Infringement of Trade Marks

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INFRINGEMENT OF TRADE MARKS.

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THESIS.

by

FRED CAMPBELL HANFORD.

1889.
INTRODUCTION.

In dealing with the subject of Trade Marks, one is inadvertently struck with its enormity. It is among the most important branches of our jurisprudence; one that is usually overlooked by the ordinary student of the law, when preparing to meet the vexatious questions which will invariably be his lot. The Trade Mark law does not seek for foreign objects or special designs on which to bestow its favors, but into the every day business relations of life can be found the conflicts and petty quarrels, which trade mark law endeavors to settle without injustice. One apparent reason for its isolated condition is the growing tendency among attorneys, to pick out some branch of the law and devote their entire energies and business thereto. Such is the case with Patent Law, Real Estate Law, Criminal Law, and many other branches and among them the subject of this article. But the law is not so intricate that it needs an enormous brain to comprehend or the life work of a person to carry out. It has its peculiarities as has most
legal subjects and it requires the great need of a close and definite distinction by a court in settling all controversies. The decision of a court in trade mark cases, as a general rule, is based largely on their own discretion whether a trade mark claimed to be assimilated, is so close a resemblance as to mislead the public. This is the one great rule which must enter into all decisions. In treating the subject of Infringements it will become necessary as a preface to devote a little time to trade marks. While an elaborate discussion would be out of place here, it would be almost impossible to present more than a vague idea of the subject.
Infringements of Trade Marks.

A trade mark, or its characteristic, is not a production of the modern people; it is indeed very ancient in its usages. For we read of the brand of a manufacturer's name accompanied by some emblem, stamped on the different classes of pottery, of which the Chinese were the first producers, as far back as Two Thousand six hundred and ninety eight B.C. These manufacturers had no idea of confiscating that one mark for themselves alone, but used different ones at different times, and other people were free to use the same mark as a distinction of their particular class of goods. The people of Rome, Greece, and Egypt, used a mark of a large picture or drawing, for the purpose of showing to the ignorant class, their goods in contradistinction to those of another manufacturer or vendor. We read of their using large signboards covered with glaring pictures of hideous beasts, largely or wholly the product of their own imagination, for the purpose of attracting the attention of the people to their class of goods.

A seal has by some authors been said to have obtained its origin in these old customs more particularly that of the
aristocratic body who strive to make their name perpetual by keeping it constantly before the people in the insignia of their coat of arms. These honored fathers, gradually adopted the custom of affixing this to all papers and documents until by degrees it became an absolute necessity and finally universally adopted. Thus the love of fame and distinction, on the part of our ancestors, has developed into what in law is required, the absence of which invalidates many instruments.

But while history tells us of these old customs, and that what we call a trade mark of to-day, was in reality present in early times in such forms as figures, signs, pictures, etc., there is no trace of any law which would give one party any right to claim a devise or figure as his property and obtain protection for any counterfeiting on the part of his friends, until comparatively recent times. The first case where such controversy was brought into court, was in 1742, when Lord Hardwicke refused to enjoin the defendant from using the plain-tiff's Great Mogul stamp on cards and said "Every particular trader has some particular mark or stamp, but I do not know of any instance of granting an injunction here to restrain one trader from using the mark with another. I think it would be of mischievous consequence to do it."
Since Lord Hardwicke's time the courts of England and America, aided by the legislatures of the two countries, have established an almost complete system of trade mark law ascertaining and defining the essential characteristics, the rights of traders therein, and the jurisdiction for their protection.

A trade mark may be defined as a symbol, devise, word or mark, adopted and exclusively used by a maker or vendor of goods or other articles, to distinguish them from goods or articles of the same kind, made or sold by others.

Such mark need not be appropriated by the manufacturer; his assignee or any one coming into possession of the establishment and carrying on the same business, has the same right as the party first adopting the mark. The text writers and courts experienced considerable trouble in formulating a satisfactory definition, insomuch as it is difficult to distinguish the various marks and signs used on the goods manufactured, from the many characters used on a signboard, or placard, and all those less permanent marks of distinction which are used in trade.

