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Trademarks--Section 44(d) of the Lanham Act-- Use in Commerce by the Foreign Applicant as a Prerequisite to Securing a United States Trademark Registration--John Lecroy & Son, Inc. v. Langis Foods Ltd.

Robert A. Johnson

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as a matter of policy the extent to which they will protect condominium purchasers and then implement that policy through revisions of their condominium acts.

Trademarks—SECTION 44(d) OF THE LANHAM ACT—USE IN COMMERCE BY THE FOREIGN APPLICANT AS A PREREQUISITE TO SECURING A UNITED STATES TRADEMARK REGISTRATION—*John Lecroy & Son, Inc. v. Langis Foods Ltd.*, 376 F. Supp. 962, 182 U.S.P.Q. 132 (D.D.C. 1974).

During the past 25 years, patent tribunals have alternated between two conflicting positions as to the requirements for foreign applicants seeking United States trademark registrations. *John Lecroy & Son, Inc. v. Langis Foods Ltd.*¹ was hailed as an opportunity for a judicial tribunal to confront this administrative confusion squarely and settle the matter. Instead, the court chose to cast aside the alternatives offered by previous administrative decisions and to forge a third position. Thus, the conclusion of the court, rather than dousing the fires of confusion, has only served to fuel them.

Langis Foods Limited (Langis), a Canadian corporation, filed application in Canada on March 28, 1969, to register the trademark "Lemon Tree."² At this time Langis had not used this mark in either Canada or the United States.³ By September 19, 1969, the date it filed application for registration of Lemon Tree in the United States, Langis had begun using the mark in Canada. As Langis had still not used the mark in the United States, it stated a claim of priority under section 44(d) of the Trademark Act of 1946 (Lanham Act)⁴ which would have given Langis an effective application date of March 28, 1969, the filing date of its Canadian application.

During the interval between Langis' Canadian and United States filing dates, John Lecroy & Son, Inc. (Lecroy), a United States corporation, commenced using the trademark Lemon Tree in the United States,

¹*John Lecroy & Son, Inc. v. Langis Foods Ltd.*, 376 F. Supp. 962, 182 U.S.P.Q. 132, 64 TRADE-MARK REP. 301 (D.D.C. 1974), *appeal docketed sub nom. SCM Corp. v. Langis Foods Ltd.*, No. 74-1841, D. C. Cir., August 26, 1974.

²The trademark "Lemon Tree" is for use in conjunction with dry crystals which when mixed with water create lemonade. *Id.* at 964, 182 U.S.P.Q. at 133, 64 TRADE-MARK REP. at 302.

³Unlike the law in the United States, Canadian law permits an applicant to file for registration of a "proposed" trademark before the mark has actually been used. However, registration is granted only if use of the trademark is commenced within 6 months of the date of the initial filing. In fact, of the more than 70 nations subscribing to the International Convention for the Protection of Industrial Property, [1962] 1 U.S.T. 1, T.I.A.S. No. 4931, no more than three require use prior to the filing of an application. *John Lecroy & Son, Inc. v. Langis Foods Ltd.*, 177 U.S.P.Q. 717, 64 TRADE-MARK REP. 308 (T.T.A.B. 1973), *vacated*, 376 F. Supp. 962, 182 U.S.P.Q. 132, 64 TRADE-MARK REP. 301 (D.D.C. 1974), *appeal docketed sub nom. SCM Corp. v. Langis Foods Ltd.*, No. 74-1841, D.C. Cir., August 26, 1974.

⁴Lanham Act § 44(d), 15 U.S.C. § 1126(d) (1970).

and, on June 18, 1969, filed its application with the United States Patent Office to register the mark. The Patent Office awarded registration of the mark to Langis. When Lecroy's petition to cancel this registration was denied by the Trademark Trial and Appeal Board,⁵ Lecroy made application to the District Court for the District of Columbia for review of the Board's decision. The court, in vacating the decision of the Trademark Trial and Appeal Board, held that, pursuant to section 2(d) of the Lanham Act⁶ which prohibits the registration of a mark previously used in the United States by another, Langis was not entitled to registration of the mark Lemon Tree.⁷

I. BACKGROUND

Common law trademark rights, referred to collectively as the right to exclusive use of a mark within the territorial bounds of the merchant's commercial activity, arose when a mark came to symbolize the goodwill of the merchant or manufacturer in his product.⁸ Since this goodwill developed by sale of goods in association with the mark,⁹ a merchant established rights in a trademark by using the mark in trade.¹⁰ The date of first sale of the goods bearing the trademark became the date of first use of the mark.¹¹

