AIPLA QUARTERLY JOURNAL

Volume 54, Number 1 Page 79 Winter 2026

NOTE

THE LIMITS OF TERRITORIALITY: ADDRESSING UNAUTHORIZED USE OF FOREIGN FAMOUS MARKS IN THE UNITED STATES

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I. INTRODUCTION

As anyone who has spent significant time in China can attest, "King of Kings" brand sausages are synonymous with reliable and superior quality.[1] For the ever-increasing number of Chinese immigrants, students, and travelers in the United States using the popular Asian grocery app Weee!, encountering "King of Kings" sausages reasonably suggested continuity with the brand they already knew and trusted.[2] Until late 2024, when it was announced that over 70,000 pounds of ready-to-eat meat had been recalled for potential contamination with Listeria bacteria.[3] Despite the use of all the markings of the Chinese King of Kings brand, the U.S. company had no connection to the highly trusted brand, instead exploiting the unprotected familiarity of U.S. consumers with the foreign mark.[4] While the tainted sausage is no longer available on the "Weee!" app, the gaps in U.S. trademark protections against consumer exploitation by domestic copycats remain.

This incident highlights a much larger problem. As immigrant communities expand[5] and online retail blurs national boundaries, U.S. consumers

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1 Shuang Hui Wang Zhong Wang, 双汇王中王[Shuanghui King of Kings], BAIDU BAIKE https://baike.baidu.com/item/%E5%8F%8C%E6%B1%87%E7%8E%8B%E4%B8%AD%E7%8E%8B/23656452 [perma.cc/HK93-9U67].The sausage "王中王" (King of Kings) is a product from Henan Shuanghui, which once was one of the Fortune 500 companies. It has been on the market since 1995. The trademark has been registered in USPTO since Aug, 15, 2023, owned by Canada Knightsbridge Corp, which is not related to the Chinese company. *See* WANGZHONGWANG, Registration No. 7,139,563.

2 *See id.*; Shuang Hui Wang Zhong Wang Huotuichang (双汇王中王火腿肠) [Shuanghui King of Kings Ham Sausage], WEEE! https://www.sayweee.com/zh/grocery-near-me/chinese-lang/explore/%E5%8F%8C%E6%B1%87%E7%8E%8B%E4%B8%AD%E7%8E%8B%E7%81%AB%E8%85%BF%E8%82%A0?nqk=mgp-0-s-out&srf=_,_,_,_,_,_,_,_,_,_,_,_,_,_,_,_,_ [perma.cc/Y9W6-WUZV]. The product sold on Weee! Belongs to Yu Shang Food, Inc., a U.S. company. *Id.*

3 FSIS Directive 030-2024-EXP, Yu Shang Food, Inc. Recalls Ready-To-Eat Meat and Poultry Products Due to Possible Listeria Contamination (U.S.D.A. 2024).

4 *See* Yushang Food Inc., BUZZFILE, https://www.buzzfile.com/business/Yushang-Food-Inc.-864-310-6313 [https://perma.cc/YBF6-B5ML]; Yushang Food Inc., S.C. SECRETARY OF STATE BUS. ENTITIES ONLINE, https://businessfilings.sc.gov/BusinessFiling/Entity/Profile/244b9f09-c9a4-4a7f-8ad0-37c072232b39 [https://perma.cc/KL4F-9HGK]. According to Buzzfile and South Carlina Secretary of State, Yushang Food Inc. is registered in South Carolina and is owned by an individual, with no disclosure indicating that Henan Shuanghui Investment & Development Co., Ltd. or the Shuanghui Group holds any ownership interest or serves as its parent company. *Id.* [perma.cc/9M48-RDJZ].

5 Nicholas Jones et al., *2020 Census Illuminates Racial and Ethnic Composition of the Country*, U.S. CENSUS BUREAU (Aug. 12, 2021), https://www.census.gov/library/stories/2021/08/improved-race-ethnicity-

encounter foreign brands with increasing frequency. Platforms like Weee! has become gateways for both authentic and imitation goods, making the risks of consumer confusion and reputational harm more immediate than ever.[6] For trademark practitioners, this uncertainty creates real challenges in advising clients on clearance, enforcement, and litigation strategy.[7] The famous-mark gap in U.S. law is not an abstract doctrinal puzzle but a live issue with daily consequences for businesses and consumers.[8]

Trademark laws are intended to protect consumers and businesses from confusion, deception, and unfair competition.[9] However, there is a troubling gap in the U.S. trademark system that allows some unauthorized use of foreign trademarks in the U.S. market. This issue extends beyond simple imitation and hurting consumers' trust in the foreign brand – it can potentially expose consumers to dangerous products.

The "King of Kings" knockoff and recall is not an isolated event. Similar instances continue to occur, often quickly forgotten since these products or services typically do not pose health or safety concerns. A notable recent example involved Costco, which went viral on Chinese social media for selling knockoff Chinese chicken-meat floss cakes.[10] The counterfeit product closely mimicked the

measures-reveal-united-states-population-much-more-multiracial.html [perma.cc/QZ3R-4M78] (showing continued growth of immigrant populations in the United States).

6 Belinda Robinson, *Asian American Online Grocery Stores Booming in US*, CHINA DAILY GLOBAL (Jul. 10, 2024), https://global.chinadaily.com.cn/a/202407/10/WS668de69fa31095c51c50d514.html [perma.cc/45QW-C47L] (describing how Weee! delivers fresh groceries to 18 states and dry goods to 48 states, specializes in authentic and hard-to-find ingredients, and serves many first-generation immigrant customers).

7 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 29:4 (5th ed. 2025) (noting doctrinal uncertainty regarding foreign famous marks and advising caution for practitioners).

8 Grupo Gigante S.A. de C.V. v. Dallo & Co., 391 F.3d 1088, 1094–95 (9th Cir. 2004)) (recognizing famous-mark exception but applying strict proof standard); ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 164–65 (2d Cir. 2007) [hereinafter *ITC Ltd. II*] (declining to adopt the famous-mark exception under federal law).

9 CHRISTOPER T. ZIRPOLI, CONG. RSCH. SERV., IF12456, AN INTRODUCTION TO TRADEMARK LAW IN THE UNITED STATES (Jul. 24, 2023).

10 *See* You Chen Ruosong Bing Jingshi Haiwaiban Chanpin Chuxian Jia, 友臣肉松饼警示！海外版Costco产品出现假 [Warning about Youchen Meat Floss Pastry! Counterfeit products Found at Overseas Costco Locations.], DEALMOON (May 21, 2023), https://www.dealmoon.com/post/2014808 [perma.cc/8A5Z-RA2D]; *see also* Costco De Shanzhai Youchen Rousongbing Zhende Shexian Qingquan?. Costco 的山寨友臣肉松◎真的涉嫌侵权？[Does Costco's Counterfeit "Youtchen" Pork Floss Cake Constitute Trademark Infringement?], DEALMOON, https://www.dealmoon.com/post/2017863 [https://perma.cc/M89T-74JY].

original in terms of color scheme, layout, and product description.[11] Aside from the difference in brand name, the knockoff used an alphabet-based brand name that sounded like the original, typically written in Chinese characters.[12] Many Chinese customers purchased this product, recognizing it from their experiences in China, only to realize it was a counterfeit due to its inferior taste.[13] Following the incident, Costco discontinued the product, though no further details have emerged regarding their resolution of the issue.[14]

Nonetheless, it raises important questions about whether such practices should be curtailed due to their underlying trademark infringement. The legal complexities here arise from the fact that many of these trademarks are registered only in China, with their owners not conducting business in the United States. Yet, the unauthorized use of these marks is often intentional, as they hold significant appeal within certain communities familiar with them.

This Note examines the legal mechanisms available to trademark owners and consumers to address the unauthorized use of foreign trademarks in the United States, evaluates whether current protections are sufficient, and explores potential improvements to the system. The background outlines the foundational legal framework, including U.S. statutes, common law principles, and international treaties relevant to this issue. The current law section delves into the claims available to foreign trademark owners under the Lanham Act and international agreements, and the protections available to consumers under state and federal laws. The analysis evaluates the likely outcomes of lawsuits brought by these groups under existing law and considers how potential changes in

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11 *See* You Chen Ruosong Bing Jingshi Haiwaiban Chanpin Chuxian Jia, 友臣肉松饼警示！海外版Costco产品出现假 [Warning about Youchen Meat Floss Pastry! Counterfeit products Found at Overseas Costco Locations.], *supra* note 10; Costco De Shanzhai Youchen Rousongbing Zhende Shexian Qingquan?. Costco 的山寨友臣肉松饼真的涉嫌侵权？[Does Costco's Counterfeit "Youtchen" Pork Floss Cake Constitute Trademark Infringement?] *supra* note 10.

