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UNFAIR TRADE PRACTICES UNDER SECTION 43(a) OF THE LANHAM ACT: YOU'VE COME A LONG WAY, BABY— TOO FAR, MAYBE?

KENNETH B. GERMAIN†

Section 43(a)¹ of the Lanham Act² certainly has come a long way since Judge Clark woefully remarked in 1956 that “there is indication here and elsewhere that the bar has not yet realized the potential impact of this statutory provision.”³ Indeed, as late as 1965 one commentator stated that

so few cases have been brought under this section since its enactment that . . . it cannot be foreseen that any increased utilization of this section . . . will be of substantial benefit in helping to establish a federal law of unfair competition in the absence of amending legislation.⁴

Since 1965, however, there has been so much litigation under § 43(a)—most of it expanding the applicability of the section—that Professor Derenberg recently remarked that Judge Clark’s statement “certainly is no longer true.”⁵ In particular, Professor Derenberg referred to recent attempts to use § 43(a) as a vehicle for consumer protection and for the

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1. Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

15 U.S.C. § 1125(a) (1970).

2. Trade-Mark Act of July 5, 1946, ch. 540, §§ 1-45, 60 Stat. 427-43, as amended, 15 U.S.C. §§ 1051-127 (1970).

3. *Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 234 F.2d 538, 546 (2d Cir. 1956) (concurring opinion); accord, Derenberg, *Federal Unfair Competition Law at the End of the First Decade of the Lanham Act: Prologue or Epilogue?*, 32 N.Y.U.L. REV. 1029, 1039 (1957) [hereinafter cited as Derenberg, *First Decade*].

4. Peterson, *The Legislative Mandate of Sears and Compco: A Plea for a Federal Law of Unfair Competition*, 69 DICK. L. REV. 347, 371 (1965).

5. Derenberg, *The Twenty-Fifth Year of Administration of the Lanham Trademark Act of 1946*, 62 TRADE-MARK REP. 393, 493 (1972) [hereinafter cited as Derenberg, *Twenty-Fifth Year*].

purpose of affording federal jurisdiction over rather typical "passing-off" cases.⁶ He also could have mentioned the growing varieties of activities that have been found to violate § 43(a),⁷ and the expanded remedies that have been considered.⁸

The purpose of this article is to discuss the recent growth of § 43(a) law with special reference to the relationship between the section itself and the trademark statute in which it is housed. It is submitted that the cases have applied § 43(a) to situations it was not intended to cover and have used it in ways that it was not designed to function.

Although legislative history will occasionally be mentioned, primary emphasis will be placed on a careful reading of § 43(a) and certain other sections of the Lanham Act. This article will begin with a brief discussion of the genesis of § 43(a) and will be followed by an exposition of current case law interpretations concerning jurisdiction, standing, the requirements of a § 43(a) action, the type of cases that fall within § 43(a), and the remedies available. The article will then deal with the author's thesis that in certain respects § 43(a) has already been extended improperly, in violation of the true meaning of the statute.

EXPANSION OF § 43(a): YOU'VE COME A LONG WAY, BABY

Section 43(a) is generally viewed as a reaction to the restrictive common law action of false advertising.⁹ Under pre-Lanham law a competitor could obtain relief against false advertising¹⁰ only in limited situations: (1) when the suit involved the classic tort of passing-off;¹¹ (2) when a competitor was able to adequately demonstrate that his busi-

6. *Id.* at 492-97. For a discussion of recent case law on consumer suits under § 43(a) see text accompanying notes 45-68 *infra*.

7. See text accompanying notes 100-25 *infra*.

8. See text accompanying notes 127-45 *infra*.

9. See Bunn, *The National Law of Unfair Competition*, 62 HARV. L. REV. 987, 998-1000 (1949); Callmann, *False Advertising as a Competitive Tort*, 48 COLUM. L. REV. 876, 885-86 (1948). See also *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649, 651 (3d Cir. 1954).

10. Actions for trademark infringement, trade name-related unfair competition, and disparagement (trade libel) are not generally considered within the rubric "false advertising." See, e.g., E. KITCH & H. PERLMAN, *LEGAL REGULATION OF THE COMPETITIVE PROCESS* (1972); S. OPPENHEIM, *UNFAIR TRADE PRACTICES* (2d ed. 1965). Both of these casebooks treat each of the above topics separately.

11. See *Am. Washboard Co. v. Saginaw Mfg. Co.*, 103 F. 281 (6th Cir. 1900). A highly distinguished panel (Judges Taft, Lurton and Day, all of whom later became Justices of the United States Supreme Court) held that the plaintiff, who made and sold genuine aluminum washboards, could not get an injunction against a competitor's admittedly false claims that the latter's inferior zinc washboards were made of aluminum. Although the court found defendant's behavior "doubtless morally wrong," it concluded that "[i]t is only where this deception induces the public to buy the goods as those of the complainant that a private right of action arises." *Id.* at 285.

ness was the "single source" of goods which were falsely advertised by another;¹² or (3) when a competitor joined with others similarly affected to protest the misuse of a designation of geographical origin.¹³ The rationale behind these rules was that suit by a competitor should be allowed only if he could demonstrate an obvious and direct competitive injury. In other words, the competitor was not allowed to sue as a "vicarious avenger"¹⁴ of the public interest.¹⁵ Although in 1920 Congress made

12. See *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F.2d 603 (2d Cir. 1925), *rev'd on other grounds*, 273 U.S. 132 (1927). In this case the defendant had misrepresented its safes as having "explosion chambers," a feature allegedly covered by a patent belonging to the plaintiff, who had incorporated it into its safes. The Second Circuit, in an opinion written by Judge Learned Hand, held that defendant's misrepresentations were enjoined since even in the absence of passing-off, plaintiff was able to show that he had been directly harmed by defendant's false claims. Judge Hand reasoned:

If a tradesman falsely foists on a customer a substitute for what the plaintiff alone can supply, it can scarcely be that the plaintiff is without remedy, if he can show that the customer would certainly have come to him, had the truth been told.

Id. at 604. Thus, Judge Hand hesitantly rejected the authority of *Am. Washboard Co. v. Saginaw Mfg. Co.*, 103 F. 281 (6th Cir. 1900). The reversal of *Ely-Norris* by the Supreme Court was a result of a different view of the facts: In its view plaintiff was not the sole manufacturer of safes having explosion chambers. 273 U.S. at 134.

A recent common law extension of the "single-source" rule occurred in *Electronics Corp. of America v. Honeywell, Inc.*, 428 F.2d 191 (1st Cir. 1970), where it was held that in a duopolistic market situation an injunction would issue to prohibit a competitor from false advertising because it was apparent that any customers unfairly attracted to the defendant would have "nowhere to turn except to the plaintiff." *Id.* at 194.

13. See, e.g., *Grand Rapids Furniture Co. v. Grand Rapids Furniture Co.*, 127 F.2d 245 (7th Cir. 1942); *Pillsbury-Washburn Flour Mills Co. v. Eagle*, 86 F. 608 (7th Cir. 1898). In *Pillsbury*, seven Minneapolis based flour producers sued jointly on behalf of themselves and all others similarly situated to enjoin a Chicago based firm from falsely referring to its flour as "Minneapolis" flour. Plaintiffs were able to show that flour made in the Minneapolis area had earned a well deserved "secondary meaning" as high quality flour. Thus, the court allowed competitors having a geographical common denominator to seek joint protection of the designation of geographical origin of their goods. Perhaps this was a limited extension of the single-source rule.

It should be noted that some doubt has been cast upon the authority of the "geographical origin" cases by the somewhat restrictive holding in *California Apparel Creators v. Wieder of California, Inc.*, 162 F.2d 893 (2d Cir. 1947). In this case, decided under pre-Lanham law, 75 California based manufacturers of sportswear and a trade association, suing jointly, were denied any remedy against the New York defendants' use of the word "California" in connection with their businesses. The majority characterized the case as similar to *Mosler Safe Co. v. Ely-Norris Safe Co.*, 273 U.S. 132 (1927). See note 12 *supra*. Judge Learned Hand, in dissent, would have allowed plaintiffs an opportunity to prove their injuries at trial. 162 F.2d at 902-03.

14. *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F.2d 603, 604 (2d Cir. 1925), *rev'd on other grounds*, 273 U.S. 132 (1927).

15. No attempt will be made here to present pre-Lanham law in detail since this has been done adequately elsewhere. See, e.g., 1 R. CALLMANN, *THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES* § 18.1 (3d ed. 1967) [hereinafter cited as *CALLMANN*]; 2 J. MCCARTHY, *TRADEMARKS AND UNFAIR COMPETITION* § 27:1 (1973) [hereinafter cited as *MCCARTHY*]; *Developments in the Law—Competitive Torts, False Advertising*, 77 *HARV. L. REV.* 888, 905 (1964). It is worth noting, however, that the pre-Lanham common law has been heavily criticized by the commentators. See, e.g., 1 *CALLMANN, supra*, § 18.1; 2 *MCCARTHY, supra*, § 27:1; *Handler, False and Misleading Adver-*

an abortive attempt to loosen up the common law rules,¹⁶ it was not until 1946 that Congress acted again by passing the Lanham Act.

Early interpretations of § 43(a) were conservative. They either restricted § 43(a) to actions for passing-off¹⁷ or confined its effect to "include only such false descriptions or representations as are of substantially the same economic nature as those which involve infringement or other improper use of trade-marks."¹⁸

The breakthrough for § 43(a) came in 1954 in *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*¹⁹ In an oft-cited²⁰ opinion, Judge Hastie emphatically rejected those precedents²¹ that had construed § 43(a) as a

tising, 39 YALE L.J. 22, 34-42 (1929).

In addition, the American Law Institute rejected the rule in *Am. Washboard Co. v. Saginaw Mfg. Co.*, 103 F. 281 (6th Cir. 1900), and adopted a provision that arguably even goes beyond the holding in *Mosler Safe Co. v. Ely-Norris Safe Co.*, 7 F.2d 603 (2d Cir. 1925), *rev'd on other grounds*, 273 U.S. 132 (1927). See notes 12 & 14 *supra*. The ALI position is as follows:

One who diverts trade from a competitor by fraudulently representing that the goods which he markets have ingredients or qualities which in fact they do not have but which the goods of the competitor do have is liable to the competitor for the harm so caused, if,

- (a) when making the representation he intends that it should, or knows or should know that it is likely to, divert trade from the competitor; and
- (b) the competitor is not marketing his goods with material fraudulent misrepresentations about them.

RESTATEMENT OF TORTS § 761 (1939).

16. Trademark Act of 1920, ch. 104, §§ 1-9, 41 Stat. 533-35.

Section 3 of the Trademark Act of 1920 provided that "any person who . . . willfully and with intent to deceive" used a false designation or origin would be liable. *Id.* § 3, 41 Stat. 534 (emphasis added). However, "[t]he limitation contained in the provision . . . practically destroyed its purpose." D. ROBERT, *THE NEW TRADE-MARK MANUAL* 184 (1947) [hereinafter cited as ROBERT]. See Derenberg, *First Decade*, *supra* note 3, at 1038.

17. [W]e do not think [§ 43(a)] changes the fundamental requirements necessary to sustain a suit for unfair competition, one such requirement being a direct injury to the property rights of a complainant by *passing off* the particular goods or services misrepresented as those of the complainant. Deceiving the public by fraudulent means, while an important factor in such a suit, does not give the right of action unless it results in the sale of the goods as those of the complainant.

Chamberlain v. Columbia Pictures Corp., 186 F.2d 923, 925 (9th Cir. 1951) (emphasis added).

18. *Samson Crane Co. v. Union Nat'l Sales, Inc.*, 87 F. Supp. 218, 222 (D. Mass. 1949), *aff'd per curiam*, 180 F.2d 896 (1st Cir. 1950), *criticized*, Derenberg, *First Decade*, *supra* note 3, at 1042.

19. *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649 (3d Cir. 1954). In this case, defendant was enjoined from using a photograph of plaintiff's distinctively designed high quality dress, which sold for \$17.95, in its advertising of its own dissimilar and inferior dress which sold for \$6.95.