The French, who have given this subject the most thought of any jurists in the world, experience the same trouble, but as an attempt they have defined a trade mark to be, "A sign,
serving to distinguish the products of a manufacturer or the objects of commerce, and the law cannot enumerate the sign."

and thus leaving to judicial tribunals, construction and determination of all cases of conflict. This difficulty is experienced in every country of the globe— the absolute inability to designate a clear and concise definition, that can be applied in all cases.

A mere trade mark is an intangible thing, incapable of ownership apart from the thing to which it is applied. It is the exclusive right of vending articles so marked, which the law protects. Incapable of ownership, it is incapable of possession. When a person buys the right to manufacture and sell an article, it is accompanied by the trade mark; yet buying the right to use the trade mark will not pass the goods to which it is attached.

What may be adopted as a Trade Mark.

It is not easy to determine from the adjudication, what signs, symbols, marks or words, may constitute valid trade marks, from the fact that there is a class of cases when, although there is no real trade mark, an injunction will be allowed, because an intentional assimilation of the peculiar form,
wrappers, labels, marks, etc., of another's goods, for the purpose of stealing his custom is apparent, and the courts have not in every instance been careful to distinguish such cases from those of genuine trade marks.

To be valid the trade mark must indicate origin and ownership. It may consist of the manufacturer's name, a figure, letter, monogram, fancy name, newly coined word, or other sign which can distinguish the manufacturer's goods from another.

Sebastian says, "The original form of a trade mark was probably the representation of some animal or other natural object or mathematical figure, as the 'hall mark' of the lion, or leopard's head, the Free Masons Compasses, or the Governmental broadsword. Such a mark would be independent of language and would serve to distinguish goods of a certain make, even for the illiterate."

It has been questioned whether pictures or animals constitute a valid trade mark, but the weight of authority now is that such signs or characters may appropriate for the purpose of a trade mark with the express intention of thus using the character to distinguish his goods in the market, will be protected. Figures, letters and signs used on articles, simply for the purpose of designation are not used in this sense, but
the mark must be such as will reduce to a certainty the confidence of the buyer.

A trade mark to be worth anything, must be recognized by the public and must be associated with a particular person's business. The peculiar significance is, the inward thought of the purchaser as "When I see that mark, I know the goods are manufactured by so and so, and can place dependence in them."

Judge Allison, in the case of Ferguson vs. The Davol Mills, 2 Brewster 314, held, that an injunction could not be maintained by plaintiffs against defendants for assimilating their trade mark, from the fact that nowhere on or near the trade mark was the manufacturer's name or anything to indicate its origin or ownership by plaintiffs, and this in the light of the fact that the plaintiffs had manufactured these silesias for thirty years and they had become known and called by the K sil'sias. The learned judge further reasoning, says "No name appearing on the mark, the complainants might manufacture and place on sale, spurious or inferior articles, and flood the market, stamped with what they call their trade mark and the public would be wholly unable to ascertain who had manufactured and sold the goods. Protection is given only in consideration of the guarantee of the integrity of the
manufacturer or merchant, certified by his trade mark." This decision appears to be decidedly contrary to all prior and subsequent adjudications on the point. To consider the reasoning of the learned judge sound and logical would be to call many of the various trade marks adopted by the manufacturers all over the country, illegal and incapable of protection by the courts. Such words as Excelsior, Ivory, Cocaine, have been adjudged to be valid trade marks, unaccompanied by any manufacturer's signature.

In Falkingburgh vs. Lucy 35 Cal. 52, the Court said "The owner of a trade mark would be protected in its exclusive use but only so far as it serves to indicate its origin or ownership of the goods to which it is affixed, to the exclusion of such symbols, figures, and combinations of words, which may be interblended with it, indicating the name, kind, or quality of the article." The plaintiff in this case claimed the entire label as their trade mark and asked to be protected in the use of it as a whole. The Court said "only so much of their label as serves to indicate that they are the manufacturers or vendors of the washing powder, can be considered as constituting the legitimate characteristics of a common law trade mark."

All foreign matter to a trade mark, as the words 'yds', 'no', 'r.',
placed about the mark and any particular position of the mark do not in themselves imply ownership.

