Budweiser or Budweiser, 32 J. Marshall L. Rev. 1251 (1999)

Jitka Smith
BUDWEISER OR BUDWEISER?

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INTRODUCTION

A battle-worn lawyer in his mid-fifties emerges from the age-old, wrought iron gate of England’s massive stone Chancery Court building.¹ With resignation, he covers his head with the files he holds in his hands to protect himself from the incessant British drizzle. Down the court’s heavy stone steps, he crosses the street toward a traditional English pub. The pub’s glowing yellow windows promise warmth and escape. He gathers himself, then makes his way through the crowd toward his defeated and pensive legal team consoling themselves at a table near the fire. Suddenly overtaken with a spirit of defiance, he orders a round of Budweiser² for the entire table to ease the pain of losing the trademark dispute between the Americans and Czechs over the rights to use “Budweiser” in England. The pints arrive and all eagerly grab a glass. A sudden silence overtakes the table as the young lawyers, eyes darting, look to each other for help. All eyes are on the head lawyer as he sips his frothy pint. He freezes, then spits out the offending hoppy liquid and shouts at the waiter, “I ordered American Budweiser, take this away!” The waiter grabs for the pints but the young lawyers refuse to let go of their glasses. Finally, one speaks up in a weak voice, “But what are we to drink?!”³

* J.D./LL.M. Candidate, June 2000. The Author would like to thank Professor Doris E. Long of The John Marshall Law School, Chicago, Illinois, for her help and guidance on this Comment.

¹ This hypothetical is based on a Czech television commercial. The story is derived from the decision of the United Kingdom Chancery division in the 1998 trademark dispute over “Budweiser” between Anheuser-Busch and Budejovicky Budvar. Anheuser-Busch, Inc. v. Budejovicky Budvar, NP. [1998] RPC 669.

² “Budweiser” is a registered trademark of Anheuser-Busch in the United States and other countries. It is also a registered trademark of Budejovicky Budvar in the Czech Republic and other countries.

³ Anheuser-Busch, Inc. v. Budejovicky Budvar, NP. [1998] RPC 669. The court upheld the lower court and the registrar’s decisions allowing the concurrent registration of “Budweiser” to both parties. Id. Budejovicky Budvar has been selling its Budweiser in the United Kingdom since 1973. Id. In 1979, Budejovicky Budvar had sold one million bottles in the UK. Id. Anheuser-Busch did not export any Budweiser beer before 1974, and its sales
This story encapsulates the protracted battle between Anheuser-Busch and Budvar over the rights for the trademark "Budweiser." The subtext of the story strikes at the core of the broader issues that surround international trade in a global economy. This Comment uses the "Budweiser" dispute to illustrate how the vagueness of international trade agreements is responsible for the inconsistency in trade dispute resolutions, and what role culture may play in the process of unifying international trademark laws.

Part I of this Comment outlines the history of the Budweiser dispute. Part II summarizes the pertinent local and international legal background. Focusing on the growing dependency of world markets, Part III analyzes the role of a trademark in an international context. Finally, by outlining new aspects in the role a trademark plays in the international arena of trade, Part IV of this Comment proposes additional requirements that should be considered in resolving disputes similar to the Budweiser case.

I. HISTORY OF THE BUDWEISER DISPUTE

Americans have been drinking Budweiser for the last hundred years; it dominates the American beer market with an approximate market share of forty-five percent. Budweiser was first sold by Mr. Conrad, who enjoyed the Bohemian beer on a journey through Europe in the 1870s and decided to bring the recipe to America. After a couple of years, Mr. Conrad established a small brewery in St. Louis, Missouri, and soon merged it with a small family brewery owned by Anheuser and Busch. This merger was an instant success.

between 1974 and 1979 totaled about 240,000 cans. Id. The court found a dual reputation and based its ruling on evidence which included interviews with bartenders, restaurant owners, waitresses and consumers. Id. The court also found that no risk of confusion or deception is present: "the consumer is aware which beer he prefers." Id.

4. Anheuser-Busch is a United States Corporation, incorporated and located in St. Louis, Missouri.

5. Budejovicky Budvar is a Czech company having its seat in the town of Ceske Budejovice.


7. Id.

8. Id.; The Corporate Overview of Anheuser-Busch Co., Inc. (visited Sept. 20, 1998) <http://www.anheuser-busch.com> [hereinafter Anheuser-Busch home page]. Anheuser-Busch's subsidiaries include large breweries, the second largest United States manufacturer of aluminum beverage containers, and theme-park operators. Id. The corporation "has interest in malt production, rice milling, real estate development, turf farming, .... metalized and paper label printing, railcar repair and transportation services." Id. Its sales for 1997 exceeded 100 million barrels (including equity volume). Id. Its
To acquire sole rights to the trademark "Budweiser," Anheuser-Busch had to resolve disputes with other American breweries and beer distributors from Europe using the same name.\(^9\) In 1911, Anheuser-Busch entered into a series of agreements with the Burgerliches Brauhaus, Cesky Akciovy pivovar in Budweis.\(^{10}\) The agreements stipulated that Anheuser-Busch could use the word "Budweiser" as a trademark anywhere in the world outside of Europe.\(^{11}\) However, the Budweis brewer

main trademarks are Budweiser, Bud, A&Eagle, Bud Light, Bud Ice King of Beers, Michelob, Busch, Busch Light, O'Doul's and Kingsmill. \(^{Id.}\)

9. See Anheuser-Busch Brewing Ass'n v. Fred Miller Brewing Co., 87 F. 864, 865 (E.D. Wis. 1898) (discussing the great value of goodwill Anheuser-Busch invested into its trademark Budweiser). Anheuser-Busch's goodwill in the name Budweiser was the sole reason for the court to find unfair competition in the case against Fred Muller Brewing Company. \(^{Id.}\) Anheuser-Busch also alleged that the defendant's beer is of inferior quality and that the defendant's labels and bottles constitute on their face a palm-off action. \(^{Id.}\) These additional grounds for complaint were found to have no merit. \(^{Id.}\) The defendant argued that the name Budweiser was open to any manufacturer in the United States as a name of a process. \(^{Id.}\) The court held, however, that the name was introduced and became known in the United States only through Anheuser-Busch's St. Louis production. \(^{Id.}\) The court summarized that the beer was made from materials imported from the brewery in Budweis, the beer's original manufacturer. \(^{Id.}\) The unique ingredients were Saazer hops, a fine quality of Bohemian barley supplemented by Bohemian pitch, and Bohemian yeast. \(^{Id.}\) Anheuser-Busch imported these materials for one or two years and then selected American barley and other substitutes for the production. \(^{Id.}\) The beer, however, retained a resemblance to the original Budweis production. \(^{Id.}\) This distinctive beer attained popularity to such a great extent that the president of Anheuser-Busch became known as "Mr. Budweiser" instead of Mr. Busch. \(^{Id.; see also Anheuser-Busch v. Budweiser Malt Prods. Corp., 287 F. 243, 246 (S.D.N.Y. 1921) (enjoining the defendant from using the name Budweiser and discussing how the defendant benefited from the reputation and advertisement of Anheuser-Busch). The defendant argued that the trademark Budweiser for beer does not extend to malt syrup, which is not a product competing with beer. \(^{Id.}\) Anheuser-Busch registered the trademark Budweiser for malt syrup in 1920, but the defendant opposed this, claiming prior use. \(^{Id.}\) The court held that the products are so closely related that the public would conclude the malt syrup was made by Anheuser-Busch. \(^{Id.}\) In this way, the defendant would intentionally take advantage of Anheuser-Busch's reputation and advertisement. \(^{Id.; see also Anheuser-Busch v. Cohen, 37 F.2d 393, 397 (D. Md. 1930) (finding the trade name "Budd-Wise" for barley malt syrup to be an infringement of Anheuser-Busch's trademark "Budweiser").}

10. "Budweis" was the German name for Ceske Budejovice. Under the Austro-Hungarian Empire, German was the official language. This city is part of the Czech Republic today; however, its German equivalent is still known, especially in German-speaking countries. Burgerliches Brauhaus, Cesky Akciovy pivovar was the predecessor of Budejovicky Budvar.

11. See Anheuser-Busch, Inc. v. Du Bois Brewing Co., 73 F. Supp. 338, 348 (W.D. Pa. 1947) (holding for Anheuser-Busch and enjoining DuBois Brewing Company from the using the trademark "Budweiser"). Judge Gibson summarized in this case the history of the "Budweiser" disputes in great detail. \(^{Id.}\) A large part of this decision describes the circumstances
still reserved the concurrent right to continue the use of the trademark and sell its “Budweiser” in the United States and throughout the world.\footnote{12}

This changed a few months before the outbreak of the Second World War, when Anheuser-Busch and the Czech Brewery signed a new agreement giving Anheuser-Busch exclusive rights to Budweiser in the United States; in exchange, the Czech brewery promised to discontinue its use of the trademark in the United States.\footnote{13} Anheuser-Busch succeeded in resolving the status of its trademark Budweiser\footnote{14} in the American beer market while also acquiring the rights to the trademark in the United States.\footnote{15}

After the Second World War, Anheuser-Busch introduced “Bud” and “Bud Light.”\footnote{16} However, the pressures of increasing beer competitors and a saturation of the United States beer market lead Anheuser-Busch to start expanding into new markets. The first expansion focused on growing European markets.\footnote{17} This decision lead to an unanticipated legal battle between Anheuser-Busch and Budvar that is still unresolved today.\footnote{18} Most surrounding the agreements and controversies between Anheuser-Busch and the Czech Budejovicky Budvar from 1876 until 1939. \textit{Id.}

\footnote{12}{See id. at 340 (mentioning that after the end of the First World War, the Austro-Hungarian Empire fell and Czechoslovakia was founded). In 1934, the right of Budejovicky Budvar to sell beer in the United States was again recognized by Anheuser-Busch. \textit{Id.} In 1937, Budejovicky Budvar registered a beer bottle label with the U.S. patent Office. \textit{Id.} The inscription on the label read “Imported Original Bohemian Budweiser Beer from Budweis City.” \textit{Id.}}

\footnote{13}{Id.}

\footnote{14}{See id. at 339 (stating that Anheuser-Busch's difficulties with the trademark “Budweiser” as a geographic indication were resolved in 1923 and the name “Budweiser” acquired a secondary meaning); see also Anheuser-Busch, Inc. v. Power City Brewery, Inc., 28 F. Supp. 740, 743 (W.D.N.Y. 1939) (finding that “BUD” is an abbreviation of Budweiser and likewise had acquired a secondary meaning as representation of Anheuser-Busch’s product). The defendant began to sell and advertise its beer under the name Niagara Bud Beer in 1938. \textit{Id.} The defendant argued that its trademark was distinctive because “Bud” refers to the picture of a rosebud on the label. \textit{Id.} The court found that this does not prevent consumer confusion. \textit{Id.}}