12 *See* You Chen Ruosong Bing Jingshi Haiwaiban Chanpin Chuxian Jia, 友臣肉松饼警示！海外版Costco产品出现假 [Warning about Youchen Meat Floss Pastry! Counterfeit products Found at Overseas Costco Locations.], *supra* note 10; Costco De Shanzhai Youchen Rousongbing Zhende Shexian Qingquan?. Costco 的山寨友臣肉松饼真的涉嫌侵权？[Does Costco's Counterfeit "Youtchen" Pork Floss Cake Constitute Trademark Infringement?] *supra* note 10.

13 *See* You Chen Ruosong Bing Jingshi Haiwaiban Chanpin Chuxian Jia, 友臣肉松饼警示！海外版Costco产品出现假 [Warning about Youchen Meat Floss Pastry! Counterfeit products Found at Overseas Costco Locations.], *supra* note 10; Costco De Shanzhai Youchen Rousongbing Zhende Shexian Qingquan?. Costco 的山寨友臣肉松饼真的涉嫌侵权？[Does Costco's Counterfeit "Youtchen" Pork Floss Cake Constitute Trademark Infringement?] *supra* note 10.

14 *Yuasen Cake With Chicken Meat Floss*, *Costco Business Delivery*, https://www.costcobusinessdelivery.com/s?keyword=Yuasen+Cake+With+Chicken+Meat+Floss [perma.cc/7P8Q-R9AW].

statutory interpretation could enhance their protections. Finally, this Note proposes reforms to close gaps in the current system, ensuring stronger protection for both trademark owners and more reliability and trust for consumers.

II. BACKGROUND

This Part provides an overview of the legal framework relevant to the issue of protecting foreign trademarks in the United States. Section A examines key U.S. statutes, case law, and legal doctrines, including the territoriality principle, the well-known foreign mark exception, and laws addressing unfair competition.[15] Section B discusses international laws and treaties that the United States has joined, such as the Paris Convention and the TRIPS Agreement, and their influence on domestic trademark law.[16] Finally, Section C explores non-trademark legal mechanisms that can protect consumers from misleading trademarks, offering additional avenues for addressing the issue. [17]

A. U.S. DOMESTIC TRADEMARK LAW

Trademark protection in the United States operates at both the state and federal levels.[18] Under common law, unregistered trademarks can receive protection based on their actual use in commerce.[19] However, this protection is geographically limited to the area where the mark is actively used and recognized.[20] In our situation, common law protection is unlikely to apply because the original trademark owner has not used the mark in the United States. Since the domestic company used the mark in U.S. commerce first, it would generally have priority under common law.[21] However, this may not hold if the domestic user adopted the mark in bad faith by intentionally copying a well-known foreign mark.[22] Still, without clear evidence of such bad faith or recognition of the mark among U.S. consumers, the original foreign owner would likely be unable to assert common law rights.[23]

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15 *Infra* Section A.

16 *Infra* Section B.

17 *Infra* Section C.

18 *See* 15 U.S.C. § 1051; *see also State Trademark Information Links*, USPTO, https://www.uspto.gov/trademarks/basics/state-trademark-information-links [perma.cc/K2GE-LB2A].

19 JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW: CASES AND MATERIALS 490 (6th ed. 2017).

20 *Id.*

21 *See* Person's Co., Ltd. v. Christman, 900 F.2d 1565, 1568–70 (Fed. Cir. 1990) (holding that foreign use of a mark does not create priority in the United States absent U.S. use).

22 *See* Vaudable v. Montmartre, Inc., 20 Misc. 2d 757, 759 (N.Y. Sup. Ct. 1959).

23 *See Person's Co.*, 900 F.2d at 1570–71) (holding that prior foreign use does not create priority in the United States absent U.S. consumer recognition); *see also Grupo Gigante*, 391 F.3d at 1093–98 (recognizing a narrow "famous marks" exception where a foreign mark is so well known among U.S. consumers that use here may be enjoined even without prior U.S. use); *ITC Ltd. II*, 482 F.3d at

Federal law, by contrast, provides broader protections that do not necessarily depend on prior use in the United States. Under § 43(a) of the Lanham Act, unregistered marks can be protected if their use leads to false advertising, consumer confusion, or unfair competition.[24] This broader framework allows for claims even in cases where the original trademark owner has not established common law rights. The following Sections will explore the relevant statutes and doctrines of federal trademark law, focusing on their potential application to this scenario.

1. *Exception to Territoriality Principles*

The language of the Lanham Act and common law trademark principles both indicate that trademark law does not protect marks used exclusively in foreign commerce. Under § 45 of the Lanham Act, "commerce" is defined as all commerce that Congress may lawfully regulate.[25] However, Congress's regulatory authority under the Commerce Clause of Article I of the Constitution does not extend to purely foreign commerce.[26] Furthermore, trademark law operates on the widely accepted principle, recognized by most countries, that a trademark has "a separate existence in each sovereign territory in which the mark is registered or legally recognized."[27] This territoriality doctrine is foundational to U.S. trademark law, emphasizing that trademark rights are geographically confined.[28]

Despite this foundational principle, a few courts have suggested that the Lanham Act may, in certain circumstances, protect unregistered foreign marks, creating a limited exception to the territoriality doctrine.[29] These exceptions are

155–61 (declining to adopt the "famous marks" doctrine under federal law and emphasizing that U.S. common law rights generally require domestic use and recognition).

24 15 U.S.C. § 1125(a)(1) ("Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.").

25 15 U.S.C. § 1127.

26 U.S. CONST. art. I, § 8, cl. 3 ("To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes. The foreign commerce here does not involve a foreign nation, making congress no authority to regulated.").

27 *See* Rachel Brook, *The United States' Adoption of the Well-Known Foreign Mark Exception*, 36 FORDHAM URB. L.J. 889, 892 (2009).

28 *Id.* at 892.

29 *See Grupo Gigante*, 391 F.3d. at 1094.

rare and often hinge on the foreign mark's recognition in specific U.S. markets or the prevention of consumer confusion, as demonstrated in cases invoking the famous-mark doctrine.[30] "Under the 'famous marks doctrine,' a foreign user of a trademark that is famous in the United States may assert priority rights here, even if the mark has never been used in U.S. commerce."[31]

The Ninth Circuit case *Grupo Gigante v. Dallo & Co.* established a significant exception to the territoriality principle, allowing protection for famous foreign marks in specific circumstances.[32] In this case, the plaintiff, Grupo Gigante, operated a prominent grocery store chain in Mexico under the name "Gigante" for decades.[33] Two of its stores were strategically located in Tijuana, near the U.S.-Mexican border, making its brand highly visible to cross-border travelers and residents in southern California.[34] Meanwhile, the defendant opened two grocery stores in San Diego using the name "Gigante Market" during a time when the plaintiff had not yet entered the U.S. market.[35] The plaintiff became aware of the defendant's use of the mark four years later and entered the Southern California market seven years after that.[36] In the same year, both parties registered the "Gigante" mark in California, leading to a dispute over ownership and rights.[37]

After unsuccessful negotiations, the plaintiff filed a lawsuit in the U.S. District Court seeking a declaration of its superior rights to the trademark.[38] The defendant responded with claims for declaratory judgment, injunctive relief, damages, and cancellation of the plaintiff's California registration, asserting that its prior use of the mark in the United States gave it priority under the territoriality principle.[39] The District Court sided with the plaintiff, holding that the territoriality principle—normally a fundamental aspect of trademark law—did not strictly apply in this case.[40] The court concluded that the plaintiff's mark was

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30 *See id.* The famous-mark doctrine is an exception to the territoriality principle. *Id.* Under the doctrine, a foreign trademark owner may prevent others from using its mark in the United States, even though the mark has not been used or registered in the United States, so long as the mark is sufficiently well known in the United States. *See id.* It was noticed that the famous mark doctrine (also called a well-known mark in international conventions) is a different principle from the famous mark in trademark dilution found in 15 U.S.C. § 1051.

31 J. THOMAS MCCARTHY, *supra* note 7, § 29:4.

32 *Grupo Gigante*, 391 F.3d. at 1094.

33 *Id.* at 1091.

34 *Id.*

35 *Id.*

36 *Id.* at 1091–92.

37 *Id.*

38 *Grupo Gigante*, 391 F.3d at 1092.

