Article 7 of the Pan-American Convention Confers U.S. Trademark Priority

On February 16, 2007, the Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office ("TTAB") granted a trademark applicant’s motion for summary judgment in a trademark opposition proceeding and dismissed the opposition based upon the applicant’s trademark priority over the opposer in a country that is a signatory to the Pan-American Convention—despite the opposer’s earlier use of the identical mark for identical services in the U.S.  

The TTAB’s decision dismissed the Notice of Opposition filed by Mario Diaz, the owner of “Pardo’s Chicken” restaurant in Florida. Mr. Diaz had opposed Servicio De Franquicia Pardo’s S.A.C.’s (“Pardo’s”) application for registration of the mark PARDO’S CHICKEN (and Design) for restaurant services under Section 2(d) of the Lanham Act alleging that registration of the mark by Pardo’s was likely to cause consumer confusion. Notably, Mr. Diaz was using “Pardo’s Chicken” in U.S. commerce as the name of a restaurant, but at the time of the decision, Pardo’s had not commenced use of the mark in the U.S. The TTAB ruled that Pardo’s was nonetheless entitled to trademark priority over Mr. Diaz under Article 7 of the General Inter-American Convention for Trademark and Commercial Protection of Washington, 1929 ("Pan-American Convention").

The TTAB first analyzed and determined that it had jurisdiction to hear arguments arising under the Pan-American Convention. However, the TTAB noted that its role in addressing such treaty issues was “limited to giving effect to the intent of the Treaty parties.” The TTAB found that the intent of the signatories to the Pan-American Convention was to create a uniform system for the protection of foreign trademarks. As such, the TTAB held that it was proper for it to hear arguments made pursuant to the Pan-American Convention because the Lanham Act confers upon the TTAB jurisdiction to hear inter partes disputes related to trademark applications and registrations. The TTAB also rejected the opposer’s argument that the Lanham Act abrogated the rights created under Article 7 of the Pan-American Convention in light of the U.S. Supreme Court’s precedent that “[a] treaty will not be deemed to have been abrogated or modified by a later statute unless such purpose on the part of Congress has been clearly expressed.”

After finding that it had jurisdiction to consider Pan-American Convention implications, and that the Convention was applicable to the opposition proceeding, the TTAB rejected Mr. Diaz’s substantive arguments and ruled that Article 7 of the Pan-American Convention conferred U.S. trademark priority to Pardo’s despite Mr. Diaz’s prior use of the mark in the U.S. In finding in favor of Pardo’s, the TTAB held that a party claiming priority in the U.S. under Article 7 of the Pan-American Convention must establish the following:

1. It is the owner of the mark in question in one of the states that is a signatory to the Pan-American Convention;

---

3 The signatories to the Pan-American Convention are the United States, Peru, Bolivia, Paraguay, Ecuador, Uruguay, Dominican Republic, Chile, Panama, Venezuela, Costa Rica, Cuba, Guatemala, Haiti, Colombia, Brazil, Mexico, Nicaragua, and Honduras.
4 Citing Cook v. United States, 288 U.S. 102, 120 (1933).
2. It “may have known” that the junior party is using or applying to register an “interfering mark” in the U.S.;

3. The junior user of the mark had knowledge of the existence and continuous use of the mark in one of the Convention signatory states prior to the junior user’s use of the mark in the U.S.; and

4. It has complied with the requirements of U.S. law and the Pan-American Convention.

In this case, Pardo’s produced evidence establishing (1) it was the owner of numerous relevant trademark registrations in Peru, (2) it was aware of Mr. Diaz’s use of the mark and had objected to such use following Mr. Diaz’s attempt to register the mark, (3) prior to opening the “Pardo’s Chicken” restaurant in Florida Mr. Diaz had lived in Peru merely 20 blocks from a Pardo’s restaurant under the same name/mark, and (4) by filing its application for registration of the mark in the U.S. it had complied with the requirements of U.S. law and the Pan-American Convention.

This decision is notable in that it demonstrates that, under the terms of the Pan-American Convention, there are certain limited circumstances under which a mark that has never been used in the U.S. may nonetheless enjoy trademark priority over a mark that was used first in the U.S.

If you are interested in more information about these developments, please contact one of the following attorneys in Sutherland’s intellectual property group.

Elisabeth A. Langworthy  202.383.0198  elisabeth.langworthy@sablaw.com
James H. Johnson  404.853.8395  james.johnson@sablaw.com
David E. Weslow  202.383.0487  david.weslow@sablaw.com
Deidré A. Francis  404.853.8131  deidre.francis@sablaw.com