The natural product of the earth may be protected by a trade mark as in the case of the Congress and Empire Spring Co. vs. High Rock Congress Spring Co., where the plaintiffs were protected in using the name "Congress" to designate water put up in bottles taken from a certain spring and obtained an injunction against defendants from using the same name on their bottles to designate the waters therein contained. Judge Folger in delivering the opinion of the Court, said: "Two questions present themselves for consideration. First, can the owner of a particular product of nature be protected in the exclusive use of a name belonging to it alone and employed by him as his trade mark in the sale thereof. Second, does the name or trade mark used in the case before us by the plaintiffs indicate the origin or place of that product and is it one in the exclusive use of which the plaintiffs could be protected." These questions were answered in the affirmative. The court further said "By the application of capital, business sagacity, and enterprise, this spring and its products have become extensively known and favorably received. When one wishes for the medicinal water
which he has used before, he inquires for it by its specific name and it is this name, the trade mark of the plaintiff, which is the short phrase between buyer and seller, which indicates the wish to buy and the power to sell water from that origin the place of that ownership. This phrase, this device, is the trade mark of the plaintiffs and is of value to them as thus designating the verity of its origin."

Designation of occupation or trade cannot be appropriated. As the "Divinity Bookstore" "The University Art Gallery" they are but advertisements of goods to be found there. The name of the article to be protected cannot be appropriated as a trade mark. Geographical names have been held to be valid trade marks as in the case of the Akron Cement. The defendants living in Syracuse were enjoined from using that name to designate their goods. There are many other things which could be designated as a trade mark but as this article is not to contain a thorough and minute treatise of what can be a trade mark we will pass to

What is an infringement.

Brown in his treatise of the law of trade marks says "To entitle a trader to relief against the illegal use of his
trade mark it is not necessary that the imitaiton thereof, should be so close as to deceive persons seeing the two marks side by side. But the degree or resemblance must be such that ordinary purchasers proceeding with ordinary caution are likely to be mislead." This is the principle underlying all decisions of the courts. They look to the fact whethere the assimilation is such that upon the first glance by the ordinary purchaser he could not distinguish the goods. The class of persons accustomed to trading are comparitively few who subject all articles bought to close scrutiny. Such persons are not the ones referred to in the above definition.

Men are constantly introducing new articles of merchandise, either for the household, the farm or the manufactory. They place their goods on the market after having engrossed upon such goods their private commercial signature. They feel secure in their labors and await results. If the commodity proves a success they are surprised to learn of an article closely resembling their own either equal in value or of inferior quality, bearing the same or similar mark of distinction, placed on sale for the purpose of competition. His trade and income is seriously affected. It is a fraud upon him and upon the public. For just such cases as this the law against infringements is in force. As it was said before, the
law applicable to these cases is of recent origin, beginning with the cases reported above. When a case presents facts where the pirating party has assimilated the exact trade mark of the original owner the case is easy of settlement, for here there is a clear intent to defraud both manufacturer and public. But in cases where the degree of assimilation is less distinguishable then a greater question arises over which the courts find much difficulty in settling. It is not enough to show that persons incapable of reading the labels bearing the mark might be deceived by the resemblance. It must be that the ordinary class would probably be deceived. Witness the great agitation at present over the "Pigs in Clover" puzzle. So great and wonderful has been the sale of this one article all over the United States that there no less than nine actions against infringers for placing on sale a similar article. This puzzle is so simple and the imitation so slight that the above rule may be applied effectually.

The test of an infringement is whether the assimilation is calculated to deceive purchasers. A person having established the right to use a name, symbol, letter form, figure or device as a trade mark, it is an infraction of the right to print, manufacture or put on market for sale, and sell or use upon articles of merchandise of the same kind upon which
it is used by the proprietor any device or symbol, which by its resemblance to the trade mark will be liable to deceive the public, and it is not necessary that it should be a fac simile, precise copy of the original trade mark or so close an imitation that the two cannot be distinguished except by an expert, or by a critical examination by one familiar with the genuine trade mark. It is not necessary to prove that it has been copied in every particular, sufficient to show that the representations bear such a resemblance to his as to mislead the public generally. The court will not interfere to protect a party in use of a trade mark which is employed to deceive the public by false representations, contained in it.

