## Contents

*Acknowledgments*  
*List of Abbreviations*  
*Table of Cases*  

### Introduction

1 Civil Law History—Germany and Europe

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>6</td>
</tr>
<tr>
<td>1 Substantive Trademark and Unfair Competition Law</td>
<td></td>
</tr>
<tr>
<td>I Structure: State Regulation and Formal Privileges</td>
<td></td>
</tr>
<tr>
<td>A The Criminal Law Beginnings</td>
<td>10</td>
</tr>
<tr>
<td>B From State Regulation to Individual Rights Protection</td>
<td>14</td>
</tr>
<tr>
<td>C The Positivist Concept of Privilege Grants</td>
<td>17</td>
</tr>
<tr>
<td>II Substance: Personality Rights and Private Property</td>
<td></td>
</tr>
<tr>
<td>A Josef Kohler’s Personality Rights Theory</td>
<td>21</td>
</tr>
<tr>
<td>B The Statutory Introduction of Private Rights Protection</td>
<td>24</td>
</tr>
<tr>
<td>III Consequences: The Field’s Dichotomies</td>
<td></td>
</tr>
<tr>
<td>A The Trademark/Unfair Competition Dichotomy</td>
<td>27</td>
</tr>
<tr>
<td>B The Privilege/Personality Right Dichotomy</td>
<td>32</td>
</tr>
<tr>
<td>IV The Twentieth Century: A Triumph of Separatism</td>
<td></td>
</tr>
<tr>
<td>A Reichsgericht <em>Sansibar</em> and <em>Pecose</em>: A Shaky Hierarchy of Policies</td>
<td>40</td>
</tr>
<tr>
<td>B Eugen Ulmer: An Almost Reconciliation</td>
<td>42</td>
</tr>
<tr>
<td>C Europe: Rights Formalism and Individualization</td>
<td>46</td>
</tr>
<tr>
<td>D The Final Blow: Propertization vs. Socialization</td>
<td>50</td>
</tr>
<tr>
<td>2 Trademark and Unfair Competition Choice of Law</td>
<td></td>
</tr>
<tr>
<td>I From Universality to Territoriality</td>
<td>53</td>
</tr>
<tr>
<td>A The Worldwide Scope of Personality Rights</td>
<td>53</td>
</tr>
<tr>
<td>B Alfred Hagens and the Territoriality of Trademarks</td>
<td>57</td>
</tr>
<tr>
<td>C Under the Surface: Fairness-Standard Universality</td>
<td>60</td>
</tr>
<tr>
<td>II From International Torts to International Economic Law?</td>
<td></td>
</tr>
<tr>
<td>A From <em>Lex Loci Delicti Commissi</em> to Nussbaum’s Rule</td>
<td>64</td>
</tr>
<tr>
<td>B A Silver Lining: The <em>Kindersaugflaschen</em> Doctrine</td>
<td>68</td>
</tr>
<tr>
<td>C Twenty-First Century: A Merger of Conflict Rules?</td>
<td>71</td>
</tr>
<tr>
<td>Conclusions</td>
<td>74</td>
</tr>
</tbody>
</table>
Contents

2 Common Law History—United States

Introduction

1 Substantive Trademark and Unfair Competition Law

I The Early Straightjacket: Equity, Passing Off, and Universality

A Trademark Protection in the Distorting Mirror of Law and Equity
B Passing Off: “The Whole Law and the Prophets on the Subject”
C Kidd/Derringer: Trademark Universality “US Style”

II The Right/Markets Connex: Materialization, Goodwill, and Trade Diversion

A The Materialization of Trademark Rights
B The Reverse Picture: Trade-Diversion Prevention
C Tea Rose/Rectanus: The Doctrine of Market-Based Rights

III The Realist Attack: Much Ado about . . . Quite Little

A The Turn-of-the-Century Crisis
B Courts’ Adherence to “Transcendental Nonsense”
C Frank I. Schechter: The Victory of Goodwill

IV Modern Theory and Practice: Economic Analysis and Repropertization

A The 1946 Lanham Act: Monopoly Phobia Well Cured
B The Economization of US Trademark Law
C Modern Propertization and Repropertization