These common law trademark rights and rules for establishing such rights are preserved in section 1 of the Lanham Act.¹² After common law

⁵John Lecroy & Son, Inc. v. Langis Foods Ltd., 177 U.S.P.Q. 717, 64 TRADE-MARK REP. 308 (T.T.A.B. 1973), *vacated*, 376 F. Supp. 962, 182 U.S.P.Q. 132, 64 TRADE-MARK REP. 301 (D.D.C. 1974), *appeal docketed sub nom.* SCM Corp. v. Langis Foods Ltd., No. 74-1841, D.C. Cir., August 26, 1974.

⁶Lanham Act § 2(d), 15 U.S.C. § 1052(d) (1970).

⁷This case note will not deal with the conflicting claims of Lecroy and Langis in the marks "Apple Tree," "Orange Tree," and "Lime Tree." Lecroy's applications to register Apple Tree and Lime Tree were filed with the Patent Office on July 22, 1970, and Langis' applications to register the marks Apple Tree and Orange Tree were filed on September 19, 1969. In August, 1971, the Patent Office published Langis' marks Apple Tree and Orange Tree in its "Official Gazette" for the purposes of opposition. In response Lecroy instituted oppositions to defendant's Apple Tree and Orange Tree. In its decision the Trademark Trial and Appeal Board dismissed Lecroy's oppositions to defendant's marks. The district court remanded Lecroy's oppositions to the Trademark Trial and Appeal Board for further proceedings consistent with its treatment of the mark Lemon Tree.

Also, this case note does not confront the situation of the foreign applicant who has failed to allege any use whatsoever. The case under examination presents only the problem of a foreign applicant who, while alleging use in his country of origin, has failed to allege use in the United States.

⁸*See, e.g.*, United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1918).

⁹*Id.*

¹⁰*See, e.g.*, Hanover Star Milling Co. v. Metcalf, 240 U.S. 403 (1916).

¹¹*See, e.g.*, West Disinfecting Co. v. Onorato, 113 U.S.P.Q. 200, 47 TRADE-MARK REP. 782 (C.C.P.A. 1957); Coahoma Chemical Co. v. Smith, 113 U.S.P.Q. 413, 47 TRADE-MARK REP. 1135 (Comm'r 1957).

¹²Lanham Act § 1, 15 U.S.C. § 1051 (1970).

rights in a trademark have been created by use in trade, a person may create additional rights in a trademark under section 1, via federal registration of the mark. One of these valuable statutory rights is that registration is prima facie evidence of the right to exclusive use of the mark.¹³ After 5 years of use the owner's rights in the registered mark become incontestable, the certificate of registration serving as conclusive evidence of ownership and the right to exclusive use of the mark.¹⁴

In order to qualify for these statutory rights, the Lanham Act requires use of the mark in commerce which Congress may lawfully control.¹⁵ Therefore, to successfully register a mark under the Lanham Act, two different uses must be established: the "use" which ties the mark to the product, thus creating common law rights, and the "use in [interstate] commerce" which makes the trademark eligible for federal registration.¹⁶

Foreign merchants have always been able to file applications in the United States for trademarks by complying with the above prescribed requirements.¹⁷ In addition, foreign applicants have other avenues available for filing United States trademark applications under the International Convention for the Protection of Industrial Property (Paris Union Treaty).¹⁸ The basic tenet of the Paris Union Treaty is that the same rights and advantages that are available to citizens of one signatory country shall be equally available to foreign nationals from other signatory countries. These rights are to be extended without prejudice to the rights specially provided in the Treaty itself.¹⁹

One of the alternative courses the foreign applicant can pursue in filing the United States application is set forth in article 4 of the Treaty.²⁰

¹³Lanham Act § 33(a), 15 U.S.C. § 1115(a) (1970).

¹⁴Lanham Act § 33(b), 15 U.S.C. § 1115(b) (1970).

¹⁵Lanham Act § 1, 15 U.S.C. § 1051 (1970). Transportation in commerce of the goods that bear the mark is sufficient to meet the registration requirement of "use in commerce." See, e.g., *Procter & Gamble Co. v. Jacqueline Cochran, Inc.*, 102 U.S.P.Q. 449, 45 TRADE-MARK REP. 330 (Comm'r 1954).