20. See, e.g., 1 CALLMANN, *supra* note 15, § 18.2(b); 2 MCCARTHY, *supra* note 15, § 27:4(A), at 248; Derenberg, *The Seventh Year of Administration of the Lanham Trade-Mark Act of 1946*, 44 TRADE-MARK REP. 991, 1053-54 (1954).

21. See notes 18 & 19 *supra*.

mere codification of pre-Lanham common law.²² He concluded:

It seems to us that Congress has defined a statutory civil wrong of false representation of goods in commerce and has given a broad class of suitors injured or likely to be injured by such wrong the right to relief in the federal courts. *This statutory tort is defined in language which differentiates in it some particulars from similar wrongs which have developed and have become defined in the judge-made law of unfair competition. . . .* But however similar to or different from preexisting law, here is a provision of a federal statute which, with clarity and precision adequate for judicial administration, creates and defines rights and duties and provides for their vindication in the federal courts.²³

Under the influence of *L'Aiglon*, the barriers to an expansive view of § 43(a) fell quickly. For example, one court soon declared that "[s]ection 43(a) does create a federal statutory tort, sui generis."²⁴ The same court also stated that passing-off was not required and that a plaintiff "need not establish a veritable monopoly position in the industry."²⁵ Such opinions sounded the death knell for the "single-source" rule,²⁶ and signaled the birth of a new federal law of unfair competition.²⁷

Jurisdiction

Section 43(a) applies to two kinds of "persons:"

[1] Any person who shall affix, apply, or annex, or use in

22. 214 F.2d 649, 651 (3d Cir. 1954).

23. *Id.* (emphasis added).

24. *Gold Seal Co. v. Weeks*, 129 F. Supp. 928, 940 (D.D.C.), *aff'd sub nom. S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956).

25. *Id.*

26. *See* 2 McCARTHY, *supra* note 15, § 27:4(A), at 248.

27. *See* *Norman M. Morris Corp. v. Weinstein*, 466 F.2d 137, 141 (5th Cir. 1972); *Federal-Mogul-Bower Bearings, Inc. v. Azoff*, 313 F.2d 405, 409 (6th Cir. 1963); *Geisel v. Poynter Prods., Inc.*, 283 F. Supp. 261, 266 (S.D.N.Y. 1968); *Am. Rolex Watch Corp. v. Jack Laufer & Jan Voort, Inc.*, 176 F. Supp. 858 (E.D.N.Y. 1959).

Under the influence of modern interpretations of § 43(a), 15 U.S.C. § 1125(a) (1970), the American Law Institute has proposed a rule that is much more liberal than its predecessor. *Compare* RESTATEMENT OF TORTS § 761 (1939), *quoted*, note 15 *supra*, *with* RESTATEMENT (SECOND) OF TORTS § 712 (Tent. Draft No. 8, 1963), which states in pertinent part:

One falsely markets goods or services . . . if, in the marketing process, he makes any material false representation which is likely to induce persons to purchase, to the commercial detriment of another, the goods or services which he markets.

Id.

connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce; and [2] any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used.²⁸

The broad definitions of the Act,²⁹ together with the very wide-ranging language of the "intent" paragraph,³⁰ have led most courts to very liberal interpretations of the scope of jurisdiction under § 43(a). Indeed, it is now well settled that the early cases which required that defendant's goods or services either have actually crossed state lines³¹ or have had some direct and substantial connection with interstate commerce³² have now been discarded in favor of cases that sanction jurisdic-

28. 15 U.S.C. § 1125(a) (1970). The second type of situation could aptly be referred to as a contributory violation. A similar provision is found in the Lanham Act's basic infringement section. *See id.* § 1114(1)(b). It is reminiscent of the doctrine of "contributory infringement" under the copyright laws. *See* 2 M. NIMMER, NIMMER ON COPYRIGHT § 134 (1972).

29. The word "person" is defined in § 45 of the Lanham Act to include natural persons and all types of legal entities including "a firm, corporation, union, association, or other organization capable of suing or being sued in a court of law." 15 U.S.C. § 1127 (1970).

The word "commerce" means "all commerce which may lawfully be regulated by Congress." *Id.* Compare this definition with the term "use in commerce:"

For the purposes of this Act a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

Id.

30. The full text of this paragraph reads:

The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.

Id.

31. *See, e.g., Parkway Baking Co. v. Freihofer Baking Co.*, 255 F.2d 641, 648 (3d Cir. 1958).

32. *See In re Bookbinder's Restaurant, Inc.*, 240 F.2d 365, 367 (C.C.P.A. 1957). In

tion over acts which are purely intrastate except for their effects on interstate commerce.³³ This, of course, was to be expected as a by-product of the far-reaching United States Supreme Court decisions in the 1964 civil rights cases³⁴ which very broadly interpreted Congress' power over interstate commerce.³⁵ It is also consistent with Congress' intention to extend the Lanham Act's protection to the fullest extent possible.³⁶

A second aspect of jurisdiction involves subject matter jurisdiction. Although § 43(a) says only that a violator "shall be liable to a civil action,"³⁷ some courts have based jurisdiction directly on that section.³⁸ Other courts³⁹ have based jurisdiction on §§ 43(a) and 39 jointly, since the latter section expressly confers federal jurisdiction in "all actions arising under this act, without regard to the amount in controversy or

refusing to register a service mark used by the applicant on his single restaurant in Philadelphia the court said:

Generally speaking, only intrastate commerce which is necessary to the production or movement of goods in interstate commerce, or which serves materially to hamper or impede such commerce has been held to be subject to such regulation.

Id.

33. *Pic Design Corp. v. Bearings Specialty Co.*, 436 F.2d 804 (1st Cir. 1971); *Harrison Services, Inc. v. Margino*, 291 F. Supp. 319 (S.D.N.Y. 1968); *Iding v. Anaston*, 266 F. Supp. 1015, 1019 (N.D. Ill. 1967); *Burger King, Inc. v. Brewer*, 244 F. Supp. 293 (W.D. Tenn. 1965). Note, *The Federal Law of Unfair Competition*, 47 VA. L. REV. 600, 619-20 (1961) [hereinafter cited as *Unfair Competition*]. In *Burger King* defendants sold "Whopper Burgers" in their "Whopper Drive-In" located in Memphis, Tennessee; their advertising extended into neighboring parts of Arkansas. Plaintiff was the owner of the well-known interstate franchise operation based in Florida. The court held, that even aside from the interstate advertising done by the defendant, defendant was engaged in "commerce."

[U]se of this trademark and trade name has had or will have a substantial economic effect on [plaintiff] which admittedly uses its trademark and service marks in interstate commerce. . . . *A purely intrastate business is in interstate commerce for purposes of § 43(a) . . . if it has a substantial economic effect on interstate commerce.*

Id. at 297-98 (emphasis added). Similarly, Judge Clark of the Second Circuit stated: Since commerce itself means all commerce which Congress may lawfully regulate, and the legislative intent is . . . to protect persons engaged therein against unfair competition, it would follow that a use to the injury of marks which are in commerce is a use in commerce.

Dad's Root Beer Co. v. Doc's Beverages, Inc., 193 F.2d 77, 82 n.9 (2d Cir. 1951).

34. *Heart of Atlanta Motel, Inc. v. United States*, 379 U.S. 241 (1964); *Katzenbach v. McClung*, 379 U.S. 294 (1964). In *Katzenbach*, the Court held that a restaurant that served interstate travelers or served food a substantial portion of which has moved in interstate commerce was engaged in "commerce" in the constitutional sense. *Id.* at 300-05.

35. U.S. Const. art. I, § 8, ¶ 3.

36. See text accompanying notes 29-30 *supra*.

37. See note 1 *supra*.

38. See, e.g., *Potato Chip Institute v. General Mills, Inc.*, 461 F.2d 1088 (8th Cir. 1972); *Bernard Food Industries, Inc. v. Dietene Co.*, 415 F.2d 1279 (7th Cir. 1969); *Federal-Mogul-Bower Bearings, Inc. v. Azoff*, 313 F.2d 405 (6th Cir. 1963).

39. See, e.g., *Alum-A-Fold Shutter Corp. v. Folding Shutter Corp.*, 441 F.2d 556 (5th Cir. 1971); *Bogene Inc. v. Whet-Mor Mfg. Co.*, 253 F. Supp. 126 (S.D.N.Y. 1966).

to diversity or lack of diversity of the citizenship of the parties."⁴⁰ Still other courts⁴¹ have referred to § 1338(a) of the Judicial Code which gives the federal district courts "original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks."⁴² In this connection, it has been held that an action for violation of § 43(a) falls within § 1338(a) even if no trademark as such is involved.⁴³ Similarly, jurisdiction can be based on Lanham Act § 39 even though no federally registered trademark is involved.⁴⁴

40. 15 U.S.C. § 1121 (1970).

41. *Bose Corp. v. Linear Design Labs, Inc.*, 340 F. Supp. 513 (S.D.N.Y. 1971), *modified*, 467 F.2d 304 (2d Cir. 1972) (Lanham Act §§ 39 and 43(a) also cited); *Scotch Whiskey Ass'n v. Barton Distilling Co.*, 338 F. Supp. 595 (N.D. Ill. 1971) (Lanham Act § 39 also cited); *Midwest Packaging Materials Co. v. Midwest Packaging Corp.*, 312 F. Supp. 134 (S.D. Iowa 1970) (Lanham Act § 43(a) also cited).

42. 28 U.S.C. § 1338(a) (Supp. I, 1971). The companion section, § 1338(b), provides for "pendent" jurisdiction over related nonfederal claims for unfair competition. It reads:

The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent, plant variety protection or trademark laws.

28 U.S.C. § 1338(b) (1970). This subsection is often pleaded along with § 1338(a) and Lanham Act §§ 39 and 43(a), 15 U.S.C. §§ 1121, 1125(a) (1970). *See, e.g.*, *Mortelito v. Nina of California, Inc.*, 335 F. Supp. 1288 (S.D.N.Y. 1972); *Eastman Kodak Co. v. Fotomat Corp.*, 317 F. Supp. 304 (N.D. Ga. 1969); *Zandelin v. Maxwell Bentley Mfg. Co.*, 197 F. Supp. 608 (S.D.N.Y. 1961).

It has been held that § 1338(b), which was enacted after the Lanham Act, did not supercede or nullify §§ 39 or 43(a) of that Act in any way. *Am. Rolex Watch Corp. v. Jack Laufer & Jan Voort, Inc.*, 176 F. Supp. 858 (E.D.N.Y. 1959).

43. This is because § 43(a), 15 U.S.C. § 1125(a) (1970), is part of an act "relating to . . . trade-marks." *N.S. Meyer, Inc. v. Ira Green, Inc.*, 326 F. Supp. 338, 342 (S.D.N.Y. 1971) (defendant photocopied plaintiff's sales catalogs and used them to advertise its own goods).

44. *Florida v. Real Juices, Inc.*, 330 F. Supp. 428 (S.D. Fla. 1971) (common law "certification" mark involved); *N.S. Meyer, Inc. v. Ira Green, Inc.*, 326 F. Supp. 338 (S.D.N.Y. 1971) (no trademark involved); *General Pool Corp. v. Hallmark Pool Corp.*, 259 F. Supp. 383 (N.D. Ill. 1966) (no trademark involved). Of course, jurisdiction may be additionally based upon diversity of citizenship if the requirements of 28 U.S.C. § 1332 (1970) are met. In practice this is done whenever possible. *See, e.g.*, *Bose Corp. v. Linear Design Labs, Inc.*, 340 F. Supp. 513 (S.D.N.Y. 1971), *modified*, 467 F.2d 304 (2d Cir. 1972); *Crossbow, Inc. v. Dan-Dee Imports, Inc.*, 266 F. Supp. 335 (S.D.N.Y. 1967).

