BELMORA v. BAYER: TURNING STANDING ON ITS HEAD?

Adapted by Ronald D. Coleman from the Belmora submissions[1]

For more than a decade, Belmora LLC sold a formulation, approved by the Food & Drug Administration (FDA), of naproxen sodium, an over-the-counter, *i.e.*, non-prescription, pain reliever, in the United States under the name FLANAX.[2] Bayer Consumer Care AG (BCC), a Swiss corporation, has sold its own naproxen sodium product, also called FLANAX, in Mexico since the 1970s. BCC's affiliate, respondent Bayer Healthcare Corporation LLC (BHC, and together with BCC: Bayer) sells naproxen sodium in the United States under the brand name ALEVE.

By Bayer's own admission in the litigation that ultimately came to be known as *Belmora LLC v. Bayer Consumer Care AG*, 819 F.3d 697, 701 (4th Cir. 2016), it "does not own, or have any interest in, any federal or state trademark registration for the mark FLANAX in the United States." Bayer does not market or sell any product under the FLANAX name, or use its Mexican Flanax packaging, in the United States. Bayer has also never suggested—not quite, anyway—that it benefits from trade in products bearing BCC's Mexican FLANAX mark from Mexico into the United States. This is likely because Bayer has neither sought nor obtained the necessary FDA approvals to sell or market Mexican Flanax in the United States.

Belmora was, of course, aware of BCC's Mexican Flanax, but it also understood that by all indications, neither BCC nor any Bayer affiliate intended to market or sell Flanax in the United States or to register FLANAX as a trademark in the United States (which, of course, would be impossible without use in commerce). In consultation with a law firm that practiced actively in the USPTO, Belmora filed its own application to register the mark in the United States Patent and Trademark Office (USPTO) on October 6, 2003 and

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[2] This paper uses upper-case characters when referring to a trademark (e.g., FLANAX) and capitalization (e.g., Flanax) when referring to the product itself.

began using the FLANAX mark in the United States in early 2004. The USPTO published Belmora's FLANAX mark for opposition on August 3, 2004. BCC did not oppose registration, and Belmora filed its proof of use of the FLANAX mark with the USPTO on November 11, 2004 showing packaging that consisted of the word mark FLANAX in a typeface like BCC's Mexican product, the color blue (commonly, though not exclusively, used for analgesics in the United States), bilingual packaging, and medical pictograms. Belmora subsequently changed its typeface and packaging. The USPTO issued Belmora's FLANAX trademark on February 1, 2005 (U.S. Reg. No. 2924440). On June 29, 2007, however, approximately three years after Belmora's filing, BCC filed a Petition to Cancel Belmora's Registration with the USPTO's Trademark Trial and Appeal Board (TTAB).

The TTAB dismissed the majority of BCC's claims, but permitted BCC to pursue cancellation under Section 14(3) of the Lanham Act, which provides in relevant part that a petition to cancel a mark may be filed "by any person who believes that he is or will be damaged" by the registration if "the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with the mark used." 15 U.S.C. § 1064(3).[3] The TTAB acknowledged that because "existing case law does not address whether [Bayer's] alleged use [of the FLANAX mark in Mexico] is sufficient to support a claim of misrepresentation of source," BCC's interpretation of Section 14(3) would constitute an "extension of existing law." On April 17, 2014, after a trial, the TTAB granted BCC's petition to cancel Belmora's FLANAX registration, based solely on Section 14(3) of the Lanham Act. The TTAB found that although BCC did not use the mark in the United States, there was evidence of Belmora "invoking the reputation of [BCC's] foreign product to sell [Belmora's] own goods domestically under the same mark during the 2006-2009 time frame." The TTAB

[3] Among the claims that the TTAB dismissed were Bayer's claim that Article 6*bis* of the Paris Convention authorizes cancellation of Belmora's FLANAX mark. Bayer abandoned that contention on appeal.