¹⁶Zelnick, *Foreign Trademark Applicants and Registrants and the Requirement of Use: The Right to Register*, 52 TRADE-MARK REP. 641, 643 (1962) [hereinafter cited as Zelnick].

¹⁷Offner, *Requirements for Filing Trademark Applications by Foreigners in the United States of America*, 55 TRADE-MARK REP. 1074 (1965).

¹⁸[1962] 1 U.S.T. 1, T.I.A.S. No. 4931.

¹⁹*Id.* at 26. Article 2 of the Paris Union Treaty reads, in part, as follows:

(1) Nationals of each of the countries 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 hereinafter grant, to nationals, without prejudice to the rights specially provided by the present Convention.

²⁰*Id.* at 27-29. Article 4 of the Paris Union Treaty provides, in part, as follows:

A. — (1) A person who has duly filed an application . . . for the registration of a . . . trademark, in one of the countries of the Union, or his successors in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter stated.

(2) Every filing that is equivalent to a regular national filing under the domestic law

It provides that the foreign applicant of a country adhering to the Paris Union Treaty is entitled to a right of priority — a filing date equal to his filing date in his country of origin — if he files an application in any other country participating in the Treaty within 6 months from the date on which the application was first filed in the country of origin.²¹ This right of priority cannot be invalidated by any intervening act. Whether it be another filing or even use of the mark itself, such acts cannot give rise to any right of third parties.²²

In the United States, section 44(d) of the Lanham Act is the statutory restatement of the article 4 priority provision.²³ Section 44(d) grants priority to the foreign applicant who has previously filed an application for registration of the same mark in one of the countries of the Union if two conditions are met. First, the application must be filed within 6 months of the date on which the application was filed in the foreign country. Second, the United States application must conform as nearly as practicable to the requirements of the Lanham Act, though use in commerce need not be alleged.²⁴

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 . . . whatever may be the outcome of the application.

B. — Consequently, the subsequent filing in any of the other countries of the Union before the expiration of those periods shall not be invalidated through any acts accomplished in the interval, as, for instance, by another filing . . . or by use of the mark, and these acts cannot give rise to any right of third parties, or of any personal possession.

C. — (1) The above-mentioned periods of priority shall be . . . six months for . . . trademarks.

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 will determine the latest permissible date for making such declaration.

²¹*Id.* at 27.

²²*Id.*

²³S. REP. NO. 1333, 79th Cong., 2d Sess. 4-5 (1946). Section 44(d) of the Lanham Act is set forth, in part, at note 24 *infra*. Article 4 of the Paris Union Treaty is set forth, in part, at note 20 *supra*.

²⁴Lanham Act § 44(d), 15 U.S.C. § 1126(d) (1970). This section reads, in part, as follows:

(d) An application for registration of a mark under sections 1051, 1052, 1053, 1054 or 1091 of this title, 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) of this section 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, but use in commerce need not be alleged;

(3) the rights acquired by third parties before the date of the filing of the first application in the foreign [*sic*] country shall in no way be affected by a registration

Administrative interpretation of the requirements of foreign applications under section 44 has undergone radical alterations. The Commissioner of Patents gave the first authoritative interpretation of the requirements under this section in *British Insulated Callender's Cables Ltd.*²⁵ A British merchant had filed a United States application based on a registration in Great Britain. No use had been made of the trademark anywhere by the British applicant, and therefore specimens could not be filed as ordinarily required of United States applicants.²⁶ Petitioning the court to withdraw the specimen requirement, the British applicant relied on section 44(e) of the Lanham Act which provides, in part, as follows: "A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible . . ."²⁷

The Commissioner focused, however, on section 44(c) of the Lanham Act which declares that no registration of a mark in the United States shall be granted a foreign applicant until that mark has been registered in the country of origin of the applicant, unless use in commerce is alleged.²⁸ From his examination of section 44(c), the Commissioner concluded that section 44(e) did not eliminate for the foreign applicant any of the requisites for registration except the requirement to allege use in commerce.²⁹ The Commissioner concluded that an allegation of use "somewhere," most commonly in the foreign applicant's country of origin, was required. As the British merchant had made no allegation of use whatsoever, its application was deemed incomplete and was not accepted for examination.³⁰

Societe Fromageries Bel,³¹ the so-called *Merry Cow* case,³² expressly overruled *Insulated Callender's*.³³ *Merry Cow* reasoned that the provisions of the Paris Union Treaty obligated the United States to eliminate for the foreign applicant applying under section 44 of the Lanham

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.