39 *Id.*

40 *Id.* The territoriality principle states that "priority of trademark rights in the United States depends solely on priority of use in the United States, not on priority of use anywhere in the world." *Id.* at 1093.

already well-known among consumers in the Southern California area, triggering the famous-mark exception and granting the plaintiff protectable rights.[41]

The defendant appealed, and the Ninth Circuit conducted a de novo review.[42] The appellate court acknowledged the territoriality principle as a cornerstone of trademark law but emphasized that the "first-in-time, first-in-right" rule is not absolute.[43] The court reasoned that strictly applying territoriality in such cases could harm consumers by fostering confusion and enabling fraud.[44] The Ninth Circuit, however, noted the lack of clear standards in prior cases regarding how famous a mark must be to qualify for the exception.[45] The court rejected the District Court's position that achieving secondary meaning in a localized market was sufficient, warning that this approach would effectively allow the exception to eclipse the rule.[46] Instead, the court required a higher standard of proof, holding that the plaintiff must demonstrate by a preponderance of the evidence that a substantial percentage of consumers in the relevant American market—the geographic area where the defendant used the allegedly infringing mark—recognized the mark and associated it with the plaintiff's business.[47]

Building on the principles of territoriality, the Federal Circuit case *Person's Co. v. Christman* provides additional insight into the limits of the famous-mark exception, even though the court did not find the plaintiff's foreign mark to qualify as a famous mark.[48] In this case, the court placed significant emphasis on the territoriality principle.[49] It held that copying a mark used in a foreign country is

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41 *Id.* at 1092.

42 *Id.* at 1093.

43 *Id.*

44 *Grupo Gigante*, 391 F.3d. at 1093–94. The court also stated that "[t]here can be no justification for using trademark law to fool immigrants into thinking that they are buying from the store they liked back home." *Id.* at 1094.

45 *Id.* at 1095. In the most cited case for famous-mark exception, *Vaudable v. Montmartre, Inc.*, the opinion only states that the foreign mark "is, of course, well known in this country" and that "there is no doubt as to its unique and eminent position as a restaurant of internation fame and prestige," without suggesting how much fame was necessary. Vaudable v. Montmartre, Inc., 20 Misc. 2d 757, 758 (N.Y. Sup. Ct. 1959).

46 *Grupo Gigante*, 391 F.3d. at 1096. "Secondary meaning refers to a mark's actual ability to trigger in consumers' minds a link between a product or service and the source of that product or service." *Id.* at 1095. The district court analyzed the dispute as a result of having defined the exception to the territoriality principle in terms of secondary meaning. *Id.* at 1096. This interpretation of the exception would effectively eliminate the territoriality principle by eliminating any effect of international borders on protectability.

47 *Id.* at 1098. The court also stated the following factors could be used for determination, including "intentional copying of the mark by the defendant, and whether customers of the American firm are likely to think they are patronizing the same firm that uses the mark in another country." *Id.*

48 *See Person's Co., Ltd. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990).

49 *Id.* at 1569.

not inherently bad faith unless the foreign mark is either famous in the United States or the copying is intended to interfere with the prior user's planned expansion into the U.S. market.[50]

The appellant, Person's Co., first applied the logo "PERSON'S" to its products in Japan, where it became well-known and highly regarded in the fashion industry.[51] After visiting the appellant's retail store in Japan, the appellee developed their own "PERSON'S" brand clothing based on the appellant's designs and subsequently registered the mark in the United States.[52] Between the appellee's first sale in the United States and the issuance of their trademark registration, the appellant's brand gained significant prominence in Japan and eventually entered the U.S. market.[53] The appellant then registered the "PERSON'S" mark in the United States and sought to cancel the appellee's registration, citing a likelihood of confusion and unfair competition.[54]

Both the United States Patent and Trademark Office ("USPTO"), Trademark Trial and Appeal Board ("TTAB"), and the Federal Circuit rejected the appellant's claim, reinforcing the territoriality principle.[55] The court reasoned that foreign use of a mark has no legal effect on U.S. commerce and cannot establish priority rights in the United States.[56] Additionally, the court found no evidence that the "PERSON'S" mark had achieved notoriety in the U.S. at the time of the appellee's adoption of the mark.[57] The appellant had no established reputation or goodwill in the United States on which the appellee could have intended to trade.[58] Consequently, the court deemed the unfair competition provision under the Paris Convention inapplicable.[59] Furthermore, because the appellant's mark did not qualify as a famous mark in the United States, the appellee's knowledge of the foreign mark did not preclude their good-faith adoption of the mark within the United States.[60]

2. *Well-known Foreign Mark Exception*

Both the Ninth Circuit and the Federal Circuit suggest that a famous foreign mark gets protection in the United States without actual use in the United

[50] *Person's Co.*, 900 F.2d at 1568.

[51] *Id.* at 1566–67.

[52] *Id.* at 1567.

[53] *Id.*

[54] *Id.*

[55] *Id.* at 1567–68.

[56] *Person's Co.*, 900 F.2d at 1568.

[57] *Id.* at 1567.

[58] *Id.*

[59] *Id.*

[60] *Person's Co.*, 900 F.2d at 1570. The court also provided case law examples supporting a finding of bad faith, including "(1) the foreign mark is famous, or (2) the use is a nominal one made solely to block the prior foreign user's planned expansion into the United States." *Id.*

States or registration.[61] However, there are also courts that do not endorse the famous mark doctrine because Congress did not incorporate it into the federal trademark law.[62] Indeed, there is no such thing as the famous mark doctrine from the Lanham Act or state law.[63] It is mainly created by the court, probably under the influence of international treaties like the Paris Convention. This subsection will focus on domestic case law. The Paris Convention will be discussed later.

The well-known foreign mark exception is created for two reasons.[64] First, the exception helps eliminate consumer confusion by preventing two different companies from using the same mark on similar products, ensuring that consumers can identify the source of a product when it is labeled with that mark.[65] Second, the exception grants property rights to a senior user who has invested significant effort in establishing the mark on a global scale.[66]

However, as mentioned in *Grupo Gigante*, no court has given a clear standard to determine a well-known mark.[67] In *Grupo Gigante*, the court ruled that for a foreign mark to qualify as a famous mark "where a mark has not before been used in the American market," it needs "a preponderance of the evidence, that a *substantial* percentage of consumers in the relevant American market is familiar with the foreign mark."[68] Merely acquiring secondary meaning is not sufficient to determine whether a mark qualifies as a famous mark.[69] In the concurring opinion, Judge Graber suggested that an owner can prove a mark is famous "through surveys and other evidence [in which] a majority of the defendant's customers and potential customers, on aggregate, were familiar with the foreign mark when the defendant began its allegedly infringing use."[70]

The Second Circuit case *ITC Ltd. v. Punchgini* provides valuable insights into determining what constitutes a "famous mark," particularly through

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61 *See Grupo Gigante*, 391 F.3d at 1094; *see also Person's Co.*, 900 F.2d at 1570; Rachel Brook, *The United States' Adoption of the Well-Known Foreign Mark Exception*, 36 FORDHAM URB. L.J. 889, 891, 893 (2009) ("The well-known foreign mark exception to the territoriality rule delineates the circumstances in which a mark holder may obtain protection for its mark in a foreign country, even though the mark has never been registered or used in that part of the world.").

62 ITC Ltd. v. Punchgini, Inc., 518 F.3d 159, 160 (2d Cir. 2008) [hereinafter *ITC Ltd. III*]. The court ruled for the defendant on the federal unfair competition claim because "it depended on the 'famous marks' doctrine, which Congress has not yet incorporated into the federal trademark law." *Id.*

63 See 15 U.S.C. § 1051. The "famous mark" requirement in federal trademark dilution is not equivalent to "famous mark" or "well-known mark" here. The standard or test for famous mark in dilution should not be applied directly here.

64 *See* Brook, *supra* note 27, at 894.

65 *See id.*

66 *See id.*

67 *See Grupo Gigante*, 391 F.3d at 1095.

68 *See id.* at 1098.