\footnote{15}{Anheuser-Busch v. Budweiser Malt Prods. Corp., 287 F.2d 243, 245 (S.D.N.Y. 1921); see also Anheuser-Busch v. DuBois Brewing Co.,, 73 F. Supp. 338, 338 (W.D. Pa. 1947) (reasoning that the defendant knew about the plaintiff's rights to the name and fraudulently confused and deceived the public).}

\footnote{16}{See Anheuser-Busch home page, supra note 8, at Significant events in Anheuser-Busch history (listing, for example, Bud Light’s introduction in 1982).}

\footnote{17}{See id. (exporting to England in the 1970’s and 1980’s and to Japan in 1984, as an example of markets outside Europe). In 1995, the company purchased a majority interest in a Chinese brewer, Budweiser Wuhan International Brewing Company. \textit{Id.}}

\footnote{18}{Richard Hornik, \textit{Can they be Buddies?}, \textit{TIME}, July 13, 1998, at 58. The Czech Budejovicky Budvar brewery exports its Budweiser beer to 53 countries. \textit{Id.} The brewery has the legal right to “Budweiser” in more than 40 countries.}
Americans would argue Budweiser is a famous beer with a sound reputation. Budweiser beer, a staple of Monday night football and Super Bowls, has become ingrained in the public's mind. The trademark represents a great economic asset and has a worldwide reputation. However, even such a strong mark may encounter difficulties in acquiring international rights.

The Budejovicky Budvar Company is a strong Czech brewery. Its volume of production of "Budweiser Budvar" rose after the fall of the iron curtain. However, it cannot compete with the economic value and reputation of the American giant. Yet, the negotiations between Anheuser-Busch and Budvar failed when Budvar rejected Anheuser-Busch’s offer to take over the company. The Czechs want to protect the cultural value of the name "Budweiser." The history of brewing in the town of Ceske Budejovice dates back seven hundred years and is interwoven with local tradition, architecture and the arts. Beer has always been one of the main exports of Bohemia. Czech Budweiser is a pillar of the economy, and as such, has always been perceived as a part of the Czech national identity. The Czechs refuse to part with

Id. In Germany and Russia, the brewery also has the exclusive right to "Bud." Id. See also Dirk Manuel, Budweiser—A Century of Conflict (visited Sept. 20, 1998) <http://beerscene@docs.demon.co.uk> (stating that Anheuser-Busch acquired the rights to use the name Budweiser in 10 countries). Anheuser-Busch is suing the Czech Budvar on a country-by-country basis in 27 countries throughout the world. Id. For example, Anheuser-Busch acquired the right to Budweiser in Spain and the right to the name "Bud" in Norway. Id. Currently, Anheuser-Busch is trying to take part in the strategically important markets of Austria and Germany. Id. In 1996, Anheuser-Busch decided to introduce Budweiser into the Vietnamese market. Id. The trademark was, however, already registered by Budejovicky Budvar. Id. Anheuser-Busch announced in response that Anheuser-Busch's investments into the building of a $250 million brewery in Vin Cuu, Dong Nai, would have to be reduced until the issue of registration was resolved. Id.

19. Anheuser-Busch home page, supra note 8.
20. Manuel, supra note 18, at *3.
21. The present name of the Czech company is Budejovicky Budvar.
22. Kunstadt & Buhler, supra note 6, at C4. Anheuser-Busch tried to convince the Czech side by investing money into the civic center in the town of Budweis, in schools, and also heavily advertised American Budweiser in the Czech Media. Id. The Czech President, Vaclav Havel, local authorities and public protests supported the rejection of Anheuser-Busch's offer. Id.
23. See id. (describing the 700 year-long connection between the history of the town and the brewing of beer as seen in the architectural elements of the brewery itself, on the facades of the historic buildings (the artesian well, beer barrel, hoops, beer cup) of the town, and in folk art exhibited in a number of restaurants selling the beer on tap).
24. Bohemia is a historic name for the area of today's Czech Republic.
25. The Czech Republic has only 10 million citizens. See History of Budvar (visited Sept. 4, 1998) <http://www.centraleurope.com/sponsors/budvar> (summarizing important events in the brewery's and the town's history). The town of Ceske Budejovice was founded by King Premysl Otakar II in 1265, and
the trademark. This creates a dilemma where there are no clear legal guidelines. Anheuser-Busch should be able to protect its famous mark; however, the Czechs should retain authority over an integral part of their culture.

II. FAMOUS MARKS LAW IN A GLOBAL CONTEXT

In the past decade, the world has entered a new era. New technologies, the collapse of the Soviet Union and the emergence of a global economy have opened opportunities in all areas of human activity, but they have also created an interdependency that has never been so transparent. The current global economic crisis attests to the degree and nature of this interdependence, as vast amounts of capital now flow in and out of markets in a matter of seconds. In light of this, an important question arises: will

among the privileges he granted to it was the right to brew beer. Id. The Budweiser Beer was known for its quality, and in the 1500s King Ferdinand I ordered the brewer and his kinsfolk to produce the imperial beer. Id. Today's brewery was established in 1895. Id.

26. Budvar Wins Court Case with Anheuser-Busch in Finland, CTK BUS. NEWS WIRE, Oct. 14, 1998, at 1, available in LEXIS, Business News Library. Anheuser-Busch asked in its complaint for an injunction against Budejovicky Budvar and damages up to 10 million Finnish Marks. Id. The court granted Budejovicky Budvar the right to continue exporting Budweiser Budvar to Finland. Id. Anheuser-Busch appealed the decision and the Helsinki regional court affirmed. Id.; Anheuser-Busch v. Budweiser Budvar, High Court 1995 No. 512 SP. (1996). Anheuser-Busch's Budweiser trademark was found to be well-known in Ireland. Id. However, the decision was based on non-use of the trademark by Budejovicky Budvar. Id. The High Court decided that two prior registrations of Budejovicky Budvar had to be removed from the Register. Id. These and other decisions show that the current law makes the outcomes of each dispute between Anheuser-Busch and Budejovicky Budvar unpredictable.

27. See Main Developments in the World Economy in 1997/1998, The Annual Report 1998 of IMF, at 7 (last modified Sept. 1998) <http://www.imf.org/external/pubs/ft/erp/what.htm> (analyzing the effects of the financial crisis on the world economy). The starting point of the crisis was the market exchange pressure and reserve losses in Thailand that pinnacled in July 1997. Id. Spillover effects spread to Indonesia, Malaysia, Philippines, Hong Kong, and Korea. Id. This led to one of the worst post-war crises. Id. The exchange rates, equity prices and net private capital flows to emerging market economies dropped dramatically. Id. The reasons for the crisis were a build up of inflationary pressures, maintenance of pegged rate regimes, lack of a flow of relevant data and information, lack of enforcement of rules, weak institutional structures of supervision, deterioration in the quality of banks, political uncertainties and the underestimation of risks by foreign investors. Id.; see also Renato Ruggiero, A New Partnership for a New Century: Sustainable Global Development in a Global Age, (Mar. 23, 1998), reprinted in <http://www.wto.org/wto/speeches/global.htm> (addressing the Bellerive/Globe International Conference) [hereinafter New Partnership].

merely addressing the definition and application issues of famous marks set forth in the Paris Convention 29 be enough? The theoretical assertions of the Paris Convention are predicated on nineteenth century economic theory. 30 This theory is rooted in economic Darwinism, 31 economic imperialism 32 and individualism. 33

30. Although the Paris Convention was an enlightened policy, it was too early to understand the extent of its impact on economic interdependence. The first Paris Convention took place in 1883 and would have been influenced by the concurrent opinions in French society regarding imperialism. Ferry's Speech to the French National Assembly (July 1883), in NATIONALISM, INDUSTRIALIZATION, AND DEMOCRACY 1815-1914, 273-75 (Thomas G. Barnes & Gerald D. Feldman eds., 1980) [hereinafter Ferry's speech]. The Convention coincided with M. Jules Ferry's speech to the French National Assembly in July 1883. Id. Ferry outlined a case for imperialism to the Assembly with three arguments: (1) economic, (2) philosophical and (3) military. Id. The economic argument focused on France's need for new markets. Id. In a nineteenth century context, this implied the type of colonial exploitation where "superior races" stole the natural resources of "inferior races" and forced them to buy an inferior product. Id. In the second argument, Ferry speaks of a moral imperative "that superior races have certain rights over inferior races . . . to civilize them." Id. Finally, Ferry suggested pragmatically that France simply needed fueling stations in the Pacific and Atlantic to keep its navy afloat. Id. What is interesting here are the responses from the gallery. Only the far left objected to Ferry's moral argument. Id. The legislative body was quite ready to accept both of Ferry's economic and military arguments. Id. It would be difficult to argue that the Paris Convention was not in fact convened to meet these objectives. When articles 1 through 4 of the Convention are read in this context, it is obvious that they can clearly be seen to protect the members from each other, and conversely give the members the right to exploit non-members. Several years later, Rudyard Kipling would make the same argument in more poetic terms in his poem, "White Man's Burden." Id.

31. JOHN MAYNARD KEYNES, ESSAYS OF PERSUASION: WAR DEBTS IN THE U.S. 49, 221-32 (1963). Economic Darwinism was a term coined in England in the nineteenth century by such social critics as Henry Huxley and Herbert Spencer. Id. At this time, a great debate between social thinkers and conservatives vehemently opposed to liberal intervention raged in England. Id. The conservatives employed Darwin's treaties on natural selection and the theory of survival of the fittest as a scientific justification of their conservative agenda. Id. Liberals such as Huxley argued that there was a great difference between the natural and the social order. Id. While it was hard for the conservatives to pass such "tough-love" legislation at home, the theory made great headway, defining the relationships between countries and became one argument in support of imperialism. Id.

32. Id.

33. THOMAS G. BARNES & GERALD D. FELDMAN, BREAKDOWN AND REBIRTH, 1914 TO THE PRESENT 39-49 (1982). At the heart of this debate is the nineteenth century battle between the notions of individualism and individual rights. Id. For the right, individualism became the buzzword to support rights of a strong personal responsibility. Id. For the left, it became the foundation of individual liberty and self-determination. Id. The liberal
These concepts are inconsistent with the concept of interdependence. The Budweiser dispute offers a prime example of how traditional economic objectives clash with an emerging concept of interdependence. A more holistic attitude may be necessary as business is conducted in the new global village.

