
NOTES

MOUSE VS. MAU5: IMPLICATIONS OF THE *MOREHOUSE* DEFENSE IN INTERNATIONAL TRADEMARK DISPUTES

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I. INTRODUCTION

What happens when an iconic cartoon mouse and an internationally renowned, electronic dance music disc jockey face off? While this may sound like the making of a fictitious scenario, this was actually the underlying context of the 2015 trademark dispute between Walt Disney Company (“Disney”) and Joel Zimmerman¹—stage name “deadmau5” (pronounced “dead mouse”)—in which Disney challenged the trademark registration of deadmau5’s logo.² Though short-lived,³ and likely best remembered for its attention grabbing headlines,⁴ the dispute is instructive

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1. The actual names of the parties in this dispute are Disney Enterprises, Inc. and Ronica Holdings Limited. Notice of Opposition at 1, *Disney Enters., Inc. v. Ronica Holdings Ltd.*, No. 91218136 (T.T.A.B. Sept. 2, 2014) [hereinafter *Disney Opposition*], 2013 WL 9638138.

2. *Id.*

3. Disney filed its Notice of Opposition on September 2, 2014, *id.*, and the proceeding was dismissed without prejudice on June 25, 2015, *Disney Enters., Inc. v. Ronica Holdings Ltd.*, No. 91218136 (T.T.A.B. dismissed June 25, 2015), <http://ttabvue.uspto.gov/ttabvue/v?pno=91218136&pty=OPP&eno=31>.

4. See, e.g., Dante D’Orazio, *Deadmau5 Responds to Disney Trademark Suit, Says Company Stole His Music*, THE VERGE (Sept. 7, 2014, 1:19 PM)

as to how U.S. trademark law should adapt to international trademark disputes. While the deadmau5-Disney dispute ended by a settlement between the parties,⁵ it is extremely probable that there will be more trademark disputes with common factual underpinnings in the future; thus, the dispute raises more questions than answers.

Here are the facts. On June 28, 2013, deadmau5 filed trademark application number 85972976 (“Subject Mark”) for registration of an illustration in the Principal Register of the United States Patent and Trademark Office.⁶ The Subject Mark consists of a frontal view of the iconic “mau5head” logo, which deadmau5 affixes to album covers and merchandise and wears on stage when performing.⁷ As the application explained, the submitted image was “a caricature of a mouse head with black ears, black face, white eyes and [a] white mouth.”⁸ Deadmau5 had previously registered another mau5head logo in 2010 (“Angled Mark”).⁹ The major difference between the new application and the existing trademark registration was that the latter was angled, whereas the Subject Mark faced forward. The two mau5heads appear below:

<http://www.theverge.com/2014/9/7/6117403/deadmau5-responds-to-disney-trademark-suit>; Eriq Gardner, *Deadmau5 Says Disney Approached Him About Re-Imagining ‘Fantasia’ (Exclusive)*, HOLLYWOOD REPORTER (Oct. 14, 2014, 9:30 AM), <http://www.hollywoodreporter.com/thr-esq/deadmau5-says-disney-approached-him-740615>.

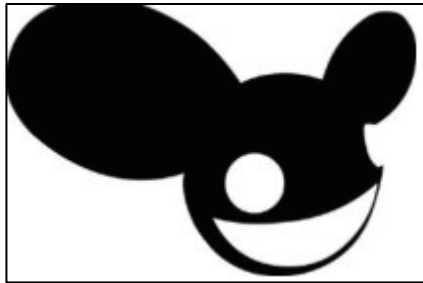
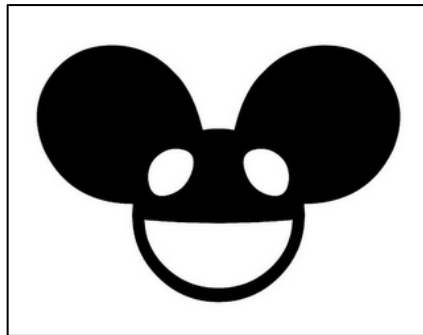
5. Eriq Gardner, *Deadmau5, Disney Settle Dispute Over “Mouse Head” Logo*, HOLLYWOOD REPORTER (June 22, 2015, 4:33 AM), <http://www.hollywoodreporter.com/thr-esq/deadmau5-disney-settle-dispute-mouse-804072>.

6. U.S. Trademark Application Serial No. 85972976 (filed June 28, 2013) [hereinafter Deadmau5 Application].

7. Answer and Affirmative Defenses, *Disney Enters., Inc. v. Ronica Holdings Ltd.*, No. 91218136, at 17–25 (T.T.A.B. Oct. 13, 2014) [hereinafter Deadmau5 Answer], <http://ttabvue.uspto.gov/ttabvue/v?pno=91218136&pty=OPP&eno=4>. See also Eriq Gardner, *Deadmau5 Says Disney Approached Him About Re-Imagining ‘Fantasia’ (Exclusive)*, HOLLYWOOD REPORTER (Oct. 14, 2014, 9:30 AM), <http://www.hollywoodreporter.com/thr-esq/deadmau5-says-disney-approached-him-740615>.

8. Deadmau5 Application, *supra* note 6.

9. Registration No. 3,836,648. Pending and registered trademarks may be searched via the Trademark Electronic Search System (TESS) at <http://tess2.uspto.gov/>.

FIGURE 1. Angled Mark¹⁰FIGURE 2. Subject Mark¹¹

Every trademark application must assert a legal basis to justify registration.¹² Typically, an application will assert “use” or “intent to use” as the legal basis.¹³ Instead, deadmau5’s Subject Mark application pointed to Australian trademark registration number 1330112, registered on February 21, 2011, as his basis.¹⁴ By pointing to a foreign registration, deadmau5 was utilizing Section 44(e) of the Lanham Act, which permits an applicant to seek registration of a mark based on a foreign registration without ever having used it within the geographical bounds of the United States.¹⁵ What was seemingly a straightforward trademark dispute implicated international trademark law because of Section 44(e).

10. *Id.*

11. Deadmau5 Application, *supra* note 6.

12. U.S. PATENT & TRADEMARK OFFICE, PROTECTING YOUR TRADEMARK: ENHANCING YOUR RIGHTS THROUGH FEDERAL REGISTRATION 20 (2015), <http://www.uspto.gov/sites/default/files/BasicFacts.pdf>.

13. *Id.* See also 15 U.S.C. §§ 1051(a)–(b) (2012).

14. Deadmau5 Application, *supra* note 6.

15. 15 U.S.C. § 1126(e).

Disney, fearing that the Subject Mark was too similar to their iconic Mickey Mouse logo,¹⁶ filed an opposition to deadmau5's application on September 2, 2014.¹⁷ In its opposition, Disney asserted that it owns "longstanding rights in its mouse ears mark (and variations thereof) . . . , which originated from Disney's famous Mickey Mouse character."¹⁸ Disney further alleged that deadmau5's registration would likely cause confusion¹⁹ and dilute the value and impact of the Mickey Mouse brand.²⁰ As the evidentiary basis for their opposition, Disney pointed to twenty-five registrations it currently owns in the United States.²¹

In an answer filed on October 13, 2014, deadmau5 asserted a number of affirmative defenses to the claims levied by Disney, including alleging that "Opposer [Disney] cannot be damaged by registration of the Subject Mark because Applicant [deadmau5] already owns an existing registration for the same or substantially identical mark."²² By making this allegation, deadmau5 was seemingly utilizing the *Morehouse* defense, but doing so without calling it by name. The *Morehouse* defense, also known as the "prior registration defense," is an equitable doctrine akin to laches or acquiescence.²³ The premise of the *Morehouse* defense is that one opposing a registration cannot be further injured by a new registration that is the "same or substantially identical" to an existing registration.²⁴ By invoking the *Morehouse* defense, deadmau5 could have referred to either of the two prior registrations: the Angled Mark that was registered in 2010 or the 2011 Australian registration—the former being the classical construction based on an existing *domestic* registration. Since deadmau5 never specified the mark to which he was referring, the Trademark Trial and Appeal Board ("T.T.A.B.") presumptively applied the classical construction in an order issued in 2015 ("T.T.A.B. Order"), and it ruled as a matter of law that the *Morehouse* defense could not apply to the Angled Mark.²⁵

16. See Disney Opposition, *supra* note 1, at 19. ("Applicant's Mouse Ears Mark is nearly identical in appearance, connotation, and overall commercial impression to Disney's Mouse Ears Marks. . . . [B]oth parties' marks are comprised of a round head with prominent round mouse ears in silhouette . . .").