The appellation given to a new medicine or compound is not a trade mark. There is the necessity of a specific name for the preparation and no matter when or by whom given it becomes its subsequent name. An eminent physician applied for an injunction to restrain a chemist from publishing and selling a quack medicine under the name of "Sir James Clark's Consumption Pills" but the court refused to interfere because it did not appear that Sir James had sustained any pecuniary injury.

An eminent Judge has said: "The object and purpose of the
law in protecting trade marks is two fold: first, to secure to him who has been instrumental in bringing into market a superior article of merchandise the fruit of his industry and skill. Second, to protect the community from imposition and furnish some guarantee that the article purchased is the manufacture of one who has appropriated to his own use a certain name, symbol or device, as a trade mark is genuine.

There has been some conflict among authorities as to whether the name of a hotel can be protected as a trade mark. Whether two hotels of the same name may be run in the same city or town. It is manifest that there must be some law to protect the landlord in his name. For the degree of injury done may be augmented by the traveling public unconscious of the two names. The law is now universal that such name may be protected as the case of Taylor vs. Carpenter will show. Plaintiff hired a lot of land and erected upon it a hotel which he conducted under the name of the "What Cheer House". Pending his term he bought an adjoining lot and put up a building thereon. He continued for some time to occupy both buildings as the "What Cheer House", removing his sign to the new building. In November he removed to the new building. Then defendants opened the old house and called
it the "Original What Cheer House", the word "Original" so small that it was likely to be overlooked. Held, the plaintiffs entitled to protection in the exclusiveness of the name.

When the manufacturer places his name in connection with other words on a salable article with a clear intention of using that name as his trade mark, he will be protected in such rights by the court. Where the design of the pirating party is to deceive the public by putting on the market goods so near alike the true owners as to deceive ordinary cautious people he will be restrained by injunction from using such mark. The case of the Dixon Crucible Co. vs. Guggenheim, decides this point. There the plaintiff had used the name Dixon's Carburet of iron to denote their stove polish, put up in a cube like form. The defendants prepared a package identical in shape using the same words as plaintiff but in some respects a little different type so that to place them side by side a little difference may be detected. The court held an injunction sustainable.

A trader is sometimes prohibited from using a trade mark designed by himself when by his own act or by operation of law the title to its use may have been alienated from him.
A person after having sold out his business cannot set up a new business and use his old trade name or mark or in any way represent himself as carrying on the same business as before.

A similated trade mark must be on the same class of goods to constitute an infringement for it is not the name or trade mark that is to be protected apart from the goods, but the exclusive right to protect goods so marked. There is no infringement if the person uses the same mark on stoves that another uses on paint and it has been held that a trade mark on rubber boots may be used on leather boots. There is considerable controversy over the question as to whether the name of a newspaper may be protected from infringement. Clearly this class of cases comes within the general rule. There is the manifest fraud on the public and the proprietor. A glance at the myriads of periodicals bearing the same name but published in different localities will raise a question as to the right of a publisher to use a name with but a slight variation from one already before the public. A man may publish the New York Herald in New York city and another may publish the Newark Herald in Newark, but should the publisher in Newark come over in New York and publish a paper called the New York Herald, even though the heading, material, type,
or contents were wholly different, there would be an injunction granted to restrain from so publishing. In 7 Robertson 343 says "Although a newspaper proprietor may by appropriation and use acquire such a property in the name of his paper as will be protected from piracy yet the mere assimilation of the name by another person unless it was clearly calculated to deceive the public would not be unlawful." I cannot infer anything else from this opinion than that referred to above-- allowing a person in another locality by the prefixing of another name to use the name for his paper, as nearly all papers appropriate the town or city in which they are published as part of the name. But in case where the city or town is not appropriated a different question arises as in the case of the periodicals "Judge", "Time" or "Puck". It is evident that should a paper called "Judge" containing the same class of literature be published in Chicago or San Francisco there would be an action against the publisher for infringement and maintainable.

There is no infringement on the part of a manufacturer who publishes in connection with his articles a picture or drawing of a machine, (if it be a machine) or working utensils, when already some other manufacturer has published the same design. The reason for this is that the article sold is common
property and incapable of exclusive protection by this means.