Famous brand manufacturers that seek to expand have adjusted their financial power to take advantage of the increasingly accessible international markets. A need to establish global protection of their rights arose with this expansion. Trademark law traditionally governed the protection of strong trademarks. However, the proponents of a modern concept believe that a famous mark cannot be fully protected by traditional law. Based on these marks' value and great distinctiveness, it is argued, such marks should be afforded protection even if no

agenda found its place in President Woodrow Wilson's Fourteen Points and the League of Nations. Id. The subsequent failure of the League of Nations and the world's response to the economic crises in the 1930's suggests that global economics had not yet discarded its nineteenth century underpinnings. Nor should it be expected that the Paris Convention of 1925 would be any more enlightened than its member nations. While the world has made great strides, current legislators still reel under this debate as they try to find a logical and human balance between the individual and the collectivity.

34. Viable trading partners are at issue. First, any policy must address issues of self-determination and self-differentiation, as these are two integral factors to healthy economies. Second, diversity is key in any system. Therefore, any policy must seek to preserve diversity. Some answers to these issues may lay in a systems theory. F. Heylighen & C. Joslyn, What is Systems Theory? (visited Jan. 18, 1999) <http://www.pespmc1.vub.ac.be/DEFAULT.html>. Systems theory dates back to the 1940's and is associated with the biologists Ludwig von Bertalanffy and Ross Ashby. Id. The theory focuses on systems as being open to, and interacting with, their environments. Id. Systems can acquire qualitatively new properties through emergence, resulting in continual evolution. Id. “Rather than reducing an entity to the properties of its parts, systems theory focuses on the arrangement of and relations between the parts which connect them into a whole.” Id.; Joel de Rosnay, The Systemic Revolution: A New Culture (visited Oct. 20, 1998) <http://www.pespmc/vub.ac.be/macroscopic/chap.3.html>. A systemic approach goes beyond cybernetics, general systems theory and system analysis. Id. This approach proposes a methodology for a “new way of thinking” in a global world. Id. Professor Jay W. Forrester applied systems and industrial dynamics concepts to the field of economy. Id.

35. Kenneth L. Port, The “Unnatural” Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?, 18 SETON HALL LEGIS. J. 433, 433-37 (1944). Traditional trademark law protects only trademarks that are used on goods and services on the principle of prior appropriation. Id. The law prevents a trademark from being registered only if the trademark is the same or similar to another mark and a third party consumer is likely to be confused. Id. There cannot be confusion if there is no competition between the two trademarks, and in that instance no cause of action for infringement exists. Id.

36. Id. at 438.
imminent risk of confusion exists.\textsuperscript{37}

The law of famous trademarks was created to protect such trademarks' rights.\textsuperscript{38} In a matter of years, the much-disputed law of famous marks proved to be unable to adjust to the rate and diversity of globalization, and failed to assure a satisfactory degree of predictability in resolving disputes produced by this process.\textsuperscript{39} McDonald's,\textsuperscript{40} Coca-Cola,\textsuperscript{41} Kodak,\textsuperscript{42} Burger King,\textsuperscript{43} Smirnoff Vodka\textsuperscript{44} and others are famous brands, and should be protected. However, such protection encounters difficulties with other aspects of trade; localism, tradition, identity and culture are not considered in the modern formula, and may present obstacles as regions become defensive in the face of encroaching homogeneity.\textsuperscript{45}

\textsuperscript{37} Id. at 439.
\textsuperscript{38} Id.
\textsuperscript{40} See McDonald's Corp. v. Joburgers Drive-Inn Restaurant (Pty.) Ltd. & the Registrar of Trademarks; McDonald's Corp. v. Dax Prop CC & the Registrar of Trademarks, McDonald's Corp. v. Joburgers Drive-Inn Restaurant (Pty.) & Dax Prop CC, [1996] (4) all SA(A) (prohibiting the South African defendant to register the "McDonald's" mark). The court's decision was based on famous marks law and dilution. Id. Therefore, the American corporation prevailed without showing an actual use of the mark "McDonald's" in South Africa. Id.; see generally Webster, supra note 39 (comparing the decision of the Court a quo and the appellate court's analysis). The Court a quo held that the U.S. corporation's non-use of the trademark proved that it had no bona fide intention to use the trademark in South Africa. Id. The court also found that non-use of the trademark was not due to any political or trade sanctions but rather the American corporation did not plan to expand into the South African market. Id. The appellate court overruled the lower court's decision applying the new section acknowledging the famous mark in the South African Trade Mark Act. Id.
\textsuperscript{41} See Coca-Cola Co. v. Koke Co., 254 U.S. 143 (1935) (restraining the use of the trademark "Koke").
\textsuperscript{42} See Eastman Photograph Co. v. John Griffiths Corp., 15 RPC 105 (1898) (enjoining the mark "KODAK" from use as the name for bicycles).
\textsuperscript{43} See Beth Fulkerson, Theft By Territorialism: A Case For Revising TRIPS To Protect Trademarks From National Market Foreclosure, 17 MICH. J. INT'L L. 801, 823 (1996) (analyzing a dispute between the Wimpy chain of hamburger restaurants and Burger King over the trademark "Burger King" in South Africa).
\textsuperscript{44} See Jonathan Bloom et al., Russian Vodka Trademark Battle In High Spirits, 6 J. PROPRIETARY RTS. 41, 41-42 (1994) (reporting the denial of the Russian Patent Agency to register the trademark "Smirnoff"). The French Pierre Smirnoff claimed rights to vodka against the Russian Pyotr Smirnov. Id. This and similar legal battles are accompanied by consumer trademark battles. Id. Russian consumers formed the Confederation of Consumer Societies providing protection against counterfeit goods that infringe trademarks. Id.
\textsuperscript{45} D'AMATO & LONG, supra note 39, at 95. Perhaps what is needed is a post-modern economic theory. This theory would focus on relationships in
The application of famous marks law is still a novelty. Undoubtedly, it is the most controversial area of international and local trademark law.

A. International Famous Marks Law

The Paris Convention, the Agreement on Trade-Related aspects of Intellectual Property Rights (TRIPS) and the European Union Council are important international tools for creating guidelines for resolution of international disputes over trademarks. A well-known mark is defined as "a mark which is known to a substantial segment of the relevant public in the sense of being associated with the particular goods or services." To be categorized as a "famous" mark, an even stronger reputation is required. Generally, the stronger the trademark, the greater the scope of protection it will receive. The purpose of protecting these marks is to prevent their dilution by rejecting the registration of a same or similar mark capable of creating confusion with the famous mark. If confusion arises, the famous mark could be stripped of its distinctiveness. Protection is granted even if the famous mark is not yet protected in a given country by registration systems rather than the reductive nature of current economic theory which places emphasis on purely financial indicators. The International Monetary Fund (IMF) has failed to come up with more diverse models of economic development precisely because it is unable or unwilling to take historical, cultural and even environmental concerns into its analysis.

46. The United States inserted its anti-dilution provision into the trademark statute in 1996, with the United Kingdom and Germany inserting their own anti-dilution provisions in 1994 and 1995, respectively.


49. Paris Convention, supra note 29.

50. Frederic W. Mostert, Well-Known And Famous Marks: Is Harmony Possible In The Global Village?, 86 TRADEMARK REP. 103, 115 (1996); see also Frances G. Smith, The Federal Trademark Dilution Act of 1995, 78 J. PAT. & TRADEMARK OFF. SOC'Y 420, 420 (1996) (defining a famous mark as a mark that "possesses a high degree of ... distinctiveness, that has been used and advertised for a long time and to a great extent throughout a wide geographic trading area and within many channels of trade, such that prospective customers ... have a high degree of recognition of the mark").


52. Id.

53. D'AMATO & LONG, supra note 39, at 286; see also Port, supra note 35, at 435 (summarizing several definitions of dilution in the phrase "the 'whittling away' of a trademark's distinctive capabilities, or as a 'cancer-like growth ... which feeds upon the reputation of an established trademark'").

54. Id.
The purpose of anti-dilution laws is to prevent unfair competition and piracy of valuable marks.\textsuperscript{55}

1. \textit{The Paris Convention}

The Paris Convention functions as guidelines to individual member states.\textsuperscript{57} However, each member state retains the power to determine the laws governing its own disputes.\textsuperscript{58} The Paris Convention embodies the category of famous marks in Article 6bis:

(1) The countries of the Union undertake, \ldots if their legislation so permits, or at the request of an interested party, to refuse or to cancel, 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. \ldots

(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 \ldots of marks registered or used in bad faith.\textsuperscript{59}

2. \textit{The European Community Council}

The European Community Council, in promulgating its

\begin{itemize}
\item \textsuperscript{55} Mostert, \textit{supra} note 50, at 117.
\item \textsuperscript{56} \textit{Id.} at 105.
\item \textsuperscript{57} \textit{See id.} at 107 n.12 (stating that 136 countries are signatories of the Paris Convention).
\item \textsuperscript{58} Paris Convention, \textit{supra} note 29, art. 6(1) reads. “The conditions for the filing and registration of trademark shall be determined in each country of the Union by its domestic legislation.” \textit{Id.}
\item \textsuperscript{59} Paris Convention, \textit{supra} note 29, Art. 6bis; Port, \textit{supra} note 35, at 465 (stating that the Article 6bis should be read together with Article 10bis of the Paris Convention regarding unfair competition because unfair competition and famous marks law are overlapping concepts). Article 10bis reads:
\begin{enumerate}
\item The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.
\item Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.
\item The following in particular shall be prohibited:
\begin{enumerate}
\item all acts of such nature as to create confusion \ldots
\item false allegations in the course of trade \ldots as to discredit \ldots
\item indications or allegations the use of which \ldots misleads the public as to the nature, the manufacturing process, the characteristics, \ldots of the goods.
\end{enumerate}
\end{enumerate}
\textit{Id.}
goals, is aware that the European Community cannot function properly without harmonization of the laws and procedures of its member states. In December 1988, the Council's First Directive tried to take a step forward in unifying the local trademark laws. However, it did not require "full scale approximation" of local laws, and therefore individual countries did not enact identical legislation.

3. Trade Related Aspects of Intellectual Property Rights

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) also recognized the need for supranational rules and standards to assure protection of intellectual property rights for effective international trade. TRIPS succeeded in setting forth some minimum standards for protection, yet its general provisions did not state any concrete requirements to assure a satisfactory degree of uniformity in outcomes of international trademark disputes. TRIPS focuses only on trademark piracy in the international market; it does not seem to recognize the danger that arises "out of the difficulty of fashioning rights of intellectual property at optimum levels to encourage investment without obstructing competition."