The parties filed civil actions against each other, with Belmora seeking review of the TTAB's cancellation decision, and Bayer bringing claims against Belmora and its principal under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) and under state law for unfair competition and false advertising. Bayer's complaint alleges that Belmora intentionally copied its Mexican FLANAX mark, and that some of Belmora's marketing materials were designed to mislead customers into thinking that they were purchasing the same product that was available in Mexico. The cases were consolidated in the U.S. District Court for the Eastern District of Virginia.[4]

On Belmora's motion, the district court dismissed Bayer's Complaint and Counterclaim and reversed the TTAB's cancellation decision. The court explained that:

> The issues in this case can be distilled into one single question: Does the Lanham Act allow the owner of a foreign mark that is not registered in the United States and further has never used the mark in United States commerce to assert priority rights over a mark that is registered in the United States by another party and used in United States commerce?

The district court determined that "[t]he answer is no" based on the standard set forth in *Lexmark International Inc. v. Static Control Components, Inc*., 134 S. Ct. 1377, 1388-90 (2014), holding that a cause of action under Section 43(a) does not extend to every plaintiff that can demonstrate standing under Article III. Rather, the Supreme Court said, such relief is available "only to plaintiffs whose interests fall within the zone of interests protected" by the statute, and only "to plaintiffs whose injuries are proximately caused by violations of the statute." Applying *Lexmark* to this case, the district court concluded that Bayer did not fall within the zone of interests protected by Section 43(a) because it did not hold "a protectable interest in a trademark." Because Bayer had neither registered nor even used its FLANAX mark in the United States, it had not acquired the goodwill

[4] Belmora initially appealed the TTAB's decision to the Federal Circuit, but the litigation was later transferred to the Eastern District of Virginia after Bayer filed a complaint against Belmora. *See* 15 U.S.C. § 1071.

necessary to obtain such a protectable interest, notwithstanding the TTAB's invocation of "reputation" as a semi-proxy for goodwill. *Id*.[5]

Notably, the district court held in the alternative that Bayer had "failed to sufficiently plead facts showing that Belmora's acts were the proximate cause of any economic injury" because, again, recognizing Bayer's alleged injury (a lessened ability to sell Aleve to immigrants familiar with Mexican Flanax) "would require the Court to extend Lanham Act protections to an international mark that was not used in United States commerce" in a manner that was "contrary to the purposes of the Lanham Act as the economic losses the Lanham Act seeks to prevent are those emanating from infringement of a mark protected in the United States."

The district court recognized that other circuits had recognized "two exceptions to this general rule" that the Lanham Act only protects businesses that use or register marks in the United States. The first was the "famous marks doctrine"—a "controversial common-law exception" adopted only by the Ninth Circuit—which holds that "a foreign mark is protectable despite its lack of use in the United States where the mark is so well known or famous as to give rise to a risk of consumer confusion if the mark is used subsequently by someone else in the domestic marketplace." The district court inferred that the Fourth Circuit would not adopt that exception and therefore declined to do so. *See id.* The second was "the diversion-of-sales theory," which holds that if extraterritorial conduct has "a significant effect on United States commerce" by diverting sales away from American companies to foreign ones, then the conduct may be actionable. *Id*. 53a. The district court concluded that the Fourth Circuit would not recognize that exception either, further noting that in cases where "courts have considered sales diverted from American companies in foreign countries," the companies in question all "owned United States trademarks," which Bayer admittedly does not.

[5] In order to register a trademark in the United States a prospective registrant must demonstrate its use of the mark in interstate commerce. Use is therefore a necessary precondition for registration, as it is for ownership or assertion of any trademark rights.