17. *Id.* at 20.

18. *Id.* at 2.

19. *Id.* at 18–19 (alleging "priority" and "likelihood of confusion," under 15 U.S.C. § 1052(d), as grounds for opposition).

20. *Id.* at 19–20 (alleging "dilution," under 15 U.S.C. § 1125(c), as grounds for opposition).

21. *Id.* at 9–14.

22. Deadmau5 Answer, *supra* note 7, at 33.

23. 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 20:38 (4th ed. 2015).

24. *Id.* (citing *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881 (C.C.P.A. 1969)).

25. *Disney Enters., Inc. v. Ronica Holdings Ltd.*, No. 91218136 (T.T.A.B. 2015) [hereinafter

In the same order, the T.T.A.B. denied in part Disney's Motion to Strike, but not before striking from deadmau5's pleadings any reference to deadmau5's foreign use or foreign registrations. In doing so, the T.T.A.B. proclaimed deadmau5's foreign trademark rights to be irrelevant and declared—as a bright-line rule—that foreign registrations confer no trademark rights in the United States.²⁶ This declaration highlights the ambiguity regarding the treatment of foreign registrations within the body of U.S. trademark law. How could deadmau5's foreign registration be irrelevant when his application properly asserts Section 44(e) as a filing basis and points to a valid foreign registration? Are the territorial limits of foreign registrations as clear-cut as the T.T.A.B. suggests? These are questions that must be addressed so that future trademark holders know the rights and limits of their foreign registrations.

This Note attempts to answer these questions by examining whether, contrary to the T.T.A.B. Order, the *Morehouse* defense should be extended to prior *foreign* registrations, like deadmau5's Australian registration. The basic argument is that Disney can and should have opposed registration of the Subject Mark in Australia. By broadening the application of the *Morehouse* defense, this Note seeks to address an existing tension in the international trademark landscape, as evidenced by the ambiguity regarding foreign registration. On the one hand, U.S. trademark law clings to traditional principles of territoriality, which requires protection in the United States based on use and registration within its territory and jurisdiction.²⁷ On the other hand, globalization is steering the law towards removal of trade barriers and recognition of foreign trademarks. Clinging to principles of territoriality while also attempting to embrace globalization weakens trademark enforcement and creates uncertainty among trademark holders. The notion that intellectual property rights can be nationally delimited seems anachronistic, especially when globalization and the advent of the Internet means that a mark used in one place tends to be used everywhere.²⁸ Expanding application of the *Morehouse* defense to foreign registrations can alleviate this tension, if adopted with limits. Adopting such an application would also present a more workable solution for future disputes, as opposed to the bright-line rule espoused by the T.T.A.B. Order.

T.T.A.B. Order], 2015 WL 2441549, at *5–6.

26. *Id.* at *3 (citing *Person's Co. v. Christman*, 900 F.2d 1565, 1568–69 (Fed. Cir. 1990) and *Jenaer Glaswerk Schott & Gen. v. General Elec. Co.*, 137 U.S.P.Q. (BNA) 607, 609 (T.T.A.B. 1963)).

27. *See Person's*, 900 F.2d at 1568–69 (“The concept of territoriality is basic to trademark law; trademark rights exist in each country solely according to that country's statutory scheme.”).

28. *See* discussion *infra* Part II.D.

This Note will use the facts of the Disney-deadmau5 dispute to exemplify how the *Morehouse* defense could be applied to future foreign registrations. Part II will provide historical and doctrinal background on the *Morehouse* defense, U.S. trademark law, and relevant international treaties and conventions. Part III will explore the potential legal arguments deadmau5 and Disney could make if the *Morehouse* defense were to apply to foreign registrations, including consideration of whether such an application is entirely unprecedented or consistent with established legal principles. Part IV will explore normative arguments for and against adopting an expanded application of the *Morehouse* defense, as well as propose a test for adoption. Ultimately, this Note will argue that the *Morehouse* defense should be extended to prior foreign registrations, but with limitations. A critical exercise in shaping the limits of the test will be evaluating the analogy between this set of facts and the principles of enforcing foreign judgments, as outlined by the Restatement on Intellectual Property.

II. HISTORICAL BACKGROUND

A. USE VS. REGISTRATION IN U.S. TRADEMARK LAW²⁹

One of the defining features of U.S. trademark law is that priority rights are based on a first to use system, rather than first to register.³⁰ In contrast, many foreign countries grant substantive trademark rights to the trademark user that is first to register, in effect, triggering a race to register.³¹ Within the context of U.S. trademark law, “use” has two meanings: use as defined by common law and the statutorily defined “use in commerce.” Common law use refers to the sale of goods in association with a mark and is satisfied “by the first sale of the goods bearing the trademark.”³² “Use in commerce” is defined in 15 U.S.C. § 1127 as a “bona fide use in the ordinary course of trade, and not merely to reserve a right in a mark.”³³ “Use in commerce” may include the common law use by

29. The distinction between use and registration is of special importance here because the *Morehouse* defense is based on prior registration, rather than prior use.

30. “[I]t is use, not registration, that creates the underlying exclusive right to a mark.” MCCARTHY, *supra* note 23, § 19:3.

31. *See id.* § 19:1.25.

32. Allan Zelnick, *Foreign Trademark Applicants and Registrants and the Requirement of Use: The Right to Register*, 52 TRADEMARK REP. 641, 643 (1962). *See also* Bradlee R. Frazer, *Common-Law Trademarks or Trade-Name Rights in Geographical Areas of Prior Use*, in 22 AM. JUR. PROOF OF FACTS 3D 623, § 7 (1993) (explaining common law use by considering an example of a small business that decides to sell “Zoing-O” golf clubs).

33. 15 U.S.C. § 1127 (2012).

a sale in association with a mark, but it can also be satisfied by other commercial activity short of a sale.³⁴ Legislative history of the Trademark Act, more commonly known as the Lanham Act,³⁵ suggests that use in commerce is industry-specific and requires more than a “token” sale.³⁶

Common law use and use in commerce confer upon the holder different rights. The former triggers the common law trademark right to exclusive use of the mark and the right to exclude others from using the mark, both of which are limited to the geographic area in which the mark is *used*.³⁷ The latter grants the right to register, which includes broader, nation-wide protections.³⁸ Both forms of use are prerequisites to registering; when registering a trademark, the trademark holder must show common law use and use in commerce.³⁹ In the event that there are two competing trademark holders, priority is generally given to the first to use the mark, within the common law meaning of use.⁴⁰ Registration matters because it triggers additional substantive and procedural rights that do not exist with use alone, including a presumption of “the validity of the registered mark”⁴¹ and “constructive use” of the mark nationwide.⁴² As previously explained, deadmau5 attempted to circumvent the use requirements by utilizing Section 44(e) and pointing to a foreign registration.

34. Zelnick, *supra* note 32, at 647.

35. Trademark Act of 1946 (Lanham Act), Pub. L. No. 79-489, 60 Stat. 427 (codified as amended at 15 U.S.C. §§ 1051–1141n (2012)).

36. See H.R. REP. NO. 100-1028, pt. 4, at 15 (1988) (“While use made merely to reserve a right in a mark will not meet this standard, the Committee recognizes that the ‘ordinary course of trade’ varies from industry to industry. . . . The definition of ‘use in commerce’ is consistent with the Committee’s intention to eliminate the practice of making a single shipment-‘token use’ solely for the purpose of reserving a mark.”).

37. Zelnick, *supra* note 32, at 642.

38. *Id.*

39. 15 U.S.C. § 1051(a)(2) (2012) (“The application shall include . . . the date of the applicant’s first use of the mark, the date of the applicant’s first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark.”). See also *Grand Canyon W. Ranch, LLC v. Hualapai Tribe*, 78 U.S.P.Q.2d (BNA) 1696, 1698 (T.T.A.B. 2006) (“It is clear that an applicant cannot obtain a registration under Section 1 of the Trademark Act for goods or services upon which it has not used the mark.”); Zelnick, *supra* note 32, at 642–43.