2 Interstate Trademark and Unfair Competition Law

I The “Market Universality” of Trademark Rights

A A. Bourjois & Co. v. Katzel: The One-Way Street of Trademark Extension
B Tea Rose/Rectanus: The Doctrine of Nonterritorial Rights
C Holmes Concurring: A “Passive Figurehead” of State Sovereignty

II The Federal Common Law of Trademarks and the Erie Doctrine

A The Traditional Hodgepodge of State and Federal Common Law
B The Erie Impact: The “Passive Figurehead” of State Sovereignty Reloaded

III The 1946 Lanham Act: An Innovation of Almost Territorial Rights

A The Common Law Foundation of Federal Statutory Rights
B Scholarly Distortions: A Mirage of “Territorial Extraterritoriality”

IV Summary: Nonformalism and the Nonterritoriality of Trademarks

3 International Trademark and Unfair Competition Law

I The Porosity of National Borders and International Goodwill Theory

A The Well-Known Marks Doctrine: Transnational Goodwill Misappropriation
B Rudolf Callmann: A Theory of International Unitary Goodwill

II Trademarks’ Extraterritorial Scope: Steele v. Bulova Watch Co. and Its Progeny

A The Epicenter of Extraterritoriality: Steele v. Bulova Watch Co.
B The Steele Progeny: A Motley Crew of Circuit Court Tests

III Doctrinal Analysis: Use-Based Rights and Commercial Effects

A The Common Law Roots of Lanham Act Subject-Matter Jurisdiction
B An Element of Modernity: The Effects-on-Commerce Factor
3 A Ragged Landscape of Theories

Introduction

1 Traditional Civil Law Trademark Conflicts
   I The Principle of Territoriality
   II Analysis: The Curse of Formal Reasoning and Conduct Orientation

2 Modern Civil Law Unfair Competition Conflicts
   I The Marketplace Principle, Determination of Effects, and the De Minimis Rule
      A Collision-of-Interests and Substantive-Purpose Analysis
      B Multistate Scenarios: Determination of Marketplace Effects and De Minimis Limitations
   II Analysis: The Obsolescence of Tort Foundations

3 The New Paradigm
   I Antitrust Conflicts Reloaded: The Effects Principle
   II Analysis: The Unboundedness of Unqualified Effects

4 Modern Soft Law—WIPO Recommendation, ALI Principles, and Others
   I Nonbinding Suggestions of Substantive Law and Conflicts Resolution
      A The Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet
      B ALI Principles, CLIP Principles, and the Japanese Transparency Proposal
   II Analysis: “Chips off the Old Block”
      A The Joint Recommendation
      B ALI Principles, CLIP Principles, and the Japanese Transparency Proposal

5 The American Scholarly Debate
   I Common Law Tradition and Transnational Market Protection
      A The General Tendency of Equitable Rights Limitlessness
      B The Nintendo Transformation: From Act-of-State-Doctrine to Substantive Dichotomy
      C The Revival of Territoriality: A Quasi Continental Choice-of-Law Approach
      D The “Domestic Extraterritoriality” of Statutory Trademark Rights
      E Tea Rose/Rectanus “Transnationalized”: The Common Law Cross-Border Crusade
      F The Shift to Effects Testing: An Idea of Transnational Market Regulation
   II Analysis: Common Law Tradition Meets Extraterritorial Market Regulation
6 Substantivism and Transnational Uniform Law 256
   I Overview 256
      A Foundations 256
      B Modern Concepts of Substantivism in Intellectual Property Law 258
      C Nonterritorial Concepts: “Cyberlaw” and the “Collision of Rights” 262
   II Analysis: The Fata Morgana of Universal Policy 265
7 The Rediscovery of International Comity 268
   I The Comitas Approach 268
   II Analysis: A “Quadrature of the Circle” 269
Conclusions 270