²⁵83 U.S.P.Q. 319, 39 TRADE-MARK REP. 1057 (Comm'r 1949).

²⁶*Id.*

²⁷Lanham Act § 44(e), 15 U.S.C. § 1126(e) (1970).

²⁸Lanham Act § 44(c), 15 U.S.C. § 1126(c) (1970). This section reads, in part, as follows:

(c) 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.

²⁹83 U.S.P.Q. at 320, 39 TRADE-MARK REP. at 1058.

³⁰*Id.*

³¹105 U.S.P.Q. 392, 45 TRADE-MARK REP. 846 (Comm'r 1955).

³²*Societe Fromageries Bel* is known as the *Merry Cow* case as it involved a trademark comprising a design illustration of the head of a laughing cow subscribed with the words "The Merry Cow." *Id.* at 393, 45 TRADE-MARK REP. at 847.

³³*Id.* at 398, 45 TRADE-MARK REP. at 855.

Act not just the requirement of use in United States commerce, but any requirement of use whatsoever. The Commissioner based his holding on the provisions of article 6 of the Treaty which provide that trademarks properly registered in the country of origin shall be admitted for registration in the form originally registered.³⁴ In summarizing his analysis of article 6, the Commissioner observed:

Reduced to its simplest form, Article 6 merely means that when registration of a mark has issued in an applicant's home country ("country of origin") in accordance with the law of that country, the United States Patent Office will, upon receipt of a properly executed application, a copy of the home registration, a drawing of the mark, and the filing fee, accept the foreign registration at face value and issue a registration in the United States³⁵

Seven years after the *Merry Cow* decision, the Patent Office published a change in rule 2.39 of the Rules of Practice in trademark cases. The amended rule 2.39 explicitly permitted omissions of "use in commerce" allegations by foreign applicants under section 44 of the Lanham Act.³⁶ The question remained, however, whether applications which alleged no use whatsoever would continue to be accepted under *Merry Cow*.³⁷

This question was answered in *Certain Incomplete Trademark Applications*³⁸ where the Commissioner adopted the position of *Insulated Calender's*, holding that foreign applicants relying on their home registration must allege use somewhere and file specimens of the mark used.³⁹

³⁴ [1962] 1 U.S.T. 34, T.I.A.S. No. 4931. Article 6 of the Paris Union Treaty reads, in part, as follows:

A. — (1) Every trademark duly registered in the country of origin shall be accepted for filing and protected in its original form in the other countries of the Union, subject to the reservations indicated in the present Article. . . .

. . . .

B. — Trademarks under the present Article may not be denied registration or 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 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 law relating to trademarks, except where such provision itself relates to public order.

³⁵105 U.S.P.Q. at 398, 45 TRADE-MARK REP. at 854.

³⁶37 C.F.R. § 2.39 (1974).

³⁷*John Lecroy & Son, Inc. v. Langis Foods Ltd.*, 376 F. Supp. at 966, 182 U.S.P.Q. at 134, 64 TRADE-MARK REP. at 304-05.

³⁸137 U.S.P.Q. 69, 53 TRADE-MARK REP. 577 (Comm'r 1963).

³⁹*Id.* at 76-77, 53 TRADE-MARK REP. at 585-87. Reviewing article 6, which served as the

The Trademark Trial and Appeal Board decided the precursor of the instant case on May 7, 1973, in favor of the Canadian applicant, Langis.⁴⁰ By its decision, the Board reverted, in a short and confusing opinion,⁴¹ to the *Merry Cow* decision which declared that a foreign applicant under section 44 of the Lanham Act need not allege use in commerce, nor any use whatsoever.⁴²

II. INSTANT CASE

In reviewing the Trademark Trial and Appeal Board's decision, the District Court for the District of Columbia examined articles 2, 4, and

foundation of the holding in *Merry Cow*, the Commissioner pointed out that the applicable provisions of article 6 deal only with the trademark itself, that is, the words and symbols which constitute the mark. *Id.* at 72, 53 TRADE-MARK REP. at 580. By analyzing the original Convention proceedings, the Commissioner became convinced that the article stood only for the following proposition:

[I]f a trademark has already been registered in one country, then a second country in which registration is sought cannot object to the mark itself with respect to its nature, except on the grounds specified in paragraph B.

Id.