69 *See id.*

70 *See id.* at 1108.

considerations of deliberate copying and the establishment of "secondary meaning." [71] While the court declined to recognize the existence of the famous mark doctrine under federal law, it acknowledged that such a doctrine might support an unfair competition claim under common law in New York.[72]

In this case, the appellant, an Indian corporation, operated a well-known restaurant named "Bukhara" in its home country.[73] The appellant had ceased using the "Bukhara" trademark in the United States for three years before suing the appellee, a U.S.-based restaurant, for trademark infringement and trade dress misappropriation under both federal and state unfair competition laws.[74] The Circuit Court upheld the lower court's opinion, emphasizing the standard for how famous a foreign mark must be to support a state-level unfair competition claim.[75]

Under New York's unfair competition law, a business must demonstrate the presence of goodwill in the state to protect its mark from misappropriation.[76] To pursue such a claim, a foreign trademark owner must prove both intentional copying and that its mark has acquired a secondary meaning.[77] The court identified six factors to assess secondary meaning: "(1) advertising expenditure, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and (6) length and exclusivity of the mark's use."[78]

The court further clarified that the relevant market for determining goodwill should encompass all potential consumers in New York, not just narrow subsets like individuals who had already dined at the appellee's restaurant or those inclined to eat at Indian restaurants.[79] In this case, the appellant's evidence, including foreign media reports and the fact that many of the appellee's customers were of Indian origin, was deemed insufficient.[80] The court concluded that these facts did not demonstrate that New York consumers primarily associated the "BUKHARA" mark with the appellant's business.[81]

It is understandable that courts have struggled to adopt the famous mark doctrine, as doing so requires balancing the competing interests of preventing unfair competition on a global scale and protecting the rights of domestic users

71 *See ITC Ltd. III*, 518 F.3d at 161.

72 *See id.* at 160.

73 *See id.* at 159.

74 *See id.* at 160.

75 *See id.*

76 *See id.* at 161.

77 *See ITC Ltd. III*, 518 F.3d at 161.

78 *See id.* at 162. (quoting Genesee Brewing Co. v. Strop Brewing Co., 124 F.3d 137, 143 (2d Cir. 1997)).

79 *See id.*

80 *See id.*

81 *See id.* at 163–64.

who adopt marks in good faith.[82] Simply incorporating the famous mark doctrine into U.S. law raises several concerns. It could disadvantage local businesses that innocently adopt marks without knowledge of a foreign brand's reputation abroad. Smaller enterprises, in particular, may face a heightened risk of litigation from multinational corporations with substantial legal and financial resources, potentially stifling competition and innovation. Moreover, large corporations could exploit the doctrine to expand their intellectual property portfolios aggressively, further consolidating market power and limiting opportunities for emerging businesses. To ensure a fair and equitable application of the law, it is essential to address these concerns. This Note proposes legislative language to narrow the scope of the famous mark doctrine and mitigate these drawbacks.

B. INTERNATIONAL TREATIES JOINED BY THE UNITED STATES INVOLVING TRADEMARKS

International treaties play a critical role in harmonizing trademark laws and ensuring the protection of trademarks across borders. These agreements establish guidelines for cooperation among member countries, addressing issues such as trademark registration, enforcement, and recognition of well-known marks.[83] The United States is a party to several significant international treaties regulating trademark issues, including the Paris Convention for the Protection of Industrial Property and the TRIPS Agreement.[84] These treaties influence domestic trademark law and provide a framework for resolving cross-border trademark disputes.

1. *Paris Convention*

The Paris Convention for the Protection of Industrial Property was one of the first intellectual property treaties, which can be traced back to 1883, and now is joined by 180 member countries.[85] It has three substantive provisions: national

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[82] See Kristin Zobel, *The Famous Marks Doctrine: Can and Should Well-Known Foreign Marks Receive Trademark Protection within the United States*, 19 DEPAUL J. ART TECH. & INTELL. PROP. L. 145, 170 (2008).

[83] *See* Paris Convention for the Protection of Industrial Property, art. *6bis*, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305; *see* also Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 16.2, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 [hereinafter TRIPS].

[84] *See* Paris Convention for the Protection of Industrial Property, *supra* note 83; *see also Overview: the TRIPS Agreement*, WORLD TRADE ORG., https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm [perma.cc/TNM6-3RAT].

[85] *See Summary of the Paris Convention for the Protection of Industrial Property (1883)*, WIPO, https://www.wipo.int/treaties/en/ip/paris/summary_paris.html [perma.cc/97CP-NH86]; *States Party to the PCT and the Paris Convention and Members of the World Trade Organization*, WIPO (Aug. 15, 2025), https://www.wipo.int/en/web/pct-system/paris_wto_pct [https://perma.cc/4RAB-YWTU].

treatment, right of priority, and common rules.[86] The well-known doctrine was first discussed in the Paris Convention in its common rules part.[87] The text of Article *6bis* is as follows:

> The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.[88]

Article *6bis* requires member countries to give certain protection to all well-known marks, disregarding the registration status.[89] Those protections include refusing or canceling registration of the unauthorized mark or stopping unauthorized parties from using the mark.[90] Article *10bis* of the Paris Convention states that member states are "bound to assure to nationals of such countries effective protection against unfair competition," enlarging the protection against unfair competition activities.[91]

However, U.S. courts still have a split opinion on whether the well-known doctrine exception is a part of U.S. domestic law. Some courts view the Paris Convention as non-self-executing, which means it will not automatically become effective upon ratification.[92] Being non-self-executing also means it needs to be implemented into a part of federal law by Congress to be effective.[93] The federal trademark law was codified by Congress in 1946, after the United States became a member of the Paris Convention.[94] Those courts interpret the absence of an explicit

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86 *See id.*

87 *See id.*

88 *See* Paris Convention for the Protection of Industrial Property, *supra* note 83, at art. *6bis*.

89 *See Well-known Marks,* USPTO, https://www.uspto.gov/ip-policy/trademark-policy/well-known-marks [perma.cc/3HKN-N9VD].

90 *See* Paris Convention for the Protection of Industrial Property, *supra* note 83, art. *6bis*.

91 *See id.* art. *10bis*.

92 *See* Int'l Cafe, S.A.L. v. Hard Rock Cafe Int'l (U.S.A.), Inc., 252 F.3d 1274, 1277 (11th Cir. 2001)); *see also* Mattel, Inc. v. MCA Records, Inc., 28 F. Supp. 2d 1120, 1158 (C.D. Cal. 1998) (U.S. courts are generally in agreement that the Paris Convention is not self-executing.).

93 *See* Zobel, *supra* note 82, at 156.

94 *See* Trademark Act of 1946, Pub. L. No. 79-489, 60 Stat. 427, 427 (1946) (codified as amended in scattered sections of 15 U.S.C.).

well-known trademark exception in the Lanham Act as evidence that Congress did not intend to incorporate such an exception into the U.S. trademark law system.[95] Other courts and scholars supporting the well-known mark exception believe "section 44(b) of the Lanham Act provides that foreign claimants may be entitled to benefits arising from an international convention to which their native country and the U.S are signatories."[96] More specifically, the plain language of § 44(b) and (h) shows that the Paris Convention is codified as a part of the Lanham Act and provides additional rights in that section.[97] Furthermore, the legislative history of the Lanham Act and the canon of statutory interpretation suggest that Article *6bis* should be read as incorporated into U.S. trademark law.[98] Under *Charming Betsy*, courts must interpret statutes, where fairly possible, to avoid placing the United States in violation of international law.[99] Because Congress enacted the Lanham Act after joining the Paris Convention, construing § 44 to encompass the well-known marks obligation aligns the statute with U.S. treaty commitments and avoids creating a conflict between domestic and international law.[100]

Even if there is a dispute between the courts on whether the well-known mark doctrine for unregistered foreign marks is applicable, the United States Patent and Trademark Office will refuse registration or cancel a mark that conflicts with an unregistered mark, foreign or domestic.[101]

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95 *See* Lanham Act § 44(b)–(h); *see also* ITC Ltd. v. Punchgini, 373 F. Supp. 2d 275, 286–88 (S.D.N.Y. 2005) [hereinafter *ITC Ltd. I*].

96 *See* Brandon Barker, *The Power of the Well-Known Trademark: Courts Should Consider Article 6bis of the Paris Convention an Integrated Part of Section 44 of the Lanham Act*, 81 WASH. L. REV. 363, 364 (2006).

97 *See* Lanham Act § 44(b), (h).

98 *See* S. REP. NO. 79-1333, at 4–5 (1946) (noting Congress's intent to implement international treaty obligations in the Lanham Act).

99 *See* Murray v. Schooner Charming Betsy, 6 U.S. 64, 118 (1804).

100 *See* Barker, *supra* note 96, at 365.