4 Substantive Policy—Convergent Foundations 273
   Introduction 273
   1 Foundations—The Market Mechanism 275
      I The Concept of “Economic Competition” 275
         A The Legal Framework 275
         B The Rediscovery of Chaos 276
         C The Dynamics of Competition 280
            1 A Tradition of Competitor Protection 280
            2 The Advent of (Consumer) Decision Making 281
            3 The Complementary Spheres of Transactional Freedom 283
      II The “Triangular” Structure of the Market Mechanism 285
   III The Stages of Consumer Decision Making and Transacting 287
      A Information Transmission 288
      B Information Processing 290
      C Implementation of the Consumer’s Decision 291
      D Caveat: Limitations of Consumer Decision Making 293
   IV Summary 294
   2 Implementation—Substantive Law 295
      I Tort and Unfair Competition Law 295
         A The Mirage of Practical and Formal Differences 296
         B The Relativity of Protection Levels 300
            1 Early Starting Point: Claims “against the World at Large” 300
            2 United States: From Property to Policy and Back Again 301
            3 Germany: The Eternal Dichotomy of Rights and Competition 305
         C The Heterogeneity of Policies: Vertical and Horizontal Competition 309
            1 Two Types of Unfair Competition Cases and Regulatory Policies 310
            2 Clarification: The Horizontality of Neminem Laedere 313
         D Summary 314
      II Antitrust and Unfair Competition Law 315
      III The Intellectual Property Dichotomy: Innovation vs. Competition 317
         A The Mistaken Concept of Intellectual Property Uniformity 318
            1 Historical Remnants: The “Immaterialization” of Trademarks 318
            2 Current Doctrine: Intellectual Property Homogeneity 319


<table>
<thead>
<tr>
<th>Contents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B  Rectification: A Grounded Intangibility of Trademarks</td>
<td>321</td>
</tr>
<tr>
<td>1  The Difference in Intellectual Property Incentive Structures</td>
<td>321</td>
</tr>
<tr>
<td>2  An Apparent Exception: The Trademark Register</td>
<td>323</td>
</tr>
<tr>
<td>C  Summary</td>
<td>325</td>
</tr>
<tr>
<td>IV Trademark and Unfair Competition Law: Framing the</td>
<td>325</td>
</tr>
<tr>
<td>Information Infrastructure</td>
<td></td>
</tr>
<tr>
<td>A  The Illusion of a Formal Divergence</td>
<td>326</td>
</tr>
<tr>
<td>1  Recapitulation: Trademark Property vs. Consumer Protection</td>
<td>326</td>
</tr>
<tr>
<td>2  Cracks in the Foundation: A Remerger of the Fields</td>
<td>328</td>
</tr>
<tr>
<td>(b) The Consolidation of Interests: Depropertization and Desocialization</td>
<td>329</td>
</tr>
<tr>
<td>(c) The Practical Picture: A Subtle Recapture</td>
<td>331</td>
</tr>
<tr>
<td>(d) The Relicts of Antiquity: Pockets of Resistance</td>
<td>333</td>
</tr>
<tr>
<td>(e) The Myth of the Public Samaritan</td>
<td>337</td>
</tr>
<tr>
<td>3  Summary</td>
<td>338</td>
</tr>
<tr>
<td>B  The Structural Congruency of Trademark and Unfair</td>
<td>339</td>
</tr>
<tr>
<td>Competition Law</td>
<td></td>
</tr>
<tr>
<td>1  The Common Core: Information Economization</td>
<td>339</td>
</tr>
<tr>
<td>2  Beyond Confusion: Alternative Theories of Trademark</td>
<td>341</td>
</tr>
<tr>
<td>3  Two Sides of the Coin: Law and Equity in Market Communication</td>
<td>344</td>
</tr>
<tr>
<td>C  Summary</td>
<td>347</td>
</tr>
<tr>
<td>3 Application—Functional Structures in Trademark and Unfair</td>
<td>348</td>
</tr>
<tr>
<td>Competition Doctrine</td>
<td></td>
</tr>
<tr>
<td>I  Trademark Protection</td>
<td>349</td>
</tr>
<tr>
<td>A  Navigation Goodwill: Confusion-Based Infringement Theory</td>
<td>349</td>
</tr>
<tr>
<td>B  Surplus Goodwill: Non-Confusion-Based and Time-Shifted</td>
<td>350</td>
</tr>
<tr>
<td>Infringement Theories</td>
<td></td>
</tr>
<tr>
<td>1  Antidilution Doctrine</td>
<td>350</td>
</tr>
<tr>
<td>2  Temporal Extensions of Goodwill Protection</td>
<td>353</td>
</tr>
<tr>
<td>(a) Postsale Confusion</td>
<td>353</td>
</tr>
<tr>
<td>(b) Initial-Interest Confusion</td>
<td>357</td>
</tr>
<tr>
<td>3  The Common Denominator</td>
<td>358</td>
</tr>
<tr>
<td>II Unfair Competition Prevention</td>
<td>359</td>
</tr>
<tr>
<td>A  Recapitulation: Stages of Decision Making and Policy Differences</td>
<td>360</td>
</tr>
<tr>
<td>B  An Integrated Model of Unfair Competition Law (Including Passing Off)</td>
<td>361</td>
</tr>
<tr>
<td>C  An Amalgam of Policies: Harassment, Privacy, and Decision Making</td>
<td>366</td>
</tr>
<tr>
<td>D  Beware of the Consumer’s “Economic Personality Right”</td>
<td>367</td>
</tr>
<tr>
<td>E  Quasi IP Rights: The Gray Zone of Product Imitation</td>
<td>370</td>
</tr>
<tr>
<td>F  The Continental Dark Horse: Breach of Statutory Duties as</td>
<td>374</td>
</tr>
<tr>
<td>Unfair Competition</td>
<td></td>
</tr>
<tr>
<td>III A Hybrid Category: Geographical Indications</td>
<td>375</td>
</tr>
<tr>
<td>Conclusions</td>
<td>378</td>
</tr>
</tbody>
</table>
5 International Comity—A Doctrine of Self-Restraint 381

