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WOE UNTO YOU TRADE-MARK OWNERS

*Julius R. Lunsford, Jr.**

I. *Introduction*

THE new Trade-Mark Act,¹ widely heralded as giving added protection to trade-mark owners, has in its nearly four years of operation resulted, in several spectacular instances, in narrowing the rights conferred by the registration and use of trade-marks. Text author Rudolph Callmann remarked after the act's first birthday: "Despite all the efforts of the bar, our courts still cling to the familiar anachronisms."²

Where do trade-mark owners stand today? The Supreme Court has to date failed to answer this question, and the federal courts have refused to consider the import of the new legislation. Many commentators, attorneys and scholars thought that the enactment of the Lanham Act would provide for uniformity of decisions and make everything right with the trade-mark world. An examination of the recent case law proves that nothing could be farther from the fact; the decisions interpreting the act reveal evidence of confusion and inconsistency in the findings of the courts.

In a previous article,³ the writer offered the following conclusion: The state of confusion existing when owners of descriptive words, possessing a secondary meaning, seek protection of the courts is best illustrated by the conflicting decisions involving the valid trade-marks "Sunkist" and "Sunbeam."⁴ In the case involving the latter mark, Judge

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¹ 60 Stat. L. 427, c. 540, 15 U.S.C. (1946) §§1051-1127. For a few of the many articles written on this statute, see Lunsford, "Trade-Mark Infringement and Confusion of Source: Need for Supreme Court Action," 35 VA. L. REV. 214 (1949); Symposium, "Trade-Marks in Transition," 14 LAW & CONTEMP. PROB. 171-384 (1949); Robert, "Commentary on the Lanham Trade-Mark Act," 15 U.S.C.A. (volume containing §§81-1113) p. 265 (1946); Callmann, "The 'Sunkist' Decision: Trade-Marks at the Crossroads," 38 T.M. REP. No. 3, Pt. I, 304 (1948); Diggins, "The Lanham Trade-Mark Act," 35 GEO. L. J. 147 (1947); Digges, "The Lanham Trade-Mark Act," 36 T.M. REP., No. 10, Pt. I, 220 (1946); Ooms, "How the Lanham Act Affects Trade-Marks," 37 T.M. REP., No. 6, Pt. I, 383 (1947).

² Callmann, "One Year Under the Lanham Act," 38 T.M. REP., No. 8, Pt. I, 857 at 857 (1948).

³ Lunsford, "Are Our Courts Protecting 'Secondary Meaning' Trade-Marks?" 39 T.M. REP. 767 (1949). For an analysis of this article see Janney, "More About 'Secondary Meaning' Trade-Marks," 40 T.M. REP., No. 5, Pt. I, 385 (1950).

⁴ California Fruit Growers Exchange v. Sunkist Baking Co., (7th Cir. 1947) 166 F. (2d) 971 and Sunbeam Corp. v. Sunbeam Lighting Co., (D.C. Cal. 1949) 83 F. Supp. 429. These cases will be discussed in detail infra. See also Sunbeam Corp. v. Sunbeam Furniture Corp., (D.C. Cal. 1950) 88 F. Supp. 852.

Yankwich enjoined the use of "Sunbeam" by defendants as a trade-mark for fluorescent lighting systems and lamps upon the complaint of plaintiff, owner of the same trade-mark for electrical products and appliances. Approximately two years earlier the Seventh Circuit held that "Sunkist" on bread did not infringe "Sunkist" on fruits and vegetables. So we have two well-known and widely advertised trade-marks which have similar, if not the same, primary connotation receiving different treatment by the courts. In fact, "Sunbeam" was granted adequate protection while the "Sunkist" decision gives no protection at all but rather tends to dilute and perhaps ultimately destroy a trade-mark known and recognized by people in every walk of life.

At that time, by using prior decisions as a measuring stick, it was logical to assume that the Ninth Circuit would grant relief when, on the same set of facts, the Seventh Circuit would be inclined to protect the late comer.⁵ Yet, eight months later the Ninth Circuit turned about face, reversed Judge Yankwich,⁶ and handed down a decision truncating the application of the Lanham Act. Despite the court's statement that nothing said in the opinion conflicts with its previous decisions,⁷ it is suggested that the decision not only conflicts with prior decisions but with the avowed aim of the Lanham Act. To substantiate this proposition it will be necessary to consider the purpose and objective of the Lanham Act.

II. *The Purpose of the Lanham Act*

The Lanham Act embodies many of the provisions of the prior statutes and much of the case law on the subject, but it eliminates many of the prior limitations on registration and protection generally, and broadens (or at least, was intended to broaden) the rights and remedies of the owners of registered marks. We need turn no further than the congressional committee reports to learn that it was the intent of Congress to broaden these rights. The general comment on trade-marks reads as follows:

⁵ The Ninth Circuit's decisions are *Stork Restaurant, Inc. v. Sahati*, 166 F. (2d) 348 (1948); *Brooks Bros. v. Brooks Clothing of California, Ltd.*, (D.C. Cal. 1945) 60 F. Supp. 442, adopted and affirmed 158 F. (2d) 798 (1949); and *Safeway Stores, Inc. v. Dunnell*, 172 F. (2d) 649 (1949). In addition to the Seventh Circuit's "Sunkist" decision see *Philco Corp. v. F. & B. Mfg. Co.*, (7th Cir. 1948) 170 F. (2d) 958.

⁶ *Sunbeam Lighting Co. v. Sunbeam Corp.*, (9th Cir. 1950) 183 F. (2d) 969.

⁷ *Id.* at 973: "Nothing we have said in the *Lane Bryant, Inc. v. Maternity Lane*, 9 Cir., 1949, 173 F. 2d 559, the *Stork Restaurant v. Sahati*, 9 Cir., 1948, 166 F. 2d 348, or the *Lerner Stores Corp. v. Lerner*, 9 Cir., 1947, 162 F. 2d 160 cases is inconsistent with our views herein expressed." The case of *Safeway Stores, Inc. v. Dunnell*, (9th Cir. 1949) 172 F. (2d) 649 is conspicuous by its absence.

"Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not."⁸

More specifically, the committees defined the general purpose of a trade-mark statute in the following language:

"The purpose underlying any trade-mark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner. . . . Your committee believes the proposed bill accomplishes these two broad basic principles."⁹

⁸ S. Rep. No. 1333, 79th Cong., 2d sess., p. 4 (1946); ROBERT, *THE NEW TRADE-MARK MANUAL* 267 (1947). See also the statement of intent in §45 of the Lanham Act. Consistent with the policy of eliminating confusion it should be noted that

(1) Applications for registration are to be denied where the applicant's use would be likely to cause confusion to purchasers. 60 Stat. L. §2(d), 15 U.S.C. (1946) §1052(d).

(2) Concurrent registrations are allowed only where confusion is not likely to result. 60 Stat. L. §2(d), 15 U.S.C. (1946) §1052(d).

(3) The Commissioner of Patents may declare an interference whenever an application is made for a mark which so resembles a registered mark or one in a previous application as to be likely to cause confusion. 60 Stat. L. §16, 15 U.S.C. (1946) §1066. See Derenberg, "The Patent Office as Guardian of the Public Interest in Trade-Mark Registration Proceedings," 14 *LAW AND CONTEMP. PROB.* 288 (1949).

(4) A registrant is entitled to a civil action against anyone whose use of a similar mark is likely to cause confusion as to source. 60 Stat. L. §32(1), 15 U.S.C. (1946) §1114. As to what constitutes confusion of source see Lunsford, "Trade-Mark Infringement and Confusion of Source: Need For Supreme Court Action," 35 *VA. L. REV.* 214 at 225 (1949).

(5) Articles bearing marks calculated to deceive the public may not be imported into the United States. 60 Stat. L. §42, 15 U.S.C. (1946) §1124.

(6) The use of false designations of origin or false descriptions is made actionable at the suit of anyone believing himself damaged thereby. 60 Stat. L. §43(a), 15 U.S.C. (1946) §1125.

(7) Federal Code of Unfair Competition (§§39, 43a, 44h, 44i) and 28 U.S.C.A. (1948) 1338; Rogers, "New Concepts of Unfair Competition Under the Lanham Act," 38 *T.M. REP.*, No. 3, Pt. I, 259, 271 (1948). See notes 43 and 85.

⁹ ROBERT, *THE NEW TRADE-MARK MANUAL* 266 (1947) quoting S. Rep. No. 1333, 79th Cong., 2d sess., p. 3 (1946).

Most specifically, one of the primary purposes of the new act was to remedy constructions of the old acts which have in several instances obscured and obstructed their original purpose.

Congress, recognizing the extended use of trade-marks in recent years due in part to vast national advertising, decided that "sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them."¹⁰ The technicality that the mark must be affixed to the goods¹¹ was deleted. The use requisite for federal registration was changed from use in interstate and foreign commerce or commerce with the Indian Tribes to use in any commerce which Congress can lawfully regulate.¹² Wholly new classes of marks were made registrable—service marks, certification marks, marks used by related companies, and all marks which have acquired a secondary meaning.¹³ Entirely new sections were added. Of these the most notable are the provisions for constructive notice¹⁴ and incontestability.¹⁵

The principle governing the test of infringement was materially changed. The 1905 Act required that the use by another, of a mark colorably imitative of a registered mark, had to be on "merchandise of substantially the same descriptive properties"¹⁶ to constitute infringement. Under the Lanham Act, the use need be only that which is "likely to cause confusion or mistake or to deceive purchasers as to the source of origin. . . ."¹⁷ Obviously, this test is broader than the prior law which provided that there was no infringement unless the goods were of substantially the same descriptive properties and confusion was likely to result.