Having rejected these legal exceptions, the district court "expressly decline[d] to find that the loss of potential sales to immigrating consumers is the type of economic loss recognized by the Lanham Act," and further recognized that such losses were necessarily "speculative" in nature. It further held that Bayer had failed to plead a cognizable injury to its reputation under the Lanham Act. In reaching its conclusions, the district court acknowledged that some of Belmora's practices "may seem unfair," but, observing that the Lanham Act "does not regulate all aspects of business morality," held that Belmora's conduct vis-à-vis Bayer did not violate the statute. For these reasons, the district court held that Bayer lacked the ability to sue under the Lanham Act. It reached essentially the same conclusions with respect to Bayer's false advertising and cancellation claims and it dismissed the state law claims, declining to exercise supplemental jurisdiction over them.

Bayer appealed and the USPTO intervened to defend the TTAB's decision to cancel Belmora's mark. The Fourth Circuit then reversed the district court, concluding that Bayer was entitled to assert its claims for false association and false advertising under Section 43(a), and its cancellation claim under Section 14(3). In doing so, the Fourth Circuit agreed that *Lexmark* frames the inquiry, and—insisting that the "primary lesson" in *Lexmark* was that "courts must interpret the Lanham Act according to what the statute says," the court of appeals interpreted the unfair competition provisions of Section 43(a) to authorize suit even when a plaintiff has not used a mark in the United States at all. It reached this conclusion by focusing on its observation that in contrast with provisions addressing trademark infringement, "the plain language of § 43(a) does not require that a plaintiff possess or have used a trademark in U.S. commerce as an element of the cause of action." Instead, the court held, the statute only required that the defendant "use in commerce . . . an offending 'word, term, name, symbol, or device'"—in this case, Belmora's FLANAX mark. The Fourth Circuit went on to hold that the *Lexmark* zone of interests and proximate cause inquiries were satisfied principally because it was plausible to envision Mexican customers buying Belmora's Flanax while visiting the United States instead of buying Mexican Flanax from BCC before departing Mexico.

"For reasons that largely overlap with the preceding § 43(a) analysis," the Fourth Circuit also "agree[d] with Bayer" that it could pursue cancellation of Belmora's mark.

Id. 29a. The court of appeals held that the zone of interests covered by the cancellation provision of the Lanham Act includes any "deceptive and misleading use of marks," and further held that "neither § 14(3) nor *Lexmark* mandate that the plaintiff have used the challenged mark in United States commerce as a condition precedent to its claim." The court of appeals thus reversed the district court's decision and reinstated the portion of the TTAB's decision canceling Belmora's registration for FLANAX. After Belmora's petition for rehearing was denied, Belmora sought review by the U.S. Supreme Court via a writ of certiorari, which was denied in February of 2017. On remand, the litigation was restarted in the Eastern District of Virginia.

BELMORA'S ARGUMENTS IN ITS PETITION FOR CERTIORARI

Belmora urged the Supreme Court that the Fourth Circuit's decision deepened a circuit split on a critically important question of federal trademark and unfair competition law. Federal courts of appeals, Belmora noted, have generally recognized that the principle of territoriality—i.e., the notion that trademark rights are national in character—is fundamental to trademark law. The Ninth Circuit previously created a circuit split when it recognized a narrow exception to the territoriality principle by extending a Lanham Act trademark infringement cause of action to the owners of a small subset of foreign marks that are well-known in the United States. In *Belmora*, the Fourth Circuit deepened the split by abrogating the principle of territoriality altogether in unfair competition cases. It was notable that the Fourth Circuit did so in order to hold that Belmora's exercise of its rights as owner of a registered mark under the Lanham Act may have constituted unfair competition under that very same statute.

Belmora argued that *Lexmark* does not mandate the conclusion that because relevant provisions of the Lanham Act do not expressly address territoriality, that principle is not part of federal unfair competition law. In fact, the principle of territoriality predates the Lanham Act, and courts have long acknowledged that Congress legislated against that backdrop in enacting it. Belmora also raised questions about the Fourth Circuit's textual analysis of the Lanham Act itself.