Introduction 381

1 From *Comitas Gentium* to Transnational Law 383
   I The Status Quo: A Publicization of Private International Law 384
      A The (Non)Historical Dichotomy: Private and Public International Law 385
      B The Duality of Methods 388
      C A Blurring of Boundaries 391
   II In the Shadows: The Creeping Deformation of Comity 395
      A Transnationalization: A Resurrection of the *Ius Cosmopoliticum* 396
      B The Historical Leitmotif: Convenience of International Transacting 400
      1 Joseph Story: The Consensual Administration of Conflicts 400
      2 Friedrich Carl von Savigny: A Legal Community *In Statu Nascendi* 402
      3 Ernst Zitelmann: The *Weltrecht* of Uniform Policy 406
      4 Summary 407
      C The Modernity of Transnational Law: An Apotheosis of Substantive Uniformity 408
      1 Philip C. Jessup: The Hybridity and Universality of Transnational Law 409
      2 Twentieth Century: Conflicts Doctrine Internationalized 410
         (a) Maritime Internationalism: The *Lauritzen* Doctrine 411
         (b) Savigny Diluted: A Theory of Separate Attachment 413
         (c) Public International Law Osmosis: The *Ordre Public International* 415
      3 Turn of the Century: The Unearthly Detachment of Transnationalization 417
         (a) The Odyssey of Interest Analysis: Currie’s Game-Theoretical Return to Savigny 418
         (b) Law and Economics: The Super-Value of Welfare Maximization 421
         (c) Global Legal Pluralism: Fragmentation, Functionality, and Universality 425
   III Summary 431