40. See 2 MCCARTHY, *supra* note 23, § 16:4 (“The cases are legion to the effect that for inherently distinctive marks, ownership is governed by priority of use. For such marks, the first to use a designation as a mark in the sale of goods or services is the ‘owner’ and the ‘senior user.’”).

41. 15 U.S.C. § 1057(b). See also *Tillamook Country Smoker, Inc. v. Tillamook Cty. Creamery Ass’n*, 333 F. Supp. 2d 975, 980 (D. Or. 2004).

42. 15 U.S.C. § 1057(c) (“Contingent on the registration of a mark on the principal register provided by this Act, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority, nationwide . . .”).

B. THE TERRITORIALITY PRINCIPLE

Another feature of the United States trademark system is territoriality. “Territoriality” in U.S. trademark law refers to the principle that “intellectual property rights are national in character and have very little extraterritorial reach.”⁴³ One of the most prominent manifestations of the territoriality principle is the imposition of a national registration system,⁴⁴ which matches registered marks to distinct economic regions—or sovereign boundaries—in which registered marks will be recognized and holders’ rights enforced.⁴⁵ As a result of a trademark’s limited territorial reach, a corporation that wants to protect its rights abroad must also register its trademark abroad pursuant to foreign law requirements.⁴⁶

The forces of globalization and rapid technological change, however, have complicated territoriality. Territoriality is predicated on the notion that what happens in one country stays in that country; but with the advent of the Internet, interconnectivity has accelerated, and trademarks cross national borders at the click of a button, leaving trademark law in a state of flux.

C. THE *MOREHOUSE* DEFENSE

The *Morehouse* defense, also known as the “prior registration defense,” is an affirmative defense “in the nature of laches or acquiescence”⁴⁷ that derived its name from *Morehouse Manufacturing Corp. v. J. Strickland & Co.*⁴⁸ In *Morehouse*, the appellee, J. Strickland and Company, had received a trademark registration on April 27, 1954 for the rights to the words “Blue Magic” in association with the sale of “hair dressing.”⁴⁹ In 1962, the appellee sought a second registration that was identical to the first except that the new “label featured the goods as ‘pressing oil’ rather than ‘hair dressing.’”⁵⁰ In upholding a decision by the

43. Geri L. Haight & Philip Catanzano, *The Effects of Global Priority of Trademark Rights*, 91 MASS. L. REV. 18, 19 (2007).

44. The primary register for the U.S. national registration system is the Principal Register. See 15 U.S.C. § 1051; U.S. PATENT & TRADEMARK OFFICE, *supra* note 12, at 10–11.

45. See Lee Ann W. Lockridge, *Honoring International Obligations in U.S. Trademark Law: How the Lanham Act Protects Well-Known Foreign Marks (and Why the Second Circuit Was Wrong)*, 84 ST. JOHN’S L. REV. 1347, 1392 n.181 (2010) (quoting Graeme B. Dinwoodie, *Trademarks and Territory: Detaching Trademark Law from the Nation-State*, 41 HOUS. L. REV. 885, 888 (2004)).

46. Haight & Catanzano, *supra* note 43, at 19.

47. MCCARTHY, *supra* note 23, §20:38.

48. *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881 (C.C.P.A. 1969).

49. *Id.* at 883.

50. *Id.* at 883–84.

T.T.A.B. to dismiss Morehouse Manufacturing Corporation's opposition, the U.S. Court of Customs and Patent Appeals held that an opposer cannot challenge a second registration if the subsequent registration does not further damage the opposer:

[A]s a matter of law, the opposer cannot be damaged . . . by the issuance to the applicant of a second registration where applicant already has an existing registration of the same mark for the same goods[, for] if opposer cannot procure the cancellation of the existing registration . . . *there is no added damage from the second registration* [and] *there is no ground for sustaining the opposition.*⁵¹

The opposer must seek to cancel the initial registration or live with the second registration.⁵² The *Morehouse* defense is unique within American trademark law because it is based on prior registration, not prior use.⁵³

To invoke the *Morehouse* defense, the applicant must hold two registrations for “substantially identical” marks to be used for “substantially identical” goods or services.⁵⁴ Two marks are substantially identical, even if they have distinguishing features, when they “create[] the same psychological impression and make[] the same commercial impact.”⁵⁵ In considering psychological impression and the commercial impact, we look to what the “purchasing public” would think when comparing the marks.⁵⁶

To qualify as a prior registration, the registration must appear in the Principal Register. Registration in the Supplemental Register is inadequate because the Supplemental Register is inferior to the Principal Register.⁵⁷ Registration in the Principal Register entitles the holder to a presumption of validity, ownership, and exclusive right to use the mark.⁵⁸ In contrast, registration in the Supplemental Register does not grant the holder the same

51. *Id.* at 884 (emphasis added).

52. MCCARTHY, *supra* note 23, § 20:38.

53. *Id.* See also discussion *infra* Part II.A.

54. Tillamook Country Smoker, Inc. v. Tillamook Cty. Creamery Ass'n, 333 F. Supp. 2d 975, 986 (D. Or. 2004) (citing Advance Stores Co. v. Refinishing Specialties, Inc., 948 F. Supp. 643, 654 (W.D. Ky. 1996)).

55. Cont'l Specialties Corp. v. Cont'l Connector Corp., 192 U.S.P.Q. (BNA) 449, 452 (T.T.A.B. 1976).

56. Nat'l Bakers Servs., Inc. v. Hain Pure Food Co., 207 U.S.P.Q. (BNA) 701, 707 (T.T.A.B. 1980).

57. See Walden Book Co. v. B. Dalton Co., 4 U.S.P.Q.2d (BNA) 1414, 1415 (T.T.A.B. 1987); 4A LOUIS ALTMAN & MALLA POLLACK, CALLMANN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 26:82 (4th ed. 2012).

58. 1 JOHN GLADSTONE MILLS III ET AL., PATENT LAW FUNDAMENTALS § 5:109 (2d ed. 2015) (summarizing 15 U.S.C. § 1057(b) (2012)).

presumptions and rights.⁵⁹ Thus, the underlying requirement of the *Morehouse* defense that a new registration not add to the damage of the initial registration would not be satisfied with a prior supplemental registration, as the second registration would give the holder new rights that affect the opposer differently.⁶⁰ One hurdle that this Note will seek to overcome is to justify why a foreign registration should not be similarly excepted from the *Morehouse* defense.

D. INTERNATIONAL CONVENTIONS OF TRADEMARK LAW

There are two basic features to globalization that can basically encapsulate its essence—the integration of foreign markets and the increased connectivity among the citizens of the world.⁶¹ Globalization has been an impetus for cooperation in trade and regulation. Trademark law, as well as other domains of intellectual property, has been impacted by these developments. The goal of intellectual property treaties, as best expressed in the Preamble to the Agreement on Trade-Related Aspects of Intellectual Property Rights, is to “reduce distortions and impediments to international trade . . . and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade.”⁶² This process of “harmonization” aims to create “a single easily applied, predictable, international standard for protection and enforcement of intellectual property rights.”⁶³ The result is a dichotomy of trademark law—on the one hand, U.S. trademark law remains a first to use, territoriality-based system; on the other hand, harmonization is pulling trademark law in an opposite direction, towards increasingly recognizing the rights of foreign registrants domestically.⁶⁴ Furthermore, the advent of the Internet is magnifying the “potential erosion of the territoriality principle,” as the Internet makes it easier for trademarks to travel across

59. *See id.*

60. *Walden Book*, 4 U.S.P.Q.2d (BNA) at 1414–15.

61. *See* THOMAS L. FRIEDMAN, *THE LEXUS AND THE OLIVE TREE* 8 (rev. ed. 2000) (defining globalization as “the inexorable integration of markets, nation-states and technologies to a degree never witnessed before—in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before”).

62. Agreement on Trade-Related Aspects of Intellectual Property Rights pmbl., Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 108 Stat. 4809, 1869 U.N.T.S. 299 [hereinafter TRIPS Agreement], http://www.wipo.int/edocs/lexdocs/treaties/en/wto01/trt_wto01_001en.pdf.

63. Doris Estelle Long, “Globalization”: *A Future Trend or a Satisfying Mirage?*, 49 J. COPYRIGHT SOC’Y U.S.A. 313, 324 (2001).