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60. EC, supra note 48.
61. D'AMATO & LONG, supra note 39, at 333.
63. See id. at Art. 4. "Earlier trade marks' means . . . (d) trade marks which. . . ., are well known in a Member State, in the sense in which the words 'well known' are used in Article 6bis of the Paris Convention." Id. This suggests that the Directive did not contribute much to the clarification of the law of famous marks.
64. TRIPS, supra note 47, at 81.
65. Id. at Art. 16. TRIPS requires:
16(2) . . . In determining whether a trademark is well-known, account shall be taken of the knowledge of the trademark in the relevant sector of the public, including knowledge in that member obtained as a result of the promotion of the trademark.
66. D'AMATO & LONG, supra note 39, at 206; TRIPS, supra note 47.
67. D'AMATO & LONG, supra note 39, at 206. Some argue the law of famous trademarks should be abandoned; see Fulkerson, supra note 43, at 822 (arguing that "awareness of foreign use" should instead be used as the new standard). Such a standard would protect the "true owner." Id. An unregistered foreign trademark that is not well-known would not be disadvantaged by international law protecting only unregistered well-known marks. Id. This idea appears to comport with an interdependent global economy by protecting trading partners equally. However, in instances similar to the Budweiser case, a focus on only global prior use would not offer a solution. To determine a prior proprietor in a category of trademarks that are over one hundred years old would require drawing arbitrary lines. For example, in the Budweiser case, Anheuser-Busch and Budejovicky Budvar had
However, individual states and international organizations\textsuperscript{68} are trying to correct the unsatisfactory status in trademark law in an international context by creating a number of bilateral\textsuperscript{69} agreements and other initiatives.

\textbf{B. Local Famous Marks Laws}

The individual states adhering to the international agreements mentioned created their own anti-dilution statutes or inserted famous marks provisions into the existing trademark statutes. A brief survey of the American, British and German statutes reveals the varying degrees in which individual states can work within the international framework.

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\textsuperscript{68} D'AMATO & LONG, supra note, 39 at 192. One of these organizations is the World Intellectual Property Organization [hereinafter WIPO]. \textit{Id.; Convention Establishing the World Intellectual Property Organization, July 14, 1967, available in <http://www.wipo.org/eng/textonly/index.htm>.} WIPO is an agency of the United Nations that promotes and administers protection of intellectual property rights under the Paris Convention, the Berne Convention, the Madrid Agreement and the Rome Convention. \textit{Id.; see also WIPO (visited Oct. 1, 1998) <http://www.ompi.int/eng/newindex/abouthtm> (listing 171 member nations).} WIPO had its beginnings at the close of the nineteenth century. \textit{Id.} Its predecessor was BIRPI. \textit{Id.} In 1974, BIRPI became WIPO and changed its system and structure. \textit{Id.} In 1996, WIPO expanded its role and became a partner to the World Trade Organization. \textit{Id.} WIPO administers 21 treaties on industrial property and copyright. \textit{Id.} WIPO monitors and harmonizes relevant laws and provides services for international applications of industrial property rights. \textit{Id.}

Another important organization is the World Trade Organization. \textit{About WTO (visited Dec. 20, 1998) <http://www.wto.org/hthbin/himage/wto/map.map?87,33>.} WTO is located in Geneva and was established in 1995. \textit{Id.} WTO was created by the Uruguay Round negotiations and has 132 member countries. \textit{Id.} Members have certain privileges and enjoy the securities provided by WTO's trading rules. \textit{Id.} WTO assists developing and transition economies, and promotes export and cooperation in global economy policymaking. \textit{Id.} WTO is a forum for trade negotiations and handles trade disputes. \textit{Id.} In 1996, the General Council created the Committee on Regional Trade Agreements which examines regional groups, effects, and relationships of such agreements. \textit{Id.}

1. The United States

The United States Federal Anti-dilution Act caused a lasting controversy. The opponents of the dilution doctrine argued that the proposed section expands trademark rights "unnaturally." Such expansion builds a barrier to the development of trademark rights by the monopolization of a trademark, and turns against the interest of the consumer and other third parties. The statute sets forth factors to be considered in determining whether a mark falls under the category of famous marks, and thus, whether it has been diluted. The courts are struggling with the application of this provision. As one court noted, the law is "nebulous" and

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71. Port, supra note 35, at 435.

72. Id. at 435-36. The author summarizes the theoretical background and history of the dilution debate. Id. at 436. The article analyzes the statute, discusses problems the statute may cause and questions the need for the anti-dilution statute. Id.

73. The amended 43(c)(1) of The Lanham Trademark Act provides:

The owner of a famous mark, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another . . . if such use begins after the mark becomes famous and causes dilution of the distinctive quality of the famous mark . . . . In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—

(A) the degree of inherent or acquired distinctiveness of the mark;
(B) the duration and extent of use of the mark in connection with the goods or services with the mark is used;
(C) the duration and extent of advertising and publicity of the mark;
(D) the geographical extent of the trading area in which the mark is used;
(E) the channels of trade for the goods and services with which the mark is used;
(F) the degree of recognition of the mark in the trading areas and channels of trade of the mark's owner and the person against whom the injunction is sought;
(G) the nature and extent of use of the same or similar marks by third parties;
(H) the existence of registration.


74. 15 U.S.C. 1127. The distinctiveness of the famous mark to identify goods can be lessened or blurred "regardless of the presence or absence of . . . (1) competition between the owner of the famous mark and other parties." Id.; see also Clinique Lab. v. Dep Corp., 945 F. Supp. 547, 563 (S.D.N.Y. 1996) (granting a partial preliminary injunction based on dilution that would rise by the use of the mark "Basique").

75. See, e.g., I.P. Lund Trading Aps & Kroin Inc. v. Kohler Co. & Robers, Inc., 11 F. Supp. 2d 112 (S.D.N.Y. 1998) (finding the mark VOLA famous and analyzing the similarity of the marks, similarity of the products,
“involves navigating in ‘murky waters of anti-dilution analysis’.”

2. The United Kingdom

The provision regarding famous marks of the UK Trade Mark Act gives rights to a famous mark for injunction if the mark established goodwill in the UK. The offending mark must be

sophistication of the consumer, predatory intent, and renown of the senior mark and of the junior mark, as factors to find blurring); DORIS E. LONG, UNFAIR COMPETITION AND THE LANHAM ACT 55 (1996) (stating that courts struggle with the interpretation of the factor that belongs to the relevant sector of consumers). Is it the public at large or a specific group of purchasers? Id. Should a sophisticated or ordinary buyer be considered? Id.; Anheuser-Busch, Inc. v. Budejovicky Budvar, NP. [1998] RPC 669. For example, in the Budweiser case, the courts could choose between the public, alcohol-drinkers, beer-drinkers, wholesale buyers or distributors, or all of them, either locally or internationally. Id. The court heard evidence considering all of these possibilities in the case. Id. This inquiry also showed that the sophistication of an ordinary buyer should not be underestimated. Id.; WIPO, supra note 68. WIPO proposed to define the relevant sector of the public as “the potential consumers of the goods to which the mark applies.” Id. The commentary suggests that the group of consumers will differ in each case depending on the goods to which the mark applies. Id. Similarly, channels of distribution will differ. Id. A unification of a test is not feasible because of the vast variety of goods in the international market. Id. Therefore, requiring a complete unification may not be necessary because the type of a product will mostly dictate the scope of inquiry. Id.

76. See Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev’t, 955 F. Supp. 763, 766 (E.D. Va. 1997) (focusing on the interpretation of the statute). The court held that an offending mark need not be identical to the famous mark to find a cause of action under the act. Id. at 767.

77. The Trade Marks Act of 1994, 6(1)(c), 10, 56 (1994). The United Kingdom enacted Art. 6bis in 1994. Id. The inserted provisions read:

6(1)(c) An ‘earlier trade mark’ means . . . a trade mark which, at the date of application for registration of the trade mark in question . . . was entitled to protection under the Paris Convention as a well known trademark.

. . .

56(1) defines a famous trademark as ‘a mark which is well known in the United Kingdom as being the mark of a person . . . who is a national of a Convention country and established in a Convention Country . . . whether or not that person carries on business or has any goodwill, in the United Kingdom.’

Id.

78. The element of a likelihood of confusion still plays an important role, and the influence of the traditional trademark law is easily traceable. See Macy’s Trade Mark, [1989] RPC 546 (involving a dispute over the registration of the mark “Macy’s” between a London and New York business). Macy’s in London applied to register the trademark for watches and clothing and was opposed by New York Macy’s department store. Id. The court applied Article 6bis of the Paris Convention even before the UK Trade Marks Act of 1994 took effect, however, and the court allowed the application for watches because it refused to apply it to clothing. Id. The court’s analysis resembled the 6bis analysis to determine “Macy’s” fame; however, the court based its decision not
sufficiently similar and a likelihood of confusion must be present. However, the Act does not provide for the continuing use of trademarks established before the date of the Act. The Act only refers to "bona fide use" and does not offer any explanation as to the meaning of this section. Under the Act, a well-known mark is not required to be used nor registered in the UK and the owner need not have a business there. This may present a problem for a new mark in the search for prior registered marks. New marks may not find the prior mark in the Register and may not be able to determine which foreign marks will be named "famous."

3. Germany

Germany provides another interesting example of the application of the famous trademark laws. Germany distinguishes between famous (notorisch) and well-known (bekannt) marks. A famous mark must show eighty percent recognition in Germany, with no other identical mark present in

on reputation and goodwill, but on use. Id.; see also Direct Line Group Ltd. v. Direct Line Estate Agency Ltd., [1997] FSR 374 (exemplifying the application of the Act in a dispute between local mark owners). The court, in an interlocutory relief hearing, found the plaintiff's trademark "Direct Line" to be well-known to the majority of the population. Id. The court reasoned that the defendant's use of the same mark caused confusion by "trading off" the plaintiff's reputation. Id.

