

## Doctrine Of Foreign Equivalents And Foreign Language Marks In Trademark Cases

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A recent court decision in a trademark dispute quoted the familiar line from Shakespeare, “What’s in a name? . . . That which we call a rose by any other name would smell as sweet.”<sup>[i]</sup>

So began the analysis of a decision by the U.S. District Court for the Southern District Court of New York over the rights to an Italian olive name in *Orto Conserviera Cameranesse D Giacchetti Marino & C.S.N.C. and Penta International Inc. v. Bioconserve S.R.L. and Bella d Cerignola Inc.*<sup>[ii]</sup>

Judge John Martin’s decision in *Orto*, and a similar trademark case decided recently by the Second Circuit involving a Japanese language mark,<sup>[iii]</sup> reaffirm the importance of the doctrine of foreign equivalents. This well-known rule demands that any analysis of foreign language marks be based on their accepted foreign usage.

As international boundaries continue to weaken, especially in the age of cyberspace, the doctrine of foreign equivalents has acquired greater importance.

In *Orto* the mark in dispute was the Italian term Bella di Cerignola.<sup>[iv]</sup> The phrase is a generic designation of a particular type of olive favored abroad and in the United States. Both sides in *Orto* believed that consumers in the United States would not consider a particular olive as sweet if it were not called Bella di Cerignola. The defendant had registered the term as its trademark and claimed to be the first producer to introduce this particular type of olive into the United States.<sup>[v]</sup> What was hotly contested between the parties was whether the term Bella di Cerignola had become a generic designation for this particular type of olive, and therefore unavailable to any party for exclusive use as a trademark.

Trademark attorneys are familiar with the well-established principle that generic terms cannot be given trademark protection. The general rationale for the prohibition against generic-term marks was articulated by Judge Henry J. Friendly in *Ces Publishing Corp. v. St. Regis Publications Inc.*:

To allow trademark protection for generic terms, i.e., names which describe the genus of goods being sold, even when these have become identified with a first user, would grant the owner of the mark a monopoly, since a competitor could not describe his goods as what they are.[\[vi\]](#)

The defendants in *Orto*, attempting to protect their trademark against the plaintiff's challenge, argued that the term *Bella di Cerignola* had not yet become generic in the United States.[\[vii\]](#) On this premise, the defendant argued that it should be permitted to maintain its registration and prevent others -- including the plaintiff -- from commencing marketing efforts under the same name. However, just as bestowing trademark protection for generic terms in English is impermissible because competitors will not be able to describe their goods as to what they are, trademark protection for foreign generic words has also been denied over the years.

### **Generic Issue Parochial**

The court in *Orto* rejected the defendants' domestic analysis of the generic issue and refused to follow earlier cases that held that only a mark's use in the United States was relevant regardless of whether the term may be generic in another country.[\[viii\]](#)

The court explained that those cases reflected an overly parochial approach, inappropriate for today's international business climate:

Even if the Court were to conclude that "*Bella di Cerignola*" had not yet become generic in this country, it would be reluctant to permit defendants to use it as a trademark for olives because to do so would preclude producers of Italian olives from selling them using the generic designation by which they are known in the country of origin. There are cases that state that, in determining whether a term used as a trademark is generic, the courts should consider only its use in this country and the fact that the term may be generic in another country is of no consequence. . . . However the facts of

this case suggest that, as a general rule, such reasoning is too parochial for the modern world of international commerce.[ix]

The court continued its analysis by remarking that “[i]t does not strain the bounds of judicial notice to recognize that those who are interested in gourmet foods are often people who travel internationally or, at least, keep abreast of international developments in the food market.”[x] “Thus[,] an item of produce that is practically unknown in this country can become relatively popular within a brief period. To allow the first importer of such a product to use its generic designation in the country of origin as a trademark would give that importer a competitive advantage that the law of trademarks should not allow.”[xi] The Southern District concluded the defendant -- the proponent of the Italian term mark -- was not entitled to use the term as a trademark.[xii]

### **Japanese Case**

In the second case of this nature, decided recently, the Second Circuit Court of Appeals was called upon to analyze the potentially generic character of the Japanese term *otokoyama*. The doctrine of foreign equivalents was held to provide sufficient basis for reversing a preliminary injunction granted earlier in favor of the plaintiff.[xiii] In *Otokoyama Co. v. Wine of Japan Import Inc.*, the Second Circuit vacated the preliminary injunction, declaring that the validity of the plaintiff’s trademark was cast into doubt by evidence that the underlying term was generic in Japan.[xiv]