The Circuit Split Over Foreign Marks

The Fourth Circuit's decision recognizing Bayer's cause of action deepened an existing circuit conflict. While the Second and the Federal Circuits have declined to permit foreign markholders to assert claims against the owners of U.S. marks under the Lanham Act, the Ninth Circuit has recognized an exception to this rule, known as the "famous marks" doctrine, which is narrower than the Fourth Circuit's rule in this case.

The Second Circuit's approach was spelled out in *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 154 (2d Cir. 2007). In *Punchgini*, the plaintiffs operated four foreign restaurants under the BUKHARA trademark. *Id*. at 143. The defendants, who were former employees of the plaintiffs and thus completely familiar with their name and operations, opened two restaurants in New York City under the name BUKHARA GRILL. *Id*. at 144. The defendants' New York City restaurants not only used a similar mark but also used logos, décor, staff uniforms and menus that were similar to those of the plaintiffs' international restaurants. *Id*. The plaintiffs sued, claiming trademark infringement, unfair competition and false advertising under the Lanham Act, as well as parallel causes of action under state law. *Id*. at 142. Relying on the territoriality principle, and refusing to acknowledge an exception for "famous marks," the Second Circuit held that renown in the United States based solely on use in another country could not be a valid basis for a Lanham Act claim against the owner of a U.S. mark. *See id.* at 165. In order to state a claim for unfair competition against the owner of a trademark arising from its use of the mark, "a plaintiff must demonstrate its own right to use the mark or dress in question," i.e., "a priority right to the use" of the mark "in the United States." *Id*. "The principle of territoriality is basic to American trademark law," the court held. *Id*. at 155, explaining:

> Precisely because a trademark has a separate legal existence under each country's laws, ownership of a mark in one country does not automatically confer upon the owner the exclusive right to use that mark in another country. Rather, a mark owner must take the proper steps to ensure that its rights to that mark are recognized in any country in which it seeks to assert them.

Id. As a result, "absent some use of its mark in the United States, a foreign mark holder generally may not assert priority rights under federal law, even if a United States competitor has knowingly appropriated that mark for his own use." *Id*. at 156.

The Federal Circuit applied the same principle to the same effect in *Person's Co. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990), likewise recognizing that "[t]he concept of territoriality is basic to trademark law." There, the plaintiff had registered a mark for apparel in Japan. A U.S. businessman traveled to Japan, purchased clothing from the Japanese markholders, brought that clothing back to the United States, and proceeded to register the logo here and develop a new line of clothing based on it. When the Japanese company expanded and attempted to register its mark in the United States, it discovered that it did not have priority in the United States over its own mark. It sought cancellation of the U.S. trademark in the TTAB, but its petition was denied under the territoriality principle. *See id.* at 1566-67.

The Federal Circuit affirmed the denial, finding that "foreign use has no effect on U.S. commerce and cannot form the basis for a holding that appellant has priority here." *Id*. at 1568. The court of appeals further rejected the contention that the owner of the U.S. mark had adopted the mark in "bad faith"—a term of art in trademark law, which refers to "a junior user's adoption and use of a mark with knowledge of another's prior use." *Id*. at 1569. The Federal Circuit acknowledged that the owner of the U.S. mark was aware of the Japanese mark—indeed, he had copied it. However, the court held that "an inference of bad faith requires something more than mere knowledge of prior use of a similar mark in a foreign country." *Id*. at 1570. Because the owner of the U.S. mark adopted it "at a time when appellant had not yet entered U.S. commerce," his decision to "appropriate[e] and us[e] appellant's mark . . . can hardly be considered unscrupulous commercial conduct." *Id*. That is because, as the district court also acknowledged in this case: "Trademark rights under the Lanham Act arise solely out of use of the mark in U.S. commerce or from ownership of a foreign registration thereon; [t]he law pertaining to registration of trademarks does not regulate all aspects of business morality." *Id*. (quotation marks omitted).