The Commissioner buttressed his conviction by noting that in Lisbon, in 1958, a new provision had been inserted as a preface to article 6 which reads, in part, as follows: "(1) The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic law." [1962] 1 U.S.T. 31, T.I.A.S. No. 4931. From this provision, the Commissioner concluded that article 6 never did and does not now control the conditions and formalities required by a country for obtaining a registration. 137 U.S.P.Q. at 72, 53 TRADE-MARK REP. at 580.

⁴⁰177 U.S.P.Q. 717, 64 TRADE-MARK REP. 308.

⁴¹Part of the confusion stemmed from the Board's apparent misunderstanding of the facts of the case before it. The Board stated that the Canadian applicant, Langis, had not alleged use at the time of the filing of its Canadian application, or even by the time the United States application was filed. *Id.* at 718, 64 TRADE-MARK REP. at 309; 376 F. Supp. at 964 n.1, 182 U.S.P.Q. at 133 n.1, 64 TRADE-MARK REP. at 302 n.1. However, it appears the mark was alleged to have been in use in Canada prior to the filing of the United States application. Derenberg, *The Myth of the Proposed International Trademark "Registration" Treaty (TRT)*, 63 TRADE-MARK REP. 531, 545 n.52 [hereinafter cited as Derenberg]. Indeed, the United States application included specimens of the mark as the mark had been used. It was precisely the allegation of use and the inclusion of specimens that permitted Langis' application to be processed normally. *Id.* Inasmuch as the United States application did include foreign use allegations and specimens, this was not the proper case to discuss *Incomplete Trademark Applications*, let alone overrule it. *Id.*

⁴²Some members of the United States trademark profession intimate that the Board's decision was inspired by the Trademark Registration Treaty (TRT) which permits the initial registration of totally unused marks. The Trademark Registration Treaty has not yet been ratified by the United States and is opposed by some of its largest and most prestigious professional groups, including the New York Patent Law Association and the Association of the Bar of the City of New York. Derenberg, *supra* note 41, at 546.

At the center of the Trademark Registration Treaty is a provision for a single international filing of trademark applications. All fees for the registrations would be paid to the World Intellectual Property Organization in Geneva. After the international registration is issued, each participating nation would apply its own substantive laws. Arguments for and against TRT are set forth in brief in 43 U.S.L.W. 2087. The Trademark Registration Treaty is explored in depth by a series of articles in 63 TRADE-MARK REP. 218 (1973).

6 of the Paris Union Treaty which formed the foundation of Langis' argument that:

[W]here a foreign applicant applies for registration of a mark not previously used in commerce in the United States, but which is subject of an application for registration in a foreign country, the Treaty automatically awards such applicant a use date in the United States of the date of the foreign application.⁴³

The court began its analysis with article 2, noting that it provided no basis for granting superior substantive rights to foreign applicants.⁴⁴ The only requirement of this article, the court declared, is "that the same rights and advantages available to citizens of one signatory country be equally available to foreign nationals from other signatory countries."⁴⁵

The court, in dismissing any support for the Board's decision based on article 6 of the Convention, merely referred to the Commissioner's "substantial and scholarly analysis," of the meaning and purpose of that article as found in *Incomplete Trademark Applications*.⁴⁶ The court agreed that article 6 does not control the conditions required by a country for obtaining a registration, but only eliminates objections to trademarks because of the inherent nature or form of the mark itself.⁴⁷

The court dealt tersely with article 4 of the Convention, upon which Langis also relied. The court observed that this article relates only to the procedural right of priority for applications based on a previously filed foreign application. The court concluded, "There is nothing in article 4 concerned with the requirements necessary for registration."⁴⁸

The court concluded by instructing foreign and domestic applicants how to obtain rights in a trademark in the United States. The court declared, "[P]rior right in a trademark in the United States depends on priority of use in the United States and is not affected by priority of use in a foreign country."⁴⁹ With this instruction the court went beyond the requirements set forth in *Insulated Callender's* and *Incomplete Trademark Applications* and declared insufficient their requirement of use "somewhere." Without the required "use in commerce" the foreign applicant is not eligible for a United States trademark registration.⁵⁰

⁴³376 F. Supp. at 965, 182 U.S.P.Q. at 133, 64 TRADE-MARK REP. at 303.

⁴⁴*Id.*, 182 U.S.P.Q. at 134, 64 TRADE-MARK REP. at 304.

⁴⁵*Id.*

⁴⁶*Id.* at 966, 182 U.S.P.Q. at 134, 64 TRADE-MARK REP. at 305.