64. *See* Haight & Catanzano, *supra* note 43, at 18 (“Due in part to the effect of the dynamic global marketplace, parties litigating trademark issues in federal courts increasingly advocate for the recognition and application of exceptions to the traditional principle of U.S. trademark law.”).

territorial lines.⁶⁵ Consequently, international treaties have tended to focus on the principle that protection in one place brings protection everywhere. In the succeeding subpart, this Note will identify and interpret the different treaties and conventions that have catalyzed the harmonization process.

i. The Paris Convention for the Protection of Industrial Property

The “oldest major treaty concerning the protection of intellectual property”⁶⁶ is the Paris Convention for the Protection of Industrial Property (“Paris Convention”),⁶⁷ to which both Australia and the United States have bound themselves.⁶⁸ Article 6 of the Paris Convention mandates recognition of foreign registrations:

Every trademark duly registered in the country of origin shall be accepted for filing and protected as is in the other countries of the Union Trademarks covered by this Article may be neither denied registration nor invalidated except . . . when they are devoid of any distinctive character⁶⁹

Congress has implemented Article 6 via Section 44 of the Lanham Act,⁷⁰ which permits U.S. registration based on a foreign registration notwithstanding the lack of first use within the United States.⁷¹ To reiterate, Section 44 is the statutory basis with which the deadmau5 application references as a filing basis.⁷² Section 44 states in pertinent part, “A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible”⁷³ Foreign registrations under Section 44 receive unique benefits. Rather than meet the normal requirement of having used the mark in commerce, they need only assert a “bona fide intention” to do so.⁷⁴ Relatedly, under Section 44(d), foreign registrations receive priority based on the date of the filing of the foreign

65. *Id.* at 31.

66. *Id.* at 24.

67. Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention] (as last revised on July 14, 1967 and as amended Sept. 28, 1979), http://www.wipo.int/edocs/lexdocs/treaties/en/paris/trt_paris_001en.pdf.

68. *WIPO-Administered Treaties: Contracting Parties—Paris Convention*, WORLD INTELLECTUAL PROP. ORG. [hereinafter *Contracting Parties—Paris Convention*], http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=2 (last visited Mar. 20, 2016).

69. Paris Convention, *supra* note 67, art. 6quinquies.

70. *See In re Rath*, 402 F.3d 1207, 1211 (Fed. Cir. 2005) (“There is no question but that Congress generally intended section 44 of the Lanham Act to implement the Paris Convention.”).

71. 15 U.S.C. § 1126(e) (2012) (“The application must state the applicant’s bona fide intention to use the mark in commerce, but use in commerce shall not be required prior to registration.”).

72. *See supra* notes 14–15 and accompanying text.

73. 15 U.S.C. § 1126(e).

74. *Id.*

registration rather than on the date of first use within the United States.⁷⁵ In effect, implementation of the Paris Convention grants foreign registrants the right to register without use in commerce in the United States and priority based on the date of the foreign registration, both of which may be construed as a superior right to domestic registrants.⁷⁶

ii. The TRIPS Agreement

The Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”)⁷⁷ is a multilateral agreement on intellectual property, administered by the World Trade Organization, which went into effect in 1995.⁷⁸ The TRIPS Agreement is a microcosm of the current state of international trademark law, containing both elements of territoriality and harmonization. It sets minimum requirements for “enforcement procedures”⁷⁹ that must be implemented by each signatory,⁸⁰ as well as minimum standards for “the subject-matter to be protected, the rights to be conferred and permissible exceptions to those rights, and the minimum duration of protection.”⁸¹ The justification for setting minimum requirements is “to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.”⁸² As such, the TRIPS Agreement has been described as “the premiere IPR [Intellectual Property Rights] harmonization document.”⁸³ It still adheres to principles of territoriality by tying the rights of a trademark holder to the domestic registration of a mark.⁸⁴

75. *SCM Corp. v. Langis Foods, Ltd.*, 539 F.2d 196, 199–201 (D.C. Cir. 1976).

76. *Zelnick*, *supra* note 32, at 660 (“It thus appears that the right of priority is a substantive legal right; it in fact creates a trademark right, as opposed to mere remedies, in the case of such foreign applicants, whereas in the case of a domestic applicant who must base his application solely on use, no such similar trademark rights are created by the [Lanham] Act.”).

77. *See supra* note 62.

78. *Overview: The TRIPS Agreement*, WORLD TRADE ORG., https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm (last visited Mar. 7, 2015).

79. TRIPS Agreement, *supra* note 62, art. 41.

80. *Id.* “Members shall ensure that enforcement procedures as specified in this Part are available under their national laws so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement” *Id.* (emphasis added).

81. *Overview: The TRIPS Agreement*, *supra* note 78. *See also* TRIPS Agreement, *supra* note 62, arts. 15–21.

82. TRIPS Agreement, *supra* note 62, art. 41.

83. *See Long*, *supra* note 63, at 345.

84. TRIPS Agreement, *supra* note 62, art. 16 (“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having his consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion.”). Imposition of a registration is extrinsically related to the territorial principle. *See supra* text accompanying notes 43–44.

iii. The Madrid Protocol

Australia and the United States are also members of the Madrid Protocol,⁸⁵ negotiated in 1989 and adopted by the United States in 2003,⁸⁶ a multilateral treaty that created an international trademark registration system. The system permits a trademark holder in one member country, to file *one* application to obtain protection in any other member country.⁸⁷ So instead of registering in each country, and paying separate filing fees, a trademark holder in the United States may thus receive the equivalent of a registration in another country if, when filing an application, a “territorial extension” is requested.⁸⁸ The request for territorial extension will, if accepted, have the same force and effect as a registration in that country.⁸⁹ The system, which is nearly as untethered from territoriality as the marks it regulates, both results from and contributes to the drive for the international harmonization of trademark enforcement. To some extent, the creation of an international registry is implicit recognition by the international community of the erosion of the territoriality principle, since registrations can now cross national borders as expeditiously as the underlying marks. It also exemplifies the momentum of harmonization, which is driving international trademark enforcement towards uniformity.⁹⁰

85. Protocol Relating to Madrid Agreement Concerning International Registration of Marks, June 27, 1989, 106.4 S. TREATY DOC. NO. 106-41 [hereinafter Madrid Protocol] (as amended on Nov. 12, 2007), http://www.wipo.int/edocs/lexdocs/treaties/en/madridp-gp/trt_madrid_gp_001en.pdf.

86. *WIPO-Administered Treaties: Contracting Parties—Madrid Protocol*, WORLD INTELLECTUAL PROP. ORG. [hereinafter *Contracting Parties—Madrid Protocol*], http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=8 (last visited Mar. 20, 2016).

87. WORLD INTELLECTUAL PROP. ORG., *THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS AND THE PROTOCOL RELATING TO THAT AGREEMENT: OBJECTIVES, MAIN FEATURES, ADVANTAGES OF THE MADRID SYSTEM* 5, 10–11 (2012), http://www.wipo.int/edocs/pubdocs/en/marks/418/wipo_pub_418.pdf.

88. Madrid Protocol, *supra* note 85, art. 3ter. *See also* MCCARTHY, *supra* note 23, § 19:31.20.

89. Madrid Protocol, *supra* note 85, art. 4 (“[T]he protection of the mark in each of the Contracting Parties concerned shall be the same as if the mark had been deposited direct with the Office of that Contracting Party.”).

90. *See* Gerd F. Kunze, *The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989*, 82 TRADEMARK REP. 58, 87 (1992) (“By continuing to make the regulations of a system for international trademark protection more uniform and thus more attractive, it is hoped that countries which are presently averse to joining such a system might in the future be more readily inclined to become members.”).

III. APPLICATION OF THE *MOREHOUSE* DEFENSE TO THE DEADMAU5–DISNEY DISPUTE

Not long after the T.T.A.B. Order, deadmau5 withdrew his application, and the proceeding was dismissed without prejudice.⁹¹ One can only assume that deadmau5 saw the writing on the wall—that the T.T.A.B. would not be receptive to his claims. Instead, the parties resolved their issues outside of court.⁹² Notwithstanding the actual result of the dispute, Part III of this Note will construct the legal arguments each party might have alleged in the dispute if deadmau5 were to have applied the *Morehouse* defense to the Australian registration.