80. Anheuser-Busch Inc. v. Budejovicky Budvar NP., [1998] RPC 669. Anheuser-Busch appealed the court of appeal's dismissal of its claim for injunctive relief against Budvar from 1979 and 1984. Id. The court affirmed these decisions based on honest concurrent use and did not analyze this issue under famous marks law. Id. The decision was based on the traditional passing-off action. Id. By analyzing the complex facts of the case, the court would have had a difficult task applying a famous marks analysis.
81. AMANDA MICHAELS, A PRACTICAL GUIDE TO TRADE MARKS 106 (1996).
82. Id.
83. Id. at 120.
84. VOLKER ILZHOFER, PATENT-, MARKEN- UND URHEBERRECHT 89 (2d ed. 1996). Germany inserted a new provision into its 1995 Trade Mark Act in compliance with the Paris Convention. Id.
85. See Das deutsche Markengesetz (The German Trademark Act), 9, 10 Notorisch bekannte Marken (1995), (amended 1997) (dealing with famous marks). Sections 9 and 10 do not allow registration of a mark if there is a prior registered mark that is identical or similar and is famous under Article 6bis of the Paris Convention. Id. The factors to be considered are summarized in 9 of the Act: (1) prior registration; (2) likelihood of confusion and possibility of connecting the two marks by the public; (3) Wertschatzung, which is a concept similar to dilution. Id.; ILZHOFER, supra note 84, at 90. The requirement of Wertschatzung evaluates how highly a trademark is regarded in particular trade circles and in the public mind, and the value of such a trademark. Id. The mark must possess an exceptional (besondere) reputation. Id. If the mark is found to be famous, then the requirement of dilution (Verwasserung) of the mark will be analyzed. Id.
86. See Fixmix v. Readymix, 28W(pat)176/95 (1996) (finding Readymix to
the market. A well-known mark requires only forty percent recognition. A famous mark is required to have a certain general esteem, established by the age of the mark, size of the business and a great distinctiveness of the mark that separates it from other types of goods.

4. Famous Marks Law Cannot Resolve the Budweiser Dispute

A comparison of these laws shows that few common factors can be used in predicting the outcome of a dispute. However, even these factors are interpreted differently by the courts and administration in individual countries. In cases like Budweiser, the outcome is unpredictable.

Several questions present themselves. How should problems like the Budweiser controversy be resolved? What should be done to unify the law internationally? What are the real considerations of individual countries in resolving such disputes? Are their policies based on the preference of a unified system, or are they concerned with local economic needs, tradition and culture? Should the law even focus on such considerations?

Famous and well-known marks deserve protection, but economically important local marks and cultural entities such as Czech “Budweiser” ought to be protected as well. To accomplish

be a famous mark; however, the similarity was not found to cause confusion or building a connection between the firms in the public mind).

87. See Audor v. Odol, 30W(pat)194/96 (1997) (exemplifying the requirement of 80% recognition in the market to find a mark famous). The court held that the returns were not high enough, and the possible confusion in the public mind did not satisfy the requirements of a famous mark. Id. See also ILZHOFER, supra note 84, at 97 (stating that the law requires the categorization of a famous mark only if there is a party that seeks to be registered as such, and a strong mark opposes such registration). Such a strong mark must be “older” in use, and confusion in the public mind must be found. Id. The law also considers good faith. Id.


89. D’AMATO & LONG, supra note 39, at 289.

90. See Mostert, supra note 50, at 109 nn.16-23 (comparing criteria for famous marks in the trademark acts provisions in China, France, Brazil, Canada and Mexico). The few common factors are as follows: the extent of registration of the mark, the distinctiveness of the mark, the reputation and goodwill of the mark, and the possibility of confusion by the public. Id.

91. Port, supra note 35, at 454-59. Mr. Kenneth Port noted in his article that “the dilution action was dubious at best.” Id. at 447. “If, for example, COOKIE JAR is famous enough for ATMs, it is very difficult to conceive of a reason why LEXIS is not famous for computer assisted research services or why FRUIT OF THE LOOM is not famous for underwear.” Id.; Mostert, supra note 50, at 103-07. Further, in an international context, other factors specific to each country are used that may be determinative to the outcome of a case. Id.

92. See supra notes 26 and 77 (showing that Anheuser-Busch or Budejovicky Budvar can win, even though the legal equation is the same).
this, a compromise is needed. The Paris Convention's Article 6bis does not give satisfactory guidelines for legislatures of individual countries in their attempts to accomplish a higher degree of predictability of outcome. Unification of trademark laws combined with considerations of culture will be necessary.

III. GLOBALIZATION AND CULTURE

The current economic crisis has prompted world leaders to begin constructing a unified world economy. The International Monetary Fund (IMF), the World Bank, and the Group of Eight are currently debating how to restructure the international financial markets to facilitate the unification of an emerging global economy. A new level of integration and unification is

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94. David D. Driscoll, What Is the International Monetary Fund? (last modified Sept. 20, 1998) <http://www.imf.org/external/pubs/f/extrep/what.htm>. The International Monetary Fund (IMF) has 182 member countries. Id. IMF lends money to member countries only if they comply with economic reforms to avoid difficulties they are having with their financial obligations to other members. Id. IMF was founded in 1946 as a result of the Great Depression and its seat is in Washington, D.C. Id. Each member contributes money called a "quota subscription," and this sum gives the country its voice in the IMF. Id. The United States is the largest member, providing about 18% of total quotas that American policy via financial market. Id. The United States has, therefore, the strongest voice in determining IMF's policies. Id.

95. See What is the World Bank? (visited Jan. 3, 1999) <http://www.worldbank.org/html/extdr/whatis.htm> (providing about $20 billion each year for development assistance). The World Bank is a Washington-based organization protecting environmental and human health, promoting economic reforms, and investing into education and private sector development. Id. The World Bank is owned by over 180 member countries and its five largest shareholders are the United States, France, Germany, the United Kingdon and Japan. Id.

96. What is G8? G8 History: climbing the summits (visited Nov. 16, 1998) <http://www.groupweb.com/government/g7.htm>. G8 is an informal forum of the leading industrialized democracies. Id. It has operated since 1970 as the "Group of Five," and as the "Group of Seven" since 1976-77. Id. The members are United States, Britain, France, Germany, Japan, Canada, Italy and the President of the European Commission. Id. The Birmingham Summit 1998 was the first Group of Eight Summit by including Russia in discussions. Id. The forum discusses world economic and political issues. Id. Its leaders agree on a communiqué issued at the end of each Summit. Id. Each country then coordinates individual action with the communiqué. Id.

97. See New Partnership, supra note 27, at *1 (proposing how to approach the new global system). Ruggiero warns against "policing" by imposing solutions, or just transferring models from one country to another. Id. He calls for an international consensus; however HE sees the accomplishment of a consensus in a patient approach without short cuts. Id. Finally, Ruggiero points out the need for a global architecture. Id.
being implemented, but uncertainties, such as how to approach the regulation of global systems, have raised fears on all sides. These fears are essentially cultural, but they are legitimate. The “Americanization” of culture that invaded Europe and other

98. R.C. Longworth, Nationhood Under Siege, CHI. TRIB., Oct. 25, 1998, at 1, 6 [hereinafter Nationhood]. The spectrum of approaches reaches from far right to far left. Id. One side calls for unification of regulation, global government and global communications in a “global democracy.” Id. The other calls for “new economic nationalism” that imposes barriers to globalization, limits migration and supports isolationism. Id. The result of the former is a trend towards a homogeneous melting pot, while the latter is geared toward protectionism and a hostile environment. Id. The middle ground is the idea of a “new economic internationalism,” suggesting cooperation between democratic and economic institutions of individual countries that “recaptures the sovereignty of both.” Id.; see Joseph Prokopenko, Globalization, alliances and networking: A strategy for competitiveness and productivity, INT’L LAB. ORG., EMD/21/E at *1, *4 (1994) (calling this idea “economic democracy”). The mainstream criticizes “the economy of globality” as exploitation of comparative advantages of individual countries by integrating them into a global mechanism. Id.; see also ILO History (visited Jan. 3, 1999) <http://www.ilo.org/public/english/overview/history.htm> (creating the ILO in 1919; initial participants were Belgium, Cuba, Czechoslovakia, France, Italy, Japan, Poland, the United Kingdom and the United States). The ILO Constitution became Part XIII of the Treaty of Versailles. Id. The ILO plays an important role in the creation of an economic and social global development; focusing mainly on human rights, employment and labor services and supervision. Id. The ILO was awarded the Nobel Peace Prize in 1969. Id.; see also A New Partnership, supra note 27, at *2 (criticizing the “demonizing” of globalization). “The risk ... is not just that it obscures and distorts the real, complex issues - it can also lead us down false and possibly dangerous political paths and actually obstruct the search for durable answers.” Id. However, fearing globalization is understandable as long as there is not a trading system based on equality and a global consensus. Id.


100. See id. at 259 (calling the idea of cultural uniformity “American cultural imperialism”). See also Servan-Schreiber, The American Challenge, in BREAKDOWN AND REBIRTH, 1914 TO THE PRESENT, 221-32 (Thomas G. Barnes & Gerald D. Feldman eds., University Press of Am. 1982) (presenting the beginnings of Americanization in the late 1960's and the European reaction to the process). In response to both complacency and the defensive mood in Europe towards American economic insertions during the 1960's, Schreiber's article became a call to European business. He demands that Europeans meet the American lean and flexible management system. Id. Schreiber argues that Europeans must emulate American practices or face becoming an American satellite. Id. He links economic viability to culture and the preservation of a European way of life. Id. Since 1967, Europeans have been successful to a degree. However, fears still persist because, by accepting Schreiber's challenge, Europeans in turn altered their culture. If France, with all its recourses and first world status struggles with this dilemma, how much more must emerging economies in the Americas, Eastern Europe, Africa, and Asia struggle with this problem?
countries in the 1970s and 1980s has undermined cultural diversity, and continues unabated. The European Community and individual non-member states are aware that their cultural values need protection.

For example, the European Community responded to this Americanization with the European Council Directive of 1989 and demanded regulation in television broadcasting activities. The representatives acknowledged that culture and diversity play a major role in preserving democracy and social coexistence in a global world. The United States does not appear to understand that this link between culture and survival is a major concern in the process of globalization. Mr. Valenti, President of the American Motion Picture Association, exemplified the American responses to the Directive when he wondered "whether the culture of any European is so flimsily anchored, so tenuously rooted, that European consumers and viewers must be caged and blinded else their links with their historic and distinguished past suddenly vanish?"

Ironically, American assumptions that culture lacks importance is not supported by the American experience itself. The concept of American society acting as a melting pot has been considerably criticized over the last three decades. In fact, the

101. D'AMATO & LONG, supra note 39, at 183.
102. See EC, supra note 48 (introducing the term European Union).
103. D'AMATO & LONG, supra note 39, at 183. European countries protect their cultural assets more than the United States does. Id. Culture is supported financially, to a degree, by the European governments; some areas of media are owned by the state, and some areas of culture are exempt from paying taxes. Id. This is rooted in the belief that culture is interwoven with politics and economy, and consequently plays a role as the guard of democracy. Id.
105. D'AMATO & LONG, supra note 39, at 185. Representative Roelants Du Vivier said:

[w]e want to guarantee the diversity of cultures and their identity, to guarantee pluralism of expression, to protect copyright and to avoid an influx of cheap productions primarily from the USA—and I have no hesitation in talking about American cast-off here—we have to act and provide adequate protection for Community works. Protectionism? Who is being protectionist if it isn't the US, where the market is protected from productions from elsewhere?