In addition to these decisions on point, other courts and commentators have recognized the foundational importance of the territoriality principle in federal unfair competition law. *See Kos Pharms., Inc. v. Andrx Corp*., 369 F.3d 700, 714 (3d Cir. 2004) ("'The concept of territoriality is basic to trademark law; trademark rights exist in each country solely according to that country's statutory scheme.'") (quoting *Fuji Photo Film Co., Inc. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 599 (5th Cir. 1985)); *E. Remy Martin & Co. v. Shaw-Ross Int'l Imports, Inc.,* 756 F.2d 1525, 1531 (11th Cir. 1985); J. Thomas McCarthy, McCarthy on Trademarks & Unfair Competition, § 29:2, at 29-8 (4th ed. 2002) ("[P]riority of trademark rights in the United States depends solely upon priority of use in the United States, not on priority of use anywhere in the world.").

The Ninth Circuit, however, took a different approach in *Grupo Gigante SA De CV v. Dallo & Co.*, 391 F.3d 1088, 1094 (9th Cir. 2004), as it will do frequently. In *Grupo Gigante*, the plaintiff was a large Mexican grocery store chain whose GIGANTE stores operated in Mexico since the early 1960s. Almost thirty years after plaintiff opened its first store in Mexico, defendants opened a grocery store across the border in San Diego, California called GIGANTE MARKET. Several years later, plaintiff opened a GIGANTE store in the Los Angeles area. After defendants demanded that plaintiff stop using the GIGANTE mark in the United States, plaintiff sued for a declaratory judgment that its use in Mexico entitled it to enforce its trademark in the United States. Defendants asserted the territoriality principle, pursuant to which they would have had superior rights as the prior users of the mark in the United States.

While acknowledging that "the territoriality principle is a long-standing and important doctrine within trademark law," it crafted "a famous mark exception to the territoriality principle" which applies "when foreign use of a mark achieves a certain level of fame for that mark within the United States." The court rooted its conclusion in its own public policy determination that "[a]n absolute territoriality rule without a famous-mark exception would promote consumer confusion and fraud" because foreign nationals visiting the United States might be confused as to the nature and source of goods that resemble goods available in their home countries. *Id*. To fall within this exception in the Ninth Circuit, a foreign mark must have secondary meaning in the United States, **and** "the court must be satisfied, by a preponderance of the evidence, that a **substantial** percentage of consumers in the relevant American market is familiar with the foreign mark." *Id*. at 1098 (emphasis in original). The court further explained that "such factors as the intentional copying of the mark by the defendant" and "whether customers of the American firm are likely to think they are patronizing the same firm that uses the mark in another country" would be "relevant" but "not necessarily determinative" of the inquiry. *Id*.

In *Belmora*, the Fourth Circuit introduced yet a third rule for unfair competition and cancellation claims, essentially sweeping away notions of territoriality, domestic priority of use, and goodwill to conclude that the false association and false advertising portions of Section 43(a) apply whether the defendant is the senior U.S. markholder or not. Indeed, in one of the most jarring passages in the decision, the Fourth Circuit stated, "we are not concluding that BCC has any specific trademark rights to the FLANAX mark in the United States. Belmora owns that mark." *Belmora*, 819 F.3d at 713. That "ownership," evidently, counted for little. Without applying the Ninth Circuit's narrow exception for allegations concerning famous marks—indeed, it never used the word "territoriality" or even cited *Grupo Gigante*—the Fourth Circuit burst through the door cracked open by the Ninth for foreign markholders seeking to sue U.S. registrants. While the latter court restricted its reading of standing to extend to foreign markholders that use competing marks in U.S. commerce in the unusual circumstance, i.e., where the foreign mark was sufficiently well-known to a substantial percentage of the target market in the United States, the Fourth Circuit extended that privilege to a foreign markholder that admittedly had never taken any steps to use its mark or to acquire secondary meaning in the United States.