⁴⁷*Id.*

⁴⁸*Id.*

⁴⁹*Id.* at 967, 182 U.S.P.Q. at 135, 64 TRADE-MARK REP. at 307. The court, in support of this view, cites two recent cases, *Sterling Drug Inc. v. Kroll A.-G. Chemische Fabriken*, 159 U.S.P.Q. 628 (T.T.A.B. 1968) and *Cooper's, Inc. v. Jockey Shoe Polish, Inc.*, 149 U.S.P.Q. 704 (T.T.A.B. 1966). Both cases confront the issue of priority rights for foreign applicants superficially and add little, if anything, to the analysis conducted in the instant case.

⁵⁰376 F. Supp. at 967, 182 U.S.P.Q. at 135, 64 TRADE-MARK REP. at 307.

As Langis presented no testimony of "use in commerce," the court restricted Langis to its filing date in the United States.⁵¹ Noting that Lecroy's use in commerce was prior to Langis' United States filing date, the court held that Langis was not entitled to registration of the mark Lemon Tree.⁵²

III. ANALYSIS

Prior to *Lecroy*, cases like *Insulated Callender's* and *Incomplete Trademark Applications* attempted to preserve the common law notion that trademark rights arise from use in trade. Both cases seem to say that use must be alleged in the United States applications but that the use need not be in the United States. The common law, however, declares that use in the foreign applicant's home country is only sufficient to create rights in that country. Trademark rights are territorial rights, and use abroad creates no right to a mark in the United States. To allow use in a foreign country to create rights in the United States is a significant departure from the common law, a departure that approaches a rejection of use requirements for foreigners entirely, the "ill" *Insulated Callender's* and *Incomplete Trademark Applications* were apparently designed to cure.⁵³

The district court's decision in *Lecroy* is significant as it re-equates territorial rights with territorial use. *Lecroy* demands that because the benefits created by the Lanham Act are completely internal to the United States, the use that must be alleged by a foreign applicant is use of the trademark in commerce which Congress may lawfully regulate. The court declares, "Use of a trademark outside the United States, therefore, does not establish or create rights which can be asserted in an *inter partes* proceeding."⁵⁴

The weakness with this decision is that it is at odds with the demands of the Paris Union Treaty and section 44(d) of the Lanham Act. Section 44(d) of the Lanham Act is grounded upon article 4 of the Paris Union Treaty. Article 4 grants a right of priority to a person who has filed a trademark application in one of the countries of the Union for the purpose of filing in other countries, so long as the subsequent filing is made before the expiration of the 6-month priority period.⁵⁵ This article also

⁵¹*Id.* at 968, 182 U.S.P.Q. at 135, 64 TRADE-MARK REP. at 307.

⁵²*Id.* at 968, 182 U.S.P.Q. at 135, 64 TRADE-MARK REP. at 307-08.

⁵³Zelnick, *supra* note 16, at 650.

⁵⁴376 F. Supp. at 967, 182 U.S.P.Q. at 135, 64 TRADE-MARK REP. at 307. *Lecroy* became the first case in which the Treaty priority provisions were examined in the context of an *inter partes* proceeding, i.e., opposition and cancellation. No distinction was or should have been drawn in this regard between *ex parte* and *inter partes* proceedings. Derenberg, *supra* note 41, at 547.

⁵⁵[1962] 1 U.S.T. 27-28, T.I.A.S. No. 4931. Article 4 of the Paris Union Treaty is set forth, in part, at note 20 *supra*.

specifies that acts occurring after the priority date cannot invalidate the foreign applicant's right of priority in the country of second filing to register his mark.⁵⁶

Section 44 of the Lanham Act, drafted to give effect to article 4 of the Treaty, restricts the rights of third parties to those acquired "before the date of the filing of the first application in the foreign country."⁵⁷ The federal statute is, therefore, consistent with the Treaty in providing that acts by third parties after that date cannot restrict the foreign applicant's right to registration of his mark if the filing by the foreign applicant is made within the 6-month priority period. Section 44(d) of the Lanham Act and the Paris Union Treaty combine to create in foreign owners who may never have used the mark in the United States a substantive right to obtain a registered trademark with priority rights over third parties who have intervened during the limited period.