¹⁰ U.S. Code Cong. Serv., 79th Cong., 2d sess., 1274 at 1277 (1946) quoting from S. Rep. No. 1333, 79th Cong., 2d sess., p. 6 (1946).

¹¹ Compare §1 of the 1905 Act, the basic trade-mark act until 1947, 33 Stat. L. 724, with §1 of the Lanham Act.

¹² Compare §1 of the Act of 1905, 33 Stat. L. 724, with §§1 and 45 of the Lanham Act. See also Lunsford, "Trade-Marks and Unfair Competition—The Demise of *Erie v. Tompkins*?" 40 T.M. REP., No. 3, Pt. I, 169 (1950).

¹³ 60 Stat. L. §2(f), 15 U.S.C. (1946) §1052(f). See also 39 T.M. REP. 767 (1949); "Are Our Courts Protecting 'Secondary Meaning' Trade-Marks?"

¹⁴ 60 Stat. L. §22, 15 U.S.C. (1946) §1072.

¹⁵ 60 Stat. L. §15, 15 U.S.C. (1946) §1065.

¹⁶ 33 Stat. L. §16 at 728 (1905). In this connection see Rogers, "New Directions in the Law of Unfair Competition," 74 N.Y. UNIV. L. REV. 317 at 339 (1940); Wolff, "Non-Competing Goods in Trade-Mark Law," 37 COL. L. REV. 582 at 606 (1937); Schechter, "The Rational Basis of Trade-Mark Protection," 40 HARV. L. REV. 813 at 819 (1927); Chafee, "Unfair Competition," 53 HARV. L. REV. 1289 (1940); Callmann, "Unfair Competition Without Competition? The Importance of the Property Concept in the Law of Trade-Marks," 95 UNIV. PA. L. REV. 443 (1947).

¹⁷ 60 Stat. L. §32(1)(2) at 437, 15 U.S.C. (1946) §1114(1)(2). As pointed out in 35 VA. L. REV. 214 (1949) practically all the courts developed doctrines of unfair competition to protect trade-marks from use on non-identical goods if they were related to the same source—confusion of source thus in effect providing a common ground.

III. *The First Year of the Act*

Trade-mark owners were jubilant over this broadening of protection. But their jubilation was short-lived. The first case in which the new act was applied was *California Fruit Growers Exchange v. Sunkist Baking Company*,¹⁸ in which the owner of the celebrated mark "Sunkist" for fruits and vegetables, sued a baking company which was using the same mark on bread. The trial court had granted an injunction under the Trade-Mark Act of 1905 on the ground that the goods were of substantially the same descriptive properties, and confusion, mistake or deception of purchasers was likely to result. The trial court did not hold that one who asks for "Sunkist" fruit and vegetables would be satisfied to take a loaf of "Sunkist" bread, but the effect of its decision was to say that a purchaser seeing the trade-mark "Sunkist" on bread might be led to believe that the producer of the bread was the same as the producer of the fruit and vegetables. Such a finding was in line with a prior decision of the Court of Appeals for the Seventh Circuit in which "Sunkist" for bottled beverages was held to infringe "Sunkist" for fruits and vegetables.¹⁹ The same plaintiff and the same mark were involved in both cases. In the bottled beverage case the court concluded that the defendant's use of plaintiff's mark indicated an intent to gain something from the reputation or advertising of the plaintiff and to forestall the plaintiff's expansion of business, and further, that a trade-mark protects the owner not only against its use upon articles to which he has applied it but also upon such articles as might naturally or reasonably be supposed to come from him. Here the court simply applied the confusion of source principle after finding that the goods were of the same descriptive properties.

When the second *Sunkist* case was heard by the Court of Appeals for the Seventh Circuit, it applied the broader principles of protection embodied in the new statute. The new act was applied *apparently* because it became effective while the appeal was pending. *Actually* it was applied because the parties conceded applicability. Whether the act was applicable or not need not be discussed here. The fact is that

¹⁸ (7th Cir. 1947) 166 F. (2d) 971. See note, "Infringement Under the Trade-Mark Act of 1946," 48 COL. L. REV. 648 (1948). The "Sunkist" case has been the subject of extensive criticism. A few articles are Callmann, "The 'Sunkist' Decision: Trade-Marks at the Crossroads," 38 T.M. REP., No. 3, Pt. I, 304, 308 (1948); 17 GEO. WASH. L. REV. 112 (1948); 26 N.C. L. REV. 424 (1948). It has been said that the moral to be drawn from the decision is that the courts, as well as lawyers, can disagree over the interpretation of the Lanham Act. Middleton, "Trends in the Judicial Interpretation of the Lanham Act," 38 T.M. REP., No. 5, Pt. I, 503 (1948).

¹⁹ *California Fruit Growers Exchange v. Windsor Beverages, Ltd.*, (7th Cir. 1941) 118 F. (2d) 149.

it was applied, and the result of its application is a matter of concern to all trade-mark owners.

The court of appeals reversed the trial court and held that "Sunkist" on bread did not infringe "Sunkist" on fruits and vegetables. In so holding, the court, through Judge Minton, said: "The unconscionable efforts of the plaintiffs to monopolize the food market by the monopoly of the word 'Sunkist' on all manner of goods sold in the usual food stores should not be sanctioned by the courts. . . . What these plaintiffs seek to do is to monopolize the word 'Sunkist' as applied to all edible foods."²⁰ This finding was made only a few years after the same court had held that the same plaintiff was entitled to protection not only against the use of its mark on fruits and vegetables, but on other goods, such as bottled beverages, which might naturally or reasonably be supposed to come from it. Is it more unnatural or unreasonable to suppose that bread might come from the "Sunkist" owner than to suppose that bottled beverages might come from it? It should not be, in view of the fact the owner registered the mark in the United States Patent Office for jams, jellies, raisins, grapes, etc., and advertises such items universally.

The same court of appeals that decided the *Sunkist* case, in discussing likelihood of confusion between fuel oil on the one hand and coal on the other,²¹ did not mention the Act of 1946. Apparently the parties in the subsequent case did not "stipulate" that the new act was appli-

²⁰ *California Fruit Growers Exchange v. Sunkist Baking Co.*, (7th Cir. 1947) 166 F. (2d) 971 at 974 and 975.

²¹ *Consumers Petroleum Co. v. Consumers Co. of Illinois*, (7th Cir. 1948) 169 F. (2d) 153, cert. den. 335 U.S. 902, 70 S.Ct. 486 (1949), (7th Cir. 1949) 176 F. (2d) 441. The latter citation deals with appeal from the decree entered on mandate. The confusion of the courts is well illustrated by Judge Major's comment on page 442: "From the argument which took place below and from the colloquy between the court and counsel, as well as the argument here, it appears that more confusion resulted from our opinion than was caused by defendant when it entered the fuel oil business. Without any thought of proclaiming it as a masterpiece or a model for clarity, we are convinced that it is not reasonably susceptible of the criticism to which it has been subjected. The opinion must speak for itself and what we have held, of course, is now binding not only on the court below but on this court as well. The most pertinent criticism is that we failed to distinguish between the trade name 'Consumers' and the defendant's corporate name. This criticism cannot be overlooked because it goes to the heart of the instant controversy. Our asserted failure to make this distinction, so it appears, was the basic premise upon which the court concluded that it was required to enjoin the defendant from the use of its corporate name. The court below stated, 'In the opinion the Court of Appeals uses the words "trade name" twenty-five times, and in all cases, as being synonymous with corporate name.' Our reading of the opinion fails to reveal the situation thus discerned by the lower court and leads us to wonder whether it is this or that court which is confused and which has failed to distinguish between the trade name and the corporate name."

Cf. *Standard Oil Co. of Colorado v. Standard Oil Co.*, (10th Cir. 1934) 72 F. (2d) 524, cert. den. 293 U.S. 620, 55 S.Ct. 216 (1934). See Handler and Pickett, "Trade-Marks and Trade Names—An Analysis and Synthesis," 30 *COL. L. REV.* 168 (1930).

cable to the appeal.²² It was held there that solid fuels such as coal and wood are not goods of the same descriptive properties as fuel oil. Therefore, defendant was enjoined from using "Consumers" to identify fuel oil but not on coal, etc.

Moreover, in some cases the old concept of infringement was improperly applied. Confusion was denied between "Philco" and "Filko,"²³ "Nu-Grape" and "Tru-Grape,"²⁴ "Jewelite" and "Gemlite."²⁵

The basis for the first decision was that the owner of "Philco" did not make ignition repair parts; that the sale of "Filco" parts for and as "Philco" supports the finding that there is no likelihood of confusion as to the source of origin; and defendant had the right to use the personal name of one of its executives, "Filco." The court in the second case held that the mark "NuGrape," registered in 1923 under the 1905 Act, was descriptive and invalid, and that the mark "Tru-Grape" did not infringe nor did its use compete unfairly with complainant's use of its registered mark. The lower court found that the consuming public was not confused,²⁶ yet the evidence disclosed that in nineteen instances plaintiff's representatives were served one drink when they had ordered the other. Thus a trade-mark owner who has expended more than \$800,000 in advertising and whose aggregate sales have been more than \$5,000,000 is deprived of its valuable property rights.