Supreme Court Precedent

Belmora's petition to the Supreme Court urged that a writ be issued on what it argued was a serious misreading of controlling precedent and of this *Lexmark*, noting that in *Park 'n Fly v. Dollar Park & Fly*, 469 U.S. 189 (1985), the Supreme Court acknowledged the territorial nature of trademark rights. It explained that the Lanham Act "provides **national** protection of trademarks in order to **secure** *to* the owner of the mark **the goodwill of his business** and to protect the ability of consumers to distinguish among competing producers." *Id*. at 198 (emphasis added). The Fourth Circuit avoided confronting these words by its novel reading of the Supreme Court's decision in *Lexmark*. In that false advertising case, the Supreme Court asked whether the plaintiff fell "within the class of plaintiffs whom Congress has authorized to sue under" Section 43(a). 134 S. Ct. at 1387. It determined that a cause of action is available only to plaintiffs that can allege "an injury to a commercial interest in reputation and sales," and only to those who can "show economic or reputational injury flowing directly from the deception wrought by the defendant's advertising," *i.e.*, that the "deception of consumers causes them to withhold trade from the plaintiff." 134 S. Ct. at 1390-91.

Unlike *Belmora*, however, *Lexmark* involved only two domestic businesses, and did not involve allegations of trademark abuse. Nothing in *Lexmark* touched on the issues of territoriality or priority, or suggested that Congress intended to allow foreign markholders with no goodwill in the United States to sue the holders of registered U.S. marks. Moreover, the Fourth Circuit's odd formulation to the effect that Belmora owns its registered trademark but could be engaging in prohibited conduct under the Lanham Act by using it requires some harmonization with the Supreme Court's firm endorsement of the legal significance of trademark registration in *B&B Hardware, Inc. v. Hargis Indus*., 135 S. Ct. 1293 (2015):

> Registration is significant. The Lanham Act confers "important legal rights and benefits" on trademark owners who register their marks. 3 McCarthy §19:3, at 19-21 *see also* id., §19:9, at 19-34 (listing seven of the "procedural and substantive legal advantages" of registration). Registration, for instance, serves as "constructive notice of the registrant's claim of ownership" of the mark. 15 U.S.C. § 1072. It also is "prima facie evidence of the validity of the registered mark and of the registration of the mark, of owner's ownership of the mark, and of the owner's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate." § 1057(b). And once a mark has been registered for five years, it can become "incontestable." §§ 1065, 1115(b).

Id. at 1300. In light of the strong preference given to the owners of U.S. marks—codified in the Lanham Act itself—Belmora questioned how the Fourth Circuit could hold that by exercising its rights under the Lanham Act the owner of a registered U.S. trademark might have simultaneously violated the Lanham Act's unfair competition provisions. Put another way, Belmora argued that there is no indication anywhere that in enacting Section 43(a), Congress intended to include foreign markholders who do not register or use their marks in the United States "within the class of plaintiffs whom [it] has authorized to sue" for unfair competition of any kind as defined in *Lexmark*, 134 S. Ct. at 1387.

In light of the recognized principal of territoriality in trademark law, Belmora urged that there is every reason to believe that Congress intended the opposite. The Fourth Circuit's assumption that if Congress had not expressly codified it, it did not exist, seemed to contravene previous Supreme Court rulings made in the trademark context that absent some indication of contrary Congressional intent, the Lanham Act should be interpreted consistently with the common law trademark principles that predated it. *See, e.g., Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351, 1363 (2013) ("[W]hen a statute covers an issue previously governed by the common law, we must presume that Congress intended to retain the substance of the common law.") (quotation marks omitted); *B&B Hardware, Inc.*, 135 S. Ct. at 1303 (holding that "courts may take it as given that Congress has legislated with the expectation that" well established common law principles "will apply except when a statutory purpose to the contrary is evident"). As Judge Rakoff has explained:

> Although it might be argued that the Lanham Act itself, while referring to use in commerce, *see, e.g.*, 15 U.S.C. § 1125(a)(1), does not specify the "territorial principle" *in haec verba*, the principle was long established before enactment of the Lanham Act in 1946 and was already so basic to trademark law that it may be presumed to be implied in the Lanham Act.