Id.
106. D'AMATO & LONG, supra note 39, at 185.
107. See generally David J. Greenwood, 101 Cultural Identities and Global Political Economy From an Anthropological Vantage Point, 1 IND. J. GLOBAL LEGAL STUD. 101 (1993) (exploring the relationship between global political economy and cultural identities, and analyzing American understanding of diversity and culture from an anthropological point). Greenwood concludes that a healthy future coexistence is only possible by learning how to link "the
push to create a single assimilated culture has caused a great deal of racial tension as America's multiple cultures have been given greater equality under the law. The American model suggests that, for the functioning of a diverse democratic society, ethnic identity and culture must be preserved.

European and other developing countries fear that, in order to survive in a global economy, they will have no other choice than to comply with the global regulations imposed by the United States and other world leaders. However, being a part of a globally regulated economy led by the United States does not guarantee these countries their right to national identity. They fear that American culture will take over local cultures and that United States corporations will extinguish the local business entities that make up, in part, their national identities. The United States has done nothing to acknowledge or relieve these fears. At a minimum these fears demand that world leaders find ways to reassure potential partners that their economies and cultures will not fall onto the chopping block of globalization. Some have even argued that the approach to global coexistence be closely reviewed. The reasoning behind this argument is that the system being put in place undermines democracy by coercing countries to join the new system without being awarded protection of their assets and national identity. Furthermore, competition...

cultural, local, and domestic, international, and global. "Id. 108. See id. at 109. See Kenzo S. Kawanabe, American Anti-immigrant Rhetoric Against Asian Pacific Immigrants: The Present Repeats The Past, 10 GEO. IMMIGR. L.J. 681, 706 (1996) (analyzing the United States anti-immigrant arguments as a “failure to assimilate,” “taking of limited resources,” and “the Yellow Peril”). The Note discusses the necessity of “cultural pluralism” in the United States as a principle that is beneficial to both global and domestic economies. Id. 109. Greenwood, supra note 107, at 114. See generally Ray Halbritter, Empowerment or Dependence? The Practical Value And Meaning Of Native American Sovereignty, 26 N.Y.U. J. INT’L L. & POL. 531 (1994) (analyzing the past of the Oneida people and the results of their assimilation into American society). The article describes the struggle of the Indian people to retain their own culture while independently succeeding in society. Id. 110. Nationhood, supra note 98, at 6. 111. D’AMATO & LONG, supra note 39, at 185. Greenwood, supra note 107, at 114. 112. Kaplan, supra note 99, at 256. 113. Heylighen, supra note 94, at *1. 114. Nationhood, supra note 98, at 6. Since World War II, the global economy has become more open. Id. More countries are engaged as partners and contribute to the world economy. Id. Recently, the need for transparency has furthered the notion of giving attention to the “systems” and its inner-workings. It is not by coincidence that this corresponds with the march of liberal ideals in the latter half of the century. Since the American victory of World War II, the rights of the individual have been decidedly focused on economic freedom and self-determination. As second and third world nations are being asked to join the global market, they point to their right of self-
is also undermined as Western nations and large corporations are given free reign over underdeveloped and unprotected markets.\textsuperscript{115}

The international system of trade still functions on the nineteenth century economies of imperialism.\textsuperscript{116} Over the last century, democratic countries have limited capitalism within their borders.\textsuperscript{117} The United States has modified, by law\textsuperscript{119} and administration, its relatively free market into a system based on equality and fairness, where the idea of protecting culture and diversity has been taken into account. However, international coexistence has not gone through this process, and is still predicated on economic Darwinism. Therefore, based on historical experience, the response that culture need not be protected leads directly to the formation of a barrier in the process of globalization.\textsuperscript{119}

A. Globalization and Famous Trademarks

A global economy is inevitable; a system governing that economy must be implemented. The spirit of the system is at issue. As it stands now, trademark law and especially famous marks law present a threat to culture. This does not mean that famous marks should not be protected. Famous world brands ought to be protected against exploitation by foreign businesses.\textsuperscript{120} The law of famous marks, although still chaotic,\textsuperscript{121} fills a gap
determination, which by definition includes their culture. If an open system is to be created which can continually evolve, the relationships within the system must be built on equality and respect for each other's individuality.

\textsuperscript{115} Id. Urban renewal programs may function as an appropriate metaphor. Capital and credit investment in the local economies of impoverished neighborhoods proved to invigorate those neighborhoods. Large corporate chains and franchise businesses such as McDonald's, Burger King, and Seven Eleven did not give residents a stake in their own economic fate, and did little to stop the deterioration of the inner city. Unless the United States and the other G8 nations find a way to assure that the emerging economies have a stake in their own economic development, they pose a potential for developing into ghettos. If giant European and U.S. businesses are allowed to buy up the most successful enterprises or extinguish valuable cultural and historic enterprises, the first world runs the risk of disenfranchising the emerging nations from the global economy.

\textsuperscript{116} Paris Convention, \textit{supra} note 29.
\textsuperscript{117} Greenwood, \textit{supra} note 107, at 109.
\textsuperscript{119} Kaplan, \textit{supra} note 99, at 317-19.
\textsuperscript{120} Mostert, \textit{supra} note 50, at 106.
\textsuperscript{121} See Part II of this Comment for a discussion of the application of famous marks law.
between traditional trademark law and the emergence of world famous marks. However, the potential of famous brands to export the culture of their origin must be taken into account.

The export of culture is desirable because it promotes diversity and enables individual countries to better understand the culture of others. However, famous brands have a strong potential to diminish or destroy local culture and diversity. For example, in the case of Budweiser, Anheuser-Busch's goal is to take over local Czech Budweiser. In other words, the Czechs fear that Anheuser-Busch's Budweiser will take over their culture, long represented by Budvar's Budweiser, by extinguishing the business entity that represents a part of their national identity.

As long as countries fear their interests are not being equally protected, globalization will proceed in a hostile and counterproductive environment. At a minimum, the law should give some security guarantees to local trademark owners that their products will not just be swept aside by a system they had no influence in creating. There appears to be a gap in the law regarding such protection.

B. The Role of Famous Trademarks

There are two main roles traditionally attributed to a trademark. First, a trademark protects the consumer. Second, a trademark protects the owner of the trademark.124

1. Trademarks Protect the Consumer

A trademark protects the consumer from confusion and also protects the consumer's expectation of choice.

a. Trademarks Protect the Consumer from Confusion

A consumer has the right to be protected from confusion and mistake.125 A trademark protects a consumer from such confusion. A consumer may be confused by the same or similar trademarks identifying the same product. A consumer may also be confused by the same or similar trademarks that identify similar, but not identical, goods. A consumer may be misled as to the origin, type, quality and price of the product. A likelihood of confusion126 is one

122. Kunstadt & Buhler, supra note 6, at C4.
123. Id. at C4.
125. ARTHUR R. MILLER & MICHAEL H. DAVIS, INTELLECTUAL PROPERTY 188 (1994); Scarves by Vera, Inc. v. Todo Imports, Ltd., 544 F.2d 1167, 1169 (2d Cir. 1976).
126. See, e.g., The Lanham Trademark Act, 15 U.S.C. 1127, 1225, 45, 43 (requiring likelihood of confusion instead of actual confusion by the consumer as to the origin). See also MILLER AND DAVIS, supra note 125, at 182 for
of the main considerations in local\textsuperscript{127} and international\textsuperscript{128} trademark law.\textsuperscript{129}

However, the law focuses only on the protection of famous marks and does not suggest that courts should inquire into whether the offending mark is culturally strong in the eyes of a consumer. This gap is not obvious where there is no conflicting mark in the market or where there is an offending mark that is pirating a famous mark. This gap only comes to light when an offending mark does not take advantage of a famous mark because the offending mark is distinctive and has a cultural value the consumer is likely to recognize.

In the Budweiser cases, if Anheuser-Busch's Budweiser were to be considered "famous," Budvar's Budweiser would be eliminated because the trademark is legally predetermined to cause confusion, as the two Budweiser marks are introduced in the same class of products. The outcome, based on current famous marks law, would support Anheuser-Busch's Budweiser to control exclusively the trademark Budweiser in the global market. However, rejecting Budvar's Budweiser from the markets would diminish cultural diversity because Budvar's beer is the source of a long-standing tradition of beer manufacturing and consumption in central Europe. In this case, protecting the consumer from confusion results in overprotection by underestimating the consumer's sophistication.\textsuperscript{130} Given the inherent distinctiveness of

\textsuperscript{127} The Trademark Act of 1994 (UK); Das deutsche Markengesetz 1997 (German Trademark Act).
\textsuperscript{128} Paris Convention, supra note 29; TRIPS, supra note 47.
\textsuperscript{129} See, e.g., LONG, supra note 75, at 55 (analyzing factors in case law).
\textsuperscript{130} See Anheuser-Busch Inc. v. Budejovicky Budvar NP., [1998] RPC 669 (showing by survey evidence that the ordinary consumer is sophisticated enough to distinguish between Anheuser-Busch's and Budejovicky Budvar's Budweiser).
the beers, this protection may not be necessary.

b. Trademarks Protect Consumers' Expectations of Choice

A consumer expects a variety of products in the market. A trademark helps a consumer to identify these products and to choose the goods he wants.131 A consumer also expects that even by increasing the variety, there will also be the option of finding products that have already been tested. A consumer only cares that a particular mark is unavailable, not the reasons for its unavailability.

For example, in the Budweiser case, a consumer who drinks Anheuser-Busch's beer recognizes its taste, its label, that it is from the United States and that it belongs to a strong producer. The same consumer sometimes prefers Budvar's Budweiser because the taste differs and has its own cultural distinctiveness as a Czech traditional beer. The consumer has two valuable choices. If Anheuser-Busch or Budvar cannot sell Budweiser under the trademark Budweiser, the consumer loses this choice between Anheuser-Busch's Budweiser and Budvar's Budweiser.

