indicated in this Article. Such countries may, before proceeding to final registration, require the production of a certificate of registration in the country of origin, issued by the competent authority. No authentication shall be required for this certificate.

(2) Shall be considered the country of origin the country of the Union where the applicant has a real and effective industrial or commercial establishment, or, if he has no such establishment within the Union, the country of the Union where he has his domicile, or, if he has no domicile within the Union but is a national of a country of the Union, the country of which he is a national.

B.— Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:

1. when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;

2. when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established

practices of the trade of the country where protection is claimed;

3. when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order.

This provision is subject, however, to the application of Article 10^{bis}.

C.—

(1) In determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use.

(2) No trademark shall be refused in the other countries of the Union for the sole reason that it differs from the mark protected in the country of origin only in respect of elements that do not alter its distinctive character and do not affect its identity in the form in which it has been registered in the said country of origin.

D.— No person may benefit from the provisions of this Article if the mark for which he claims protection is not registered in the country of origin.

E.— However, in no case shall the renewal of the registration of the mark in the country of origin involve an obligation to renew the registration in the other countries of the Union in which the mark has been registered.

F.— The benefit of priority shall remain unaffected for applications for the registration of marks filed within the

57a

period fixed by Article 4, even if registration in the country of origin is effected after the expiration of such period.

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2. The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks adopted at Madrid on June 27, 1989, as amended on October 3, 2006, and on November 12, 2007, provides in relevant part:

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Article 2

Securing Protection through International Registration

(1) Where an application for the registration of a mark has been filed with the Office of a Contracting Party, or where a mark has been registered in the register of the Office of a Contracting Party, the person in whose name that application (hereinafter referred to as “the basic application”) or that registration (hereinafter referred to as “the basic registration”) stands may, subject to the provisions of this Protocol, secure protection for his mark in the territory of the Contracting Parties, by obtaining the registration of that mark in the register of the International Bureau of the World Intellectual Property Organization (hereinafter referred to as “the international registration,” “the International Register,” “the International Bureau” and “the Organization,” respectively), provided that,

(i) where the basic application has been filed with the Office of a Contracting State or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of that Contracting State, or is domiciled, or has a real and effective industrial or commercial establishment, in the said Contracting State,

(ii) where the basic application has been filed with the Office of a Contracting Organization or where the basic registration has been made by such an Office, the

person in whose name that application or registration stands is a national of a State member of that Contracting Organization, or is domiciled, or has a real and effective industrial or commercial establishment, in the territory of the said Contracting Organization.

(2) The application for international registration (hereinafter referred to as “the international application”) shall be filed with the International Bureau through the intermediary of the Office with which the basic application was filed or by which the basic registration was made (hereinafter referred to as “the Office of origin”), as the case may be.

(3) Any reference in this Protocol to an “Office” or an “Office of a Contracting Party” shall be construed as a reference to the office that is in charge, on behalf of a Contracting Party, of the registration of marks, and any reference in this Protocol to “marks” shall be construed as a reference to trademarks and service marks.

(4) For the purposes of this Protocol, “territory of a Contracting Party” means, where the Contracting Party is a State, the territory of that State and, where the Contracting Party is an intergovernmental organization, the territory in which the constituting treaty of that intergovernmental organization applies.

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Article 3ter

Request for “Territorial Extension”

(1) Any request for extension of the protection resulting from the international registration to any Contracting Party shall be specially mentioned in the international application.

(2) A request for territorial extension may also be made subsequently to the international registration. Any such request shall be presented on the form prescribed by the Regulations. It shall be immediately recorded by the International Bureau, which shall notify such recordal without delay to the Office or Offices concerned. Such recordal shall be published in the periodical gazette of the International Bureau. Such territorial extension shall be effective from the date on which it has been recorded in the International Register; it shall cease to be valid on the expiry of the international registration to which it relates.

Article 4

Effects of International Registration

(1) (a) From the date of the registration or recordal effected in accordance with the provisions of Articles 3 and 3*ter*, the protection of the mark in each of the Contracting Parties concerned shall be the same as if the mark had been deposited direct with the Office of that Contracting Party. If no refusal has been notified to the International Bureau in accordance with Article 5(1) and (2) or if a refusal notified in accordance with the said Article has been withdrawn subsequently, the protection of the mark in the Contracting Party concerned shall, as from the said date, be the same as if the mark had been registered by the Office of that Contracting Party.

(b) The indication of classes of goods and services provided for in Article 3 shall not bind the Contracting Parties with regard to the determination of the scope of the protection of the mark.

(2) Every international registration shall enjoy the right of priority provided for by Article 4 of the Paris Convention for the Protection of Industrial Property, without

61a

it being necessary to comply with the formalities prescribed in Section D of that Article.

* * * * *

Article 5

Refusal and Invalidation of Effects of International Registration in Respect of Certain Contracting Parties

(1) Where the applicable legislation so authorizes, any Office of a Contracting Party which has been notified by the International Bureau of an extension to that Contracting Party, under Article 3^{ter}(1) or (2), of the protection resulting from the international registration shall have the right to declare in a notification of refusal that protection cannot be granted in the said Contracting Party to the mark which is the subject of such extension. Any such refusal can be based only on the grounds which would apply, under the Paris Convention for the Protection of Industrial Property, in the case of a mark deposited direct with the Office which notifies the refusal. However, protection may not be refused, even partially, by reason only that the applicable legislation would permit registration only in a limited number of classes or for a limited number of goods or services.

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