However, the only real advantage to pleading diversity jurisdiction would be to sustain federal jurisdiction in a case that failed to successfully state a federal substantive claim, but might be maintainable on state law grounds. In the absence of diversity jurisdiction, a case based on Lanham Act § 39, 15 U.S.C. § 1121 (1970) and 28 *id.* §§ 1338(a), (b) will be dismissed in its entirety if all of the federal claims fail to survive a motion to dismiss. *Idings v. Anaston*, 266 F. Supp. 1015 (N.D. Ill. 1967). But it should also be noted that cases may also be brought in state courts by alleging § 43(a), 15 U.S.C. § 1125(a) (1970), as a substantive ground and referring to the nonexclusive character of the federal jurisdiction conferring statutes. Section 39 of the Lanham Act does not indicate that jurisdiction is exclusively vested in the federal courts. Moreover, 28 U.S.C. § 1338(a) (1970), which expressly provides for exclusive federal jurisdiction for copyright and patent matters, does not do so with regard to trademark cases. For a state case de-

Thus, various jurisdictional routes have been used in § 43(a) cases. Since these routes clearly do not require any showing of diversity of citizenship or minimum jurisdictional amount, access to the federal courts is simplified and made more readily available in accordance with the Lanham Act's express intent. It is submitted that § 43(a) itself is not really appropriate as a basis for federal *jurisdiction* because the conferring of such jurisdiction is more obviously within the express scope of § 39 of the Lanham Act and § 1338(a) of the Judicial Code. However, as the cases above indicate, no noticeable disadvantage attaches to claiming alternative forms of jurisdiction.

Standing To Sue

The text of § 43(a) specifies two classes of "persons" who can bring suit against an alleged violator:

[1] any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated; [2] any person who believes that he is or is likely to be damaged by the use of any such false description or representation.⁴⁵

The first of these classes recalls the pre-Lanham cases that allowed tradesmen from a particular geographical area to band together to seek an injunction against a competitor's false use of a geographical designation.⁴⁶ This class has never posed a problem. Although the second class is potentially much larger due to its open-ended language, the issue of standing⁴⁷ under this section has only recently become controversial.

In early cases under § 43(a), the plaintiffs were in direct competition with the respective defendants, and no issue of standing as such was considered.⁴⁸ In 1959, however, it was held that a trade association that

cided under § 43(a) see *Mastro Plastics Corp. v. Emenee Industries, Inc.*, 19 App. Div. 2d 600, 240 N.Y.S.2d 624 (1963), *aff'd*, 14 N.Y.2d 498, 197 N.E.2d 610, 248 N.Y.S.2d 223 (1964).

Regardless of whether a state or a federal court decides issues under the Lanham Act, it is federal substantive law that must be used. *Clairol, Inc. v. Gillette Co.*, 389 F.2d 264, 268 n.9 (2d Cir. 1968); *Brown & Bigelow v. Remembrance Advertising Prods., Inc.*, 279 App. Div. 410, 110 N.Y.S.2d 441, 444 (1952), *aff'd*, 304 N.Y. 909, 110 N.E.2d 736 (1953); 2 CALLMANN, *supra* note 15, § 93.1(b).

45. 15 U.S.C. § 1125(a) (1970).

46. See note 13 *supra*.

47. The term "standing" is being used in a statutory, but nonconstitutional sense. See 72 COLUM. L. REV. 182, 182 n.5 (1972); 3 RUTGERS-CAMDEN L.J. 583, 586 n.16 (1972).

48. See, e.g., *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649 (3d Cir. 1954); *Gold Seal Co. v. Weeks*, 129 F. Supp. 928 (D.D.C.), *aff'd sub. nom.* S.C. John-

had a direct pecuniary interest in the sales of its members could sue under § 43(a),⁴⁹ thereby extending that section's protection to commercial interests in the nature of competition.⁵⁰ This extension was allowed on a theory that the plaintiff was a "person . . . damaged" by the defendant's acts.⁵¹ The year 1959 also marked⁵² the first limitation on the scope of the standing provisions of § 43(a) when a case was dismissed because the plaintiff, who had not yet marketed his goods in competition with the defendant, was not actually "engaged in . . . commerce" within the meaning of the relevant portion of the "intent" paragraph of the Lanham Act.⁵³ This was the state of the law until 1971.

In 1971 the standing issue arose four times. In one case, the State of Florida tried to use § 43(a) to enjoin defendant's unauthorized use of a so-called "common law certification mark"⁵⁴ ("Sunshine Tree" for citrus products).⁵⁵ Although Florida was neither a competitor nor a party with a direct pecuniary interest in the business of a competitor, the court allowed the suit, reasoning that

any proprietary right to the good will associated with 'Sunshine Tree' would be owned by plaintiff for use in connection with any citrus products it desired.⁵⁶

In this manner it tacitly found a quasi-pecuniary interest which was sufficient to meet the "person . . . damaged" test.

The other three cases involved the issue of consumer standing under

son & Son v. Gold Seal Co., 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956).

49. Mutation Mink Breeders Ass'n v. Lou Nierenberg Corp., 23 F.R.D. 155, 161-62 (S.D.N.Y. 1959).

50. This extension has been continued in recent cases which have allowed importers of goods to sue under § 43(a), 15 U.S.C. § 1125(a) (1970), to protect their interests. See Norman M. Morris Corp. v. Weinstein, 466 F.2d 137, 142 (5th Cir. 1972); D & M Antique Import Corp. v. Royal Saxe Corp., 311 F. Supp. 1261, 1268 (S.D.N.Y. 1969).

51. 15 U.S.C. § 1125(a) (1970).

52. Marshall v. Proctor & Gamble Mfg. Co., 170 F. Supp. 828, 834 (D. Md. 1959).

53. "The intent of this act is to regulate commerce within the control of Congress . . . to protect persons engaged in such commerce against unfair competition." Lanham Act § 45, 15 U.S.C. § 1127 (1970). The phrase excerpted is the only one in the intent paragraph that does not expressly refer to the use of "marks," and thus is the only phrase applicable to violations of § 43(a), *id.* § 1125(a), not involving "marks."

54. The court used the term "certification mark" as it is defined in the Lanham Act: The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

Lanham Act § 45, 15 U.S.C. § 1127 (1970).

55. Florida v. Real Juices, Inc., 330 F. Supp. 428 (M.D. Fla. 1971).

56. *Id.* at 432.

§ 43(a). In *Arnesen v. Raymond Lee Organization, Inc.*,⁵⁷ an inventor brought a class action on behalf of himself and other inventors similarly situated against a "patent service" for allegedly false statements about the nature of its business. In rejecting the defendant's argument that consumers lacked standing because they were not engaged in commerce, the court stated:

The liability clause of Section 43(a) is clear on its face; it applies to any person who is or is likely to be damaged. . . . [T]he plain language of the intent section [Lanham Act § 45, ¶ 21] makes actionable, *inter alia*, the deceptive and misleading use of marks and descriptions.⁵⁸

The *Arnesen* court further explained that "there is, absent legislative intent to the contrary, no reason why [a consumer] should not be able to sue for his own protection."⁵⁹

In contrast to the *Arnesen* case are *Florida ex rel. Broward County v. Eli Lilly & Co.*⁶⁰ and *Colligan v. Activities Club of New York Ltd.*,⁶¹ both of which prohibited consumers from maintaining actions under § 43(a). In *Eli Lilly*, the State of Florida, acting through a special assistant attorney general, sued on its own behalf and on behalf of a class of consumers, alleging false representations about the effectiveness and side effects of certain drugs manufactured by defendant pharmaceutical firm. In dismissing the complaint, the court said:

The purpose, the legislative history, and the consistent line of authority restricting the scope of Section 43(a) . . . to actions involving competitive injury suffered from "unfair competition" clearly indicate that the claims stated in the complaint do not arise under the statute.⁶²

This, of course, was in direct opposition to the holding in *Arnesen*. Unfortunately, the *Eli Lilly* court did not provide a satisfactory analysis for this conclusion.

57. 333 F. Supp. 116 (C.D. Cal. 1971).

58. *Id.* at 120. The court also approved a statement in *Yameta v. Capitol Records, Inc.*, 279 F. Supp. 582, 586 (S.D.N.Y.), *vacated*, 393 F.2d 91 (2d Cir. 1968), to the effect that the Lanham Act's legislative history indicates that both competitors and consumers were to be protected. Because of the Second Circuit decision, however, this authority is very much in question. See note 176 *infra* & text accompanying.

59. 333 F. Supp. at 120.

60. 329 F. Supp. 364 (S.D. Fla. 1971).

61. 442 F.2d 686 (2d Cir.), *cert. denied*, 404 U.S. 1004 (1971), *noted in* 72 COLUM. L. REV. 182 (1972); 46 N.Y.U. L. REV. 807 (1971); 3 RUTGERS-CAMDEN L.J. 583 (1972).

62. 329 F. Supp. at 366-67.

In *Colligan*, the Second Circuit provided the only painstaking judicial treatment of § 43(a) consumer standing to date. Here, two students brought suit individually and as members of two classes of students who allegedly had been damaged or were likely to be damaged by defendant's use of "false descriptions and representations of the nature, sponsorship, and licensing of their interstate ski tour service."⁶³ The court held that although the plaintiffs satisfied the literal requirements of § 43(a) and even though the legislative history was inconclusive, standing was lacking because the congressional statement of intent in § 45⁶⁴ limits the scope of § 43(a) to "persons engaged in . . . commerce against unfair competition."⁶⁵ Thus, the court concluded:

[C]ongress' purpose . . . was to create a special and limited unfair competition remedy, virtually without regard for the interests of consumers generally and almost certainly without any consideration of consumer rights of action in particular.⁶⁶

The *Colligan* court buttressed its decision by referring to a passage in the *L'Aiglon* case that suggested § 43(a) actions were only available to commercial plaintiffs, and by raising the specter of "a veritable flood of claims brought in already overtaxed federal district courts."⁶⁷ The Court also rejected plaintiffs' argument that in the absence of clearly expressed congressional intent standing should exist for consumers in addition to commercial parties.⁶⁸ This holding is especially significant coming, as it does, from the Second Circuit, long a leader in matters relating to unfair trade practices. Whether other courts will follow its views or will prefer the more expansive interpretation of standing of the *Arnesen* case remains to be seen.

Requirements of a § 43(a) Case

One commentator has concluded that there are four requirements

63. 442 F.2d at 687 (quoting from the plaintiff's complaint). Defendant had promised an all inclusive, high quality ski trip but had in fact provided a combination of calamity and confusion ranging from an inadequate supply of ski gear to unlicensed busses with faulty brakes, seeping exhaust fumes, and an intoxicated driver. *Id.*

64. 15 U.S.C. § 1127 (1970).

65. 442 F.2d at 691.

66. *Id.* at 692.

67. *Id.* at 693.

68. Our analysis requires that the manner in which this issue be posed is precisely the reverse [of plaintiff's]: had Congress contemplated so revolutionary a departure implicit in [plaintiff's] claims, its intention could and would have been clearly expressed.

Id. at 693-94. This, of course, is directly contrary to the view espoused in *Arnesen*. See note 59 *supra* & text accompanying.

for a successful action under § 43(a):

1. that the defendant's advertisement is in fact false;
2. that it actually deceives or has the tendency to deceive a substantial segment of its audience;
3. that such deception is material, in the sense that it is likely to make a difference in the purchasing decision;
4. that the particular plaintiff has been or is likely to be injured as the result of the foregoing, either by direct diversion of sales from himself to the falsely advertising competitor, or by lessening of the good will which his own product enjoys with the buying public.⁶⁹

Since 1956, these elements have been cited with approval by other commentators.⁷⁰ Indeed, with some modifications and a few additions, these requirements remain accurate at the present time. However, a deeper analysis of the content of these requirements is necessary.

The requirement of falsity is found in the language of § 43(a) itself which directly proscribes

. . . a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same. . . .⁷¹

At least two reported cases have construed truthfulness as a complete defense to a § 43(a) claim.⁷² However, "literal" truth is probably not a defense. A false impression may be found to violate the section,⁷³ a

69. Weil, *Protectibility of Trademark Values Against False Competitive Advertising*, 44 CALIF. L. REV. 527, 537 (1956) [hereinafter cited as Weil].

70. See, e.g., Dole, *Merchant and Consumer Protection: The Uniform Deceptive Trade Practice Act*, 76 YALE L.J. 485, 489 (1967); Derenberg, *First Decade, supra* note 3, at 1053; cf. *Unfair Competition, supra* note 23, at 616-17.

71. 15 U.S.C. § 1125(a) (1970).