If the Budweiser case is decided under famous marks law, three scenarios present themselves. First, if both trademarks were used in the country of dispute, Anheuser-Busch's Budweiser or Budvar's Budweiser would be found famous and the other would be forced to leave.132 Second, even if the famous brand was not sold in the country of dispute, the other, even though sold there, would be rejected.133 Third, if both were to be found famous whether used or not, the court, in avoiding a difficult decision, may ban both.134 None of these results will satisfy the consumer's

132. See Henrik Villumsen, The Battle of Budweiser (visited Jan. 2, 1998) <http://www.advokatgruppen.dk/ip/budweiser.htm> (discussing the lawsuit between Anheuser-Busch and Budejovicky Budvar in the Danish court). Anheuser-Busch has been selling Budweiser in Denmark since 1980. Id. The court found that the use of the trademark Budweiser by Budejovicky Budvar violated Anheuser-Busch's Danish trademark rights and granted Anheuser-Busch an injunction against Budejovicky Budvar. Id.
133. Webster, supra note 39, at 576.
134. See Kunstadt & Buhler, supra note 6, at C4 (stating that Anheuser-Busch's and Budejovicky Budvar's lawsuit in Switzerland resulted in a ruling that Anheuser-Busch cannot use either the trademark "Budweiser" or the trademark "Bud"). Budejovicky Budvar's registration for "Budweiser was upheld; however, the "Bud" registration was rejected). Id. The decision was based on a likelihood of confusion and non-use. Id. Anheuser-Busch appealed. Id. The underlying facts suggest that had the case been decided on a famous marks basis, the court would have had a difficult task determining which of the parties was famous, and which should be rejected. Id. Anheuser-Busch's Budweiser could have been found famous because of its reputation. Id. Budejovicky Budvar's Budweiser had the same chance, considering the extent and tradition of sales in Switzerland, the 1973 treaty between Czechoslovakia
expectation that a variety and quality of products will be assured in the market. In the eyes of the consumer, the market will become more homogeneous. The consumer may worry that, as competition lessens, the quality of the product will diminish. In this case, the law does not fully protect the consumer's expectations.

2. Trademarks Protect the Owner

Trademark law protects the owner against unfair competition and dilution, in turn rewarding the owner's goodwill.

a. Unfair Competition

A well-protected trademark prevents unfair competition. If a product establishes a reputation in a market and another takes dishonest advantage of that reputation by substituting its products for those with that reputation, then the practice amounts to unfair competition. The substitution may be carried out by use of a same or similar trademark, and by applying for registration in a country before the mark with the reputation applies or enters the market. Such rivals are called "trademark pirates."

The law of famous marks protects the owner of a famous mark against piracy by extending the protection to instances where the famous mark is not registered or not used in a given territory. However, as long as a mark has been found famous, and an offending mark is likely to cause confusion, the language used in Article 6bis of the Paris Convention suggests piracy per se. That is, even if the offending mark has been used in good

and Switzerland's acknowledgement of the Czech's right in "Budweiser" as a geographic indication, and statements of Anheuser-Busch's representative in 1983 that Anheuser-Busch would not sell Budweiser of United States' origin in Switzerland. Id.


136. See id. at 465 (defining unfair competition as an offspring of tort law—fraud and deceit). In England, the action for unfair competition was called "passing off." Id.

137. See id. at 467 (stating that the struggle with a proper remedy stems from the debate whether trademark law comes from trespass or tort, and whether a trademark is subject to property ownership). Courts refer to trademarks as property, which means the owner has a right to exclude others from confusing usage. Id.

138. BLACK'S LAW DICTIONARY 1528 (6th ed. 1990); Paris Convention, supra note 29, Art. 10bis.

139. Memorandum by WIPO, Protection of Well-known Marks: Results of the study by The International Bureau and Prospects for Improvement of the Existing situation, Committee of Experts On Well-Known Marks, Geneva, Nov. 13-16, 1995, paras. 36 at 11.

140. Paris Convention, supra note 29.

141. Id.
faith and has traditional ties to the market, such mark will be forced to exit the market. In cases like Budweiser, if Anheuser-Busch's Budweiser were declared "famous" in the territory of dispute, famous marks law would protect Anheuser-Busch against unfair competition and piracy, and require the cancellation of Budvar's Budweiser. Moreover, Budvar would not be protected at all and would be considered a pirate. The law in such a case does not allow any flexibility for the courts to award fair protection to a good faith owner of a culturally valuable mark; the law fails to help create a positive global business environment.

b. Value of the Product to the Owner: Goodwill and Dilution

A well-protected famous trademark preserves and motivates the owner's goodwill. The owner invests in the product as well as in the trademark. The trademark acquires a value itself, and the owner uses the mark as a symbol of its reputation. Goodwill is established by the extent of resources invested in the trademark through its promotion. Famous marks law assures protection of such valuable investments. The greater the investments, the greater the protection awarded to such a trademark. This type of protection rewards a trademark owner for his investment.

In the United States, the law of famous marks goes even further. The United States anti-dilution doctrine awards even more protection to the famous mark owner than the international body of law. An offending mark will be canceled even if it is not

142. WIPO, supra note 68. In accordance with The Lanham Trademark Act, WIPO proposed new language: cancellation would be requested only if the offending mark was used “before the famous mark became famous.” Id. This could be interpreted to some extent as incorporating the protection of good faith owners of marks with a long tradition. The proposal is, however, still in the stage of consideration and does not cover the protection of a culturally valuable mark.

143. Paris Convention, supra note 29. Article 6bis(c) is only more lenient to a mark used or registered in good faith by allowing five years for requesting the cancellation of the offending mark. Id. In a case of bad faith, “no time limit shall be fixed . . . .” Id.

144. Reichman, supra note 124, at 112.

145. MILLER & DAVIS, supra note 125, at 181.

146. See id. at 182 (promoting trademarks by advertising in print or in media like television, radio or the Internet). Another example is the presentation of trademarks at fairs and exhibitions. Id.

147. Id.

148. See Part II of this Comment for a discussion of the United States anti-dilution doctrine.

likely to create confusion.\footnote{150} A famous mark owner can enjoin the use of the same or similar marks from unrelated goods because consumers, even though not confused, could find the famous goods inferior, or because the mark owner may decide someday to expand into the territory of the unrelated goods. Consequently, as long as a mark is famous, dilution is a predetermined conclusion.\footnote{151} The doctrine is based on various rationales. For example, the owner of a famous mark would not be required to prove superiority or inferiority, to establish quality or to prove injury.\footnote{152} Whether or not this doctrine confuses the issues or adds anything to the law of famous marks is not within the scope of this Comment.\footnote{153} However, if this extended protection found its way into international law, it would be contrary to the idea of integrating diversity and interdependency into the legal structure governing international trade. Moreover, in certain cases, such a law would not assure predictability of outcomes.

Applying this to the Budweiser case, neither Anheuser-Busch nor Budvar would have the protection granted by famous marks law. For example, if Budvar’s Budweiser was found famous in a country, Anheuser-Busch’s use of the trademark would be enjoined from every product carrying the name. In the opposite scenario, Budvar’s goodwill, which includes its investments in the trademark and also the significant role the trademark plays in maintaining cultural heritage and supporting the national identity of the Czech people, would not be protected at all. In this respect, the role of a trademark to protect the owner’s goodwill is not satisfied.

IV. PROPOSING THE CULTURAL TRADEMARK

In analyzing the role of trademarks in a global context, certain important concepts present themselves in the creation of a global village: cooperation, coexistence, culture, diversity and identity. These concepts, however, are not generally considered in the law of famous trademarks. In cases like Budweiser, where the owner of an offending mark acts in good faith and has a distinctive regional and cultural value, trademark law does not currently protect the consumer’s or the producer’s interest in culturally valuable trademarks. Instead, the law creates homogeneity and diminishes the cultural assets of a region by rejecting such trademarks from the marketplace. The law also protects a famous

\footnote{150} See Part II of this Comment for a discussion of the United States famous marks law.\footnote{151} Port, supra note 35, at 456.\footnote{152} MILLER & DAVIS, supra note 125, at 182.\footnote{153} See Port, supra note 35, at 459 (arguing that dilution resembles the inquiry of whether a mark is distinctive or has secondary meaning; the causes of action for infringement and dilution are not mutually exclusive).
mark owner against unfair competition and awards all goodwill to him. The law, however, does not consider the need to protect an owner of a culturally strong trademark. These oversights must be corrected. Culture, diversity and national identity influence politics and economies, and consequently ought to be considered by international and local trademark law as viable components in the formation of a global legal system.

A. Trademark Law Needs to Protect Culture

Assuming that certain trademarks are considered a symbol of the culture and identity of a particular region, a trademark is capable of protecting diversity and cultural values. If the law would finally consider these aspects of trademark law, the fears of European and developing countries, who believe that their culture, identity and equality in the global system is under attack, will be diminished.

1. Trademarks Protect the Consumer's and Owner's Interest in a Culturally Valuable Product

Protecting a cultural interest is echoed in the global trend of conservation of the last twenty years. This trend considers the protection of works of art, preservation of historical monuments, conservation and preservation of the environment, and rediscovery of one's own origin and traditions. The reasons for such protection are twofold. First, it is understandable that all these ideas are perceived as symbols linked to the culture and identity of nations. They all fall under the scope of "cultural heritage." As such, they echo the nation's political, historical, economic and philosophical views. Second,

154. Examples of this may be found in the 1976 Copyright Act and The 1988 Amendments implementing United States adherance to the Berne Convention.
155. Examples of this are The Green Field Project, The Brown Field Project and UNESCO's Historical Monuments.
157. Halbritter, supra note 109, at 568.
159. D'AMATO & LONG, supra note 39, at 95.
160. Id. at 71.
the protection of these forms assures diversity. Culturally valuable brands must be included in the scope of such protection. This would not only protect the consumers' and producers' interest in the cultural value of products\textsuperscript{161} but also protect the markets against homogeneity.

2. Trademarks Protect the Cultural Value of the Product to the Region\textsuperscript{162}

Locally important brands add to a country's wealth. A report from the International Labor Organization, for example, suggests that a global world market requires high integration of a country's economy and the international economy.\textsuperscript{163} However, increased competition\textsuperscript{164} in a domestic market enhances the country's productivity and consequently raises competitiveness abroad.\textsuperscript{165} This brings with it a higher value-added productivity that increases the country's prosperity.\textsuperscript{166}

Applying this the issue of trademark protection results in the conclusion that a global world market requires the creation of a unified and predictable famous mark protection regime. However, support of strong domestic marks enhances competition and productivity and allows the products to compete abroad. Consequently, this adds to a country's prosperity and enables an effective international coexistence.\textsuperscript{167} In a case like Budweiser, beer is a competitive and important product to the Czech economy. This product meets the threshold of becoming competitive abroad and consequently plays a role in the prosperity of the country. The rejection of the product from the international market goes against the accomplishment of effective international coexistence.

