## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgments</td>
<td>xv</td>
</tr>
<tr>
<td>List of Abbreviations</td>
<td>xvii</td>
</tr>
<tr>
<td>Table of Cases</td>
<td>xxviii</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1 Civil Law History—Germany and Europe</td>
<td>6</td>
</tr>
<tr>
<td>Introduction</td>
<td>6</td>
</tr>
<tr>
<td>1 Substantive Trademark and Unfair Competition Law</td>
<td>9</td>
</tr>
<tr>
<td>I Structure: State Regulation and Formal Privileges</td>
<td>9</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>21</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>27</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>39</td>
</tr>
<tr>
<td>A Reichsgericht Sansibar and Pecose: A Shaky Hierarchy of</td>
<td>40</td>
</tr>
<tr>
<td>Policies</td>
<td></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>53</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>64</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>
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
Contents

IV A Bird’s-Eye View: Taking Stock of Lanham Act Extraterritoriality 171
   A The Antitrust Gene: A Dominance of Effects 172
   B Common Law Goodwill Protection: Tea Rose/Rectanus Goes Global 177

V Summary: An Era of International Trademark Propertization 185
   Conclusions 186

3 A Ragged Landscape of Theories 190
   Introduction 190
   1 Traditional Civil Law Trademark Conflicts 193
      I The Principle of Territoriality 193
   II Analysis: The Curse of Formal Reasoning and Conduct Orientation 200
   2 Modern Civil Law Unfair Competition Conflicts 203
      I The Marketplace Principle, Determination of Effects, and the De Minimis Rule 203
         A Collision-of-Interests and Substantive-Purpose Analysis 203
         B Multistate Scenarios: Determination of Marketplace Effects and De Minimis Limitations 209
      II Analysis: The Obsolescence of Tort Foundations 214
   3 The New Paradigm—A Law of Market Regulation 220
      I Antitrust Conflicts Reloaded: The Effects Principle 220
      II Analysis: The Unboundedness of Unqualified Effects 223
   4 Modern Soft Law—WIPO Recommendation, ALI Principles, and Others 225
      I Nonbinding Suggestions of Substantive Law and Conflicts Resolution 226
         A The Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet 226
         B ALI Principles, CLIP Principles, and the Japanese Transparency Proposal 228
      II Analysis: “Chips off the Old Block” 232
         A The Joint Recommendation 233
         B ALI Principles, CLIP Principles, and the Japanese Transparency Proposal 234
   5 The American Scholarly Debate 236
      I Common Law Tradition and Transnational Market Protection 237
         A The General Tendency of Equitable Rights Limitlessness 238
         B The Nintendo Transformation: From Act-of-State-Doctrine to Substantive Dichotomy 241
         C The Revival of Territoriality: A Quasi Continental Choice-of-Law Approach 244
         D The “Domestic Extraterritoriality” of Statutory Trademark Rights 246
         E Tea Rose/Rectanus “Transnationalized”: The Common Law Cross-Border Crusade 247
         F The Shift to Effects Testing: An Idea of Transnational Market Regulation 249
      II Analysis: Common Law Tradition Meets Extraterritorial Market Regulation 251
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
B Rectification: A Grounded Intangibility of Trademarks
   1 The Difference in Intellectual Property Incentive Structures 321
   2 An Apparent Exception: The Trademark Register 323
C Summary 325

IV Trademark and Unfair Competition Law: Framing the Information Infrastructure 325
   A The Illusion of a Formal Divergence 326
      1 Recapitulation: Trademark Property vs. Consumer Protection 326
      2 Cracks in the Foundation: A Remerger of the Fields 328
         (b) The Consolidation of Interests: Depropertization and Desocialization 329
         (c) The Practical Picture: A Subtle Recapture 331
         (d) The Relicts of Antiquity: Pockets of Resistance 333
         (e) The Myth of the Public Samaritan 337
      3 Summary 338
   B The Structural Congruency of Trademark and Unfair Competition Law 339
      1 The Common Core: Information Economization 339
      2 Beyond Confusion: Alternative Theories of Trademark Protection 341
      3 Two Sides of the Coin: Law and Equity in Market Communication 344
   C Summary 347

3 Application—Functional Structures in Trademark and Unfair Competition Doctrine 348
   I Trademark Protection 349
      A Navigation Goodwill: Confusion-Based Infringement Theory 349
      B Surplus Goodwill: Non-Confusion-Based and Time-Shifted Infringement Theories 350
         1 Antidilution Doctrine 350
         2 Temporal Extensions of Goodwill Protection 353
            (a) Postsale Confusion 353
            (b) Initial-Interest Confusion 357
         3 The Common Denominator 358
   II Unfair Competition Prevention 359
      A Recapitulation: Stages of Decision Making and Policy Differences 360
      B An Integrated Model of Unfair Competition Law (Including Passing Off) 361
      C An Amalgam of Policies: Harassment, Privacy, and Decision Making 366
      D Beware of the Consumer’s “Economic Personality Right” 367
      E Quasi IP Rights: The Gray Zone of Product Imitation 370
      F The Continental Dark Horse: Breach of Statutory Duties as Unfair Competition 374
   III A Hybrid Category: Geographical Indications 375
   Conclusions 378
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 398
         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 Welrecht 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
Contents

A Modification: 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 Protections 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