

THE WAY IN WHICH TRADEMARK RIGHTS ARE ESTABLISHED DIFFERS WORLDWIDE. MULTI-NATIONAL TRADEMARK REGISTRATION IS SOMETIMES NECESSARY TO REDUCE LEGAL AND FINANCIAL RISKS IN INTERNATIONAL MARKETS.

In the U.S. and some other common law countries, trademark rights are established by usage, not registration. In the U.S., registration is not permitted without evidence of actual usage of the mark in interstate commerce. Moreover, registration can be challenged by showing that the trademark infringes on the rights of a prior good faith user of an identical or confusingly similar mark. In other countries, trademark rights are established by registration, regardless of usage. As a consequence, a business having exclusive legal rights to a trademark in one country might not have exclusive rights to the mark in other countries. This can cause loss of market share, or even expose the company to legal liability in foreign markets in which it becomes active.

Can a U.S. trademark holder enforce its U.S. trademark rights against a foreign competitor?

U.S. courts will enforce U.S. trademark rights against a foreign competitor, but only if the foreign competitor is affecting the U.S. market to some degree. U.S. courts differ, from court to court, as to the level of impact that is required in order to invoke U.S. jurisdiction over the foreign competitor.

How can a company acquire multi-national protection against infringement of its trademark rights?

Although a few international treaties and conventions are in place to aid the enforcement of trademark rights in signatory nations, multi-national trademark protection ordinarily requires multi-national registration. Many individual countries have governmental agencies through which trademark rights are registered. These registrations are separate and distinct from registrations made in other sovereign nations. The United States Patent and Trademark Office oversees the registration of trademarks in the U.S. In Canada, the Canadian Intellectual Property Office manages the process. The European Union offers consolidated registration throughout its member states, known as a Community Trade Mark (CTM).

What are the practical considerations for multi-national trademark registration?

1. Long-term business and marketing plans. If a business plans to launch its trademark in foreign markets over time, multi-national registration should be considered. High visibility of the mark within one country will make it vulnerable to piracy in others.
2. Timing. As stated above, visibility means vulnerability. Saturation marketing should be preceded, not followed, by measures to protect the trademark multi-nationally, subject to the other factors discussed in this section.

3. Expense. Multi-national registration can become very expensive, costing many thousands of U.S. dollars for each registration. The company's anticipated international market share and revenue stream need to be evaluated and weighed against the costs and benefits of multi-national registration.
4. Process. To reduce risk, legal counsel should be retained in the countries in which trademark registration will be sought. In-country legal counsel need to coordinate, if not oversee, the project with foreign counsel. There are lay companies that perform or claim to perform foreign registrations. Such a company may or may not possess suitable legal knowledge or skill to perform the task properly, and should be carefully evaluated before being hired.
5. Contingencies. Before registration is commenced (ideally, before a trademark is selected or used), a careful search for identical or similar existing marks should be conducted. Such searches are never guaranteed to eliminate the risk of unintentional infringement. The trademark registration process can result in the discovery of competing marks that have priority rights. The consequences can include disallowance of registration after great expense or time and resources.

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