Before jumping into the arguments though, the T.T.A.B. Order and its consequences on this dispute must be addressed. The T.T.A.B. seemingly foreclosed the possibility of applying the *Morehouse* defense to the Australian registration by partially striking all references to deadmau5's foreign activities.⁹³ The T.T.A.B. cited *Person's Co. v. Christman*⁹⁴ and *Jenaer Glaswerk Schott & Gen. v. General Electric Co.*⁹⁵ to reassert the territoriality principle and support the proposition that deadmau5's foreign use and registration conferred no trademark rights in the United States “either directly or as a result of any failure by Opposer [Disney] to contest Applicant's foreign trademark rights.”⁹⁶ *Person's* is distinguishable from our dispute though, because in *Person's*, a foreign company sought to establish U.S. trademark priority based on prior *use* in Japan, not a prior foreign *registration*.⁹⁷ This Note is not advocating for having Disney monitor all trademark use abroad; that would be impractical and extremely costly to police. However, the facts of the Disney-deadmau5 dispute are similar to those in *Jenaer*, in which a United States trademark holder opposed two registrations made by General Electric based on General Electric's prior registered British marks.⁹⁸ In *Jenaer*, the T.T.A.B. denied General Electric's application because the marks were confusingly similar

91. *Disney Enters, Inc. v. Ronica Holdings Ltd.*, No. 91218136 (T.T.A.B. dismissed June 25, 2015), <http://ttabvue.uspto.gov/ttabvue/v?pno=91218136&pty=OPP&eno=31>.

92. Eriq Gardner, *Deadmau5, Disney Settle Dispute Over “Mouse Head” Logo*, HOLLYWOOD REPORTER (June 22, 2015, 4:33 AM), <http://www.hollywoodreporter.com/thr-esq/deadmau5-disney-settle-dispute-mouse-804072>.

93. T.T.A.B. Order, *supra* note 25, at *3.

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

95. *Jenaer Glaswerk Schott & Gen. v. Gen. Elec. Co.*, 137 U.S.P.Q. (BNA) 607 (T.T.A.B. 1963).

96. T.T.A.B. Order, *supra* note 25, at *3 (citing *Person's*, 900 F.2d at 1568–69, and *Jenaer*, 137 U.S.P.Q. (BNA) at 609).

97. *Person's*, 900 F.2d at 1568–69.

98. *Jenaer*, 137 U.S.P.Q. (BNA) at 608–10.

to the opposer's marks.⁹⁹ In doing so, the T.T.A.B. stated:

The mere fact that opposer did not elect to oppose applicant's prior registrations . . . for different goods does not in any way act as a bar to the present opposition, *nor does the fact that opposer did not object to the registration of applicant's mark in foreign countries since opposer's rights in this country are completely independent of any rights of the parties in such countries.*¹⁰⁰

This Note does not suggest that the T.T.A.B. misapplied the law nor that it acted contrary to precedent. In fact, the case law suggests that the T.T.A.B. got it right;¹⁰¹ *Jenaer* explicitly rules out the argument asserted in this Note, that Disney can and should have opposed deadmau5's Australian registration or risk losing the ability to oppose the U.S. registration. As an administrative court, the T.T.A.B. is bound by precedent such as *Jenaer*. However, it is telling that the T.T.A.B. cited cases more than a quarter-century old—and in the case of *Jenaer* over fifty years old—in declaring deadmau5's foreign registrations irrelevant. The reality is that the international trademark enforcement regime is not the same as it was in the 1960s and 1990s, when *Jenaer* and *Person's* were decided, respectively. The hard line the T.T.A.B. takes towards foreign registrations is outdated, and it is not reflective of the international trademark enforcement reality. The series of treaties implemented over the past few decades suggest that international trademark enforcement increasingly favors harmonization and the blurring of sovereign borders over strict adherence to the territoriality principle.¹⁰² This Note advocates for a softening of the hard line, consistent with trends in international trademark law, to reflect the practical reality that what happens in a foreign country increasingly has a commercial impact in the United States—or more specifically, a mark in Australia can instantaneously appear in the United States via the Internet. So for this exercise, we will ignore the T.T.A.B. Order's instruction to disregard foreign registrations and consider the arguments each side could put forth.

A. THE EXTRATERRITORIAL REACH OF U.S. TRADEMARK LAW

While *Jenaer* and *Person's* may be problematic precedent when considering whether to adopt the *Morehouse* defense to foreign

99. *Id.* The United States Court of Customs and Patent Appeals later overturned the finding that the marks were confusingly similar. *Gen. Elec. Co. v. Jenaer Glaswerk Schott & Gen.*, 341 F.2d 152, 154–55 (C.C.P.A. 1965).

100. *Jenaer*, 137 U.S.P.Q. (BNA) at 1609 (emphasis added) (citations omitted).

101. Though, striking all the foreign registrations seems a bit extreme, since Section 44(e) permits a foreign registration to be the filing basis for a trademark application.

102. See *supra* Part II.D for a summary of notable treaties concerning international trademark law.

registrations, applying U.S. trademark law extraterritorially is not unprecedented. The Supreme Court in *Steele v. Bulova Watch Co.*¹⁰³ upheld the extraterritorial reach of the Lanham Act in international trademark disputes. The Court considered whether United States federal courts have jurisdiction over unlawful activity originating from a foreign country when no illegal act was committed within United States territory.¹⁰⁴ In *Steele*, the plaintiff, a U.S.-based watch company, brought a claim against an individual and his company for allegedly infringing on the plaintiff company's trademarks.¹⁰⁵ Specifically, the defendant registered plaintiff's mark in Mexico, manufactured watches, affixed the mark to those watches as his own, and sold them.¹⁰⁶ The caveat was that the infringement activity was taking place exclusively in Mexico City, not in the United States.¹⁰⁷ The Court held that the Lanham Act grants courts jurisdiction to review infringement actions in a foreign country when the infringing activity has an effect on commerce within the United States.¹⁰⁸ The Court also confirmed that courts have authority under 15 U.S.C. § 1116 to grant injunctive relief in such instances.¹⁰⁹ Applying the holding to the Disney-deadmau5 dispute, a United States federal court would presumably have jurisdiction under the Lanham Act to review deadmau5's alleged illegal infringement emanating from Australia, without Disney having to wait for deadmau5 to register a mark or commit some sort of infringement within the United States.

To elaborate, similar to *Steele*, in which the alleged infringer's "operations and their effects were not confined within the territorial limits of a foreign nation," and the Mexican-made watches ended up in the United States,¹¹⁰ here, deadmau5's mau5heads—Angled Mark and Subject Mark—have not been confined to Australia. In deadmau5's answer, he specifically points to numerous instances in which the Subject Mark had been used in commerce in the United States prior to registration of the Subject Mark.¹¹¹ Additionally, a significant portion of the mau5heads' saturation into American territory is the result of the rapid interconnectivity

103. *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952).

104. *Id.* at 282 (relying on the lower court finding that no illegal act was committed in the United States).

105. *Id.* at 281.

106. *Id.* at 284–85.

107. *Id.* at 281–82.

108. *Id.* at 283–86, 289.

109. *Id.* at 283–84, 289.

110. *Id.* at 286–87.

111. *See generally* Deadmau5 Answer, *supra* note 7.

of the Internet. For instance, deadmau5 has enjoyed substantial unsolicited marketing and media coverage via blog posts and websites.¹¹² A blog post with the Subject Mark may originate in a foreign country—here, Australia—but could easily make its way into the United States, since the Internet does not respect the territorial boundaries of American trademark law. Hence, the deadmau5 Australian registration similarly has an effect on commerce in the United States, which could be grounds for applying the Lanham Act extraterritorially, assuming that the present dispute meets the various tests for application as explained below.

i. Circuit Split: Tests for the Extraterritorial Reach of the Lanham Act

Subsequent to the *Steele* decision, the Second Circuit in *Vanity Fair Mills, Inc. v. T. Eaton Co.*¹¹³ adopted a test to determine when to apply the Lanham Act extraterritorially.¹¹⁴ The factors to consider are: “(1) whether the defendant is a United States citizen; (2) whether there is a conflict between the plaintiff’s trademark rights in the United States and the defendant’s trademark rights under foreign law; and (3) whether the defendant’s conduct has a ‘substantial effect on United States commerce.’”¹¹⁵ Here, the first factor is not met; deadmau5 is a Canadian citizen,¹¹⁶ and the holding company that owns the trademarks, Ronica Holdings Limited, is a British Virgin Islands’ company.¹¹⁷ However, the second and third factors are likely met. The second factor is seemingly satisfied, as there are differences in the rights associated with trademarks between the United States and Australia.¹¹⁸ Likewise, the present dispute would likely satisfy the substantial effects factor, since deadmau5’s operations and mau5heads have saturated the American market, much like the way the Mexican-made watches in *Steele* ended up in the United States.