72. Smith v. Chanel, Inc., 402 F.2d 562 (9th Cir. 1968); Societe Comptoir de L'Industrie Cotonniere Etablissements Boussac v. Alexander's Dep't Stores, Inc., 299 F.2d 33 (2d Cir. 1962). In both of these cases, the defendants had accurately represented that their products were copies of plaintiffs' goods.

73. Geisel v. Poynter Prods. Inc., 283 F. Supp. 261, 267 (S.D.N.Y. 1968); Mutation Mink Breeders Ass'n v. Lou Nierenberg Corp., 23 F.R.D. 155 (S.D.N.Y. 1959). But see Marshall v. Proctor & Gamble Mfg. Co., 170 F. Supp. 828 (D. Md. 1959). It is quite important that false impressions are held to violate § 43(a), 15 U.S.C. § 1125(a) (1970), because they are involved in so much of modern advertising:

[Modern advertising personnel] carefully choose words to create impressions and expectations on the part of the consumer which are at least in part discrepant with the product's true characteristics. [They] create an image of the product in the consumer's mind that is not totally substantiated by the product's true performance. . . . [T]oday's copy writers avoid clearly false statements. They tend instead to use "those less obvious forms of falsehood which in causticity and law are called *suppressio verbi* and *suggestio falsi*, concealing a truth and

result which is entirely in keeping with the statutory phrase "words or other symbols *tending* falsely to describe or represent."⁷⁴

The required falsity must pertain to a "designation of origin" or a "description or representation."⁷⁵ However, the phrase "designation of origin" has been expansively construed to include indications of source of manufacture, sponsorship, etc. in addition to indications of geographical origin,⁷⁶ even though a literal reading of § 43(a) would seem to lead to a contrary result.⁷⁷

Another aspect of importance is the form which the false statement⁷⁸ must take in order to constitute a violation of § 43(a). The statute does not mention the word "advertisement" nor does it indicate that any specific form is or is not included. Instead, the statute broadly applies to false statements that "[a]ny person . . . shall affix, apply, or annex, or use in connection with goods or services, or any container or containers for goods."⁷⁹ The "affix, apply or annex" language would adequately explain cases that consider false *labeling* within the scope of § 43(a);⁸⁰ the "use in connection with goods or services" phrase would

hinting a lie, methods which certain types of advertising have carried to pitch of skill and success that leaves us breathless."

Pollay, *Deceptive Advertising and Consumer Behavior: A Case for Legislative and Judicial Reform*, 17 KAN. L. REV. 625, 626 (1969), quoting D. MASTERS, *THE INTELLIGENT BUYER'S GUIDE TO SELLERS* 171 (1965).

74. 15 U.S.C. § 1125(a) (1970) (emphasis added). Such a result is also consistent with analogous decisions under the Federal Trade Commission Act. See *P. Lorillard Co. v. FTC*, 186 F.2d 52 (4th Cir. 1950); 1 CALMANN, *supra* note 15, § 19.2(b) (1), at 667-68.

75. See *Am. Optical Co. v. Rayex Corp.*, 291 F. Supp. 502, 510 n.6 (S.D.N.Y. 1967) (dictum), *aff'd per curiam*, 394 F.2d 155 (2d Cir. 1968); *General Pool Corp. v. Hallmark Pool Corp.*, 259 F. Supp. 383, 385 (N.D. Ill. 1966). One commentator opined that "all practices which would constitute a 'false designation of origin' would also amount to a 'false representation' within the meaning of the statute." *Unfair Competition*, *supra* note 25, at 616, n.96.

76. *Federal-Mogul-Bower Bearings, Inc. v. Azoff*, 313 F.2d 405 (6th Cir. 1963); *N. S. Meyer, Inc. v. Ira Green, Inc.*, 326 F. Supp. 338, 342 (S.D.N.Y. 1971); *Geisel v. Poynter Prods. Inc.*, 283 F. Supp. 261, 267 (S.D.N.Y. 1968) (and cases cited therein). *But see Joshua Meier Co. v. Albany Novelty Mfg. Co.*, 236 F.2d 144 (2d Cir. 1956).

It may well be that if the plaintiff has acquired a common law trademark, the defendant's use of that mark constitutes a false designation of origin within the meaning of [§ 43(a)].

Id. at 147 (dictum).

77. For an analysis that reaches this contrary result see notes 162-72 *infra* & text accompanying.

78. The term "statement" will be used to denote "designations of origin," "descriptions" and "representations" within the meaning of § 43(a), 15 U.S.C. § 1125(a) (1970).

79. *Id.*

80. See *Parkway Baking Co. v. Freihofer Baking Co.*, 255 F.2d 641 (3d Cir. 1958); *Scotch Whiskey Ass'n v. Barton Distilling Co.*, 338 F. Supp. 595 (N.D. Ill. 1971); *Cutler-Hammer, Inc. v. Universal Relay Corp.*, 285 F. Supp. 636 (S.D.N.Y. 1968).

seem to be applicable where false *advertising* of some kind is involved.⁸¹ The mere removal of a designation of origin, however, is not violative of § 43(a),⁸² although the substitution of a false designation of origin in place of the true designation might amount to a violation.⁸³ Under this analysis, one could remove a trademark from another's goods and sell them unmarked with impunity, but could not relabel the goods as one's own.⁸⁴

Under § 43(a) the false designation, description or representation must relate to the source,⁸⁵ nature⁸⁶ or quality⁸⁷ of "goods or services" which "[a]ny person . . . shall cause . . . to enter into commerce."⁸⁸ Cases construing the word "goods" have either read it very broadly or have found that a "use in connection with . . . goods" was involved.⁸⁹ The term "services" has not caused any difficulty to the few courts that have encountered it.⁹⁰ There is authority, however, for limiting actionable misstatements to those that a defendant makes about his own goods or services,⁹¹ thus excluding statements he may have made about the plaintiff's goods, which he did not "cause . . . to enter into commerce" within the meaning of § 43(a).

81. See, e.g., *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649 (3d Cir. 1954); *Smith-Victor Corp. v. Sylvania Elec. Prods., Inc.*, 242 F. Supp. 302 (N.D. Ill. 1965); *Marshall v. Proctor & Gamble Mfg. Co.*, 170 F. Supp. 828 (D. Md. 1959). See also *Glenn v. Advertising Publications, Inc.*, 251 F. Supp. 889 (S.D.N.Y. 1966), which stated:

It would seem that a false representation contained in a report, brochure or film prepared for selling purposes is as much a representation used "in connection with" goods as a representation in an advertisement.

Id. at 903; cf. *Midwest Packaging Materials Co. v. Midwest Packaging Corp.*, 312 F. Supp. 134 (S.D. Iowa 1970), where the court held that "stock certificates can be thought of as 'use[d] in connection with . . . goods or services.'" *Id.* at 136.

82. "[Section 43(a)] makes actionable the *application* of 'a false designation of origin,' not the removal of a true designation." *Pic Design Corp. v. Sterling Precision Corp.*, 231 F. Supp. 106, 115 (S.D.N.Y. 1964) (emphasis in original).

83. *Id.* (dictum).

84. Cf. *Mastro Plastics Corp. v. Emenee Industries, Inc.*, 19 App. Div. 2d 600, 240 N.Y.S.2d 624 (1963), *aff'd*, 14 N.Y.2d 498, 197 N.E.2d 620, 248 N.Y.S.2d 233 (1964). For a further discussion of the application of § 43(a), 15 U.S.C. § 1125(a) (1970), to designations of source of manufacture see notes 162-72 *infra* & text accompanying.

85. See notes 75-77 *supra* & text accompanying.

86. See *Potato Chip Institute v. General Mills, Inc.*, 461 F.2d 1088 (8th Cir. 1972); *Arnesen v. Raymond Lee Organization, Inc.*, 333 F. Supp. 116, 120 (C.D. Cal. 1971).

87. *Scotch Whiskey Ass'n v. Barton Distilling Co.*, 338 F. Supp. 595 (N.D. Ill. 1971); *H. A. Friend & Co. v. Friend & Co.*, 276 F. Supp. 707, 715 (C.D. Cal. 1967), *aff'd*, 416 F.2d 526 (9th Cir. 1969).

88. 15 U.S.C. § 1125(a) (1970).

89. *N.S. Meyer, Inc. v. Ira Green, Inc.*, 326 F. Supp. 338, 341 (S.D.N.Y. 1971) (sales catalogs); *Midwest Packaging Materials Co. v. Midwest Packaging Corp.*, 312 F. Supp. 134, 136 (S.D. Iowa 1970) (stock certificates).

90. See *Arnesen v. Raymond Lee Organization, Inc.*, 333 F. Supp. 116 (C.D. Cal. 1971); *Harrison Services, Inc. v. Margino*, 291 F. Supp. 319 (S.D.N.Y. 1968).

91. *Bernard Food Industries, Inc. v. Dietene Co.*, 415 F.2d 1279, 1283 (7th Cir. 1969); *Holsten Import Corp. v. Rheingold Corp.*, 285 F. Supp. 607 (S.D.N.Y. 1968).

As a result of the above interpretations it might be worthwhile to revise the falsity requirement to read as follows:

The defendant's statement must either be false in fact or tend to create a false impression about the geographical origin, source of supply or sponsorship, or nature or quality of defendant's own goods or services, and defendant must have attached the statement to his goods or used it in connection with his goods or services, which were in interstate commerce.

The second requirement is that the defendant's statement actually deceives or has the tendency to deceive a substantial portion of its audience. Post-1956 cases have proven the accuracy of this requirement. For example, in a case in which the Girl Scouts sued to enjoin the sale of posters picturing an obviously pregnant girl in the well-known Girl Scout uniform above the equally well-known motto "Be Prepared," the court dismissed a § 43(a) action on the ground that the Girl Scouts had failed to "demonstrate that the false representations, if any, have a tendency to deceive."⁹² Other cases also make it evident that deception is an integral part of a claim under § 43(a).⁹³

The second requirement is closely related to the third, *i.e.*, that the deception is material, in the sense that it is likely to make a difference in the purchasing decision. Materiality appears to be important in two respects: first, to exclude de minimis violations and second, to make certain that the falsity of defendant's statement is measured against the type of persons who received the statement. The first point is self-evident.⁹⁴

92. *Girl Scouts of the United States of America v. Personality Posters Mfg. Co.*, 304 F. Supp. 1228, 1231 (S.D.N.Y. 1969); *cf. Parkway Baking Co. v. Freihofer Baking Co.*, 255 F.2d 641 (3d Cir. 1958). "[T]here seems to be no requirement that purchasers actually be deceived, but only that the false advertisements have a tendency to deceive." *Id.* at 649.

93. *Hesmer Foods, Inc. v. Campbell Soup Co.*, 346 F.2d 356, 359 (7th Cir. 1965); *cf. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Chandris America Lines, Inc.*, 321 F. Supp. 707 (S.D.N.Y. 1971). "[A]lthough intentional falsification of the designation of origin is not required, there must be some showing that the public might be deceived." *Id.* at 712.

94. One court stated:

[Plaintiff] has not established that as a competitor it is or is likely to be damaged by any false description or representation. It has not shown damage or likelihood of damage due to the fact that any substantial number of reasonable customers were misled or likely to be misled as to the nature of the product . . . or that if they had known the true facts, they most likely would have purchased a different product. . . .

Gold Seal Co. v. Weeks, 129 F. Supp. 928, 940 (D.D.C.), *aff'd sub nom. S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956). Although this decision preceded the Weil article, Weil, *supra* note 69, it has never been contradicted, and thus Mr. Weil's materiality requirement would appear intact. *Cf. Glenn v. Advertising Publications, Inc.*, 251 F. Supp. 889 (S.D.N.Y. 1966),

As to the second point, a court has taken specific notice of the nature of the group that received defendant's statement. Because this court found that the plaintiffs, a group of businessmen, were sophisticated in matters of the sort involved, it held that materiality was absent.⁹⁵

The fourth requirement involves injury to the plaintiff. That actual or potential injury is a requirement of a § 43(a) suit does not seem subject to doubt,⁹⁶ even though the statute itself, literally read, would allow suit "by *any* person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated."⁹⁷ It is also quite clear that while a showing of potential injury is sufficient for injunctive relief, a showing of actual injury is required for monetary relief.⁹⁸ However, there is considerable doubt as to whether the injury, actual or potential, must be to commercial interests. Thus, the fourth requirement must be modified to include the possibility of consumer suits of the type discussed above.⁹⁹

Type of Cases That Come Within § 43(a)

Although § 43(a) has been construed in a manner prohibiting a variety of false statements, the facts of *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*,¹⁰⁰ in which the defendant used a photograph of the plaintiff's product to advertise his own inferior product, still arise most frequently.¹⁰¹ Similar cases in which a defendant has used copies of his com-

where the court dismissed a § 43(a) claim partially because defendant's statements "are trivial and . . . do not add up to the kind of misrepresentation which I believe the Lanham Act was intended to cover." *Id.* at 904.