Almacenes Exito S.A. v. El Gallo Meat Mkt., Inc., 381 F. Supp. 2d 324, 327 n.3 (S.D.N.Y. 2005). The Second Circuit reinforced that analysis in *Punchgini*, when, rejecting the abrogation of territoriality urged by the foreign plaintiffs, it observed that "Congress has not hesitated to amend the Lanham Act to effect its intent with respect to trademark protection, having done so almost thirty times since the statute took effect in 1947." 482 F.3d at 164. "In light of these legislative efforts," the Second Circuit determined that the courts' role is to "wait for Congress to express its intent more clearly" before "constru[ing] the Lanham Act to include such a significant departure from the principle of territoriality" rather than adopt the famous marks rule. *Id*.

The Fourth Circuit's Novel Reading of Section 43(a)

According to the Fourth Circuit, while § 43(a) authorizes a claim by "any person," as does § 14(3), in contrast, § 32 refers to "the registrant," which the panel calls a "precondition" of trademark ownership; thus the appropriate inference is that "Section 32 makes clear that Congress knew how to write a precondition of trademark possession and use into a Lanham Act cause of action when it chose to do so." *Belmora*, 819 F.3d at 708. Congress, the court held, opted not to include such a "precondition" in §§ 43(a) and 14(3). *Id.* From this conclusion the Fourth Circuit deduced that the previously-operative premises that both trademark use and trademark ownership underlay the remedies afforded by those sections were not applicable in a 43(a) case.

Belmora's argument in its petition for an en banc review of the panel decision in *Belmora* was that the panel's suggested analogy from the use of the words "the registrant" was faulty. By definition the subject matter of § 32 is restricted to remedies available for enforcement of registered trademarks. Thus the term "the registrant" refers to the only party entitled to the benefits of § 32 enforcement and, it follows, Congress was not "writing a precondition into the law" by using the phrase "the registrant." Because enforcement by "the registrant" is axiomatic to § 32, employment of that term was basic legislative draftsmanship, describing with appropriate economy of language the only party eligible to benefit from a provision written for registrants: The registrant. The choice or words is nowhere suggested to be the establishment of a legislative "precondition" for standing under § 32, and thus the absence of such shorthand in §§ 43(a) and 14(3) is not an indication that Congress was indifferent about use in the United States as it applied to those two sections.

Indeed, the panel's formulation to the effect that Congress "knew how to write a precondition of trademark possession and use into a Lanham Act cause of action when it chose to do so" was, Belmora argued in its unsuccessful petition for an *en banc* hearing, almost an unconscious echo of nearly identical words supporting the **opposite** conclusion from the Second Circuit in *Punchgini, Inc*.—a decision completely omitted from any of the analysis in *Belmora*:

> We are mindful that Congress has not hesitated to amend the Lanham Act to effect its intent with respect to trademark protection, having done so almost thirty times since the statute took effect in 1947. In light of these legislative efforts, the absence of any statutory provision expressly incorporating the famous marks doctrine or [international treaty] Articles 6*bis* and 16(2) is all the more significant. Before we construe the Lanham Act to include such a significant departure from the principle of territoriality [requiring U.S. use of a mark], we will wait for Congress to express its intent more clearly.

Punchgini, Inc., 482 F.3d at 164.

Notwithstanding what Belmora described as a questionable analytical approach to the language of the Lanham Act, as well as its description of dire consequences arising from the circuit split concerning territoriality that resulted from the Fourth Circuit's Belmora ruling, Belmora did not merit either *en banc* consideration of the panel decision nor the issuance of a writ of certiorari by the Supreme Court.