101 *See Well-known Marks*, *supra* note 89. From this article, it is unclear whether USPTO differentiates standards to be a famous mark between domestic and foreign trademark owner. USPTO further introduces their way for determining whether the well-known mark is infringed based on the following factors: similarity of the marks; the relatedness or proximity of the goods and/or services; the strength of the plaintiff's mark including the level of commercial recognition; marketing channels used including the similarity or dissimilarity between the consumers of the parties' goods and/or services; the degree of care likely to be exercised by purchasers in selecting goods and/or services; the defendant's intent in selecting its mark; the evidence of actual confusion; the likelihood of expansion in product lines, etc. *Id.* It seems to be a mix up between the famous mark requirement for Lanham Act dilution and famous mark exception from international treaties. The test for being a famous mark is still unclear.

2. *Trips Agreement*

The TRIPS Agreement came into effect about a hundred years later than the Paris Convention in 1995.[102] The Agreement sets the minimum standard of protection required for its members, which includes complying with the Paris Convention in its latest version.[103]

Building on the Paris Convention, Article 16.2 of the TRIPS Agreement expanded the scope of Article 6bis to include services alongside goods.[104] It also specified that when determining whether a mark is well-known, members should consider its recognition among a relevant sector of the public—not necessarily the entire country or only consumers of the specific products—and take into account the mark's promotion, not just its actual use.[105]

Additionally, Article 16.3 extended the protections of Article 6bis to well-known marks used on unrelated goods or services, provided the well-known mark is registered and such use creates a perceived connection to the mark's owner, potentially causing harm to the owner.[106]

While the provision appears to offer greater protection by limiting the well-known requirement to a specific sector of the public, the TRIPS Agreement still lacks guidance on how to determine "well-known marks" or "relevant sector of the public".[107] This issue is resolved by Article 2 of the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.[108] It includes, but is not limited to, the following six factors:

> 1. the degree of knowledge or recognition of the mark in the relevant sector of the public; 2. the duration, extent and geographical area of any use of the mark; 3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies; 4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark; 5. the record of successful enforcement of rights in the mark, in particular, the

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102 *See Overview: the TRIPS Agreement, supra* note 84.

103 *See id.*

104 *See* TRIPS, *supra* note 83, art. 16.2.

105 *See id.* ("In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained because of the promotion of the trademark.")

106 *See* TRIPS, *supra* note 83, art. 16.3.

107 *See* Mindy Pava, *The Cuban Conundrum: Proposing an International Trademark Registry for Well-Known Foreign Marks*, 25 EMORY INT'L. REV. 631, 642 (2011).

108 *See Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, art. 2, WIPO Pub. No. 833(E) (Sep. 20-29, 1999) [hereinafter *Joint Recommendation*].

> extent to which the mark was recognized as well known by competent authorities; 6. the value associated with the mark.[109]

The "relevant sector of the public" is defined as:

> (i) include[s]… actual and/or potential consumers of the type of goods and/or services to which the mark applies; (ii) persons involved in the channels of distribution of the type of goods and/or service to which the mark applies; [and] (iii) business circles dealing with the type of goods and/or services to which the mark applies.[110]

However, courts generally view the TRIPS Agreement as a non-self-executing treaty, meaning that any support for the famous mark doctrine derived from the TRIPS Agreement must also be incorporated into the Lanham Act to be enforceable by the courts.[111]

C. NON-TRADEMARK LAWS

The first trademark user can file a lawsuit against the unauthorized user, and government agencies and consumers have grounds to take legal action.[112] This Section will specifically examine the causes of action available to consumers.

It is a widely adopted view among legal researchers, lawyers, and economists that consumers are entitled to truthful information to make a rational choice.[113] More importantly, consumers require truthful information to distinguish products from different manufacturers.[114] Untruthful information on the market will increase search costs, especially unfair for unsophisticated consumers.

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[109] *See id.* art. 2(1).

[110] *See id.* art. 2(2).

[111] *See* Zobel, *supra* note 82, at 165.

[112] *See* Spencer W. Waller et al., *Consumer Protection in the United States: An Overview*, EUR. J. CONSUMER L. 1, 1 (2011). Both federal and state government agency are involved in consumer protection, like the Federal Trade Commission (FTC), the Federal Communications Commission (FCC), the U.S. Food and Drug Administration (FDA), and the U.S. Consumer Product Safety Commission (CPSC). This section will not discuss government enforcement because of the agency's discretion on enforcement. For example, the FTC tends to focus on cases that affect a large number of consumers, vulnerable consumers, high aggregate values, or involve important public interest.

[113] *See* Ansgar Ohly, *Counterfeiting and Consumer Protection,* in CRIMINAL ENFORCEMENT OF INTELLECTUAL PROPERTY: A HANDBOOK OF CONTEMPORARY RESEARCH 24, 27 (Christophe Geiger ed., 2012); *see also* Chris Hoofnagle, *President Kennedy: Consumer Bill of Rights*, U.C. BERKELEY SCH. OF L. (May 5, 2015). As the foundation of federal consumer protection, it gives consumer right to be informed, which means consumers are protected from misleading information and are given the facts to informed choice.

[114] *See* Ohly, *supra* note 113, at 27.

Lowering market transparency will also cause the misallocation of resources.[115] The private citizens of the United States can protect themselves from fraud and deceptive goods through litigation in both federal and state courts.[116]

At the state level, consumers can pursue remedies through common law and statutory causes of action, including statutes often called "Little FTC Acts."[117] Common law claims, like common law tort claims or contract law contracts, are one of the oldest ways for consumer protection.[118] For example, consumers can be sued for torts like deceit, fraud, and misrepresentation. The following elements are examples of a cause of action for deceit; they include: "1. False representation made by the defendant; 2. Scienter; 3. An intention to induce the plaintiff to act or refrain from action in reliance upon the misrepresentation; 4. Justifiable reliance by the plaintiff; 5. Damage to the plaintiff."[119] More specifically, as the plaintiff, a consumer can show the seller's intention to conceal or misrepresent a material fact, knowing that concealment or misrepresentation will induce the consumer to act based on that material fact.[120] Deceit can encompass making explicit false statements and engaging in silence, concealment, half-truths, or ambiguous representations about the good or service.[121] In addition, a plaintiff must also show a reasonable reliance and damage suffered related to the reliance.[122] The remedy for this type of case could be out-of-pocket damages, rescission from the transaction, damages to ensure the consumer gets the benefit of the bargain, or even punitive damages.[123]

The intent requirement in common law tort claims can present a significant hurdle for consumers pursuing such lawsuits; however, consumers may also have the option to file an unfair competition lawsuit, which often involves different legal standards. On the federal level, the Lanham Act is one of the major statutes for unfair competition.[124] However, consumers generally cannot file a claim under the Lanham Act because of a lack of standing.[125] In the text itself, the Lanham Act prohibits the use of a trademark or trade dress to cause confusion or deception about the origin, sponsorship, or approval of goods or services.[126]

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115 *See id.*

116 *See* Waller et al., *supra* note 112, at 29.

117 *See id.*

118 *See id.* at 30.

119 *See* William H. Traylor, *Consumer Protection Against Sellers Misrepresentations*, 20 MERCER L. REV. 414, 415 (1969).

120 *See* Waller et al., *supra* note 112, at 30.

121 *See id.*

122 *See id.*

123 *See id.*

124 *See* 15 U.S.C. § 1125(a) (creating a federal civil action for unfair competition through false designation of origin and false advertising).

125 *See Colligan v. Activities Club of N.Y., Ltd.*, 442 F.2d 686, 686 (2d Cir. 1971)) (holding that consumers lack standing under § 43(a) of the Lanham Act).

126 *See* 15 U.S.C. § 1125(a).

Even though consumers may suffer economic harm or other damages from relying on a misleading trademark, the Lanham Act restricts the right to bring a lawsuit to trademark owners or competitors under its provisions.[127] At the state level, starting from the 1960s, at least twenty-one states have incorporated principles from Section 5 of the Federal Trade Commission Act (FTC Act) into their state laws, establishing their respective unfair competition statutes, often referred to as "Little FTC Acts."[128] Unlike the federal law, approximately two dozen states added a private right of action, making consumers sue for damages and other remedies under their "little FTC."[129] Consumers had a better chance to win because this cause of action typically does not require proof of the seller's intent to harm and is relaxed on other requirements for common law fraud.[130] However, the Little FTC Act also faces challenges, as its language defines unfairness in overly vague terms, a problem that may stem from the FTC Act itself.[131]

D. Application of Current U.S. Law

This subsection looks at how current laws, like the territoriality principle and famous-mark exception, apply to these cases. Using examples like the "King of Kings" sausage and Costco's chicken cakes, this subsection shows where the law falls short and shows how U.S. remedies for foreign marks can be narrowly tailored to address the unique problem posed by transient populations and a global economy with pockets of high recognizability for population subsets.