The plaintiff in *Otokoyama* held four U.S. trademarks in the word *otokoyama* and related Japanese language pictograms signifying the word. The plaintiff brought its infringement suit after the defendant, an importer, began selling a brand of sake known as Mutsu *Otokoyama* in the United States.[xv] The defendant raised counterclaims seeking cancellation of the plaintiff’s mark, on the premise that the term was generic based on its foreign, Japanese, equivalent.[xvi] The defendant also counterclaimed that the plaintiff had perpetrated a fraud on the U.S. Patent and Trademark Office in obtaining its registration.[xvii]

At the trial level, the U.S. District Court for the Southern District of New York refused to consider evidence proffered by the defendant, which tended to demonstrate that the term *otokoyama* in Japan was generic and signified a

particular liquid refreshment.<sup>[xviii]</sup> The trial court also refused to consider evidence that the Japanese trademark office had denied trademark protection for the plaintiff's mark, based on the generic nature of the word otokoyama. The defendant appealed to the Second Circuit, stating that the trial court's decisions in both instances were in error.

The Second Circuit began its analysis by explaining the well-established principle that generic terms cannot be given trademark protection. Echoing Judge Henry J. Friendly's holding earlier, the Second Circuit stated "[i]t is a bedrock principle of the trademark law that no trader may acquire the exclusive right to the use of a term by which the covered goods or services are designated in the language. Such a term is generic. Generic terms are not eligible for protection as trademarks; everyone may use them to refer to the goods they designate."<sup>[xix]</sup>

### **General Fairness**

The Second Circuit explained the general fairness principles underlying the prohibition against generic terms:

This rule protects the interest of the consuming public in understanding the nature of goods offered for sale, as well as a fair marketplace among competitors by ensuring that every provider may refer to his goods as what they are. . . A seller cannot remove a generic term from the public domain and cast upon competitors the burden of using an alternative name.<sup>[xx]</sup>

The circuit court left no doubt that the prohibition extends to foreign language marks: "the same rule applies when the word designates the product in a language other than English. This extension rests on the assumption that there are (or someday will be) customers in the United States who speak that foreign language."<sup>[xxi]</sup> The Second Circuit added that "[b]ecause of the diversity of the population of the United States, coupled with temporary visitors, all of whom are part of the United States' marketplace, commerce in the United States utilizes innumerable foreign languages. No merchant may obtain the exclusive right over a trademark designation if that exclusivity would prevent competitors from designating a product as what it is in the foreign language their customers know best."<sup>[xxii]</sup> The circuit court added that "Courts and the U.S. PTO apply this

policy, known as the doctrine of 'foreign equivalents,' to make generic foreign words ineligible for private ownership as trademarks."<sup>[xxiii]</sup>

Focusing on the Japanese term *otokoyama*, the circuit court found the meaning to be highly relevant in determining whether the plaintiff could claim trademark protection for the word. The circuit court held that it was error for the district court to reject this evidence, and on this ground held that the plaintiff had not reached his standard of proof.<sup>[xxiv]</sup> In granting the injunction, the district court also had found it to be irrelevant that the Japanese Patent Office -- which is responsible for trademark registrations in Japan -- had denied the plaintiff registration for the mark *otokoyama*. The Second Circuit, however, held that while rights in a mark cannot be established by showing that they have been approved by a foreign tribunal, not all foreign decisions are irrelevant and inadmissible in a U.S. trademark dispute. "Whether a foreign decision is relevant in a trademark case in our courts depends on the purpose for which it is offered. The fact that a litigant has been awarded or denied rights over a mark in a foreign country ordinarily does not determine its entitlement to the mark in the United States. The foreign court decision is not admissible if that is the purpose of the offer. But if . . . the foreign decision is competent evidence of a relevant fact, it is relevant and admissible to prove that fact."<sup>[xxv]</sup> The defendant in *Otokoyama Co. Ltd.* had offered the Japanese Patent Office's decision to prove that the word *otokoyama* in Japanese refers to a type of sake. The circuit court held that it was error for the district court to have excluded the Japanese Patent Office's decision, under these circumstances.

The decisions in *Orto Conserviera Cameranesse D Giacchetti Marino & C.S.N.C.* and *Otokoyama Co.Ltd.* send a clear signal to trademark attorneys and generalists alike. Businesses planning to adopt foreign terms must recognize the limitations imposed by the doctrine of foreign equivalents. As foreign and domestic markets continue to intertwine, causing American consumers to develop an increased appetite for offshore products, the doctrine of foreign equivalents will have a significant impact in the trademark field.