2 Transnationalization Exhausted 432

   I International Antitrust: A History of Effects, Public International Law, and Comity 433
      A *Lotus* Isolationism: A Lacuna of Nation-State Sovereignty 434
      B General Principles: The *Droit Idéal* of Public International Law 435
      C The Practical Proxy: Interest Balancing 437
         1 Theoretical Approaches 438
         2 The Practice: *Timberlane* and *Mannington Mills* 440
         3 The Rule of Reason 442
      D The Effects Principle: From Unboundedness to Self-Restraint 445
         1 Europe: A Theory of Public International Law Limitations 446
         2 *Alcoa* to *Hartford Fire*: From Unlimited to Substantial Effects 448
         3 *Empagran*: The About-Face toward Comity 453
         4 The *Empagran* Critique: Capitulation, Isolationism, and Imperialism 456
5 The Comity of Self-Defense: Ostracizing the Private Attorney General 457
E Summary 463
II The Zenith of Transnationalization: A Story of Alien Tort Statute Contraction 464
A The “Legal Lohengrin”: From Comity to Settled International Law 464
B The Sosa Transnationalization: Hybridity, Universality, and Specificity 466
C Pandora’s Box: Politics and Economics 469
D Kiobel v. Royal Dutch Petroleum Co.: The Swan Song of Transnationalization? 474
III Summary 478
3 The Shadowy Existence of Trademark and Unfair Competition Conflicts 480
I The Mirage of Extraterritorial Enforcement Efficiency 481
II The Reality of International Trademark Rights Protection 483
A International Intellectual Property Rights Segmentation 484
B The International Vacuum of Nation-State Capacities 486
C Trademark Extraterritoriality: Individual Propertization and Overall Taxation 487
III Summary 488
Conclusions 489
6 Reconceptualization, Reinterpretation, and Typology 491
Introduction 491
I The New Conflicts Resolution Structure 492
A Trademark/Unfair Competition Uniformity: Core Policies 493
B Quality of Effects: A Rule of Alternatives 494
II Quantity of Effects: Jurisdictional Self-Restraint 497
A A Word in Advance: Practical Relativity 498
B Objective Foreseeability 501
1 Party Expectations and the International Private Law Order 501
2 Technique and Factors of Market Analysis 504
3 Clarification: Defendant’s Intent and Actual Effects 505
C International Comity 507
1 Current De Minimis Standards 508
(a) The Paradigm of “Shields” and “Swords” 508
(b) Analysis: An Ad Hoc Rule of “International-Individual Equity” 510
2 Reconceptualization 512
(a) Structural Underpinning and Relevant Interests 513
(b) Practical Rules and Presumptions 515
(i) Starting Point: Fact-Based Crafting of Remedies 515
(ii) Prima Facie “Effects Sufficiency”: Defendant’s Intent 517
(iii) Caveat: “Effects Unavoidability” 518
IV Summary 520
2 The Reinterpretation of Steele and Rome II 521
I US Lanham Act Subject-Matter Jurisdiction 521
A Modi
fi
cation: A Qualitative Reformulation of “Effects on US Commerce” 522

B Reinterpretation: Dusting Off “Nationality” and “Conflicts with Foreign Law” 525
  1 Nationality, Citizenship, and What Else—or Nothing at All? 525
  2 Conflicts with Foreign Law: Another Shell of Formalities 528
  3 A New Paradigm 529
    (a) The Neutralization of Nationality and Citizenship 529
    (b) The Deformalization and Depropertization of “Conflicts with Foreign Law” 531

II European Trademark and Unfair Competition Choice of Law 533
  A Clarification: Characterization of Trademark and Unfair Competition Conflicts 533
  B Foundation: Marketplace Effects Rule and the Lex Loci Protectionis 538
  C Application: Marketplace Effects and the Gran Canaria Conundrum 539
    1 Recapitulation: The Gran Canaria Scenario 539
    2 Problem: Economic Concepts and Legal Terminology 541
    3 Analysis: The Chronology of Consumer Decision Making 542
    4 Implementation: Alternative Transactions and the Merger of Markets 545
    5 Conclusion 548

3 The Typology of Trademark and Unfair Competition Conflicts 548
  I Consumer Decision Making: Protecting the Market Information Infrastructure 549
    A The Common Core of Trademark and Unfair Competition Policies 549
      1 Advertising Communication: A General “Rule of Alternatives” 549
      2 No Exceptions: Trademarks, Trade Names, Geographical Indications, and Designations of Origin 551
    B Implementation of Decision-Making Results: Transacting 553
      1 The Core Policy 553
      2 Policies Beyond 555
  II Theories of Misappropriation and Other Impact on Competition 556
    A Modern Extensions of Trademark-Infringement Theory 556
    B Product Imitation 560
    C The Antitrust Concurrence 563
    D Breach of Statutory Duties as Unfair Competition 565
  III Competitor-Related and Bilateral Commercial Torts 566

 Appendix A  572
 Appendix B  576
 Bibliography  583
 Index  637

Downloaded from https://www.cambridge.org/core. IP address: 54.191.217.67, on 17 Feb 2017 at 19:59:59, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/9781316651285