1. *Application of Current Law When the Foreign Trademark Owner is the Plaintiff*

As discussed in the previous subsection, the main legal challenge stems from the territoriality principle in trademark law. Under this principle, a foreign

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127 *See* A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198, 210 (3d Cir. 2000) (To establish a trademark infringement under the Lanham Act for either a registered mark under 15 U.S.C. § 1114, or an unregistered mark under 15 U.S.C. § 1125(a), the "plaintiff must demonstrate that (1) it has a valid and legally protectable mark; (2) it owns the mark; and (3) the defendant's use of the mark to identify goods and services causes a likelihood of confusion.").

128 *See* Samuel Evan Milner, *From Rancid to Reasonable: Unfair Methods of Competition under State Little FTC Acts*, 73 AM. U. L. REV. 857, 879 (2024); 15 U.S.C. § 45(a)(1) (2006) ("Unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce, are hereby declared unlawful. ").

129 *See* Milner, *supra* note 128, at 878–89. Anyone injured by a proscribed act could bring a private action, with the possibility of single and even treble damages along with attorney's fees and other awards. *Id.*

130 *See* Waller et al., *supra* note 112, at 31.

131 *See* Milner, *supra* note 128; *see also* CAL. BUS. & PROF. CODE § 17200 (1992) ("[U]nfair competition shall mean and include any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by . . . the Business and Professions Code.").

good or service trademark cannot receive protection in the United States based solely on its prior use in another country.[132] Instead, the foreign trademark must either be used in U.S. commerce or registered domestically to qualify for protection.[133] In the case of our example, neither use nor registration is present, making it difficult to seek legal remedies under current laws.[134]

The famous mark exception offers a potential solution to this issue. However, significant uncertainties surround this approach.[135] First, whether the famous mark exception is a recognized legal doctrine within the current U.S. legal framework is unclear.[136] Second, even if it is available, there is no definitive standard for determining what qualifies as a "famous mark."[137] For the first uncertainty, there is a circuit split on whether the Lanham Act incorporates the famous mark exception.[138] While most circuits have not provided a clear stance on this issue, the Second Circuit explicitly rejected the existence of a foreign famous mark exception under federal law in *ITC Ltd. v. Punchgini*.[139] Conversely, the Ninth Circuit has recognized the doctrine in cases such as *Grupo Gigante v. Dallo & Co.*, where it endorsed the famous mark exception but applied a stringent standard of proof.[140] To qualify, the mark must achieve substantial recognition in a specific U.S. market, further complicating its application in most cases.[141]

If the foreign famous-mark exception is recognized, the requirements to prove it remain unclear due to the limited number of cases applying this principle.[142] Possible standards include (1) establishing secondary meaning in a localized market and (2) demonstrating that a substantial percentage of consumers in the relevant market recognize the mark and associate it with the foreign business.[143] These standards set a high bar, as emphasized by the Ninth Circuit in *Grupo Gigante v. Dallo & Co.*, where the court articulated these stringent criteria

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[132] *See supra* Section II.A.1.

[133] *See* 15 U.S.C. § 1127 (defining "commerce" as regulable by Congress); *see also supra* Section II.A.1.

[134] *See* Shuang Hui Wang Zhong Wang Huotuichang, *supra* note 2; ZIRPOLI, *supra* note 9.

[135] *See supra* Section II.A.1.

[136] *See supra* Section II.A.

[137] *See Grupo Gigante*, 391 F.3d at 1094–95 (recognizing a limited "famous marks" exception but declining to articulate a clear standard for when a mark is sufficiently famous); *see also ITC Ltd. II*, 482 F.3d at 161–62 (declining to adopt the famous marks doctrine under federal law, leaving its contours uncertain).

[138] *See Grupo Gigante*, 391 F.3d at 1094–95; *see also ITC Ltd. II*, 482 F.3d at 161–62.

[139] *See ITC Ltd. III*, 518 F.3d at 160.

[140] *See Grupo Gigante*, 391 F.3d at 1098.

[141] *See id.*

[142] *See id.* at 1095.

[143] *See id.* at 1096–98.

and remanded to the district court to determine whether the Gigante mark qualified for protection under this heightened standard. [144]

For example, the circumstances in Grupo Gigante were unique, involving a service mark used in a highly trafficked border area.[145] Residents and travelers frequently cross the border in such locations, increasing their familiarity with foreign marks. Importantly, the Ninth Circuit limited the relevant market to Southern California rather than the entire United States, making it more feasible to satisfy the requirement of consumer recognition in the localized market.[146] Additionally, the mark's recognition was not restricted to a specific ethnic group, further supporting its qualification as a famous mark in that context.[147] In contrast, cases involving product marks, such as *Person's Co. v. Christman*, present more significant challenges. Product marks, unlike service marks tied to a specific location, are distributed nationwide, making the "relevant market" the entire United States.[148] This significantly raises the burden of proof, as it is unlikely that a substantial percentage of U.S. consumers would recognize a foreign mark that is neither used nor registered domestically. Furthermore, in *Person's Co.*, the foreign country involved, Japan, is a popular travel destination for Americans, which makes Japanese products or services more likely to be known to non-Japanese American consumers. However, for marks originating from countries that attract fewer American tourists, it is even less likely that such marks would achieve widespread recognition among U.S. consumers. This disparity highlights the difficulties in applying the famous mark exception under the current standards. Marks from less familiar countries are typically known only to immigrant communities from those countries, making it nearly impossible for such marks to meet the definition of a relevant market broad enough to win protection under this doctrine.

2. *Application of Current Law When the Foreign Consumer is the Plaintiff*

Consumers may have a better chance of winning their case because some of the elements required for their claims are easier to prove compared to those available to foreign trademark owners.[149] For instance, consumer protection claims often focus on demonstrating reliance on deceptive practice and resulting damage, which can be less burdensome than proving the widespread recognition of a foreign mark.[150]

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[144] *See id.*

[145] *See id.* at 1091.

[146] *See Grupo Gigante*, 391 F.3d at 1098.

[147] *See id.*

[148] *See Person's Co.*, 900 F.2d at 1567.

[149] *Supra* Section II.C.

[150] *See* D.C. CODE § 28-3904 (2025) (prohibiting unfair or deceptive trade practices under the D.C. Consumer Protection Procedures Act); *see also* CAL. BUS. & PROF. CODE § 17200 (prohibiting "any unlawful, unfair or fraudulent business act or practice"); *see also Grupo Gigante*, 391 F.3d at 1094–95 (discussing the

However, the number of those claims, such as the common law tort claim, remains challenging for consumers. These claims require proving that the defendant acted with the intent to defraud or deceive and intended to induce reliance on the misrepresentation.[151] Simply showing that the defendant knowingly used a foreign mark on similar goods or services is insufficient to meet this standard.[152]

The "little FTC Acts," state-level consumer protection laws modeled after the Federal Trade Commission Act, seem to relax the requirements for proving intent.[153] These laws typically address unfair or deceptive trade practices, enabling consumers to bring claims without establishing intent to defraud.[154] Still, the vague statutory language of some Little FTC Acts can create challenges.[155] Due to limited case law, it is unclear whether consumers must satisfy additional burdens, such as proving the fame of a foreign mark, to support their claims. This ambiguity parallels the challenges faced by foreign trademark owners in infringement cases.

There is a further issue regarding consumer-bought lawsuits. Since it is generally more straightforward for a consumer to win a case than a foreign trademark owner, there is a risk that foreign trademark owners might exploit consumers to gain financial benefits from U.S. domestic market users. In some cases, foreign trademark owners could even arrange for someone to act as a consumer solely for litigation purposes. This creates a potential loophole in the system. Under current law, foreign trademark owners must meet a high bar to prove their mark is famous and enforce their rights. However, if a consumer's lawsuit does not require such proof, it indirectly allows foreign trademark owners to circumvent this standard. This practice would undermine the intent of trademark law. It could harm U.S. businesses operating in good faith by subjecting them to costly litigation or settlements, even when the foreign mark does not meet the threshold for protection.

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difficulty of proving that a foreign mark is sufficiently "famous" among U.S. consumers).

151 *See* Traylor, *supra* note 119, at 415.

152 *See ITC Ltd. III*, 518 F.3d at 163. The court of appeal ruled that "it would be tautological to conclude that copying alone demonstrates 'secondary meaning' sufficient to permit an unfair competition claim as to a foreign mark here, where that copying is only prohibited by the 'well known' or 'famous' mark exception." *Id.* This ruling implies that knowledge of or copying a foreign mark, by itself, is not prohibited by law, unless the foreign mark is a well-known or famous mark, which requires showing of a "secondary meaning." It also implies that knowing copy itself does not prove the mark is a famous mark. Since such conduct is not prohibited by law, a bad faith cannot be inferred from this evidence alone.