Trade-mark owners were comforted by the "Seventeen" cases.²⁷ Though the Lanham Act was not applicable, use of "Seventeen" for teen-age dresses was held by the Eighth Circuit to be an infringement of and unfair competition with plaintiff's use of its trade-mark "Seven-

²² Compare the decision in *Andrew J. McPartland, Inc. v. Montgomery Ward & Co.*, (C.C. P.A. 1947) 164 F. (2d) 603, where the court held that the act was not applicable to the appeal. Of course, in the *Consumers* case, no registered mark was involved but "The New Act makes an action for unfair competition relief a statutory right of action and protection will be granted under the Federal law and not limited to the common law of the States." ROBERT, *THE NEW TRADE-MARK MANUAL* 177 (1947). But see *Stauffer v. Exley*, (9th Cir. 1950) 184 F. (2d) 962.

²³ *Philco Corp. v. F. & B. Mfg. Co.*, (7th Cir. 1948) 170 F. (2d) 958. Compare with *Philadelphia Storage Battery Co. v. Mindlin*, 163 Misc. 52, 296 N.Y.S. 176 (1937) where relief was granted.

²⁴ *National Nu Grape Co. v. Guest*, (10th Cir. 1947) 164 F. (2d) 874, cert. den. 333 U.S. 874, 68 S.Ct. 903 (1948).

²⁵ *Pro-phy-lac-tic Brush Co. v. Jordan Marsh Co.*, (1st Cir. 1948) 165 F. (2d) 549. Compare *Pro-phy-lac-tic Brush Co. v. Gemloid Corp.*, (C.P. 1948) 77 U.S.P.Q. 476, where the Commissioner of Patents, five months later, held "Gemlite" confusingly similar to "Jewelite."

²⁶ *National Nu Grape Co. v. Guest*, (D.C. Okla. 1946) 69 F. Supp. 863.

²⁷ *Hanson v. Triangle Publications, Inc.*, (8th Cir. 1947) 163 F. (2d) 74, cert. den. 332 U.S. 855, 68 S.Ct. 387 (1948); *Triangle Publications, Inc. v. Rohrlisch*, (2d Cir. 1948) 167 F. (2d) 969; 35 VA. L. REV. 120 (1949). See also *Stork Restaurant, Inc. v. Sahati*, (9th Cir. 1948) 166 F. (2d) 348.

teen" for a magazine. In the early part of 1948 the Second Circuit through Judge Augustus N. Hand enjoined the use of "Miss Seventeen" for girdles. The court cited the Eighth Circuit's decision with approval and deemed the defendant's use of the word "Seventeen" likely to cause confusion as to the sponsorship which might prove harmful to the plaintiff's reputation.

Judge Clark made reference to the act in the "Lorraine" case,²⁸ a year before the new act became effective, to facilitate the court's keeping pace with the legislative branch. He said: "This judicial construction has received legislative approbation. The Trade-Mark Act of July 5, 1946, . . . effective one year hence, provides specifically that the use of geographical terms prevents registration if 'when applied to the goods of the applicant' it 'is primarily geographically descriptive or deceptively misdescriptive.' And application of the established principles compels a conclusion of validity here."²⁹ Judge Clark again mentioned the act in the *California Apparel* case.³⁰ The eminent jurist pointed out that the act was not applicable but added that it is expected to produce a more effective remedy.³¹ Mention was also made in the "Liliputian Bazaar" case³² both in the majority and dissenting opinions. The majority opinion merely said it was inapplicable. Judge Clark, however, went much further by stating:

"Though only recently effective, we are certainly authorized to apply it at least prospectively, by its explicit terms. . . . [I]t is clearly plaintiffs' legislation, beyond what is, I believe, yet judicially realized, even if not quite so much so as the already voluminous literature assumes. Thus it broadens the area of registrable trade-marks, the protection accorded such marks, and the general remedies for false description or representation of goods. . . . The resources of

²⁸ *La Touraine Coffee Co., Inc. v. Lorraine Coffee Co., Inc.*, (2d Cir. 1947) 157 F. (2d) 115, cert. den. 329 U.S. 771, 67 S.Ct. 189 (1946).

²⁹ *Id.* at 117. (Emphasis Judge Clark's). Cf. dissenting opinion by Judge Frank at 121. See also Lunsford, "Are Our Courts Protecting 'Secondary Meaning' Trade-Marks?" 39 T.M. REP. 767 at 784 (1949).

³⁰ *California Apparel Creators v. Wieder of California, Inc.*, (2d Cir. 1947) 162 F. (2d) 893, cert. den. 332 U.S. 816, 68 S.Ct. 156 (1947); Singer, "When Can You Use Name of Locality as a Trade-Mark?" 36 T.M. REP., No. 7, Pt. I, 155 (1946); note, "Protection of Geographical Trade Names From Unfair Competition," 48 COL. L. REV. 158 (1948).

³¹ *California Apparel Creators v. Wieder of California, Inc.*, (2d Cir. 1947) 162 F. (2d) 893 at 900. See Callmann, "False Advertising as a Competitive Tort," 48 COL. L. REV. 876 at 887 (1948).

³² *Best & Co., Inc. v. Miller*, (2d Cir. 1948) 167 F. (2d) 374, cert. den. 335 U.S. 818, 69 S.Ct. 39 (1948). Plaintiff's right to protection had previously been upheld by the courts. *Ball v. Broadway Bazaar*, 194 N.Y. 429, 87 N.E. 674 (1909); *Ball v. Best*, (C.C. Ill. 1905) 135 F. 434.

the English language are such that a defendant may be required without undue hardship to choose his own formula or slogan to exploit without riding upon the successful advertising of another. Hence, however allergic we may be personally to the flamboyance of American advertising, I can see no escape from our duty to carry out the legislative intent."³³

Derenberg solved the problem with the following language:

"Notwithstanding the much discussed and criticized recent decision . . . in the *Sunkist* case, the test now to be applied by the Office [U. S. Patent Office] would seem to be the liberal rule frequently followed by the Court of Customs and Patent Appeals and most of our courts even under the old law. . . . It will require no legal gymnastics under the new Act to find likelihood of confusion between use of the same well-known mark on women's dresses on the one hand, and cosmetics on the other, or a mark used on cigarettes by one firm and on cigarette holders or cases by the other."³⁴

The courts, on the other hand, must employ legal gymnastics to circumvent the effect of the new legislation.

IV. *The Second Year of the Lanham Act*

The second year's development in interpreting the act was far more encouraging to trade-mark owners and proponents of the act than the first. One of the most significant decisions is the *Safeway* case.³⁵ This opinion carries out the intent of the act which makes it unnecessary to do violence to the language, as in the *Yale* case, in order to arrive at a finding of likelihood of confusion. The court, after citing the *Yale* case and other cases under the 1905 Act stated: "The principle of these cases, decided under the Trade-Mark Act of February 20, 1905, is now incorporated in the Lanham Act . . . , which became effective July 1947, after the judgment in the district court and prior to the taking of this appeal and, under section 47(b) . . . , is here applicable."³⁶

³³ *Best & Co., Inc. v. Miller*, (2d Cir. 1948) 167 F. (2d) 374 at 378, cert. den. 335 U.S. 818, 69 S.Ct. 39 (1948).

³⁴ Derenberg, "The Lanham Trade-Mark Act of 1946—Practical Effects and Experiences After One Year's Administration," 38 T.M. REP., No. 8, Pt. I, 831 at 852 (1948). Derenberg cited *Elgin American Mfg. Co. v. Elizabeth Arden, Inc.*, (C.C. P.A. 1936) 26 T.M. REP. 416, and *Yale Electric Corp. v. Robertson*, (2d Cir. 1928) 26 F. (2d) 972. Other pre-Lanham Act cases which granted relief are *Bulova Watch Co. v. Stolzberg*, (D.C. Mass. 1947) 69 F. Supp. 543; *Del Monte Special Food Co. v. California Packing Co.*, (9th Cir. 1929) 34 F. (2d) 774 and *Standard Brands, Inc. v. Smidler*, (2d Cir. 1945) 151 F. (2d) 34.

³⁵ *Safeway Stores, Inc. v. Dunnell*, (9th Cir. 1949) 172 F. (2d) 649, cert. den. 337 U.S. 907, 69 S.Ct. 1049 (1949).

³⁶ *Id.* at 655.

In that case, the defeated applicant instituted a proceeding under Revised Statute 4915 to compel registration of "Safeway" for toilet seat covers over the opposition of Safeway Stores, the well-known grocery concern which manufactures and sells paper towels and toilet tissue. The Commissioner of Patents denied registration. The district court reversed the Commissioner's decision and also dismissed Safeway's counterclaim for injunctive relief. The Court of Appeals for the Ninth Circuit reversed the district court and granted a permanent injunction against continued use of the name "Safeway." There are two fundamental points of this decision:

(a) The court cited the *Stork* case as its controlling decision and granted injunctive relief in the absence of competition. Chief Judge Denman, speaking for the majority, stated: "Even assuming the absence of any competition of toilet tissues and Dunnell's covers for protection of toilet users, [Safeway] Stores is entitled to its injunction."³⁷ The court had found that much effort and money have been expended to establish the good will of Safeway Stores.