B. The Cultural Trademark—Exception to Famous Marks Law

Assuming that one role of a trademark is to protect culture and identity, these aspects must be embedded in trademark law. The following language and commentary is the first step for crafting a proposal for the World Intellectual Property Organization (WIPO)\textsuperscript{168} in its search for global legal protection and

\textsuperscript{161} See id. at 84 (discussing strong local marks and cultural pride).
\textsuperscript{162} See also id. at 99 (discussing the interests in cultural property).
\textsuperscript{163} Prokopenko, supra note 98, at *2.
\textsuperscript{164} Such higher competition necessarily results when a viable local brand is introduced. For example, in the United States, foreign potato chips are competing with national brands, yet local brands manage to compete effectively and generally keep prices down.
\textsuperscript{165} Prokopenko, supra note 98, at *16.
\textsuperscript{166} Id.
\textsuperscript{167} Id.
\textsuperscript{168} WIPO Proposal, supra note 149, at 19. This most recent proposal made
mutual satisfaction of member states.

1. The Text

(1) A Cultural trademark is defined as a trademark that has been used or registered, in good faith, for an extended period of time in the territory of origin, and possesses distinctive cultural characteristics and value that links the trademark with the tradition and history of the territory.

(2) If such trademark becomes the offending mark in another territory, the offending mark must show it has been used in that territory and that its cultural distinctiveness is recognizable by the consumer in the territory in question.

(3) If such trademark offends a famous mark, and has established (1) and (2), the country shall allow concurrent use

some changes to the current language of famous marks law. Article 4 proposes the text for the protection of well-known marks against conflicting marks as follows.

(1)(a) A well-known mark shall be protected against any mark which is in conflict with it. A Party shall protect a well-known mark at least with effect from the time when the mark has become well-known in its territory. A Party shall not be required to consider a mark to be in conflict with a well-known mark if that mark was used or registered, or an application for its registration was filed, in its territory [in good faith] before the well-known mark became well known in its territory.

Id. The proposal does not determine what would happen if a conflicting mark were registered before the well-known mark actually became well-known in a territory. Finding the conflicting mark "not in conflict" could mean a grant of concurrent use for both trademarks or rejection of the well-known mark. Therefore, the section is ambiguous. Moreover, the proposal does not oblige a member state to protect an "internationally" well-known mark. This discourages the process of a fair global solution as member states would, naturally, not turn to international courts protecting their own markets. "A mark shall be deemed to be in conflict with a well-known mark where that mark, or an essential part thereof, constitutes a reproduction, an imitation . . . liable to create confusion, of the well-known mark . . ." Id. The proposal retains the requirement of confusion which would allow for Anheuser-Busch's and Budejovicky Busch's Budweiser to be used concurrently in a territory as long as they are distinctive from each other.

(c) Irrespective of the goods . . . for which a mark is used . . . a mark will be deemed to be in conflict with a well-known mark . . . where at least one of the following conditions is fulfilled:
(i) the use of that mark . . . would indicate a connection between the goods . . . and the owner of the well-known mark, and would be likely to damage his interests;
(ii) the use of the mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;
(iii) the use of the mark would take unfair advantage of the distinctive character of the well-known mark.

Id. Although the proposed changes made a slight step towards more specific language, disputes over the category of trademarks like Budweiser would still remain unpredictable.
to such a trademark.\textsuperscript{169}

2. The Commentary

a. Good Faith

The requirement of good faith is the basis for the preceding proposal. Good faith presents a problem of interpretation itself,\textsuperscript{170} and is not dealt with in the Paris Convention. Local courts struggle with this concept,\textsuperscript{171} and consequently a unified definition of bad faith is necessary. For the purpose of the proposed language for cultural trademark, a working definition of bad faith will be that, at the time of registration or use of the conflicting mark, the owner of the conflicting mark had knowledge, or had reason to know of the famous mark.\textsuperscript{172}

b. Requirements

To determine whether a trademark established cultural value, the courts shall inquire into:

(1) \textit{The extent of use}. To become part of tradition, the extent of use of the trademark may be longer than in the case of a

\textsuperscript{169} Anheuser-Busch, Inc. v. Budejovicky Budvar, NP. [1998] RPC 669. The court's decision allowing concurrent use supports this proposal. Cf. Fulkerson, \textit{supra} note 43. The possibility of concurrent use would resolve the problem of deciding who was the original proprietor of a trademark having a history of simultaneous use by more than one owner. In a case like Budweiser, the law would not have to disregard the history of agreements between Anheuser-Busch and Budejovicky Budvar and the historical reasons for Budweiser being used by two companies simultaneously. Concurrent use would protect the famous mark (Anheuser-Busch's Budweiser) by allowing its registration. However, the law would protect a trademark that is an integral part of a country's culture and does not pirate the famous mark (Budejovicky Budvar's Budweiser). Both owners could then decide whether to build a viable partnership or leave it to the market to decide the survival of the two trademarks.

\textsuperscript{170} See \textit{LONG}, \textit{supra} note 75, at 88 (analyzing the inquiry into evidence of the defendant's wrongful intent). If a wrongful intent is found, some courts infer that confusion is likely to occur. \textit{Id.}

\textsuperscript{171} See \textit{id.} (showing that courts differ in what comprises wrongful intent and bad faith by using standards like "knowledge of the other mark", "minimum good faith investigation" or "innocent intent").

\textsuperscript{172} WIPO Proposal, \textit{supra} note 149, at 24. In accordance with the proposed definition of WIPO 1998, the Committee proposed that the burden of proof regarding whether the owner of the offending trademark acted in bad faith should be on the owner of the famous mark. \textit{Id.} To show that the infringer had a reason to know about the famous trademark, the owner of the famous trademark could, for example, show that the defendant had already approached him to discuss distribution, or prove that some elements of the mark were copied. \textit{Id.} For the category of "clearly" famous marks (i.e., Nike, McDonald's), the EC's Registry could be used as proof that the infringer would have looked up the mark had he acted in good faith.
usual trademark or even a famous mark. For example, the name Budweiser has been used for almost seven hundred years, even though it has been registered just over one hundred years.

(2) Cultural distinctiveness. The trademark must show it is tied to the region of origin by description. For example, the label may carry certain symbols of the region or the writing may not have been changed since the mark has been in use. In other words, consumers can recognize the product just by looking at the label.

(3) Tradition of the trademark/product. Courts may look to the history of the trademark/product in the region and determine, for example, how the mark/product has influenced the architecture, art and literature of that region. A survey of consumer's pride of the mark/product may be taken. The participation of the trademark in cultural enterprises may be considered.

(4) The strength of the trademark and good will. The purpose of distinguishing a trademark as culturally valuable is to reduce the number of nonviable trademarks. The trademark owner must show the product is economically viable and that the owner invested in the trademark. This is similar to a showing of goodwill in the case of a famous mark. In the case of a cultural mark, the owner shall also show investment in the maintenance of the trademark's cultural value. For example, an owner may show financial support of institutions researching the history of the region and publications about the cultural background of the trademark and the brewery.

(5) Recognition of cultural value to consumers in the territory of use in addition to the territory of origin. The cultural value of the trademark must be strong enough to be recognizable to consumers in another country or region.


174. Id.

175. This is one of the main criteria for a trademark to be found famous. However, a cultural mark need not to show such a high degree of reputation. A recognizable cultural mark in a foreign market could be inferred from the history of such a trademark in the foreign market. For example, Budejovicky Budvar's Budweiser had been sold in country X until interrupted by the Second World War, then it was sold again until the communist takeover in 1948. During that time, import of the beer was prevented for political reasons. After the fall of the iron curtain, Budejovicky Budvar's Budweiser requested registration in country X and began to sell its beer again. Such history lets us infer that Budejovicky Budvar's trademark is recognizable in the foreign market.
(6) Economic importance to the territory of origin. The trademark must be shown to have an important impact upon the region's economy. For example, a trademark may be the only product bringing wealth to a city. The trademark may also be one of the main export articles of a country.

CONCLUSION

The purpose of famous marks law is to protect strong marks against piracy and dilution in the global economy. Neither use nor registration is required for a famous mark to be protected. This expands the traditional trademark protection by giving the famous mark the right of protection per se. Such protection seems objective and fair in trademark cases like Nike, McDonald's or Coca-Cola because of the extent of their goodwill and reputation. However, in cases that do not fall into the category of the most famous marks in the world, famous marks law creates unpredictability and a sense of unfairness. In the Budweiser case, some countries find Anheuser-Busch's Budweiser famous while others do not. The countries that do not declare Budvar's version of Budweiser famous reject that trademark, even though Budvar's Budweiser possesses a unique cultural distinctiveness and does not pirate Anheuser-Busch's reputation. Predictability, objectivity and fairness are key issues in any legal field.

The question is whether Anheuser-Busch's Budweiser should have the right per se to exclude the traditional and economically viable Budvar's Budweiser. If so, predictability in outcome would be assured. However, fairness and legal objectivity would suffer. The reason is that the law of famous marks has never defined an objective test for fame. Fame is a difficult category to substantiate because it is a highly subjective concept. Legally, there should be a basic understanding of when a trademark becomes famous, and when a famous trademark may be declassified to a non-famous mark. However, the law of famous marks has not revealed such a test.

In cases like Budweiser, size is often analogous to fame: the company that is bigger is considered more famous and is given more rights. As discussed earlier, this practice is rooted in a Darwinian economic approach that gives the right of survival only to the powerful, a concept left over from the nineteenth century. This does not comport with a modern understanding of fairness. The Darwinian model must ultimately fail in a world of global interdependency and integration. Currently, the most discussed and disputed issues are a definition of a proper group of consumers, a determination of their level of sophistication,

176. See History of Budvar, supra note 25 (showing that Budvar's production is the main revenue in the town of Ceske Budejovice).
channels of trade to be surveyed, and a definition of bad faith. However, the law of famous marks has more fundamental problems that go beyond such inquiries.

There will be strong marks that deserve broad protection before full integration of the global economy can occur. This Comment analyzes only one issue: how to assure fairness in cases that reside in the gray area of famous marks law. The proposed exception to the law of famous trademarks—the cultural trademark—helps to ensure fairness in trademark disputes that will, undoubtedly, continue to arise in our global village. The proposed exception invites the concepts of cooperation, diversity, culture and identity into trademark law. Concurrent use of culturally valuable trademarks must be considered in international and local laws. Such consideration acknowledges the cultural needs of European and developing countries, guaranteeing that their culture, identity and diversity will not be trampled by the emerging economic and legal system being imposed upon them by world leaders.