153 Milner, *supra* note 128, at 880.

154 *Id.*

155 *Id.* at 881.

III. ANALYSIS

The famous foreign mark should be protected in the United States because of the high likelihood of confusion among consumers and bad-faith misappropriation by people involved in relevant business.[156] On the other hand, the famous foreign mark should be protected to fulfill the U.S.'s treaty obligation and further encourage reciprocal treatment of U.S. citizens and businesses within other member countries.[157]

A. LEGAL APPROACHES BASED ON U.S. CASE LAW, INTERNATIONAL TREATIES, & COMPARATIVE FOREIGN LAW

There are different approaches to modifying the current standard, giving the foreign trademark owner a better chance of getting protection. Insight can be found in the current case law and the international treaties where the famous mark exception first originated.

From the *Grupo Gigante* case, the concurring opinion suggested the foreign mark owner should be able to prove the fame if the majority of the defendant's customers and potential customers are familiar with this foreign mark.[158] The foreign trademark owner also made a similar point in the *ITC Ltd*. case, where it was argued that fame should be measured "in defendants' customers that are Indian or well-traveled people who know what authentic Indian food tastes like."[159] Under such a standard, the relevant market will be further narrowed, increasing the likelihood that the foreign mark owner meets the standard of proof.

The TRIPS Agreement also supports the narrower requirement for defining the relevant market.[160] In addition to the famous mark exception outlined in the Paris Convention, the TRIPS Agreement suggests that recognition should be measured among "a relevant sector of the public" rather than requiring nationwide recognition or limiting it strictly to consumers of a specific product.[161] The phrase "a relevant sector of the public" is broad and flexible, allowing for different interpretations depending on the circumstances.[162] This flexibility permits a range of possible definitions for the relevant market.[163] For instance, it could refer to a localized community, as seen in *Grupo Gigante v. Dallo & Co.*, where a foreign mark

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156 *See* Zobel, *supra* note 82, at 170.

157 *Id.* at 170.

158 *Grupo Gigante*, 391 F.3d at 1108. This is not the measurement adopted by the majority.

159 *ITC Ltd. III*, 518 F.3d at 163. In this case, the circuit court ruled that the relevant market should not be limited to persons who had already eaten in the defendants' restaurants nor persons inclined to eat in Indian restaurants in particular. Instead, it should be very New Yorkers who dine out. *Id.*

160 *See* TRIPS, *supra* note 83, at art. 16.2.

161 *See id.*

162 *See* DANIEL J. GERVAIS, THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS 332 (4th ed. 2012).

163 *Id.*

achieved recognition in a specific area through concentrated use or promotion.[164] Alternatively, it could encompass a targeted consumer segment, such as individuals familiar with particular goods or services.[165] In cases involving trademarks recognized primarily by specific ethnic or cultural groups, such as immigrant communities from a particular country, this phrase could reasonably include those groups as the relevant public.[166]

The TRIPS Agreement's approach provides a more inclusive and adaptable framework than some interpretations derived from case law. Allowing recognition within a narrower or more specific audience lowers the threshold for proving that a mark is "well-known." This creates stronger protection for trademark owners without unfairly favoring foreign marks over domestic ones. Such a standard balances the interests of trademark owners and consumers while respecting the territorial nature of trademark rights.

Helpful insight can also be found in legislation from other countries. For example, as a member of both the Paris Convention and the TRIPS Agreement, China had legislated to protect unregistered well-known marks (famous marks) for both unregistered well-known trademarks in use in China and those well-known but not yet in use in China.[167] Shortly after the TRIPS Agreement came into effect, China made its first regulation on the recognition of well-known trademarks in 1996, before the well-known trademark became incorporated into the trademark law in 2001.[168]

The current Regulations on the Recognition and Protection of Well-Known Trademarks made by the Chinese State Administration for Industry and Commerce in 2014 define well-known marks and the way to seek protection.[169] The language used in this regulation is highly similar to the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.[170] Article II defines a well-known mark as a trademark that is widely recognized by the relevant public in China.[171] It further limits the relevant public as "consumers related to the type of goods or services marked by the trademark, other business operators engaged in the production of such goods or the provision of such

164 *See Grupo Gigante*, 391 F.3d at 1099.

165 *See* GERVAIS, *supra* note 162, at 332.

166 *Id.*

167 *See* Feng Xiaoqing, *The Unregistered Well-Known Trademark System and Its Improvement*, RENMIN CHINESE L. REV. 274, 292 (2014).

168 *See id.* at 290.

169 *See* THE STATE COUNCIL: THE PEOPLE'S REPUBLIC OF CHINA, *Regulation on the Recognition and Protection of Well-Known Trademarks* [驰名商标认定和保护规定], CHINESE STATE ADMIN. FOR INDUS. AND COM (Jun. 25, 2021), https://www.gov.cn/zhengce/2021-06/25/content_5723642.htm [perma.cc/49QR-WAXF].

170 *See Joint Recommendation*, *supra* note 108, art. 2.

171 *Id.*

services, as well as distributors and related personnel involved in the distribution channels."[172]

This regulation aligns well with TRIPS's requirement for defining the relevant market, which is the "relevant sector of the public."[173] One more interesting point about this definition is that it defines the relevant public not only as consumers but also as the provider or distributor of the goods or services.[174] It can be a strict rule for domestic mark users because, even though the consumer might be familiar with a foreign mark, it could still be famous among business operators in the same industry. To prove a well-known mark, a foreign mark owner can provide not only material demonstrating the degree of awareness of the trademark among the relevant public, but also material showing that the mark has been protected as a well-known mark in other countries or regions, excluding China.[175] This standard also differs significantly from current U.S. case law, which only allows evidence to prove fame in the relevant U.S. markets.[176] The foreign trademark owner can seek recognition as a well-known mark from the trademark office and request cancellation or prohibition of registration of a misused mark through the trademark office.[177] The administrative process offers advantages over litigation in terms of efficiency and cost.

B. Proposed Legislative Response

To better protect both consumers and trademark owners from unauthorized use of foreign marks, Congress should amend 15 U.S.C. § 1126 to include the well-known mark exception. § 1126 of the Lanham Act, titled "International Conventions," already incorporates several doctrines derived from the Paris Convention and the TRIPS Agreement.[178] Courts and scholars have debated whether this section fully absorbs all treaty-based doctrines or only those explicitly codified.[179] By adding a well-known mark exception as subsection (j), Congress would not only clarify that this doctrine stems from international obligations, but also make its legal foundation more transparent. Codifying the famous mark doctrine under § 1126, rather than in other parts of the Lanham Act, helps distinguish it from the "famous mark" concept used in the context of trademark dilution, thereby reducing confusion and reinforcing the doctrine's unique basis in international law.

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172 *Id.*

173 *Id.*

174 *Id.*

175 *Id.* art. IX.

176 *Joint Recommendation*, *supra* note 108, art. IX.

177 *Id.* art. V.

178 *See* 15 U.S.C. § 1126.

179 *Supra* Section II.B.

The proposed statutory language is as follows:

(j) Recognition of Well-Known Marks Protection

(1) Protection of Foreign Well-Known Marks

A trademark that is well known in a foreign country shall be afforded protection in the United States equivalent to that of a mark registered on the Principal Register, regardless of whether the mark has been used or registered in the United States, provided that such mark is well known among the relevant sector of the public in the United States.

(2) Definition of "Well-Known Mark"

A well-known mark is a trademark well-recognized in the relevant sector of the public, which includes:

(A) Actual and potential consumers of the goods or services bearing the mark;

(B) Persons involved in the distribution channels of the goods or services; and

(C) Business circles and industry professionals familiar with the mark.

(3) Evidence of Recognition

The level of recognition in the relevant sector of the public is determined by:

(A) The degree of recognition of the mark among consumers in the relevant sector.

(B) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised by the owner or third parties.

(C) The volume, value, and geographic extent of sales of goods or services under the mark.

(D) The extent of actual recognition of the mark by the relevant sector of the public.

(E) The record of successful enforcement of rights in the mark, particularly through judicial or administrative decisions recognizing the mark as well-known.

(F) Whether the mark has been recognized as well-known in other jurisdictions.