(b) The court pointed out that a proceeding under Revised Statute 4915 is an application to the court to set aside the action of one of the executive departments of the government. It laid down the rule that the decision of the Patent Office must be accepted as controlling upon questions of fact in any subsequent litigation "unless, the contrary is established by testimony which in character and amount carries thorough conviction."³⁸ The court held that applicant's evidence did not satisfy this requirement.

The *Johnson* case³⁹ probably is considered as having far more importance than the "Safeway" decision. It was in that decision that Judge Learned Hand observed that the new act did "indeed put federal trademark law upon a new footing" and "created rights uniform throughout the Union."⁴⁰ This statement was in accord with the position stated by Diggins,⁴¹ Rogers⁴² and Robert.⁴³ Mr. Edward S. Rogers was instru-

³⁷ *Id.* at 656.

³⁸ *Id.* at 652, quoting from *Morgan v. Daniels*, 153 U.S. 120 at 125 (1893).

³⁹ *S. C. Johnson & Son, Inc. v. Johnson*, (2d Cir. 1949) 175 F. (2d) 176, cert. den. 338 U.S. 860, 70 S.Ct. 103 (1949). Derenberg, "The Second Year of Administration of the Lanham Trade-Mark Act of 1946," 39 T.M. REP. 651 at 660-661 (1949); 35 CORN. L.Q. 618 (1950); 34 MINN. L. REV. 77 (1949); 23 So. CAL. L. REV. 422 (1950); 98 UNIV. PA. L. REV. 127 (1949); 35 VA. L. REV. 797 (1949).

⁴⁰ *S. C. Johnson & Son, Inc. v. Johnson*, (2d Cir. 1949) 175 F. (2d) 176 at 178.

⁴¹ "Federal and State Regulation of Trade-Marks," 14 LAW & CONTEMP. PROB. 200 (1949).

⁴² Rogers, Introduction to THE NEW TRADE-MARK MANUAL (1947) at p. xix: "I suggest, therefore, that the binding force of the decisions of the courts of the various States with

mental in drafting and interpreting the act prior to its passage.

Yet two months later District Judge Reeves, asserting that he was applying the general law of trade-marks, held that state law applies in federal court actions for infringement of a trade name.⁴⁴ Other judges and other courts have looked to the Hand doctrine, as expressed in the *Yale* case, for guidance in trade-mark litigation. Why have they failed to follow his statement that the new act created uniform rights? The Seventh Circuit failed to comment on the *Johnson* case in an unfair competition case decided over six months later,⁴⁵ but concluded that an unfair competition case was governed by state law.

The original *Johnson* litigation arose in 1939 when the district court⁴⁶ enjoined the use of "Johnson" in connection with "Johnson's Cleaner" upon the complaint of the owner of "Johnson's Wax." On appeal, the circuit court agreed with the lower court's findings, but limited the injunction to permit the use of "Johnson's" as long as it was coupled with the word "Cleaner," provided this phrase was used in connection with the full name and address of the defendant.⁴⁷ This decision was reached despite the fact the court conceded that the use had "caused confusion among the plaintiff's customers."⁴⁸

In a sequel to this decision, a motion to file a supplemental bill was denied. The principal grounds upon which the plaintiff relied was the passage of the Lanham Act and the demonstrated inadequacy of the

respect to unfair competition and the obligation on the Federal Courts to apply them, supposed to result from *Érie Railway v. Tompkins*, are now removed."

⁴³ ROBERT, *THE NEW TRADE-MARK MANUAL* 177 (1947): "The new Act makes an action for unfair competition relief a statutory right of action and protection will be granted under the Federal law and not limited to the common law of the states."

⁴⁴ *Cook Paint & Varnish Co. v. Cook Chemical Co.*, (D.C. Mo. 1949) 85 F. Supp. 257; See *Kitty Kelly Shoe Corp. v. Stallings*, (D.C. Mich. 1949) 84 F. Supp. 816 at 819: ". . . the Trade-Mark Act of 1946 does not give the plaintiff any such substantive rights." *Food Fair Stores, Inc. v. Food Fair, Inc.*, (1st Cir. 1949) 177 F. (2d) 177 held that state law governs unfair competition action in federal court. In *Cole of California, Inc. v. Collette*, (D.C. Mass. 1948) 79 U.S.P.Q. 266, it was held that a purely local infringer was liable under the act on the ground that his sales adversely affected registrant's right to use the mark in commerce, while the opposite conclusion was reached in *C. B. Shane Corp. v. Peter Pan Style Shop, Inc.*, (D.C. Ill. 1949) 84 F. Supp. 86. The former view is supported by *Adam Hat Stores, Inc. v. Scherper*, (D.C. Wis. 1942) 45 F. Supp. 804 decided long prior to Lanham Act. In *R. P. Hazzard Co. v. Emerson's Shoes, Inc.*, (D.C. Mass. 1950) 89 F. Supp. 211 it was held that retail sale of shoes by defendant in Massachusetts was not in commerce and did not substantially affect commerce so as to entitle plaintiff to relief under the Lanham Act.

⁴⁵ *Radio Shack Corp. v. Radio Shack, Inc.*, (7th Cir. 1950) 180 F. (2d) 200.

⁴⁶ *S. C. Johnson & Son, Inc. v. Johnson*, (D.C. N.Y. 1939) 28 F. Supp. 744.

⁴⁷ *S. C. Johnson & Son, Inc. v. Johnson*, (2d Cir. 1940) 116 F. (2d) 427. The court said, at 430: "That [remedy] chosen by the district judge . . . would have been appropriate enough, if he was competing. . . ."

⁴⁸ *Id.* at 429.

relief granted earlier. Therefore, the court had presented to it the specific question: did the enactment of the Lanham Act alter the rights of the parties? The majority held that even under the test of the new act, the same considerations which had led to the issuance of a qualified injunction prevailed; that policy forbade a literal reading of the statute, for to do so would give the first user of a mark a "wholly unjustified power to preëempt new markets" and work "great hardship" on others. Judge Learned Hand wrote:

"Upon this we have nothing to add to what we said before, when we very deliberately assumed that the public might still be confused after the prescribed change had been made. . . .

"If Congress really meant to allow every first user of a mark so to stifle all excursions into adjacent markets upon showing no more than that confusion would result, it seems to us that it would have said so more clearly. *In the case of fabricated marks which have no significance, save as they denote a single source or origin of the goods to which they are attached, the first user's right may indeed go so far.* The second user can then show no interest of his own; and if, as will then appear, his only purpose is to trade on the first user's good-will, it is indeed time to intervene. That situation is polar to this, and we do not believe that both have been swept into a common condemnation by the language used to create a new federal right."⁴⁹

The majority opinion is clearly based on the assumption that the infringement test under the new act is broadened. There is no reference to the "Sunkist" decision. Judge Hand's dictum that different considerations would apply if the case had involved a "fabricated" mark is encouraging to owners of such marks. The dissenting judge refers to the majority opinion as indicating the different interpretations to which the term "likelihood of confusion" has been and is being subjected and his colleague's failure to consider the full impact and clear language of the act.

The majority opinion pointed out that there was no justification for the motion except the passage of the Lanham Act; and the court refused to interpret literally the language of the act—"any person who shall in commerce (a) use . . . any reproduction . . . of any registered mark" which "use is likely to cause confusion or mistake or deceive purchasers as to the source of origin" of the goods on which the owner had used it, shall be liable for civil action. Judge Clark dissented on the ground that

⁴⁹S. C. Johnson & Son, Inc. v. Johnson, (2d Cir. 1949) 175 F. (2d) 176 at 177 and 180. Italics added.

the matter should not be disposed of summarily, but there should be a hearing on the evidence. He pointed out: "As it stands, it must be assumed that the new legislation affords no relief, though all the allegations of the plaintiff be accepted in full."⁵⁰

The court refused to read the statute literally, apparently because of the policy in previously existing cases.⁵¹ It was doubtful whether such protection could be given under the previous statutes, but the courts had long since developed doctrines of unfair competition which gave the owners of celebrated marks adequate relief.⁵² This decision would appear to conflict with Justice Hughes' statement in the *Davids* case:⁵³ "Having the right to register its mark, the complainant was entitled to its protection as a valid trade-mark under the statute." Judge Hand admitted that the plaintiff is not getting adequate protection.

The hardship involved in this case was the fact that defendant's name was Johnson. Isn't it true that the public is as easily deceived by the use of confusingly similar *geographical*, *descriptive* or *surname* marks which have acquired a secondary meaning as by confusingly similar *fabricated* marks? Naturally, every man has a right to use his own name. However, he has no right to use it for the purpose of appropriating the good will of his neighbor's business or to commit a fraud on the public.⁵⁴ A secondary meaning has been attached to a personal name when the buyers think of the goods not as the product of *any* "Johnson" but as the product of a *particular* man or concern named "Johnson."⁵⁵ Under the Act of 1905, marks which were "mere-

⁵⁰ *Id.* at 181.

⁵¹ *Beech-nut Packing Co. v. Lorillard*, (3d Cir. 1925) 7 F. (2d) 967, *affd.* on other grounds, 273 U.S. 629, 47 S.Ct. 481 (1927); *Walgreen Drug Stores, Inc. v. Obear-Nester Glass Co.*, (8th Cir. 1940) 113 F. (2d) 956. But see *Yale Electric Corp. v. Robertson*, (2d Cir. 1928) 26 F. (2d) 972 which is the statutory law according to Judge Hand in the *Johnson* case.