A mere transformation of the words forming a trade mark is only a colorable difference and will be restrained by injunction. In Pierce vs. Guittare the plaintiffs goods were known as "German Sweet Chocolate" and the defendant's imitation was called "Sweet German Chocolate". The Supreme Court had no difficulty in enjoining the defendant from using the name and refused to consider whether the words used constituted a trade mark or not for it is a fraud on a person who has established a business for his goods and carries it on under a given name or with a particular mark for some other person to assume the same name or mark or the same with a slight alteration in such a way as to induce persons to deal with them on the belief that they are dealing with the person who has given a reputation to the name or mark. And so in the whole line of cases the courts base their decisions upon a double question of protecting the person who has appropriated the mark for his protection and thereby built up a large trade and also of protecting the public from inferior and spurious goods which are placed upon the market with the intention of deceiving the less cautious.

The foregoing comments upon the law of infringements which has been deduced from the general run of decisions
can in light of the character of this article only be a hurried review of some of the many points involved in the law. The subject of statutory regulation had not entered into the discussion as yet. From the fact that the law passed by Congress in the year 1870 by which all trade marks were to be registered in the Patent Office at Washington with the name of the person by whom appropriated, regulating the punishment of pirating, and that such trade mark be in force for thirty years with leave to re-register, has all been declared unconstitutional by the Supreme Court of the United States in the case of the United States vs Stebbins. The Congress strove to save the measure by classing it among the commercial acts and bringing it within the clause of the constitution giving Congress power to regulate commerce but the decisions of the Supreme Court has forever settled that matter by declaring the act unconstitutional. Many of the states have in force statutes regulating the registration and protection of trade marks, but it is not necessary here to refer to them.

A prominent author has made manifest his intense hatred of a person who would infringe the rights of a fellow tradesman by assimilating his trade mark in the following comprehensive language: "There is no kind of larceny more sneaking,
snake like, and despicable than the attempt of one merchant to steal another's trade by the assimilation of his trade mark, trade name, or devise, in connection with which his trade with the former had been built up and by which his goods or business are advertised."

This same idea is everywhere manifest in the opinions of Courts, text writers and private persons. Some opinions go so far as to hope that in no remote day there may be a criminal prosecution to satisfy the ends of justice.

Equity Courts will not in general refuse an injunction on account of delay in seeking relief where the proof of infringement is clear, even though the delay may be such as to preclude the party from any right to all account for past profits. Chancery protects trade marks upon the ground that a party should not be permitted to sell his own goods as the goods of another, but the plaintiff must not be guilty of laches.

Any long delay on his part, by which the defendant may have established for himself a large trade and even gone so far as to shut out plaintiff's goods entirely from the market, then an action by plaintiff would not be maintainable. He must upon first discovering, signify his right to protection by instigating his suit for injunction. In some cases a delay on his part seeking the injunction would enable the
complete his object and then an injunction would avail him nothing as in the case of the "Pigs in Clover" puzzle. A delay on the part of the owner of this puzzle for a month would avail him nothing for the nature of the article is such that its object is attained in that length of time. There may be an action begun by the complainant either in law or in equity. If in law, the action is for damages; if in equity for an injunction restraining defendant from using the mark. The law remedy is sought either under the common law or the statutes enacted by the several states. There may be also a criminal indictment which can arise under two heads: the fraudulent imitation of the trade mark as a forgery, or obtaining money under false pretenses. But these remedies are very seldom put into operation. A court of equity will not interfere by injunction to restrain the use of a trade mark unless the legal title is clear. In case of doubt the court will not interfere until the case has been tried in a court of law upon the pleadings and proof. This was decided in the case of Partridge vs. Menck, 2 Sand Chan. 622. Mr. Justice McLean said in Coffee vs. Brienton (same report) that the rule is fully settled and is recognized in nearly all the cases that, in suits for infringements of trade marks an injunction is never to be granted in the
first instance if the exclusive title of the plaintiff is denied, unless the grounds upon which it is denied are mainly frivolous. When the title is disputed the course is to let the motion for an injunction stand over until the plaintiff has established his legal right in an action at law.