(4) Preconditions for Assertion Against a Domestic User

A foreign trademark owner may not assert rights against a good-faith domestic user unless one or more of the following conditions are met:

(A) The foreign owner has taken substantial steps toward entering the U.S. market, including, but not limited to:

(i) Filing an application to register the mark with the USPTO;

(ii) Conducting marketing or advertising campaigns directed at the U.S. public;

(iii) Engaging distributors or partners in the United States; or

(iv) Initiating proceedings to cancel a U.S. registration based on prior rights.

(B) There is evidence of actual harm, including:

(i) Consumer litigation or regulatory complaints related to confusion, misrepresentation, or fraud; or

(ii) Evidence that consumers were materially misled due to the unauthorized use of the foreign mark.

This proposed amendment aligns U.S. trademark law with international treaty obligations under the Paris Convention and TRIPS Agreement, reinforcing the country's commitment to global intellectual property standards. Codifying the well-known mark doctrine provides greater clarity and predictability for foreign businesses, ensuring that U.S. consumers are not misled by the unauthorized use of internationally recognized trademarks. Additionally, it strengthens trade relations by encouraging reciprocal protection for U.S. brands in foreign markets.

Importantly, incorporating the doctrine into domestic law also offers greater legal stability. Given recent trends in which the United States has withdrawn from or reconsidered participation in international treaties and organizations, relying solely on international agreements as the legal basis for protection may leave foreign trademark owners vulnerable to shifts in U.S. foreign policy.[180] By embedding the well-known mark doctrine into the Lanham Act, Congress can ensure that its protections remain enforceable and reliable, regardless of future changes in international commitments.

Furthermore, this proposed legislation is designed to address these concerns by adding limits to when a foreign well-known mark can be protected in the United States. Under the proposal, a foreign trademark owner must show that the mark is well known among a specific group of U.S. consumers. In addition, the owner must either show that they are trying to enter the U.S. market or that the domestic use of the mark has caused real harm. Examples of efforts to enter the market include applying to register the mark, advertising to U.S. consumers, or working with local distributors. Real harm may include complaints from consumers or legal action based on confusion or fraud. These requirements help protect small businesses that adopt marks in good faith, without knowing about a foreign brand. They also prevent large companies from using the law unfairly if they are not actually doing business in the U.S. This approach helps balance trademark rights with fair competition.

Another limitation of amending the Lanham Act to incorporate a well-known mark doctrine is that only trademark owners, not consumers, have standing to bring claims under the statute. This means that although counterfeit or misleading uses of foreign marks may directly harm consumers by deceiving them about the source or quality of a product, consumers generally cannot seek relief under the Lanham Act unless the foreign trademark owner initiates legal action. In many cases, foreign mark owners may be unaware of such unauthorized use or may have no intention of entering the U.S. market, leaving affected consumers without a remedy. To address this gap, Congress or state legislatures could consider integrating certain aspects of the proposed § 1126(j) into consumer protection or tort frameworks. For example, if a consumer can demonstrate that a mark qualifies as a well-known foreign mark and that the defendant used the mark in bad faith or with intent to defraud, such conduct could give rise to a cause of action under state consumer fraud statutes. This approach would provide more direct protection for consumers while maintaining consistency with international trademark norms.

While new legislation to incorporate the famous foreign mark doctrine or a narrower reading of the relevant market by the court might take a long time to implement, alternative approaches can be taken. Foreign trademark owners can seek protection under the currently available procedures while waiting. One of the available options is to request that the USPTO cancel a conflicting U.S. mark that overlaps with their foreign mark.[181] Unlike many federal circuit courts, which have held that the famous mark exception is not part of U.S. trademark law, the USPTO has taken a different position by openly endorsing this exception.[182] Foreign mark

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180 *See* Press Statement, Michael R. Pompeo, Sec'y of State, U.S. Dep't of State, On the U.S. Withdrawal from the Paris Agreement (Nov. 4, 2019), https://2017-2021.state.gov/on-the-u-s-withdrawal-from-the-paris-agreement/index.html [perma.cc/6H7C-TJ2N].

181 *See Well-known Marks*, *supra* note 89.

182 *See id.* The USPTO article suggests that for a mark to be famous, it must be well-known and meet additional conditions, such as being widely recognized

owners can also take a preventive approach by registering their mark globally before any infringement occurs. This can be done through direct registration with the USPTO or by utilizing the Madrid system, which allows for streamlined registration across multiple jurisdictions.[183]

The proposed legislation could also help in cases like the King of Kings sausage brand. Although the original Chinese company does not appear to have plans to enter the U.S. market, its sausage is well known among Chinese-speaking consumers in the United States. A domestic company used the same Chinese brand name to sell similar meat products in the U.S., leading many consumers to believe they were purchasing the original.[184] While the counterfeit King of Kings sausage itself was not found to have health issues, other products made by the same domestic company were cited by the USDA for health and safety violations.[185] Under the proposed legislation, the original brand could still qualify for protection by showing that the mark is widely recognized among a specific group of U.S. consumers and that actual harm resulted from consumer confusion. For example, if consumers complained about being misled or believed they were buying the original brand, that would support a claim. This approach would help protect consumers from confusion and possible harm, even in cases where the foreign brand has not formally entered the U.S. market.

Similarly, in the Costco example, the fake meat floss cakes were sold with packaging that clearly imitated a popular Chinese brand.[186] Many consumers believed they were buying the original product, only to discover it was a lower-quality knockoff.[187] If the original brand had evidence of recognition among U.S. consumers and had tried to register the mark or enter the U.S. market, the law could have provided a remedy. These examples show that the proposed legislation not only protects brand owners but also helps consumers avoid being misled by lookalike products.

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among the U.S. consuming public. It is unclear whether this is the same standard for foreign mark.

183 *See* WIPO, *Benefits of the Madrid System*, WIPO, https://www.wipo.int/en/web/madrid-system/madrid_benefits [perma.cc/9ESE-U7U8]. Through the Madrid System, the trademark owner can obtain protection in multiple jurisdictions simultaneously by filing a single international trademark application with WIPO, paying a set of fees, and securing protection in countries that are Madrid Convention members. This system offers a quick and easy way for a brand to obtain global protection.

184 Shuang Hui Wang Zhong Wang Huotuichang, *supra* note 2.

185 *See* FSIS Directive 030-2024-EXP, Yu Shang Food, Inc. Recalls Ready-To-Eat Meat and Poultry Products Due to Possible Listeria Contamination (U.S.D.A. 2024).

186 *See* You Chen Ruosong Bing Jingshi Haiwaiban Chanpin Chuxian Jia, *supra* note 10; *see also* Costco De Shanzhai Youchen Rousongbing Zhende Shexian Qingquan?, *supra* note 10.

187 *See id.*; Yushang Food Inc., *supra* note 4.

IV. CONCLUSION

The unauthorized use of foreign trademarks in the U.S. remains a pressing issue, harming both foreign trademark owners and their trusted consumers. While the Lanham Act and international agreements like the Paris Convention and TRIPS Agreement provide some avenues for protection, significant gaps persist, particularly for foreign marks that lack U.S. registration or use. These challenges undermine consumer trust and incentivize bad-faith practices that exploit regulatory loopholes.

This Note highlights the limitations of the following trademark law doctrine. The territoriality principle restricts foreign trademarks' protection to cases where the marks are used or registered in the U.S. The famous mark doctrine is inconsistently applied across jurisdictions, as illustrated by cases like *Grupo Gigante* and *ITC*. For consumers, a requirement of proving intent under common tort law, standing limitations under the Lanham Act, and vague language in state-level "Little FTC Acts" create further barriers to addressing deceptive practices. These legal inconsistencies expose both groups to unnecessary risks, whether through market confusion, reputational harm, or access to unsafe products.

To bridge the gaps in current protections, this article proposes targeted reforms. Codifying the famous mark doctrine would offer foreign trademark owners a consistent standard for proving their marks' recognition within relevant U.S. markets. Additionally, aligning the definition of "relevant public" with TRIPS standards would allow courts to consider narrower consumer segments, such as immigrant communities, reducing barriers to enforcement. Expanding standing provisions under the Lanham Act or clarifying state-level consumer protection laws would also empower consumers to act against deceptive practices without requiring evidence of intent to defraud. Finally, promoting global trademark registration through systems like the Madrid Protocol would proactively address territoriality concerns.

Implementing these reforms would strengthen protections for foreign trademarks and enhance consumer trust in the marketplace. By addressing the gaps and inconsistencies in current law, the U.S. can reaffirm its commitment to fair competition while maintaining a balance between domestic and international interests. Ultimately, these changes would reduce the exploitation of regulatory loopholes, improve market transparency, and foster a legal framework that adapts to the realities of globalization.