The language of section 44(d)(4) of the Lanham Act provides a further argument against the court's position that all registration applications must include an allegation of "use in commerce."⁵⁸ Subsection (d) of section 44 declares, in part:

(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.⁵⁹

Simply, section 44 must provide another method for foreign applicants to secure a United States trademark registration. Otherwise there would be no purpose to subsection (d)(4) because the express exception included therein, "unless the registration is based on use in commerce," would include all cases and would swallow the rule. The "exception" incorporated in the rule of subsection (d)(4), however, is not useless. Properly interpreted, section 44(d) of the Lanham Act provides a second avenue to obtain a United States trademark registration that does not require an allegation of "use in commerce."⁶⁰

⁵⁶*Id.*

⁵⁷Lanham Act § 44(d), 15 U.S.C. § 1126(d) (1970). This section is set forth, in part, at note 24 *supra*.

⁵⁸Subsection (c) of § 44 of the Lanham Act, set forth, in part, at note 28 *supra*, could be used to construct a similar argument.

⁵⁹Lanham Act § 44(d), 15 U.S.C. § 1126(d) (1970). This section is set forth, in part, at note 24 *supra*.

⁶⁰Statements made in numerous hearings before congressional committees considering the Lanham Act further substantiate the proposition that a foreign applicant may secure a United States trademark without alleging "use in commerce."

An excerpt from *Hearings on H.R. 4744 Before the Subcomm. on Trade-marks of the House Comm. on Patents, 76th Cong., 1st Sess. 171 (1939)* reads as follows:

Mr. Rogers. . . . There are two kinds of registration permitted foreigners. If a foreigner uses a mark in this country, he is entitled to register on the basis of use. If he has not

Article 2 of the Paris Union Treaty is not contrary to the provisions of article 4 and section 44(d) of the Lanham Act. While article 2 provides that "[n]ationals of each of the countries of the Union shall . . . enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals," this is to be done "without prejudice to the rights specially provided by the present Convention."⁶¹ Thus, when the instant court declares that the only requirement of this article is that the same rights and advantages available to nationals shall be equally available to foreign nationals, the court is closing its eyes for the sake of its argument to the mandate that there are rights specially provided by the Treaty that are not to be prejudiced. One of these rights is the priority right of article 4 which is extended to all foreign applicants who properly apply and qualify under the priority provisions of section 44(d) of the Lanham Act.

A definitive examination of the provisions of article 6 of the Paris Union Treaty was conducted in *Incomplete Trademark Applications*. There the Commissioner pointed out that article 6 deals only with the trademark itself, that is, the words and symbols which constitute the mark. It should be emphasized that article 6 does not in any fashion modify the priority provisions of article 4. Article 6 merely directs any inquiry as to the requirements for the filing and registration of trademarks in a country that is a party to the Treaty to that country's domestic law.⁶²

Under the facts of the *Lecroy* case, section 44(d) of the Lanham Act is the domestic law that sets forth applicable conditions for the filing and registration of trademarks. Langis, who previously duly filed an application for registration of the mark Lemon Tree in Canada, applied for registration of the same mark in the United States. The application was filed in the United States within 6 months from the date on which the application was first filed in Canada; this satisfied the first of two requirements set forth in subsection (d).⁶³

used it in this country, then he is entitled to registration under the convention, which does not require use here.

The same view is expressed in the following exchange from *Hearings on H.R. 82 Before a Subcomm. of the Senate Comm. on Patents*, 78th Cong., 2d Sess. 124 (1944):

Mr. Frazer. . . . A foreign applicant for registration who presents his home registration does not have to use the mark in the United States and has not had to since the act of 1905.

Senator Pepper. Is there any reason why he should have the right to register his mark without showing use?

Mr. Frazer. Nothing except the convention.

⁶¹ [1962] 1 U.S.T. 26, T.I.A.S. No. 4931. Article 2 of the Paris Union Treaty is set forth, in part, at note 19 *supra*.

⁶² [1962] 1 U.S.T. 31, T.I.A.S. No. 4931. The preface to article 6 of the Paris Union Treaty is set forth, in part, at note 39 *supra*.

⁶³Lanham Act § 44(d), 15 U.S.C. § 1126(d) (1970). This section is set forth, in part, at note 24 *supra*.