95. *Glenn v. Advertising Publications, Inc.*, 251 F. Supp. 889, 904 (S.D.N.Y. 1966). In this case the "misrepresentations" were contained in reports, brochures, and films circulated amongst businesses and persons involved in the advertising profession.

96. See cases cited notes 127-28 *infra*.

97. No cases have been found which give a literal interpretation to this phrase. But Callmann states:

Indeed, the statute goes further in recognizing that the plaintiff need not even be "in the same line of business and in competition with defendant"; it will be sufficient, in the case of a false designation of origin, that the plaintiff is "doing business in the locality falsely indicated"

1 CALLMANN, *supra* note 15, § 18.2(b) (2), at 625. However, Mr. Callmann fails to indicate the source of his quoted phrase "in the same line of business," and it does not appear in the statute.

98. See notes 127-30 *infra* & text accompanying.

99. See notes 62-83 *supra* & text accompanying. See also notes 149-61 *infra* & text accompanying.

100. 214 F.2d 649 (3d Cir. 1954). See also notes 19-23 *supra* & text accompanying.

101. See, e.g., *General Pool Corp. v. Hallmark Pool Corp.*, 259 F. Supp. 383 (N.D. Ill. 1966); *Ideal Toy Corp. v. Fab-Lu, Ltd.*, 261 F. Supp. 238 (S.D.N.Y. 1966); *Am. Optical Co. v. Rayex Corp.*, 266 F. Supp. 342 (S.D.N.Y. 1966); cf. *George O'Day Associates, Inc. v. Talman Corp.*, 206 F. Supp. 297, 300 (D.R.I.), *aff'd sub nom.* *O'Day Corp. v. Talman Corp.*, 310 F.2d 623 (1st Cir. 1962).

petitor's sales catalogs¹⁰² or brochures¹⁰³ have also come under § 43(a), as do cases where the defendant actually used some of plaintiff's goods as "samples" of his own goods.¹⁰⁴ Ordinary passing-off has also been said to violate § 43(a),¹⁰⁵ as has the use of deceptively similar trade dress.¹⁰⁶ Likewise, false representations concerning approval or authorization of defendant's goods or services violate § 43(a).¹⁰⁷ In addition, it has been held that "slavish copying" of a competitor's goods violates § 43(a),¹⁰⁸ but this would no longer appear to be good law since the landmark preemption decisions by the Supreme Court in *Sears, Roebuck & Co. v. Stiffel Co.*¹⁰⁹ and *Compco Corp. v. Day-Brite Lighting, Inc.*¹¹⁰

There is a group of § 43(a) cases involving falsities concerning the use of trademarks,¹¹¹ service marks¹¹² and "certification" marks.¹¹³ Indeed, it has been said as recently as 1970 that § 43(a) applies *only* to deceptive uses of common law trademarks "and similar misleading use of words, names, symbols or devices adopted by a merchant to identify his goods."¹¹⁴

102. *N.S. Meyer, Inc. v. Ira Green, Inc.*, 326 F. Supp. 338 (S.D.N.Y. 1971).

103. *Bogene Inc. v. Whet-Mor Mfg. Co.*, 253 F. Supp. 126 (S.D.N.Y. 1966).

104. *Crossbow, Inc. v. Dan-Dee Imports, Inc.*, 266 F. Supp. 335, 339-40 (S.D.N.Y. 1967); *Mastro Plastics Corp. v. Emenee Industries, Inc.*, 19 App. Div. 2d 600, 240 N.Y.S.2d 624 (1963), *aff'd*, 14 N.Y.2d 498, 197 N.E.2d 620, 248 N.Y.S.2d 223 (1964). This behavior is sometimes referred to as "reverse passing-off," since it is the reverse of the usual practice of passing-off one's goods as those of a competitor. Of course the reason that this is done is to pave the way for later acts of ordinary passing-off.

105. *Sutton Cosmetics (P.R.) Inc. v. Lander Co.*, 455 F.2d 285, 287 (2d Cir. 1972); *Chamberlain v. Columbia Pictures Corp.*, 186 F.2d 923, 925 (9th Cir. 1951) (and cases cited therein).

106. *Eastman Kodak Co. v. Fotomat Corp.*, 317 F. Supp. 304 (N.D. Ga. 1969) (defendant ordered to mark its film kiosks so as not to imply that they were operated by plaintiff). *See also Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304 (2d Cir. 1972).

107. *Parkway Baking Co. v. Friehofer Baking Co.*, 255 F.2d 641 (3d Cir. 1958) (existence of trademark license misrepresented); *Jaeger v. Am. Int'l Pictures, Inc.*, 330 F. Supp. 274 (S.D.N.Y. 1971) (defendant marketed a substantially modified version of plaintiff's movie film representing that plaintiff was the "director" and "co-author"); *Geisel v. Poynter Prods. Inc.*, 283 F. Supp. 261 (S.D.N.Y. 1968) (misrepresentation that cartoonist who had created certain characters had designed or in some way approved dolls based on his cartoons).

108. *Catalina, Inc. v. Gem Swimwear, Inc.*, 162 F. Supp. 911 (S.D.N.Y. 1958); *see Unfair Competition, supra* note 23, at 620-21.

109. 376 U.S. 225 (1964).

110. 376 U.S. 234 (1964).

111. *Sutton Cosmetics (P.R.) Inc. v. Lander Co.*, 455 F.2d 285 (2d Cir. 1972); *Cutler-Hammer, Inc. v. Standard Relay Corp.*, 328 F. Supp. 868, 879 (S.D.N.Y. 1970), *aff'd*, 444 F.2d 1092 (2d Cir. 1971). *But see* *McTavish Bob Oil Co. v. Disco Oil Co.*, 345 F. Supp. 1379 (N.D. Ill. 1972). The court there stated that "the case law is not at all clear as to whether § 43(a) applies to the use by a defendant of a plaintiff's alleged common law trademark." *Id.* at 1381.

112. *Iding v. Anaston*, 266 F. Supp. 1015 (N.D. Ill. 1967); *Burger King, Inc. v. Brewer*, 244 F. Supp. 293 (W.D. Tenn. 1965).

113. *Florida v. Real Juices, Inc.*, 330 F. Supp. 428, 431 (M.D. Fla. 1971).

114. *Sterling Prods. Co. v. Crest Mfg. Co.*, 314 F. Supp. 204, 211 (E.D. Mich.

However, this odd throwback to an early decision severely limiting § 43(a)¹¹⁵ cannot be taken seriously due to those cases that expressly hold to the contrary¹¹⁶ and the many cases that have applied § 43(a) in the absence of any trademark or trademark-like infraction.¹¹⁷

Case law does not limit the application of § 43(a) to federally registered marks; "common law" marks are also included.¹¹⁸ However, it is generally held that § 43(a) will protect unregistered marks which are not inherently "distinctive" in the trademark sense¹¹⁹ only if they have attained "secondary meaning,"¹²⁰ that is, if they have attained distinctiveness as indications of source of manufacture.¹²¹ The rationale behind

1970); *accord*, Geisel v. Poynter Prods. Inc., 283 F. Supp. 261, 267 (S.D.N.Y. 1968); General Pool Corp. v. Hallmark Pool Corp., 259 F. Supp. 383, 385 (N.D. Ill. 1966); *cf.* Mortellito v. Nina of California, Inc., 335 F. Supp. 1288 (S.D.N.Y. 1972). The *Mortellito* court stated:

The gist of the action under [§ 43(a)] is a use of the mark of tradename in interstate commerce which is likely to cause confusion or to deceive purchasers as to the source of origin of the goods.

Id. at 1294.

115. *Samson Crane Co. v. Union Nat'l Sales, Inc.*, 87 F. Supp. 218, 222 (D. Mass. 1949), *aff'd per curiam*, 180 F.2d 896 (1st Cir. 1950).

116. *Glenn v. Advertising Publications, Inc.*, 251 F. Supp. 889, 902 (S.D.N.Y. 1966); *Smith-Victor Corp. v. Sylvania Elec. Prods., Inc.*, 242 F. Supp. 302, 310 (N.D. Ill. 1965).

117. *See* notes 100-05 *supra*.

118. *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 309 (2d Cir. 1972) (trade dress); *Joshua Meier Co. v. Albany Novelty Mfg. Co.*, 236 F.2d 144, 147 (2d Cir. 1956) (trademark); *Florida v. Real Juices, Inc.*, 330 F. Supp. 428, 431 (M.D. Fla. 1971) (certification mark); *Iding v. Anaston*, 266 F. Supp. 1015, 1017-18 (N.D. Ill. 1967) (service mark).

119. With regard to the term "inherently distinctive" see 1 McCARTHY, *supra* note 15, §§ 11:2-4. *See also* 3 CALLMANN, *supra* note 15, § 66.1; E. VANDENBURGH, TRADE-MARK LAW AND PROCEDURE § 4.10 (2d ed. 1968) [hereinafter cited as VANDENBURGH].

120. *Joshua Meier Co. v. Albany Novelty Mfg. Co.*, 236 F.2d 144 (2d Cir. 1956); *N.S. Meyer, Inc. v. Ira Green, Inc.*, 326 F. Supp. 338, 342 (S.D.N.Y. 1971); *Sterling Prods. Co. v. Crest Mfg. Co.*, 314 F. Supp. 204 (E.D. Mich. 1970).

In *Joshua Meier*, the court concluded that § 43(a), 15 U.S.C. § 1125(a) (1970), would apply to unregistered trademarks only if they

are so associated with [plaintiff's] goods that the use of the same or similar marks by another company constitutes a representation that its goods come from the same source.

236 F.2d at 147; *cf.* *California Apparel Creators v. Weider of California, Inc.*, 162 F.2d 893 (2d Cir. 1947). In that case Judge Clark stated: "[T]here is of course the necessity of proving that the apparel labels do designate the origin of the goods to the buyers." *Id.* at 901 n.12 (dictum).

The *Sterling Prods.* case is also noteworthy in holding that § 43(a) would not be violated

unless [plaintiff's] claimed designations had acquired, in the mind of the average purchaser, an association with [plaintiff] which indicated to said purchasers that the product bearing these designations on its label . . . originated with [plaintiff].

314 F. Supp. at 211.

121. This, of course, is consistent with general principles of trademark law. *See* 3 CALLMANN, *supra* note 15, § 77; McCARTHY, *supra* note 15, §§ 15:1-9; VANDENBURGH,

this interpretation is the need to bring the case within the § 43(a) phrase "false designation of origin, or . . . false description or representation."¹²² Unless the public has come to know a particular mark as indicating a particular source of origin, a finding of the requisite falsity would be anomalous since there would be no standard against which to measure such falsity.

A few words should also be said about what acts do *not* violate § 43(a). It is abundantly clear that the utterance of wholly truthful, accurate statements about one's own products—even that one's goods are copies of another's "original" items—is not unlawful.¹²³ It has also been held that § 43(a) has no application to actions for personal injuries allegedly caused by reliance upon false representations.¹²⁴ Perhaps more importantly, it has been held that § 43(a) has no application whatsoever to acts of disparagement of another's goods.¹²⁵ This is apparently based on the § 43(a) requirement that the false statement must be affixed, applied, annexed or used in connection with goods or services which the *defendant* "shall cause . . . to enter into commerce."¹²⁶

Remedies

As mentioned earlier, injunctive relief against a violation of § 43(a) may be obtained on a mere showing of likelihood of injury to the plaintiff,¹²⁷ but a monetary award can be recovered only where actual

supra note 119, § 4.70. However, proof of secondary meaning probably will not be required with regard to "inherently distinctive" marks, which is also consistent with general principles of trademark law. See authorities cited note 119 *supra*.