⁵² *Sweet Sixteen Co. v. Sweet "16" Shops, Inc.*, (8th Cir. 1926) 15 F. (2d) 920; *Bulova Watch Co., Inc. v. Stolzberg*, (D.C. Mass. 1947) 69 F. Supp. 543; 60 *HARV. L. REV.* 821 (1947); 26 *TEX. L. REV.* 547 (1948); *Wall v. Rolls-Royce of America, Inc.*, (3d Cir. 1925) 4 F. (2d) 333; *Standard Brands, Inc. v. Smidler*, (2d Cir. 1945) 151 F. (2d) 34; *Stork Restaurant, Inc. v. Sahati*, (9th Cir. 1948) 166 F. (2d) 348.

⁵³ *Davids Co. v. Davids Mfg. Co.*, 233 U.S. 461 at 468, 34 S.Ct. 689 (1913). See also *Landers, Frary & Clark v. Universal Cooler Corp.*, (2d Cir. 1936) 85 F. (2d) 46.

⁵⁴ In *Garrett v. T. H. Garrett & Co.*, (6th Cir. 1896) 78 F. 472 at 478, the court drew the parallel of the use of a personal name with the right of every man to use white paper but he has no right to use it for making counterfeit money. See also *Hat Corp. of America v. D. L. Davis*, (D.C. Conn. 1933) 4 F. Supp. 613 where the court restrained *any* use of *Dobbs Pemberton*, "Here the Law Stands Still," 38 *T.M. BUL.* 98 (1941).

⁵⁵ *Vick Chemical Co. v. Vick Medicine Co.*, (5th Cir. 1926) 11 F. (2d) 33. Judge Clark stated in his dissent in the *Johnson* case, 175 F. (2d) 175 at 183: "... any devotee of the radio knows, that one of the most famous and presumably one of the most expensive of the popular evening radio hours has for years advertised the plaintiff's products."

ly" surnames⁵⁶ were not registrable; under the Lanham Act this language was changed to "primarily merely."⁵⁷ Even if the mark is primarily merely a surname, if it subsequently acquires a secondary meaning it is entitled to registration.⁵⁸ Once a mark has achieved that secondary meaning which entitles it to registration its identifying significance is entitled to the same protection afforded arbitrary or fabricated marks.⁵⁹

The *Johnson* case presents two questions that require answers. First, since Judge Hand gave a literal interpretation to the section of the Lanham Act which created rights uniform throughout the nation, why did he fail to give a literal interpretation to the section which omitted the words "goods of substantially the same descriptive properties?" Subsequent decisions have not answered this question. Secondly, what will be the effect in other circuits of the conclusion that the act created uniform rights which dispense with the application of the Erie doctrine? Thus far no court has been impressed by this far-reaching significant point.

Also during the second year of the act, one federal court of appeals found no likelihood of confusion between the mark "V-8" as used on vegetable cocktail and the name "VA" for tomato juice.⁶⁰ Yet, only a short time before, under the 1905 Act, another court held the owner of the "V-8" mark entitled to enjoin the same mark for vitamin tablets.⁶¹ What happened to the broader protection under the Lanham Act in this instance?

In sharp contrast with the *Johnson* case but to the satisfaction of trade-mark owners, the Court of Appeals for the Ninth Circuit held that the owner of "Lane Bryant" for maternity apparel was entitled to a preliminary injunction against the use of "Maternity Lane Ltd."⁶² It

⁵⁶ 33 Stat. L. §5, p. 726 (1905).

⁵⁷ 60 Stat. L. §2(e), p. 429, 15 U.S.C. (1946) §1052(e). *Ex Parte Dallieux*, (C.P. 1949) 83 U.S.P.Q.

⁵⁸ 60 Stat. L. §2(f), 15 U.S.C. (1946) §1052(f). *Ex parte Reeves Bros., Inc.*, (C.P. 1949) 84 U.S.P.Q. 19.

⁵⁹ 60 Stat. L. §33(b)(4), 15 U.S.C. (1946) §1115(b)(4). *Davids Co. v. Davids Mfg. Co.*, 233 U.S. 461, 34 S.Ct. 698 (1913).

⁶⁰ *Standard Brands, Inc. v. Eastern Shore Canning Co., Inc.*, (4th Cir. 1949) 172 F. (2d) 144, cert. den. 337 U.S. 925, 69 S.Ct. 1171 (1949); cf. *Campbell Soup Co. v. Hy-V Co., Inc.*, (C.P. 1950) 86 U.S.P.Q. 217 where "Hy-V" was held confusingly similar to "V-8."

⁶¹ *Standard Brands, Inc. v. Smidler*, (2d Cir. 1945) 151 F. (2d) 34.

⁶² *Lane Bryant, Inc. v. Maternity Lane, Ltd.*, (9th Cir. 1949) 173 F. (2d) 559, cert. den. 338 U.S. 537 (1950). There were two other outstanding cases decided in this year, namely, *Campbell Soup Co. v. Armour & Co.*, (3d Cir. 1949) 175 F. (2d) 795, cert. den. 338 U.S. 847, 70 S.Ct. 88 (1949) and *Anheuser-Busch, Inc. v. DuBois Brewing Co.*, (3d Cir. 1949) 175 F. (2d) 370, cert. den. 339 U.S. 934, 70 S.Ct. 664 (1950), but they require no individual comment other than the first held that there could be no trade-mark rights in color alone; Cf. *Barbasol v. Jacobs*, (7th Cir. 1947) 160 F. (2d) 336. The second

was adjudged that "maternity" and "Mother-to-be" have acquired a secondary meaning throughout the United States. The court held that one's commercial use of his own name may be limited, and it cited Judge Yankwich's decision in the *Brooks* case.⁶³

In conformity with what he considered the rule of the Ninth Circuit, Judge Yankwich enjoined the use of "Sunbeam" used on fluorescent lamps and as part of the trade-name on the ground that such use constituted an infringement of "Sunbeam" used on electrical appliances.⁶⁴ The following comment is particularly significant: "For, if there is any principle established firmly in the law of the Ninth Circuit, and in the law of California, which must govern the unfair competition phase of this case,—it is that infringement and unfair competition may be found to exist as between non-competitive fields and products."⁶⁵ He cited for his authority the *Safeway* case, the *Stork* case and the *Lane Bryant-Maternity Lane* case. Furthermore, he stated, "They do not limit the application of the rule to fanciful names. They apply it to ordinary names when . . . they have become so associated with a product as to create what the Restatement . . . calls 'confusion of source' in the minds of the public."⁶⁶

It would appear that the rule of the Ninth Circuit was clear, unequivocal, and well established as the Lanham Act entered into its third year.

V. *The Third Year of the Lanham Act*

Any thought that there was a fixed rule in the Ninth Circuit was blurred and possibly erased by the decision of the first "Sunbeam" case on appeal.⁶⁷ The court of appeals reversed Judge Yankwich in every

held that 39 years delay constituted estoppel. See also *Browning King Co. of New York, Inc. v. Browning King Co.*, (3d Cir. 1949) 176 F. (2d) 105 which held that an action to enjoin common law infringement and unfair competition is controlled by state law.

⁶³ *Brooks Bros. v. Brooks Clothing Co. of California*, (D.C. Cal. 1945) 60 F. Supp. 442. This decision was so comprehensive and thorough that the circuit court judges complimented Judge Yankwich by adopting it as their own in a per curiam decision, (9th Cir. 1947) 158 F. (2d) 798.

⁶⁴ *Sunbeam Corp. v. Sunbeam Lighting Co.*, (D.C. Cal. 1949) 83 F. Supp. 429. Judge Yankwich wrote a similar decision in *Sunbeam Corp. v. Sunbeam Furniture Corp.*, (D.C. Cal. 1950) 88 F. Supp. 852, which falls in the third year of the Lanham Act.

⁶⁵ 83 F. Supp. 429 at 430. Cf. *Saperstein v. Grund*, (D.C. Iowa 1949) 85 F. Supp. 647. The court said there could be no unfair trade unless there is competition, but enjoined the use of "Globetrotters" a generic word which had acquired a secondary meaning.

⁶⁶ 83 F. Supp. 429 at 430 and 431.

⁶⁷ *Sunbeam Lighting Co. v. Sunbeam Corp.*, (9th Cir. 1950) 183 F. (2d) 969, cert. den. 340 U.S. 920, 71 S.Ct. 357 (1951). See notes 6 and 7. For other cases in the third year see *Derenberg*, "The Third Year of Administration of the Lanham Act of 1946," 86 U.S.P.Q. Part II, 1 (1950).

particular with the exception that the second or later comer cannot use the word "Sunbeam" upon or in relation to household utensils in script that might closely approximate that of the originator. The present effect of the decision in the Ninth Circuit is that those trade-marks which are uninvended words, even though possessed of secondary meaning, may be used by others, except on closely related goods or in cases where the mark is displayed as a Chinese copy, although actual confusion and likelihood of confusion are found to exist.