Conversely, the First Circuit rejected the *Vanity Fair Mills* test in *McBee v. Delica Co.*¹¹⁹ The First Circuit instead held that the only factor that matters is whether the foreign infringer’s activity has a substantial

112. *Id.* at 28–29.

113. *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633 (2d Cir.1956).

114. *Id.* at 642.

115. *Gucci Am., Inc. v. Guess?, Inc.*, 790 F. Supp. 2d 136, 142 (S.D.N.Y. 2011) (citing *Vanity Fair*, 234 F.2d at 642).

116. *Deadmau5 Biography*, BIOGRAPHY.COM, <http://www.biography.com/people/deadmau5-21229493> (last visited March 7, 2015).

117. *Deadmau5 Application*, *supra* note 6.

118. For further discussion on the differences between United States and Australian trademark laws, see *infra* Part III.C.

119. *McBee v. Delica Co.*, 417 F.3d 107, 121 (1st Cir. 2005).

effect on United States commerce.¹²⁰ Hence, the First Circuit test is basically identical to the third factor of the Second Circuit test.

Notwithstanding the various tests for application, the takeaway of *Steele* is meaningful to the present dispute because it shows that Disney has recourse under the Lanham Act to bring suit against deadmau5 for any alleged infringement emanating from his activities in Australia. Consequently, it seems only fair that if Disney could assert the Lanham Act as a sword extraterritorially, then deadmau5 should have all equitable defenses, such as the *Morehouse* defense, available as a shield.

B. THE PRIOR FOREIGN REGISTRATION DEFENSE

In an answer filed on October 12, 2014, deadmau5 alleged that “Opposer [Disney] cannot be damaged by registration of the Subject Mark because Applicant already owns an existing registration for the same or substantially identical mark for the same or substantially identical goods.”¹²¹ Again, these are the operative words of the *Morehouse* defense.

As previously explained, the T.T.A.B. applied the *Morehouse* defense under the classical construction based on the existing domestic registration and ruled that the *Morehouse* defense could not apply to the Angled Mark.¹²² Neither of the parties, nor the T.T.A.B., argued or considered the merits of applying the *Morehouse* doctrine to the Australian registration, though, as discussed, the T.T.A.B. seemingly foreclosed the opportunity to apply the defense to the Australian registration.¹²³ If it were to be argued, the line of reasoning would be that because deadmau5 previously registered the Subject Mark in Australia, Disney is not further damaged by its registration in the United States. This construction presumably meets the elements of the *Morehouse* defense. First, it is a prior registration that predates the current application; the Australian mark was registered on February 22, 2011, and the current U.S. application was filed on June 28, 2013. Second, we avoid questions of whether the two registrations are for the substantially same marks because they are the exact same marks. Third,

120. *Id.* (“We differ from the *Vanity Fair* court in that we disaggregate the elements of its test: we first ask whether the defendant is an American citizen, and if he is not, then we use the substantial effects test as the sole touchstone to determine jurisdiction.”).

121. Deadmau5 Answer, *supra* note 7, at 33.

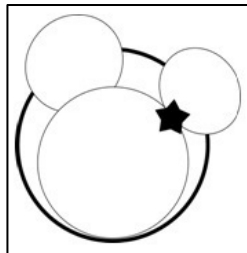
122. T.T.A.B. Order, *supra* note 25, at *3–6. *See also supra* text accompanying notes 22–25.

123. *See* Applicant’s Opposition to Opposer’s Combined Motion for Partial Summary Judgment and Motion to Strike, Disney Enters., Inc. v. Ronica Holdings Ltd., No. 91218136 (T.T.A.B. Jan. 14, 2015); Opposer’s Reply Brief in Support of its Combined Motion for Partial Summary Judgment and Motion to Strike, Disney Enters., Inc. v. Ronica Holdings Ltd., No. 91218136 (T.T.A.B. Feb. 3, 2015); T.T.A.B. Order, *supra* note 25, at *3–6.

they are for the exact same goods and services; the proposed list of goods and services is pretty exhaustive, but it includes apparatus and instruments for recording; printed publications; articles of clothing, footwear and headgear; toys, games and playthings; and entertainment and production services.¹²⁴

Part of the logic of the *Morehouse* defense is that an opposer is incentivized to challenge the prior registration, or risk living with future registrations that are similar.¹²⁵ To consider whether Disney has adequate incentive to challenge deadmau5's Australian registration, one must look at Disney's trademark footprint in Australia, in order to see if Disney would have grounds to oppose that registration there. As of the date of this publication, Disney has 350 trademarks with "registered" status in Australia.¹²⁶ In its opposition to deadmau5's application, Disney points to nine different marks protected by twenty-five U.S. registrations.¹²⁷ Of the nine marks, three are also registered in Australia.¹²⁸ Disney also has Australian registrations for three other marks that feature the iconic Mickey Mouse ears that could support its opposition.¹²⁹ To illustrate that Disney has the same basis for opposition in Australia, take for instance, the following design mark:

FIGURE 3.¹³⁰



124. Deadmau5 Application, *supra* note 6.

125. MCCARTHY, *supra* note 23 § 20:38.

126. Trademark registrations in Australia may be searched via *IP Australia*, a government-run database. Search Results for Registered Disney Trademarks in Australia, IP AUSTRALIA, http://pericles.ipaustralia.gov.au/atmoss/falcon.application_start (Search, Advanced; Status: "Registered"; Name, Owner: "Disney") (last visited Mar. 21, 2016).

127. Disney Opposition, *supra* note 1, at 9–14.

128. Australian Registration No. 1,341,118; Australian Registration No. 1,541,026; Australian Registration No. 1,541,029. Australian registered marks may be viewed using the source cited *supra* note 126 and by conducting a search using their registration numbers.

129. Australian Registration No. 995,399; Australian Registration No. 262,215; Australian Registration No. 715,499. Australian Registration No. 261,609 also matches a U.S. registration, but it is for the same mark as Australian Registration No. 262,215.

130. Registration No. 4,656,676.

In the United States registration, this mark is described as “consist[ing] of 3 circles forming a stylized mouse head and mouse ears, a star touching the mouse head and right ear and all of which appears within an outer circle.”¹³¹ Disney alleged in its opposition that it has priority for the mark’s use in articles of clothing, footwear and headgear, and education and entertainment services.¹³² The same mark is registered in Australia for the same uses¹³³ and others.¹³⁴ This is just one example, but it suggests that Disney likely has sufficient trademark presence, should Disney have opted to oppose the registration in Australia. By invoking the *Morehouse* defense, deadmau5 could argue that not only should Disney have opposed the Australian registration, but also that Disney could have because its trademark footprint there would have supported a similar opposition. Thus, Disney is now barred from opposing the exact same registration in the United States.

C. DISNEY’S COUNTER-ARGUMENT: THE SUPPLEMENTAL REGISTER AND FOREIGN REGISTRATION SHOULD BE SIMILARLY EXCLUDED FROM THE *MOREHOUSE* DEFENSE

As previously mentioned, prior registrations on the Supplemental Register do not support the *Morehouse* defense. Should the *Morehouse* defense be applied to the foreign registrations, Disney’s likely counterargument is that they should be similarly excluded. Similar to the reasoning excluding supplemental registrations, Disney could argue that the rights afforded by foreign registration and registration in the Principal Register are not the same. Thus, Disney was reasonable in waiting to challenge the U.S. registration. To assess the plausibility of the counterargument, the rights afforded to an Australian registration must be compared to the rights granted to a registration in the Principal Register.

Upon registration, the registered owner in Australia is granted the “exclusive right” to use the mark, authorize the use of the mark, and bring claims of infringement.¹³⁵ In Australia, priority, as between two mark-holders with similar marks, is based on the date of registration.¹³⁶

131. *Id.*

132. Classes 25 and 41, respectively. *See* Disney Opposition, *supra* note 1. For reference, deadmau5 is registering his mark under Classes 9, 12, 16, 18, 25, 28, 30, 32, and 41. Deadmau5 Application, *supra* note 6.