The second requisite demands that Langis' application conform as nearly as practicable to the requirements of the Lanham Act, but "use in commerce" need not be alleged.⁶⁴ Thus, a foreign applicant is required to comply with all but one of the requirements of section 1 of the Lanham Act. Section 1 provides that a verified written application must be filed specifying, *inter alia*, "the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used, and the mode or manner in which the mark is used in connection with the goods."⁶⁵

Langis complied with each of the foregoing conditions, except Langis did not specify the date of its first use of the mark in commerce.⁶⁶ It was due to the absence of this allegation that the district court found Langis' application fatally deficient.⁶⁷ It is clear, however, that in doing so the court ignored precise statutory language on this point. The statute declares that "use in commerce need not be alleged."⁶⁸ Langis was not required to assert such use, and the district court erred in holding contrariwise.⁶⁹

IV. CONCLUSION

Because Langis satisfied the requirements of section 44(d), its United States application should have been 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."⁷⁰ Lecroy was entitled to no use date prior to Langis' Canadian filing date. Therefore, the mark Lemon Tree should have been registered to Langis.⁷¹

⁶⁴*Id.*

⁶⁵Lanham Act § 1, 15 U.S.C. § 1051 (1970).

⁶⁶376 F. Supp. at 968, 182 U.S.P.Q. at 135, 64 TRADE-MARK REP. at 307.

⁶⁷*Id.*

⁶⁸Lanham Act § 44(d), 15 U.S.C. § 1126(d) (1970). This section is set forth, in part, at note 24 *supra*.

⁶⁹The Commissioner of Patents filed a memorandum in support of the motion for reconsideration of the *Lecroy* opinion. Therein the Commissioner argued strongly against requiring Langis to allege "use in commerce." The Commissioner wrote:

The Commissioner appreciates the fact that in the opinion filed May 29, 1974, the Court concludes use in the United States is required. However, if this be so in every case where priority is claimed, why would Congress provide in § 1126(d)(2) that "use in commerce need not be alleged"? The Court's answer, respectfully, seems to be that Section 1 of the Act (15 U.S.C. § 1051) requires every registration of a trademark to be based on use of the trademark. If use were required in every instance, it would appear that Congress was performing an exercise in futility in providing "use in commerce need not be alleged" in § 1126(d)(2).

⁷⁰Lanham Act § 44(d), 15 U.S.C. § 1126(d) (1970). This section is set forth, in part, at note 24 *supra*.

⁷¹Under article 5C(1) of the Paris Union Treaty, [1962] 1 U.S.T. 30, T.I.A.S. No. 4931, Langis would then have a reasonable period to begin use of the mark in the United States before the registration could be cancelled. Article 5C(1) states as follows:

The House and Senate Committee Reports which accompanied House Resolution 1654, which became the Trademark Act of 1946, read in part:

Industrialists in this country have been seriously handicapped in securing protection in foreign countries due to our failure to carry out, by statute, our international obligations. . . . To remedy this discreditable situation is merely an act of international good faith.

This bill attempts to accomplish these various things:

. . . .

2. To carry out by statute our international commitments to the end that American traders in foreign countries may secure the protection to their marks to which they are entitled.⁷²

The court has disregarded plain statutory language in demanding the allegation of "use in commerce" by a foreign applicant claiming the priority benefits of section 44(d) of the Lanham Act. As a result, industrialists in this country may once again be seriously handicapped in securing protection in foreign countries. This time, however, failure to carry out our international obligations will not lie for want of suitable statutory expression, rather failure will rest with the courts. To remedy *this* discreditable situation is merely an act of international good faith.⁷³

If, in any country, the use of a registered trademark is compulsory, the registration shall not be cancelled until after a reasonable period, and then only if the person concerned cannot justify his inaction.

⁷²S. REP. NO. 1333, *supra* note 23.

⁷³It appears that any failure to honor Paris Union Treaty commitments will not rest with the District Court for Eastern North Carolina. In *American Petrofina, Inc. v. Brown*, Civil No. 1329, — F. Supp. — (E.D.N.C. 1974), rendered September 12, 1974, Judge Dupree of that court declared that the owner of a trademark registered in a foreign country can obtain registration of the mark in the United States under the provisions of the Paris Union Treaty without prior use in United States commerce.

Plaintiff was engaged in international trade using the tradename "Petrofina" and the trademark "FINA" when that mark was registered in Canada. Petrofina then used its Canadian registration as a basis for an application for registration in the United States in 1954. Plaintiff's United States registration was issued in January 1956, and Petrofina began using the mark in the United States in October 1956. Meanwhile, Brown initiated its use of the mark FINA in the United States in August 1956.

The court, in granting judgment as a matter of law to Petrofina, rejected Brown's argument that *Lecroy* required a finding in defendant's favor. The court found it "difficult to reconcile Judge Hart's ruling [in *Lecroy*] with the provisions of 15 U.S.C. Section 1126(d)."