In reaching the above conclusion the court, through Judge Stephens, wrote: "If plaintiff's goods are so good that the mere mention of their trade-name or mark would be sufficient for a reasonable person to select an article bearing it, no matter how unrelated plaintiff's goods are to the article, then as it seems to us, plaintiff must suffer the price of virtue."⁶⁸ Thus an owner of a well-known trade-mark which enjoys public acceptance is deprived of its right because of the popularity of the mark. The public likewise is deprived of its choice of selection and its means of identification.

It appears that Judge Stephens concurs with Judge Minton's opinion in the "Sunkist" case, although it was not cited, that the purchaser does not care what brand of merchandise he buys. He apparently assumes that all the purchaser desires is an electrical item and it makes no difference whether it is sold under the celebrated trade-mark "Sunbeam" or under an unknown mark such as "Moonglow." The guaranty function of a trade-mark is completely ignored.

A trade-mark has a further function other than to designate origin and ownership. It serves as a guarantee to the public that the purchased article emanates from the *same* source. It further assures the buyer that he will receive on subsequent calls the identical trade-marked article which has given him satisfaction in the past. So the public also pays this "price of virtue." The rights of the public were well defined by the Third Circuit as follows:

". . . when a trade-mark has gained a place in the public mind in association with a given product . . . and has come to be regarded as a guaranty of its quality, the public has a right to be protected from deception in its use."⁶⁹

The primary public interest is in the preservation of honesty and fair play in business and in protecting the fruits of individual enterprise from those who wish to reap where they have not sown.

⁶⁸ 183 F. (2d) 969 at 972.

⁶⁹ *Rosenberg Bros. & Co. v. Elliott*, (3d Cir. 1925) 7 F. (2d) 962 at 965. *Celotex Co. v. Millington*, (C.C. P.A. 1931) 49 F. (2d) 1053, 1054. See also note 8 supra.

The opinion conflicts with the specific directive of the Lanham Act which requires that the use of another's registered trade-mark likely to result in confusion as to source shall be enjoined. The court held that "the case is not solved by the simple finding as to whether defendants' use of the word 'Sunbeam' results 'in confusion and likelihood of confusion.'" ⁷⁰ Section 32(1) of the act provides that any person who shall use any reproduction or colorable imitation of any registered mark in connection with the sale of goods which is likely to cause confusion as to the source of origin shall be liable.⁷¹ However, the court applies the likelihood of confusion of *goods* test rather than the likelihood of confusion of *source*. As its authority the court cites dicta from the *Philco-Filko* decision discussed herein. This conflicts with the rule of the *Del Monte* case⁷² which held it to be immaterial that the plaintiff did not produce oleomargarine. It was there pointed out that the public would be deceived into buying the new product because it bore plaintiff's widely advertised and well-known trade-mark. Therefore, the purchasing public would believe the product emanated from the plaintiff and this would result in confusion of source. Of like import is the rule recently expressed in the "Safeway" case, which the court completely overlooked.

Since the court deemed it advisable to quote authority from the Seventh Circuit, the rule enunciated in the *Radio Shack* case⁷³ would have been preferable to the *Philco* case. There the court held that a trade name will be protected even though words are of a descriptive character if they have acquired a distinctive meaning in the market place. That tribunal pointed out that it was immaterial that plaintiff did not manufacture the goods it sells because "it is the confusion of origin or sponsorship, and not the confusion of goods, which is the controlling factor."⁷⁴

The Ninth Circuit commended the trial judge for his decision in *Palmer v. Gulf Pub. Co.*⁷⁵ and used this decision to reverse his findings. It is interesting to note Judge Yankwich's language in distinguishing that case:

⁷⁰ *Sunbeam Lighting Co. v. Sunbeam Corp.*, (9th Cir. 1950) 183 F. (2d) 969 at 971, cert. den. 340 U.S. 920, 71 S.Ct. 357 (1951).

⁷¹ 60 Stat. L. 437, §32(1), 15 U.S.C. (1941) §1114.

⁷² *Del Monte Special Food Co. v. California Packing Corp.*, (9th Cir. 1929) 34 F. (2d) 774 at 775.

⁷³ *Radio Shack Corp. v. Radio Shack, Inc.*, (7th Cir. 1950) 180 F. (2d) 200. Cf. *Jewel Tea Co. v. Kraus*, (D.C. Ill. 1950) 88 F. Supp. 1003 where use of the word "Jewel" for milk stores was enjoined by the owner of the mark for tea stores.

⁷⁴ *Radio Shack Corp. v. Radio Shack, Inc.*, (7th Cir. 1950) 180 F. (2d) 200 at 206.
⁷⁵ (D.C. Cal. 1948) 79 F. Supp. 731.

"I think they [defendants] have misread the case. In that case, no actual confusion was shown. . . . I did not intend to rule, and could not very well rule, under the law of the Ninth Circuit, that the mere fact that the custom of the late comer came from a limited segment of industry is sufficient to avoid infringement. Indeed the rule is the other way."⁷⁶

The appellate court concluded by saying that nothing it had said in the *Lane Bryant-Maternity Lane* and *Stork* cases is inconsistent with its present views.

In those cases the author of the *Sunbeam* opinion sat only once.⁷⁷ The other two jurists did not participate, nor could they have participated since one was a visiting judge and the other a district judge. The owner of the "Sunbeam" mark petitioned for a rehearing en banc, but its petition was denied.⁷⁸

A decision⁷⁹ by the First Circuit requires comment. It held that a pictorial representation of a woman pouring the contents of a can into a toilet bowl was registrable. The basis for this conclusion was that the design was original, arbitrary and fanciful. The court added, that even though the mark is valid, it did not follow that the plaintiff is entitled to appropriate exclusively unto itself the descriptive element of its composite mark. Judge Woodbury's language merits quoting:

"Clearly in advertising, to quote from the current musical play 'South Pacific', 'There is nothing like the frame of a dame', and we cannot see why the defendant is not as much entitled to take commercial advantage of pulchritude as the plaintiff."⁸⁰

A second factor in the decision was the dissimilarities of the marks,

⁷⁶ *Sunbeam Corp. v. Sunbeam Lighting Co.*, (D.C. Cal. 1949) 83 F. Supp. 429 at 430.

⁷⁷ *Lane Bryant, Inc. v. Maternity Lane*, (9th Cir. 1949) 173 F. (2d) 559.

⁷⁸ (9th Cir. 1950) 86 U.S.P.Q. 464. It is interesting to note that Chief Judge Denham has strong feelings on en banc petitions. See *Independence Lead Mines Co. v. Kingsbury*, (9th Cir. 1949) 175 F. (2d) 983, cert. den. 338 U.S. 900, 70 S.Ct. 249 (1949); 63 HARV. L. REV. 1449 (1950).

⁷⁹ *Judson Dunaway Corp. v. Hygienic Products Co.*, (1st Cir. 1949) 178 F. (2d) 461. There were two cases involving the jurisdiction of the Federal Trade Commission in cancellation proceedings [*FTC v. Elder Mfg. Co.*, (C.P. 1950) 84 U.S.P.Q. 429; *FTC v. Royal Mfg. Co.*, (C.P. 1950) 84 U.S.P.Q. 429]. The Commissioner of Patents held that the FTC's jurisdiction is limited to marks registered on the principal register and did not extend to marks registered under the 1905 Act even though republished under §12(c) of the Lanham Act. In *Forstmann Woolen Co. v. Murray Sices Corp.*, (D.C. N.Y. 1950) 86 U.S.P.Q. 209, it was held that the defense that plaintiff is violating the anti-trust laws [§33(b)(7)] may be available against the owner of *any* registered mark whether such mark had acquired the incontestable rights or not. Cf. ROBERT, *THE NEW TRADE-MARK MANUAL* 145 (1947). But see Williamson, "Trade-Marks Registered Under the Lanham Act Are Not 'Incontestable,'" 37 T.M. REP., No. 6, Pt. I, 404 (1947).

⁸⁰ *Judson Dunaway Corp. v. Hygienic Products Co.*, (1st Cir. 1949) 178 F. (2d) 461 at 466.

namely, "Sani-Flush" and "Vanish." The lower court had, however, rendered a judgment for plaintiff.⁸¹

A similar case, involving packages, was dismissed in the Seventh Circuit.⁸² The complaint was dismissed despite the fact that some confusion of goods was shown and some merchants had deliberately substituted one product for the other. The basis for the decision was that the goods were "impulse sales" items and therefore purchased with very little attention or caution.⁸³ In the past the courts have considered the likelihood of confusion greater among purchasers of low priced articles.⁸⁴ This is because such articles are bought by the casual purchaser without great care. Naturally it will take less in the way of resemblance to deceive them. On the other hand, valuable articles are purchased only after deliberate and careful consideration.

In passing, it must be remembered that in the *Radio Shack* case the Seventh Circuit held that in an action for unfair competition the appropriate state law must be applied.⁸⁵ On the other hand the *Sani-Flush* decision by the First Circuit held that the federal district court had jurisdiction over a suit alleging both trade-mark infringement and unfair competition.⁸⁶ It is strange that neither case mentions the *Johnson* case

⁸¹ *Hygienic Products Co. v. Judson Dunaway Corp.*, (D.C. N.H. 1948) 81 F. Supp. 935.