122. 15 U.S.C. § 1125(a) (1970) (emphasis added).

123. See note 72 *supra*.

124. *Carpenter v. Erie R.R.*, 178 F.2d 921 (2d Cir. 1949). However, the importance of this decision was later minimized by the same court. See *Colligan v. Activities Club, Ltd.*, 442 F.2d 686, 688 n.7 (2d Cir. 1971).

125. *Bernard Foods Industries, Inc. v. Dietene Co.*, 415 F.2d 1279 (7th Cir. 1969), where the court pointed out:

[T]he Act does not embrace misrepresentations about a competitor's product but only false or deceitful representations which the manufacturer or merchant makes about his own goods or services.

Id. at 1284 (emphasis added); *accord*, *Holsten Import Corp. v. Rheingold Corp.*, 285 F. Supp. 607 (S.D.N.Y. 1968); *cf. Derenberg, First Decade, supra* note 3, at 1055; *Unfair Competition, supra* note 23. The latter wrote:

[T]hough trade disparagement would not fall directly within the statute [§ 43(a)], many such cases might be covered indirectly in so far as the acts complained of also involved misrepresentations as to the defendant's product.

Id. at 620. But see Note, *Section 43(a) of the Lanham Act: Its Development and Potential*, 3 *LOVELA U.L.J.* 327, 337-39 (1972) [hereinafter cited as Note].

126. 15 U.S.C. § 1125(a) (1970).

127. *Hesmer Foods, Inc. v. Campbell Soup Co.*, 346 F.2d 356, 359 (7th Cir. 1965); *Mortellito v. Nina of California, Inc.*, 335 F. Supp. 1288, 1294 n.9 (S.D.N.Y. 1972); *General Pool Corp. v. Hallmark Pool Corp.*, 259 F. Supp. 383, 386 (N.D. Ill. 1966).

injury is proven.¹²⁸ This interpretation of § 43(a), the text of which says absolutely nothing about available remedies,¹²⁹ is in accord with, and no doubt modelled after, basic principles of remedies in trademark infringement and analogous unfair competition cases.¹³⁰ Furthermore, as in the law of trademarks and unfair competition,¹³¹ there is no requirement that the defendant have an intent to deceive when the granting of an injunction is involved.¹³² However, unlike trademark and unfair competition law,¹³³ intent is apparently unnecessary even when a monetary award is sought.¹³⁴

The exact interaction between § 43(a) and the remedies sections of the Lanham Act¹³⁵ is unclear since each of these sections specifically

128. *Hesmer Foods, Inc. v. Campbell Soup Co.*, 346 F.2d 356, 359 (7th Cir. 1965); *Smith-Victor Corp. v. Sylvania Elec. Prods., Inc.*, 242 F. Supp. 302, 311 (N.D. Ill. 1965). See also *Gold Seal Co. v. Weeks*, 129 F. Supp. 928 (D.D.C.), *aff'd sub nom. S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956). The *Gold Seal* court said:

[Plaintiff's] attempt to analogize section 43(a) to a libel action, making proof of actual damages unnecessary, is totally without support in law or reason. Pecuniary recovery must be individualized, loss of sales must be shown. Section 43(a) was to promote fair business dealings. It was not to provide a windfall to an overly eager competitor.

Id. at 940. *But see* 1 CALLMAN, *supra* note 15, § 18.2(b) (2). Mr. Callmann stated that proof of actual injury

should not be required when it is clear that false advertising was expressly directed against the plaintiff. By analogy to the law of libel, the claim should be actionable "*per se*," damage being the intended result of defendant's act.

Id.

129. The text of § 43(a) merely states that one who violates the proscriptions therein "shall be liable to a civil action." 15 U.S.C. § 1125(a) (1970). For a full statement of the text of § 43(a) see note 1 *supra*.

130. See 4 CALLMANN, *supra* note 15, §§ 88-89; 2 MCCARTHY, *supra* note 15, §§ 27:5(A), 30; VANDENBURGH, *supra* note 119, §§ 5.20, 11.50. See also Hubbard, *Monetary Recovery Under the Copyright, Patent, and Trademark Acts*, 58 TRADE-MARK REP. 560, 583-92 (1968). See also *Mortellito v. Nina of California, Inc.*, 335 F. Supp. 1288 (S.D.N.Y. 1972). The court said:

We can . . . look to cases involving common law trademarks or those registered under the Lanham Act for help in defining notions such as 'confusing similarity' or in specifying the degree of competitive advantage that warrants relief.

Id. at 1294 n.8.

131. See 3 CALLMANN, *supra* note 15, § 86.1(a); 2 MCCARTHY, *supra* note 15, §§ 23:30-:32.

132. *Apollo Distrib. Co. v. Apollo Imports, Inc.*, 341 F. Supp. 455, 458 (S.D.N.Y. 1972).

133. 4 CALLMANN, *supra* note 15, § 89.2(a); 2 MCCARTHY, *supra* note 15, § 30:25(A).

134. *Parkway Baking Co. v. Freihofers Baking Co.*, 255 F.2d 641, 648 (3d Cir. 1958); *Gold Seal Co. v. Weeks*, 129 F. Supp. 928, 940 (D.D.C.), *aff'd sub nom. S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956).

135. The term "remedies sections" is used to refer to Lanham Act §§ 32-38, 15 U.S.C. §§ 1114-20 (1970). Lanham Act § 39, *id.* § 1121, is treated only as a jurisdiction-conferring section. See note 40 *supra* & text accompanying.

refers to "registered mark" or some similar term,¹³⁶ whereas it is clear that § 43(a) applies to many cases not involving federally registered trademarks.¹³⁷ In fact most courts merely base injunctive relief on § 43(a) without any further explanation of the remedial authority.¹³⁸ One court, however, has expressly relied on its general equity powers in granting such relief.¹³⁹ Yet, with regard to damage awards,¹⁴⁰ at least two cases have indicated that § 35 of the Lanham Act, the monetary award section, applies to § 43(a) cases.¹⁴¹ Moreover, it has been held that damages may be awarded even though "the full measure . . . could not be precisely shown" in a case where the violation was fraudulent and the extent of the injury—especially to the future of the plaintiff's business—could not be ascertained.¹⁴²

There has been very little litigation concerning a plaintiff's right to recover profits, costs and attorneys' fees under § 43(a).¹⁴³ So far no reported case allowed such a recovery, but there has been a favorable sign regarding profits¹⁴⁴ and an unfavorable sign regarding attorneys' fees.¹⁴⁵

136. Lanham Act §§ 32, 33 and 37, 15 U.S.C. §§ 1114-15, 1119 (1970) (refer to "registered mark"); Lanham Act §§ 34-35, *id.* §§ 1116-17 (refer to "mark registered in the Patent Office"); Lanham Act § 36, *id.* § 1118 (refers to both terms); Lanham Act § 38, *id.* § 1120 (refers to "registration in the Patent Office of a mark").

137. See, e.g., cases cited notes 100-07 *supra*.

138. Scotch Whiskey Ass'n v. Barton Distilling Co., 338 F. Supp. 595 (N.D. Ill. 1971); Geisel v. Poynter Prods. Inc., 295 F. Supp. 331, 351-55 (S.D.N.Y. 1968); Burger King, Inc. v. Brewer, 244 F. Supp. 293 (W.D. Tenn. 1965).

139. H. S. Friend & Co. v. Friend & Co., 276 F. Supp. 707, 716 (C.D. Cal. 1967), *aff'd*, 416 F.2d 526 (9th Cir. 1969).

140. "Damages" may involve more than lost sales: injury to good will and the cost of "abandoning a sales line" may also be included. 2 McCARTHY, *supra* note 15, § 27:5(B), at 251, *citing* L'Aiglon Apparel, Inc. v. Lana Lobell, Inc., 115 U.S.P.Q. 235 (E.D. Pa. 1957).

141. Friend v. H. A. Friend & Co., 416 F.2d 526, 534-35 (9th Cir. 1969). Gold Seal Co. v. Weeks, 129 F. Supp. 928, 940 (D.D.C.), *aff'd sub nom.* S.C. Johnson & Son, Inc. v. Gold Seal Co., 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956). For the text of § 35, 15 U.S.C. § 1117 (1970), see note 181 *infra* & text accompanying.

142. Friend v. H.A. Friend & Co., 416 F.2d 526, 533-34 (9th Cir. 1969).

143. "Profits" and "costs," but not attorney's fees are expressly authorized by § 35, 15 U.S.C. § 1117 (1970), in cases of infringement of registered trademarks.

144. In Friend v. H.A. Friend & Co., 416 F.2d 526 (9th Cir. 1969), the court implied that profits could be granted under § 35, 15 U.S.C. § 1117 (1970), when it denied a recovery of such profits on the express ground that the lower court had already correctly "awarded damages for lost profits." 416 F.2d at 534-35.

145. The Ninth Circuit affirmed a disallowance of attorneys' fees based on the federal cause of action under § 43(a), on the ground that the term "costs" in § 35, 15 U.S.C. § 1117 (1970), had previously been interpreted not to include such fees in Fleischmann Distilling Corp. v. Maier Brewing Co., 386 U.S. 714 (1967). Friend v. H.A. Friend & Co., 416 F.2d 526, 534 (9th Cir. 1969). However, the court did allow a recovery of attorney's fees under the pendent state claim based on California law. *Id.* The Second Circuit denied recovery based on a pendent state claim in Textron, Inc. v. Spidell Watch & Jewelry Co., 406 F.2d 544 (2d Cir. 1968).

PROBLEMS WITH THE CURRENT EXPANSION OF § 43(a): TOO FAR,
MAYBE?

Although I have no major quarrel with the generally accepted view that § 43(a) should be liberally construed so as to create a "federal statutory tort, sui generis,"¹⁴⁶ I do balk at the conclusion that it creates "an affirmative code of business ethics whose standards can be maintained by *anyone* who is or may be damaged."¹⁴⁷ The former statement seems justified, considering the difficulty the common law encountered in dealing with the problems of false advertising and Congress' dissatisfaction with the failure of its earlier attempt to ameliorate the problem.¹⁴⁸ The latter statement, however, seems overbroad and unwarranted considering Congress' relatively narrow concern to upgrade the level of competitive conduct by giving those engaged in commerce a feasible way of combatting unfair competition in the form of false advertising and labelling that tend to occur along with traditional trademark and passing-off infractions. For that reason, I believe that: (1) private consumer suits should *not* be maintainable under § 43(a); (2) section 43(a) should *not* be applied to typical trademark, trademark-like and passing-off infractions; and (3) the remedies provided in the Lanham Act should *not* be applied to violations of § 43(a) simpliciter.

Private Consumer Suits Should Not Be Maintainable Under § 43(a)

In the recent *Colligan* case,¹⁴⁹ the Second Circuit construed § 43(a) in light of the legislative intent that could be gleaned from the language of the Act itself and inferred from the common law underlying the Act, rather than relying on legislative *history* that is "very long and convoluted."¹⁵⁰ It is submitted that this approach and the resulting conclusions were correct, even though the effect may have been to deny an aggrieved party a feasible route to relief.¹⁵¹

146. *Gold Seal Co. v. Weeks*, 129 F. Supp. 928, 940 (D.D.C.), *aff'd sub nom.* *S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956).

147. *Id.*

148. See notes 9-15 *supra* & text accompanying.

149. *Colligan v. Activities Club, Ltd.*, 442 F.2d 686 (2d Cir.), *cert. denied*, 404 U.S. 1004 (1971). See also notes 63-68 *supra* & text accompanying.

150. 442 F.2d at 689-90. The court pointed out that predecessor bills were introduced as early as 1924, that at least fourteen sets of congressional hearings had been held from 1925 to 1944, and that nine different committee reports were published. *Id.* 689-90 n.10.