133. Australian Registration No. 1541029. The classes correspond with the same goods and services in both the United States and Australia. *See id.*; Disney Opposition, *supra* note 1.

134. *Compare* Australian Registration No. 1541029 *and* Disney Opposition, *supra* note 1.

135. *Trade Marks Act 1995* (Cth) s 20 (Austl.).

136. *Trade Marks Act 1995* (Cth) ss 12, 20(3) (“The rights are taken to have accrued to the

Additionally, “Australia is one of the few trade mark jurisdictions where it is possible to obtain a defensive trade mark registration.”¹³⁷ A registrant who has a mark registered in relation to a good or service may apply for a defensive mark in connection with another good or service without ever having used the mark in connection with that good or service.¹³⁸ The most striking difference between Australian and American trademark law is that the United States does not permit defensive marks, which means that a registered trademark is limited to the goods and services noted in its trademark application. Accordingly, Disney probably has greater incentive to oppose the Australian registration, as the rights associated with that registration are stronger; defensive marks permit a mark’s protection to broaden without ever having to use it in association with a good or service.

Despite the differences in rights that attach to an Australia registration and a United States registration, the differences are likely not sufficient enough to similarly exclude foreign registrations from the *Morehouse* defense. In the Disney-deadmau5 dispute, the priority date for both the Australian and United States registrations of the Subject Mark are the same, since a Section 44(e) filing based on a foreign registration assumes constructive use as of the date of registration in the foreign country.¹³⁹ As a result, priority in both instances would be based on February 21, 2011, the date of registration in Australia.¹⁴⁰ This distinguishes the foreign Australian registration from the Supplemental Register, since foreign registration is not inferior to the Principal Register as is the Supplemental Register. In sum, a foreign registration should not be grouped with the exception for supplemental registrations.

IV. NORMATIVE ARGUMENTS AND TEST FOR ADOPTION

A. ENFORCEMENT OF INTERNATIONAL INTELLECTUAL PROPERTY DECISIONS

According to the American Law Institute’s *Principles of the Law of Intellectual Property*, U.S. domestic courts may be bound by the judgments

registered owner as from the date of registration of the trade mark.”).

137. JENNY MACKIE & DAWN LOGAN KEEFFE, A REFERENCE GUIDE TO THE AUSTRALIAN TRADEMARK SYSTEM 8 (1st ed. 2009), <http://www.ipa.org/wp-content/uploads/2013/04/AGuidetoAustralianTrademarks.pdf>.

138. Jonathan Aumonier-Ward & Stacey Wood, *Australia*, in 1 TRADEMARKS THROUGHOUT THE WORLD § 11:11 (5th ed. 2014).

139. SCM Corp. v. Langis Foods, Ltd., 539 F.2d 196, 199–201 (D.C. Cir. 1976).

140. See *supra* note 14 and accompanying text.

of a foreign court.¹⁴¹ In deciding if they are, domestic courts should consider the following factors: whether (i) the foreign tribunal is impartial and fair; (ii) no circumstances “raise substantial and justifiable doubt about the integrity” of the decision; (iii) the parties had substantial notice and opportunity to be heard; (iv) there was no fraud in the rendering of a decision; (v) and public policy merits enforcement.¹⁴² In weighing public policy, a domestic court should weigh the extent to which monopoly rights promote creativity as a result of impeding public access to information and content.¹⁴³

Because there is no foreign judgment to enforce in the instant Disney-deadmau5 dispute, these principles should be applied by analogy. Preclusive effect can be given to a dismissal in a foreign court based on the fact that the statute of limitations expired.¹⁴⁴ As a result, just as a decision in a foreign country could bar parties from re-litigating in the United States, failing to bring a claim in a timely manner should also bar future litigation. This is basically what adopting the *Morehouse* defense to the present dispute is suggesting. Applied to the facts of the dispute, Disney knew of deadmau5’s existing registration in Australia and maintained the means to oppose the registration there, but Disney forewent the opportunity and could now be barred from opposing in the United States, should these principles apply.

While the justification for barring re-litigation is usually based on fairness to the prevailing party, the rationale for enforcing foreign judgments is best explained by the doctrine of comity.¹⁴⁵ Underlying comity is the norm¹⁴⁶ in international relations that compels countries to relate to foreign judgments with reciprocity; in other words, we will respect your judgments, if you honor ours.¹⁴⁷ As such, comity is seemingly compatible with the forces driving harmonization—namely, the removal of

141. See generally PRINCIPLES OF THE LAW OF INTELLECTUAL PROP.: PRINCIPLES GOVERNING JURISDICTION, CHOICE OF LAW, AND JUDGMENTS IN TRANSNATIONAL DISPUTES § 403(1) (AM. LAW INST. 2008) (specifying when the enforcement court should not recognize a judgment of another court).

142. *Id.*

143. See *id.* § 403 cmt. c.

144. See *id.* § 401 cmt. e.

145. Hans Smit, *International Res Judicata and Collateral Estoppel in the United States*, 9 UCLA L. REV. 44, 63 (1962) (“This procedure is perhaps reconcilable with the doctrines that base the recognition of foreign judgments on comity or on a presumed legal obligation created by the foreign judgment . . .”).

146. This Note intentionally did not refer to comity as a legal obligation, since “there is a total lack of authority for the proposition that such a *rule* of international law actually prevails.” *Id.* at 53 (emphasis added).

147. *Id.* at 53–54.

trade barriers and the uniformity of intellectual property protections among cooperating countries. Thus, comity would favor applying the *Morehouse* defense to foreign registration, since the international trademark regime increasingly emphasizes recognition of registrations beyond national borders.

i. Due Process Considerations

The *Principles of the Law of Intellectual Property* emphasize due process.¹⁴⁸ This emphasis may be informative on how international adoption of the *Morehouse* defense should be constructed.

In extending the *Morehouse* defense, we must contemplate the system under which the foreign mark is registered from a due process perspective. For instance, in the present scenario, both Australia and the United States participate in the Paris Convention¹⁴⁹ and are signatories of the Madrid Protocol.¹⁵⁰ Additionally, both their registration systems adhere to the same classes for services and goods.¹⁵¹ These facts signify that both countries are participating and cooperating in the global enforcement of intellectual property rights. It may also signal a common commitment to intellectual property protection and due process. For example, both countries, as signatories of the Madrid Protocol, participate in the international registry, which allows an applicant in the United States to apply for registration in Australia with one application, and visa versa. As a result, the administrative formalities in such participating countries are merging. The common formalities could be a proxy to discern the level of due process a country affords its trademark holders.¹⁵² In adherence to the principles of enforcing foreign judgments discussed above, the *Morehouse* defense should be limited to foreign registrations in countries that participate in and respect international trademark law.

B. OTHER NORMATIVE ARGUMENTS FOR AND AGAINST ADOPTION

i. Minimizing Waste

As previously stated in Part III.A, if Disney can challenge deadmau5's actions in a foreign jurisdiction, then deadmau5 should have available all

148. See *supra* text accompanying note 142.

149. *Contracting Parties—Paris Convention*, *supra* note 68.

150. *Contracting Parties—Madrid Protocol*, *supra* note 86.

151. See sources cited *supra* notes 132–34 and accompanying text.

152. Implied here is that countries with common formalities enforce and implement them similarly.

relevant defenses. This infers that extending the *Morehouse* defense may be fair to deadmau5 as a defendant/applicant. Further, deadmau5 probably relied on his registration in Australia, given that he started producing content and albums with the new mau5head affixed to it.¹⁵³ Consequently, valuable time and money may have been spent promoting the new mau5head. Therefore, allowing Disney to challenge the registration three years after the initial registration is wasteful; deadmau5 basically is forced to expend more capital coming up with two different marketing strategies—one for the United States and another for everywhere else. Deadmau5 is thus disadvantaged by lost opportunity costs in reliance on the registration of the Subject Mark in Australia and other countries.