⁸² *Life Savers Corp. v. Curtiss Candy Co.*, (D.C. Ill. 1949) 87 F. Supp. 16, affd. (7th Cir. 1950) 182 F. (2d) 4. Cf. *Stardust, Inc. v. Weiss*, (D.C. N.Y. 1948) 79 F. Supp. 274 at 279-280 where it was held that "Starlight" on brassieres was confusingly similar to senior mark "Stardust" used on brassieres. The Seventh Circuit also held in this year that disputes as to trade-mark infringement can rarely be determined on a motion for summary judgment. *Albert Dickinson Co. v. Mellos Peanut Co.*, (7th Cir. 1950) 179 F. (2d) 265. This was in accord with the law before the Lanham Act. *Marcus Breier Sons, Inc. v. Marvlo Fabrics, Inc.*, (2d Cir. 1949) 173 F. (2d) 29; *Avrick v. Rockmont Envelope Co.*, (10th Cir. 1946) 155 F. (2d) 568.

⁸³ Cf. *Mason, Au & Magenheimer Conf. Mfg. v. Hawley & Hoops*, (C.P. 1950) 86 U.S.P.Q. 272 at 275, where the Commissioner, in holding "Ravens" for candy confusingly similar to "Black Crows" used on candy, said: "The cost of the products alone would ordinarily preclude receipt of any complaints, since it may be presumed that a five-cent purchase would not justify the time or expense involved in making a complaint. As already indicated the products are purchased in most casual fashion. Opposer is not required to prove confusion."

⁸⁴ *Liggett & Myer Tobacco Co. v. Hynes*, (D.C. Ark. 1884) 20 F. 883; *In re Dutch Maid Ice Cream Co.*, (C.C. P.A. 1938) 95 F. (2d) 262 at 264; *Federal Trade Comm. v. Good-Grape Co.*, (6th Cir. 1930) 45 F. (2d) 70.

⁸⁵ *Radio Shack Corp. v. Radio Shack, Inc.*, (7th Cir. 1950) 180 F. (2d) 200 at 202. Note 1 of the decision refers to Bunn, "The National Law of Unfair Competition," 62 *HARV. L. REV.* 987 (1949). But see *Samson Crane Co. v. Union Nat. Sales, Inc.*, (D.C. Mass. 1949) 87 F. Supp. 218, where it was held that in order to bring local activities within scope of the FTC the activities must themselves be in commerce, and it is not enough that they affect commerce. Cf. note 44.

⁸⁶ *Judson Dunaway Corp. v. Hygienic Products Co.*, (1st Cir. 1949) 178 F. (2d) 461 at 463. The headnote cites 15 U.S.C.A. §1119 and 28 U.S.C.A. §§1291, 1338(a, b) as authority.

to the effect that the Lanham Act put the trade-mark law on a new footing.

However, the probable effect of the *Johnson* case, on another point is already apparent in the most recent decision involving the trade-mark "Federal."⁸⁷ The Court of Appeals for the Second Circuit denied the owner of "Federal" for radio receivers a preliminary injunction against the use of "Federal" for television receivers on a finding that no *actual* confusion had taken place. The court took the position that the use of this identical mark by the television concern could affect the plaintiff only in one of two ways: (1) it might make it more difficult for the plaintiff to sell television sets; (2) plaintiff's general reputation might be damaged, if defendant's reputation was bad. The court thought that there was no evidence that the two interests will be endangered by defendant's use of the word "Federal" and concluded with the sweeping comment: "It [defendant] started the use in entire good faith, the word is in general use for all sorts of purposes, and the plaintiff's pretension to monopolize it is without any present basis that we can discover."⁸⁸

Does the latest Second Circuit's decision signify that the Lanham Act has actually narrowed protection to trade-mark owners? The decision is in direct conflict with and may, by implication, overrule an earlier decision of the district court involving "Colonial" for radio and television sets.⁸⁹ On virtually identical facts the use of "Colonial" for television sets was enjoined on the complaint of the maker of "Colonial" radios. There was evidence of confusion in that the plaintiff had received several letters from consumers and distributors in response to advertising by defendant. Similar evidence, though attacked by defendant and discounted by the court, was offered in the "Federal" case. But isn't *likelihood of confusion* the statutory and common law test?

VI. *The Lanham Act In Its Fourth Year*

As this article is being prepared the act has been in effect less than four years. However, during the expired portion of the fourth year's administration, several decisions have been rendered which may have

⁸⁷ *Federal Telephone & Radio Corp. v. Federal Television Corp.*, (2d Cir. 1950) 180 F. (2d) 250.

⁸⁸ *Id.* at 252; cf. *Columbia Broadcasting System, Inc. v. Columbia of New York, Inc.*, (N.Y. 1950) 97 N.Y.S. (2d) 455

⁸⁹ *Colonial Radio Corp. v. Colonial Television Corp.*, (D.C. N.Y. 1948) 78 F. Supp. 546.

far-reaching effects. They also exemplify lack of uniformity—an ill the Lanham Act supposedly cured.

The Court of Appeals for the Ninth Circuit held that a California corporation's unregistered trade name used in interstate commerce can be protected from unfair competition in a federal district court against a California infringer.⁹⁰ The court ruled that the federal court has jurisdiction despite the absence of diversity of citizenship, in cases where the alleged unfair competition affects interstate commerce. A very short time later District Judge Ryan in New York did not follow this decision.⁹¹ He concluded that a claim founded solely on allegations of unfair competition is not one arising under the Lanham Act and that federal courts have no jurisdiction in the absence of diversity of citizenship. In a subsequent decision,⁹² where there was diversity of citizenship, a federal court in Missouri concluded that the act gives original jurisdiction of unfair competition claims affecting federal commerce regardless of any federal registration, and regardless of the citizenship of the parties. This suit was one for infringement of a registered trademark and for unfair competition. No reference was made to either the *Stauffer* or *Ross* cases. Once again trade-mark owners and their attorneys are confronted with the problem of which opinion sets forth the correct view.

In this same period the Court of Appeals for the Seventh Circuit sustained a claim for unfair competition and dismissed a claim for trademark infringement because of the local, interstate nature of defendant's business.⁹³ Nowhere in the body of the opinion is there any reference to the Lanham Act. Jurisdiction was based on federal registration and diversity of citizenship. The lower court⁹⁴ had stated that the infringement of a federally registered trade-mark in which the cause of action

⁹⁰ *Stauffer v. Exley*, (9th Cir. 1950) 184 F. (2d) 962. See note 22, *supra*. The basis for the decision is section 44 of the act which provides for federal protection of unregistered trade names belonging to nationals of foreign countries with which the United States has a treaty relating to the protection of industrial property. See also *Chamberlain v. Columbia Pictures Corp.*, (9th Cir. 1951) 186 F. (2d) 923 at 924 where the court stated: "Various provisions of the Lanham Act now give protection under federal law regardless of the registration under federal law of the trade name concerned, provided the unfair competition takes place in interstate commerce."

⁹¹ *Ross Products, Inc. v. Newman*, (D.C. N.Y. 1950) 87 U.S.P.Q. 420. See also *Hodgson v. Fifth Ave. Plastics, Inc.*, (D.C. N.Y. 1950) 94 F. Supp. 160 and *Kaplan v. Helenhart Novelty Co.*, (2d Cir. 1950) 182 F. (2d) 311.

⁹² *Lane Bryant, Inc. v. Glassman*, (D.C. Mo. 1951) 95 F. Supp. 320; *In re Lyndale Farm*, (C.C.P.A. 1951) 196 F. (2d) 723.

⁹³ *Jewel Tea Co., Inc. v. Kraus*, (7th Cir. 1950) 88 U.S.P.Q. 14.

⁹⁴ *Jewel Tea Co., Inc. v. Kraus*, (D.C. Ill. 1950) 88 F. Supp. 1003 at 1005. See note 73, *supra*.

is dependent on federal registration requires an allegation that the transactions occurred in interstate commerce. The court stated that it must follow the rule of the Supreme Court⁹⁵ and apply the appropriate state law, yet the Supreme Court has not yet interpreted the Lanham Act. Of particular significance is the following passage:

"Many of the decisions on the question of unfair competition seem to be in conflict. One line of cases adopts a narrow rule of construction, where the word appropriated as a trade-mark or trade name was originally descriptive and thus is not distinctive, while another line of cases extends broad protection where the trade-mark or trade name is arbitrary and fanciful. . . . In other cases the matter of prime concern is whether competition actually existed between the parties in the dispute."⁹⁶

Recently the Seventh Circuit⁹⁷ held that the filing of an opposition against the registration of a trade-mark in United States Patent Office does not create a controversy within the meaning of the Declaratory Judgment Act.⁹⁸ This decision reversed the trial court⁹⁹ which had entertained a declaratory judgment on the ground that the issues framed in an opposition proceeding were sufficient to establish such a controversy. The appellate court reached the conclusion that in a proceeding to *register*, the right to *use* the mark is not involved.¹⁰⁰ A New York district court, on a motion to dismiss a declaratory judgment suit, decided that it was unnecessary to determine whether the issues in an opposition proceeding were sufficient to establish such a controversy.¹⁰¹ This court did hold that a mere threat of a trade-mark infringement suit is sufficient to warrant a finding that a justiciable controversy exists,

⁹⁵ *Pecheur Lozenge Co. v. National Candy Co.*, 315 U.S. 666, 62 S.Ct. 853 (1942); *Fashion Originators' Guild of America, Inc. v. Federal Trade Commission*, 312 U.S. 457, 61 S.Ct. 703 (1941).