151. Of course there are other remedies "available" under state law. See *id.* at 693 & n.35. To the extent that these remedies are not feasible in any particular case, a hardship may be imposed on a genuinely injured party; but even so, this is not an adequate

The *Colligan* court's analysis of the consumer standing problem had three well-conceived parts. In the first of these parts the court correctly recognized that the language of § 43(a) itself, read literally, did not appear to "permit any other inference than that which [plaintiffs] would have us draw—*i.e.*, that 'any person' means exactly what it says."¹⁵² However, in a footnote, the court made an important point:

[T]he key language in § 43(a) is not "any person" but any person who believes that he is or is likely to be damaged by the use of any such false description or representation. The proper focus therefore is whether [plaintiffs'] claims partake of the *nature of the injury* sought to be prevented and/or remedied by Congress through § 43(a).¹⁵³

Thus, the court was saying that § 43(a) had to be viewed in light of the underlying congressional purpose, not merely as a statute in a vacuum.

In the second part of the court's analysis—subtitled "Legislative History" various of plaintiffs' arguments concerning statements made by draftsmen, legislators and witnesses were considered to be so lengthy and confused as to be inconclusive. This disposition was correct since the evidence of legislative history favorable toward consumer standing was very sketchy in general, and because some of it concerned statements made over twenty years before the passage of the Lanham Act.¹⁵⁴ Moreover, in the third part of the court's analysis,¹⁵⁵ an even better reason for de-

reason to distort principles of federal law. After all, not every wrong realistically has a remedy:

An alleged violation of law is not everywhere and always a reason for judicial intervention and judgment. Laws are a means to an end, not an end in themselves. The "majesty of the law" does not require that every alleged breach be rectified.

Jaffe, *Standing Again*, 84 HARV. L. REV. 633, 636-37 (1971) [hereinafter cited as Jaffe]; see Armstrong, *Expressio Unius, Inclusio Alterius: The Fagot-Gomez Private Remedy Doctrine*, 5 GA. L. REV. 97, 116 (1970) [hereinafter cited as Armstrong]. See also 3 RUTGERS-CAMDEN L.J. 583, 590-91 (1972).

152. 442 F.2d at 689.

153. *Id.* at 689 n.8.

154. *Id.* at 689-91 & n.11.

155. This part begins with a one paragraph consideration of the plaintiffs' plea for standing under Ass'n of Data Processing Service Organizations, Inc. v. Camp, 397 U.S. 150 (1970). However, the Second Circuit held: "Although the scope and effects of *Data Processing* have not yet been clearly delimited, we hold that that case does not bring these [plaintiffs] under its protective wing." *Colligan v. Activities Club, Ltd.*, 442 F.2d 686, 691 (2d Cir.), *cert. denied*, 404 U.S. 1004 (1971). In *Data Processing* the Supreme Court had held that a data processing firm did have standing to contest an administrative regulation that permitted national banks to provide data processing services for their banking clients. The Court established a two pronged test requiring allegations of "injury in fact, economic or otherwise," and a claim that "the interest sought to be protected by the complainant is arguably within the zone of interests to be protected or regulated by the statute or constitutional guarantee in question." 397 U.S. at 152-53. This

emphasizing legislative history was given: § 45 of the Lanham Act contained an express congressional statement of intent "to protect persons engaged in commerce against unfair competition."¹⁵⁶ This clear language, read in light of the common law problems that led to passage of § 43(a)¹⁵⁷ and the fact that consumerism had not yet come of age in 1946, led the court to conclude that "[t]he Act's purpose, as defined by § 45, is exclusively to protect the interests of a purely commercial class against unscrupulous commercial conduct."¹⁵⁸

The upshot of the court's analysis is that § 43(a) was intended by Congress *primarily* to ameliorate competitive abuses and only incidentally to benefit broader public or "consumer" interests.¹⁵⁹ This view is but-

test has been interpreted as placing increased reliance on "generally expressed legislative policy" rather than on close literal analysis. Armstrong, *supra* note 151, at 102. Indeed, it has been said that "the Supreme Court has gone very far toward eliminating standing as a limitation on judicial review." Sedler, *Standing, Justiciability, and All That: A Behavioral Analysis*, 25 VAND. L. REV. 479, 511 (1972).

Notwithstanding the above, it is submitted that *Data Processing* does not lead to consumer standing in § 43(a) cases. First of all, the *Data Processing* case, its companion case, *Barlow v. Collins*, 397 U.S. 159 (1970), and other related, recent Supreme Court cases—*Sierra Club v. Morton*, 405 U.S. 727 (1972); *Investment Co. Institute v. Camp*, 401 U.S. 617 (1971); *Arnold Tours v. Camp*, 400 U.S. 45 (1970)—all involved attacks upon *administrative action* by a branch of the federal government. This is significant because considerations of standing in administrative actions differ from those applicable to suits seeking nonadministrative relief. See 3 RUTGERS-CAMDEN L.J. 583, 590 & n.35 (1972); 46 N.Y.U.L. REV. 807, 820 (1971). See also Jaffe, *supra* note 151; Scott, *Standing in the Supreme Court—A Functional Analysis*, 86 HARV. L. REV. 645 (1973). Both Jaffe and Scott proceed on the tacit assumption that only administrative matters are involved.

Secondly, *Data Processing* also recognized that actual evidence of a legislative intent against standing for a particular type of plaintiff would result in a finding of a lack of standing. See Jaffe, *supra* note 151, at 634. Therefore, even if the rule of *Data Processing* did extend to nonadministrative § 43(a) cases, the legislative purpose for § 43(a), especially as expressly stated in § 45 of the Lanham Act, 15 U.S.C. § 1127 (1970), would lead to a conclusion that consumers are *not* "arguably within the zone of interests to be protected," and thus do not have standing.

156. 442 F.2d at 691. *But see* Note, *supra* note 125, at 342, where the author argues that the consumer is "engaged in commerce" in the fullest sense of the term.

157. See notes 9-15 *supra* & text accompanying. In particular the *Colligan* court relied on Judge Hastie's interpretation of § 43(a) in the *L'Aiglon* case:

This statutory tort bears closest resemblance to the * * * tort of false advertising to the detriment of a competitor, as formulated by the ALI (American Law Institute) * * *," which tort makes clear that consumers must rely on other sections.

442 F.2d at 693 n.32, quoting *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649, 651 (3d Cir. 1954).

158. 442 F.2d at 692. It has been argued that "[t]he statement of purpose contained in section 45 is counterbalanced by another statement of purpose contained in [a] Senate report." 72 COLUM. L. REV. 182, 186 (1972). But this argument seems to miss the point that the language of the statute itself is far more authoritative than statements of "legislative history."

159. See 3 RUTGERS-CAMDEN L.J. 583, 587 (1972); *cf.* 72 COLUM. L. REV. 182, 187 (1972). *But see* 46 N.Y.U.L. REV. 807, 814 (1971), where the author cites various authorities in support of his conclusion that § 43(a) was intended to prevent deception

tressed by the fact that the law of unfair competition and trademarks in general actually functions in this manner. Notwithstanding the oft-expressed concern for public interest, the law's evolution has been restricted almost entirely to commercial plaintiffs.¹⁶⁰ Moreover, the Lanham Act is generally quite respectful toward the common law of trademarks—an addition rather than a contradiction. Therefore, in the absence of a very clearly manifested legislative intent the stated purpose of the Act as a whole should also apply to § 43(a).¹⁶¹

*Section 43(a) Should Not Be Applied to Typical Trademark,
Trademark-Like and Passing-Off Infractions*

As discussed above, § 43(a) has been applied to practices which also constitute trademark infringement (either at common law or under the Lanham Act) and passing-off. This is because of the determination that the phrase "designation of origin" in § 43(a) refers to the *source* of manufacture in addition to geographical origin. In other words, false designation of origin has been interpreted to mean false designation of

of the consuming public. However, most of the authorities relied upon are subject to some doubt. For example, in footnote 52, WEIL, *supra* note 69, at 536-37, is cited, but when examined merely shows that Mr. Weil considered public deception an important part of a § 43(a) case brought by a *commercial* plaintiff. Indeed, the entire article assumes that the plaintiff is a competitor.

It is significant that Professor Derenberg, probably the foremost authority in these matters, has commented favorably on the *Colligan* case. Derenberg, *25th Year, supra* note 5, at 493-94. In addition, Mr. Callmann, another outstanding authority of some vintage, anticipated *Colligan* when he wrote: "The public as such, i.e., the individual consumer, will have no right of action under Section 43(a) and there is no need of such right." 1 CALLMANN, *supra* note 15, § 18.2(b). In dissent, however, is Professor McCarthy, who argues, albeit with little reference to authorities, that *Colligan* is wrong and that § 43(a) was intended as and should be treated as a consumer-oriented statute. 2 MCCARTHY, *supra* note 15, §§ 27:3-4.

160. See generally 1 MCCARTHY, *supra* note 15, §§ 1:1, :4, :10, :12, 2:1-:4, :6-:7, :10, :12-:14; 1 CALLMANN, *supra* note 15, § 3.4; 3 *id.* § 67. Professor Callmann summed it up this way:

Practically speaking, public interest . . . has played a minor or supplementary role at best. In no case has it been the decisive factor and its significance has unfortunately been more ornamental than functional.

Id. § 3.4, at 96. A classic discussion of the competitor-consumer ambivalence of trademark and unfair competition law appears in *Standard Brands, Inc. v. Smidler*, 151 F.2d 34, 37-43 (2d Cir. 1945) (Frank, J., concurring).

161. While it is true that Professor Dole, the main draftsman of the UNIFORM DECEPTIVE TRADE PRACTICES ACT, has concluded that the language of § 3 of that Act ("a person likely to be damaged") should be construed so as to allow consumer suits even though the Act may have been intended as a remedy for businessmen, it should be noted that that Act does not contain a section like § 45 of the Lanham Act, 15 U.S.C. § 1127 (1970), that it was drafted in 1962 when consumer interests were more in the fore than in 1946, and that the draftsman directly considered consumer suits. See Dole, *Consumer Class Actions Under the Uniform Deceptive Trade Practices Act*, 1968 DUKE L.J. 1101, 1106-07; Starrs, *The Consumer Class Action—Part I: Considerations of Equity*, 49 BOST. U.L. REV. 211, 243-44 (1969).

manufacturer. However, a careful analysis of § 43(a), along with consideration of its purpose as viewed in the context of the Lanham Act, leads to the conclusion that these applications are erroneous.

Section 43(a) provides in part:

[Anyone who uses] a false *designation of origin*, or any false description or representation . . . shall be liable to a civil action by any person doing business in the *locality falsely indicated as that of origin* or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.¹⁶²

The linguistic parallelism of this excerpt should make it obvious that the word "origin" in the phrase "designation of origin" should be read to mean *geographical* origin and not origin of manufacture or sponsorship. However, this view was expressly repudiated by the Sixth Circuit in *Federal-Mogul-Bower Bearings, Inc. v. Azoff*,¹⁶³ despite a warning in the district court's opinion that "nearly all the field of unfair competition" would be engulfed by § 43(a).¹⁶⁴ This fear may have materialized since § 43(a) appears to provide a way for any common law trademark infringement or passing-off case affecting "commerce" to gain access to the federal courts without meeting the requirements of diversity jurisdiction. Thus, designations of "origin" under § 43(a) have provided a backdoor entry into federal courts for typical trademark and unfair competition cases, even including those which do not involve a federal trademark registration—a situation that only very doubtfully accords with the congressional intent of § 43(a).

Interestingly enough, reaction to the *Azoff* origin rule and its progeny has been quite favorable.¹⁶⁵ The cases that have allowed § 43(a)

162. 15 U.S.C. § 1125(a) (1970) (emphasis added).

163. 313 F.2d 405 (6th Cir. 1963). The court stated:

"We are further of the opinion that the word 'origin' in the Act does not merely refer to geographical origin, but also to origin of source or manufacture." *Id.* at 408. The primary ground for the decision was a determination that by deliberately copying plaintiff's distinctive trade dress, defendants "falsely represented that their bearings and connecting rods were the product of [plaintiff] . . . [which acts] in our opinion charge a false description or misrepresentation, as those terms are used in the statute." *Id.* This is another way of getting at trademark and trademark-like infractions. Interestingly enough, however, no decision has adopted this portion of the *Azoff* opinion, which involves a somewhat strained interpretation of the terms "description" and "representation."

164. *Federal-Mogul-Bower Bearings, Inc. v. Azoff*, 201 F. Supp. 788, 789 (N.D. Ohio 1962).