On the other hand, the inverse might be true for Disney. Disney probably made a calculated decision to save its resources and challenge the registration if and when deadmau5 registered the mark in the United States. To force Disney to police its trademarks in every country in which Disney has registered trademarks could be prohibitively expensive. Perhaps it should be permissible for Disney to analyze and determine where and how its resources are best utilized to maximize its own protection. As such, Disney does not have to unnecessarily waste money defending its trademarks in all four corners of the world.

Both sides have a case for why extending the *Morehouse* defense to foreign registration is or is not wasteful. Ultimately, the question of waste depends on a determination of who is best equipped to bear the loss. That calculation can be made by assessing the financial strength and income-generating power of the party opposing the foreign trademark. In this instance, we may feel comfortable allowing Disney to bear the loss of policing their trademarks abroad, given that Disney is a multi-billion dollar transnational corporation, with a strong global presence.¹⁵⁴ However, if Disney was instead a regional grocery store, it would be unreasonable to expect them to enforce their trademarks globally, since it would lack the same resources and would run a greater risk of being stretched too thin. Not to mention, Disney operates globally, whereas a regional grocery chain would not be as “global” in its operation. Thus, if the *Morehouse* defense were to be applied, as this Note suggests, it should, at the very least, be limited to account for case-by-case variations in resources and footprint.

153. See Deadmau5 Answer, *supra* note 7, at 18.

154. In 2013, Disney had a net income of approximately \$6.136 billion. THE WALT DISNEY COMPANY, FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT AND SHAREHOLDER LETTER 27 (2014), <https://ditm-twdc-us.storage.googleapis.com/2015/10/2013-Annual-Report.pdf>.

ii. Rights-Based Perspective

Resources and footprint do not account for every consideration. Because the rights associated with registrations in Australia and the United States are similar but not identical,¹⁵⁵ Disney's decision not to defend in Australia may reflect a cost-benefit analysis that suggests that Disney was willing to sacrifice certain rights in Australia. But once deadmau5 registered in the United States, a rights-related threshold was crossed that motivated Disney to challenge the Subject Mark. Alternatively, Disney may have felt that the United States was of greater strategic importance because it is a more lucrative market—or because of another reasonable strategic criterion—and thus, chose to save resources for a fight in more essential territory. If the *Morehouse* defense in essence compels Disney to defend in Australia regardless of the cost-benefit analysis, then the proposed application of the *Morehouse* defense would encroach on Disney's autonomy to enforce its own rights as it sees fit.

However, as previously emphasized, the major difference in rights is mitigated by the fact that priority in both countries is based on the same date—deadmau5's Australian registration date.¹⁵⁶ Additionally, as harmonization continues, it is conceivable that the rights in different countries will increasingly merge. By extending the *Morehouse* defense to foreign registrations, trademark law would be adapting to that plausible reality. As such, it may be appropriate to subordinate Disney's rights, in order to facilitate administration of the international trademark regime.

Before we tell Disney that its rights do not matter for the sake of harmonization, is it even a good thing? Harmonization is positive from a rights-based perspective because it makes enforcement predictable; it narrows the universe of rights-schemes for which a trademark holder has to account.¹⁵⁷ Yet in the meantime, to account for slight differences in rights and the cost-benefit analysis of protecting those rights in one venue over another, a prerequisite for applying the *Morehouse* defense to foreign registrations should be whether or not the opposer is a holder of enough trademarks that could sustain an opposition in that foreign country. This would ensure that Disney has sufficient "skin in the game" in Australia before compelling Disney to enforce its rights there. This determination would be similar to the exercise in Part III.B, in which this Note illustrated Disney's trademark presence in Australia.

155. See *supra* Part III.C.

156. *Id.*

157. See Long, *supra* note 63, at 348.

C. TEST FOR ADOPTION

In the preceding subparts, three possible limits were proposed to respond to normative issues that arise when extending the *Morehouse* defense to foreign registration. These limits address concerns about due process, waste, and rights of opposers. The limits are also instructive in crafting a test for adoption. First, it should only be extended to foreign countries that cooperate in trademark enforcement; second, the defense should account for the resources and footprints of the affected parties; and third, the opposer should have to have a sufficient trademark presence to mount an opposition in the foreign country.

The first prong is satisfied because both Australia and the United States are signatories of the Paris Convention,¹⁵⁸ TRIPS Agreement,¹⁵⁹ and Madrid Protocol,¹⁶⁰ which reflects their cooperation on intellectual property enforcement. As such, they both maintain some minimum enforcement standards that alleviate our concern for due process.¹⁶¹ Disney satisfies the second prong, as it is a transnational corporation with an annual net income of \$6.136 billion;¹⁶² consequently, it has sufficient capital to bear the cost of policing its trademark rights internationally, without being spread too thin. The third prong is also satisfied, since Disney owns 350 trademarks with “registered” status in Australia,¹⁶³ and many of those marks are the same marks that Disney pointed to in their opposition to the deadmau5 application. If Disney wanted, it had the sufficient trademark presence in Australia to be able to have sustained an opposition there. Having satisfied the three prongs of the test, deadmau5 should be able to invoke the *Morehouse* defense by pointing to its prior foreign registration.

Lastly, the extension of the *Morehouse* defense will be further constrained by the fact that it is limited to a particular circumstance. As previously mentioned, deadmau5 invoked Section 44 of the Lanham Act and pointed to a foreign registration as the basis for his registration. This is a less common basis for registration than “use” or “intent to use.” The extension of the *Morehouse* defense to foreign registrations should be limited to applications that invoke Section 44 when registering in the

158. *Contracting Parties—Paris Convention*, *supra* note 68.

159. *Members Accepting Amendment of the TRIPS Agreement*, WORLD TRADE ORG. (Oct. 2, 2015), https://www.wto.org/english/tratop_e/trips_e/amendment_e.htm.

160. *Contracting Parties—Madrid Protocol*, *supra* note 86.

161. *See, e.g.*, TRIPS Agreement, *supra* note 62, at art. 41.

162. *See* THE WALT DISNEY COMPANY, *supra* note 154, at 27.

163. *See supra* text accompanying notes 85–89.

United States.

V. CONCLUSION

The result of the various international treaties that this Note summarized is an international trademark regime that increasingly blurs national sovereign boundaries, where registration in one country means an easier path to protection in other countries. If international trademark law, via harmonization, continues to transcend geographic boundaries, then United States trademark law should adapt to address that reality, instead of clinging to principles of territoriality, which seem outdated in the age of the Internet.

In light of this emerging trend, the T.T.A.B.'s hard line against foreign registrations seems all the more outrageous. Trademark law is fooling itself when it treats a trademark registered in Australia as limited to Australian borders. In fact, deadmau5's registration in Australia likely had global repercussions for Disney, since the mau5head circulated around the world on the Internet long before it was ever registered in the United States. As a result, it seems unreasonable to allow Disney to wait to challenge the domestic registration nearly three years after the initial Australian registration, especially when deadmau5 may have detrimentally relied on the validity of that prior Australian trademark. Thus, as a defense, deadmau5 should have been able to point to the prior registered mark in Australia to defend against Disney's opposition, contrary to the T.T.A.B. Order.

However, even though it should be applied as between these two parties, the *Morehouse* defense should be extended with limits. This Note proposed a test for its adoption that should be used to assess whether a party invoking the *Morehouse* defense is invoking it reasonably or not. First, it should only be extended to marks registered in foreign countries that cooperate in trademark enforcement; second, the defense should account for resources and footprints of the affected parties, specifically the opposer; and third, the opposer should have to have a sufficient trademark presence to mount an opposition in the foreign country in which the mark is registered. These limits address concerns about due process, waste, and rights of opposers, and they ensure that the *Morehouse* defense is not abused.

No doubt, this is not the last dispute that we will see arise with similar factual underpinnings. United States trademark law will need to address the conflicting treatment of foreign registrations so that foreign trademark

holders can better anticipate their treatment in the United States. If left unaddressed, we will continue to see results like this in which foreign registrants will be forced to abandon their pursuit of U.S. trademark protection, irrespective of the fact that they are permitted to seek registration based on a foreign mark pursuant to Section 44. Because the issue stems from the United State's obligations under international treaties, it is not out of the realm of possibility that the question of the status of foreign registrations under United States law will rise to the United States Supreme Court for resolution. The Disney-deadmau5 dispute is thus illustrative of the problem and offers context for a potential solution to address the ambiguity in the treatment of foreign registrations, within the body of United States trademark law.