165. The rule has been approved by noted authorities. See, e.g., 1 CALLMANN, *supra* note 15, § 18.2(b), at 623; 2 MCCARTHY, *supra* note 15, § 27:7, at 254; cf. ROBERT,

to apply to typical trademark and passing-off situations have exhibited no concern about their interpretations; they merely cite *Azoff* and a case or two in accord as authority for the rule and then proceed.¹⁶⁶ The only noted commentator who seems at all concerned about these matters is Professor Derenberg, who recently complained about the application of § 43(a) "in a rather routine passing-off situation for which, in the writer's opinion, the Section was hardly intended."¹⁶⁷

Even so, it is submitted that Professor Derenberg's analysis is correct. Section 43(a) is just one of two isolated sections of a statute that is devoted almost entirely to trademark protection,¹⁶⁸ and, unlike almost every other section of the Lanham Act, it does not include the word "mark." An interpretation that § 43(a) applies to basic trademark infractions creates a question of the proper interaction between § 43(a) and the other, more clearly trademark-oriented sections of the Act. The only point in favor of the *Azoff* rule is the language of § 45 which says that Congress was interested in "making actionable the deceptive and misleading use of marks in . . . commerce."¹⁶⁹ Unlike other clauses of this paragraph, the word "mark" in this section is not modified by the word "registered." This omission could be accidental, or it could imply a concern for unregistered marks. The former interpretation seems more reasonable since otherwise *two* clauses in this paragraph would both apply to § 43(a), a section that admittedly is different from the bulk of the Act. In addition, it would be odd to refer to § 43(a) by using terms (such as "deceptive and misleading") that are similar to but not identical with the crucial terms in that section.

In sum, § 43(a) appears to be a limited reaction to the ineffectiveness of § 3 of the Trademark Act of 1920 and to the common law "single-source" rule, rather than a statement of congressional desire to create a panacea for all types of unfair competition affecting interstate commerce. Under this view, § 43(a) would not apply to cases of mere passing-off or infringement of registered or unregistered trademarks. However, it could apply to those trademark infringement cases that involve a "false description or representation," such as where the trademark itself describes or represents a false characteristic of the goods or services to

supra note 16, at 187. *But see id.* at 119. Only one student writer has appeared disturbed about the rule. 62 MICH. L. REV. 1094, 1098-99 (1964).

166. *See, e.g.*, cases cited notes 125-27 *supra*; *Mortellito v. Nina of California, Inc.*, 335 F. Supp. 1288 (S.D.N.Y. 1972).

167. Derenberg, *25th Year, supra* note 5, at 497.

168. 15 U.S.C. § 1126 (1970) is directed toward trademark infringement and unfair competition in *international* trade.

169. 15 U.S.C. § 1127 (1970).

which it relates, and to cases truly involving false designations of *geographical* origin. Thus, referring to imitation fur as "Normink"¹⁷⁰ might be actionable because of the false description or representation that the product contains mink, as would labelling whiskey made in Panama "Scotch"¹⁷¹ because of the false geographical designation. On the other hand, copying a competitor's trademark "Disco"¹⁷² for gasoline and related products would not be actionable. This interpretation, which excludes trademark infringement qua trademark infringement from the purview of § 43(a), is more in keeping with the section's limited congressional purpose.

*The Remedies Provided in the Lanham Act Should Not
Be Applied to Violations of § 43(a) Simpliciter*

As indicated above there is not much authority on the relationship between § 43(a) and the remedies sections of the Lanham Act. Theoretically, the remedies sections can be applied to the following situations: (1) to violations of § 32 and all cases under § 43(a); (2) to violations of § 32 and to cases under § 43(a) involving federally registered marks; (3) to § 32 violations only. It is submitted that the final possibility is correct, that is, the Lanham Act does not provide any specific remedies for violation of § 43(a).

First, each of the remedies sections includes a direct reference to the term "registered mark" or some similar term.¹⁷³ This clearly contrasts with the text of § 43(a) which makes no such reference and which has been generally construed to apply regardless of a federal registration.¹⁷⁴

Second, § 32¹⁷⁵ is the central remedial provision since it defines the

170. *Mutation Mink Breeders Ass'n v. Lou Nierenberg Corp.*, 23 F.R.D. 155 (S.D.N.Y. 1959); *cf.* *Gold Seal Co. v. Weeks*, 129 F. Supp. 928 (D.D.C.), *aff'd sub nom. S.C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832 (D.C. Cir. 1955), *cert. denied*, 352 U.S. 829 (1956) ("Glass Wax" for a cleaner containing no wax).

171. *Scotch Whiskey Ass'n v. Barton Distilling Co.*, 338 F. Supp. 595 (N.D. Ill. 1971); *cf.* *California Apparel Creators v. Wieder of California, Inc.*, 162 F.2d 893 (2d Cir. 1947).

172. *McTavish Bob Oil Co. v. Disco Oil Co.*, 345 F. Supp. 1379 (N.D. Ill. 1972); *cf.* *Mortellito v. Nina of California, Inc.*, 335 F. Supp. 1288 (S.D.N.Y. 1972) ("Nina" for needlepoint kits); *Apollo Distrib. Co. v. Apollo Imports, Inc.*, 341 F. Supp. 455 (S.D.N.Y. 1972) ("Apollo" for radios and appliances).

173. *See* note 136 *supra*.

174. *See* cases cited note 118 *supra*.

175. 15 U.S.C. § 1114 (1970). Lanham Act § 33, *id.* § 1115, is directed entirely at the evidentiary effect of a federal registration and thus has no connection whatsoever to § 43(a). Similarly, Lanham Act § 37, *id.* § 1119, and Lanham Act § 38, *id.* § 1120, in referring to a court's power to rectify the federal registers and to a civil action for fraudulent registration respectively, clearly have no relation to § 43(a). Likewise, Lanham Act § 36, *id.* § 1118 which authorizes the destruction of infringing labels, fairly obviously applies only to § 32, *id.* § 1114, since its language is significantly similar to that of § 32 and its general thrust seems oriented toward traditional "infringements."

basic violation of "infringement." The basic rule is that anyone who uses a confusingly similar trade designation "shall be liable to a civil action by the registrant for the remedies hereinafter provided."¹⁷⁶ The italicized phrase once again contrasts with the text of § 43(a) which provides for a "civil action" without any further reference to remedies. Moreover, "infringement" under § 32 would cover only a small portion of recognized § 43(a) situations, excluding many significant aspects of false advertising and labelling.¹⁷⁷ Thus its direct application to § 43(a) cases is somewhat anomalous. Indeed, under the suggested view that § 43(a) should not apply to typical trademark infractions,¹⁷⁸ recourse to § 32 would be an entirely separate basis for an action.

Section 34 is also of central importance because it authorizes injunctive relief. In part, it provides :

The several courts vested with jurisdiction arising under this act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office.¹⁷⁹

Although this excerpt uses the broad phrase "violation of any right"—which certainly is broad enough to encompass § 43(a)—a complete reading shows that this phrase is qualified by "of the registrant of a mark registered in the Patent Office," thereby once again suggesting it does

176. The entire first subsection of § 32 reads as follows :

Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

15 U.S.C. § 1114 (1970).

177. For example, false statements about the nature or quality of one's goods or services would not be included.

178. See notes 162-72 *supra* & text accompanying.

179. 15 U.S.C. § 1116 (1970) (emphasis added).

not apply to § 43(a).¹⁸⁰

Perhaps the strongest evidence for concluding that § 43(a) stands apart from the Lanham Act's remedy provisions can be found in § 35.¹⁸¹ This section conditions relief upon "infringement" under § 32 and satisfaction of the notice requirements of § 29.¹⁸² The direct reference in § 35 to these other sections clearly indicates that these sections are separate from § 43(a), especially since the notice requirement in particular is flatly inconsistent with the applicability of § 43(a) to cases not involving a registered mark.¹⁸³

The conclusion to be drawn from this discussion is that the remedies sections of the Lanham Act should not apply to violations of § 43(a). However, since sections 34, 35, and 36 do refer to "violation[s] of any right of the registrant of a mark registered in the Patent Office," it is possible—albeit unlikely—that these remedies would be available in § 43(a) cases involving a false statement about a *registered* mark. This, however, would be a strained and awkward reading of the statute; in fact,

180. In addition, another portion of § 34, 15 U.S.C. § 1116 (1970), sets forth various duties of court clerks to notify the Commissioner of Patents about any litigation concerning registered marks. This is another indication that § 34 does not apply to § 43(a) actions.

181. This section, another provision of central importance, reads as follows:

When a violation of any right of the registrant of a mark registered in the Patent Office shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and 32 and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty.

15 U.S.C. § 1117 (1970).

182. 15 U.S.C. § 1111 (1970). This section provides in part:

[I]n any suit for infringement under this Act by . . . a registrant failing to give [the proper statutory] notice of registration, no profits and no damages shall be recovered under the provisions of the Act unless the defendant had actual notice of the registration.

Id. Since § 29 expressly refers to "any suit for *infringement*," *id.* § 1111 (emphasis added), it could be argued that its notice requirement has no application to § 43(a) actions. This is a possible interpretation, but is less appealing than the conclusion (urged in this article) that none of the Lanham Act's remedial provisions applies to § 43(a) actions.

183. In other words, if § 35, 15 U.S.C. § 1117 (1970), is held to apply to § 43(a), then no monetary relief would be recoverable for any violations of § 43(a) not involving a federal registration. This would be a very peculiar—and probably unintended—result indeed.

such a reading is ruled out if the view that § 43(a) does not apply to typical trademark violations is correct.

If indeed § 43(a) stands alone and must fend for itself remedially, then principles of federal¹⁸⁴ law would determine the appropriate remedies. Therefore, those remedies that are available to a court of equity could be employed, as is done in unfair competition cases not arising under the Lanham Act.¹⁸⁵ This would leave the courts with their usual powers to grant injunctions and assess damages, profits and costs, but might deprive them of the special flexibility of § 35 which expressly allows the court to award amounts in addition to basic profits and damages, where, in its discretion, and "according to the circumstances of the case," the basic amounts are insufficient.¹⁸⁶ However, § 43(a) plaintiffs may be able to obtain attorneys' fees since it could be convincingly argued that the decision prohibiting such fees because of the wording of § 35 is inapplicable to § 43(a) cases.¹⁸⁷

CONCLUSION

Section 43(a), a sleeper for the first ten years of its existence, has become a viable weapon against false advertising in the 1970's. During this development, the requirements of jurisdiction were relaxed; the class of possible plaintiffs was expanded at least to include all commercial parties affected by alleged violations; the types of situations to which § 43(a) applies were broadened; the requisites of § 43(a) lawsuits were classified; and some indications of available remedies appeared. This considerable growth leads to the conclusion that § 43(a) has indeed "come a long way."

Considerable question exists, however, whether § 43(a) has already outgrown its proper bounds in three specific areas—consumer standing,

184. See note 44 *supra*.

185. See 4 CALLMANN, *supra* note 15, §§ 87-89; 2 McCARTHY, *supra* note 15, §§ 30:1-31; VANDENBURGH, *supra* note 119, § 11.50.

186. 15 U.S.C. § 1117 (1970).

187. Note the language that Chief Justice Warren used in disallowing attorneys' fees in a Lanham Act *infringement* case:

[I]n the Lanham Act, Congress meticulously detailed the remedies available to a plaintiff who proves that his valid trademark has been *infringed*. . . . When a cause of action has been created by a statute which expressly provides the remedies for vindication of the cause, other remedies should not readily be implied. . . . We therefore must conclude that Congress intended § 35 of the Lanham Act to mark the boundaries of the power to award monetary relief in cases arising under the Act.

Fleischmann Distilling Corp. v. Maier Brewing Corp., 386 U.S. 714, 721 (1967) (emphasis added). Although the last sentence of this passage does include the phrase "cases arising under the Act," the case itself involved infringement of a federally registered mark and the language should not be read to extend to cases arising under § 43(a).

use in trademark-related cases and the applicability of Lanham Act remedies provisions to § 43(a) cases. In these areas, § 43(a) should be read cautiously, with a view to its special common law background and apparent legislative purpose, even though this may run counter to the current rising tide of consumerism. We should forego instant consumerism in favor of a more respectful interpretation of the intended meaning of a congressional mandate. Already § 43(a) has come somewhat "too far."

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