⁹⁶ *Jewel Tea Co. v. Kraus*, (7th Cir. 1950) 187 F. (2d) 278 at 282. Cf. two Florida decisions: *Economy Auto Stores, Inc. v. Economy Auto Supply Stores, Inc.*, (D.C. Fla. 1949) 90 F. Supp. 616, and *Creamette Co. v. Conlin*, (D.C. Fla. 1950) 92 F. Supp. 591, the former protecting "Economy" and the latter refusing to protect "Creamette." See also *B. B. Pen Co. v. Brown & Bigelow*, (D.C. Minn. 1950) 92 F. Supp. 272, and cf. *The Bama Co. v. Goltsman*, (5th Cir. 1950) 88 U.S.P.Q. 1. See note 60, *supra*.

⁹⁷ *Merrick v. Sharp & Dohme, Inc.* (7th Cir 1951) 88 U.S.P.Q. 145, 185 F. (2d) 713.

⁹⁸ 62 Stat. L. 964, 28 U.S.C. (1948) §§2201-2202.

⁹⁹ *Merrick v. Sharp & Dohme*, (D.C. Ill. 1949) 84 F. Supp. 1008.

¹⁰⁰ *George H. Ruth Candy Co. v. Curtiss Candy Co.*, (C.C. P.A. 1931) 49 F. (2d) 1003 at 1034. Cf. *Derenberg*, "The Third Year of Administration of the Lanham Trade-Mark Act of 1946," 40 T.M. REP. No. 9, Pt. I, 914 at 938-40 (1950).

¹⁰¹ *Merrimac Hat Corp. v. Crown Overall Mfg. Co.*, (D.C. N.Y. 1950) 85 U.S.P.Q. 369, 91 F. Supp. 49, *affd.* (2d Cir. 1951) 88 U.S.P.Q. 51. Cf. *Derenberg*, "The Second Year of Administration of the Lanham Trade-Mark Act of 1946," 39 T.M. REP. 651 at 664-5 (1949).

but refused to enjoin the defendant from continuing with the opposition.

Thus, the conflicting decisions are not confined to unfair competition, confusion of source, but extend to questions of jurisdiction and procedure.¹⁰²

VII. *Future Status*

It has been said that trade-marks are in a period of transition.¹⁰³ The courts, prior to the new act, were handicapped by the phrase "goods of the same descriptive properties" in suits involving trade-marks for dissimilar goods. One of the purposes of the Lanham Act was to remove this handicap. Yet the courts during the first three and a half years of the incidence of the Lanham Act have, in effect, rendered impotent the express provisions of the law. Why? Judge Charles E. Clark has commented that the effect of the *Johnson* decision has been to "cut this Act . . . down to a size consistent with the court's conceptions of public policy."¹⁰⁴ There are those who consider trade-marks as vehicles of monopoly.¹⁰⁵ However, Congress took the opposite view in passing the Lanham Act. The Supreme Court has recognized that trade-marks may acquire great value,¹⁰⁶ and if another poaches upon their commercial magnetism their owners can obtain relief.

It may be wise to point out that a trade-mark is not a governmental grant and should not be confused with a patent or copyright.¹⁰⁷ A trade-mark is not a monopoly of a natural product, nor of an invention, but a means of identification usually established by advertising. Yet some courts have difficulty in distinguishing between a trade-mark and a

¹⁰² Judge Jerome Frank expressed hope that the Supreme Court would grant certiorari to settle the conflict in *P. Beiersdorf Co. v. Duke Laboratories, Inc.*, (2d Cir. 1951) 187 F. (2d) 14.

¹⁰³ Currie, Foreword, Symposium, "Trade-Marks in Transition," 14 *LAW & CONTEMP. PROB.* 171, 172 (1949).

¹⁰⁴ *S. C. Johnson & Son, Inc. v. Johnson*, (2d Cir. 1949) 175 F. (2d) 176 at 180.

¹⁰⁵ Zlinkoff, "Monopoly Versus Competition," 53 *YALE L.J.* 514 (1944); Brown, "Advertising and the Public Interest: Legal Protection of Trade Symbols," 57 *YALE L.J.* 1165 (1948); Timberg, "Trade-Marks, Monopoly, and the Restraint of Competition," 14 *LAW & CONTEMP. PROB.* 323 (1949). Cf. Taggart, "Trade-Marks: Monopoly or Competition?" 43 *MICH. L. REV.* 659 (1945); Rogers, "The Lanham Act and the Social Function of Trade-Marks," 14 *LAW & CONTEMP. PROB.* 173 (1949); Rogers, "The Social Value of Trade-Marks and Brands," 37 *T.M. REP.* No. 4, Pt. I, 249 (1947); Link, "The Social Significance of Trade-Marks," 38 *T.M. REP.* No. 6, Pt. I, 622 (1948); Greenberg, "The Meaning of Trade-Marks," 39 *T.M. REP.* 7 (1949).

¹⁰⁶ *Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co.*, 316 U.S. 203, 62 S.Ct. 1022 (1942).

¹⁰⁷ *General Baking Co. v. Gorman*, (1st Cir. 1925) 3 F. (2d) 891 at 893.

copyright,¹⁰⁸ or even a patent. Other courts become confused by trying to distinguish between trade-marks and trade names.¹⁰⁹ These factors may account in a large degree for the inconsistencies of the courts. Is this the reason some courts have failed to consider the import of the legislation? Or is the failure due to economic-social concepts of the individual judges?

Mislabeled food and drugs is prevented under the Food and Drug Act, unfair methods of competition are suppressed under the Federal Trade Commission Act¹¹⁰ as well as under the Robinson-Patman, Sherman and Clayton Anti-Trust Acts. Is there a difference between those acts and the Lanham Act which attempts to govern markings in general?

Callmann¹¹¹ has advocated an amendment to the act or a federal statute, patterned after the Massachusetts statute¹¹² which provides that, in case of trade-mark infringement and unfair competition, dilution of the distinctive quality of the business name or trade-mark shall be a ground for relief. The difficulty in familiarizing the courts with the Lanham Act behooves trade-mark owners to strive for interpretations which are in keeping with the legislative *intent* behind the act. Tax cases are heard by a specialized tax court and the National Labor Relations Board has jurisdiction of labor disputes. Recently Congress provided for a Court of Military Appeals¹¹³ to review all courts-martial of the units of the armed services. Is this the answer to the confusion of the courts concerning trade-marks? Members of the services and public reaction were responsible for the new Military Code. Inequities in the administration of military justice commanded a revision. Likewise the

¹⁰⁸ *Sunbeam Lighting Co. v. Sunbeam Corp.*, (9th Cir. 1950) 86 U.S.P.Q. 240 at 241. In *Kay Jewelry Co. v. Kapiloff*, 204 Ga. 209 at 213, 49 S.E. (2d) 19 (1948); the court wrote an excellent decision but made this statement: ". . . which name has been registered in the Federal Copyright Office. . . ." Italics added.

¹⁰⁹ *Consumers Petroleum Co. v. Consumers Co. of Illinois*, (7th Cir. 1948) 169 F. (2d) 153, cert. den. 335 U.S. 902, 70 S.Ct. 486 (1949).

¹¹⁰ Mason, "A Credo About Trade-Marks and Brands," 40 T.M. REP., No. 6, Pt. I, 492 (1950). In *In re Ben Brande*, an individual trading as Sales Stimulators, Docket No. 4982 (1948), the Commission issued an order enjoining the respondent from using "Lady Esther" (well known trade-mark used on cosmetics) with regard to tableware and similar products.

¹¹¹ Callmann, "Trade-Mark Infringement and Unfair Competition," 14 LAW & CONTEMP. PROB. 185 (1949).

¹¹² Mass. Gen. Laws, c. 110, §7A approved May 2, 1947. *Food Fair Stores, Inc. v. Food Fair, Inc.*, (D.C. Mass. 1948) 83 F. Supp. 445, affd. (2d Cir. 1949) 177 F. (2d) 177; 24 N.Y. UNIV. L.Q. 929 (1949); 98 UNIV. PA. L. REV. 604 (1950). See also *Tiffany & Co. v. Tiffany Productions, Inc.*, 264 N.Y.S. 459 (1932), 262 N.Y. 482, 188 N.E. 30 (1933).

¹¹³ Pub. Law 506, 81st Cong., 2d sess. (1950).

inequities in construing, interpreting and at times, refusing to apply the provisions of a law, the validity of which has not been questioned, command rectification. Will it be necessary to establish a special court to administer the Lanham Act or review cases arising thereunder on appeal? In this day and age with the difficulty the average purchaser has in getting the genuine product, certainly the courts should keep up with the legislative bodies.

Derenberg¹¹⁴ has aptly commented that the lack of uniformity among the circuits will be a handicap to the Patent Office in passing on the issue of confusion. He concludes that an application to register a celebrated and nationally known mark such as "Vaseline," "Hershey," "Kodak" should not be rejected *ex parte*.¹¹⁵ However, he indicates that an opposition by the owner of such well-known mark would be sustained.¹¹⁶ A recent decision of a Patent Office Examiner corroborates his statement.¹¹⁷

The selling power of a trade-mark is largely dependent upon its distinctiveness. Distinctiveness depends not only upon the alertness of the trade-mark owner but also on the extent to which it is legally protected. You can't have competition unless you can distinguish the competing goods and permit the purchaser to choose between them. Freedom of choice cannot be maintained if a newcomer is permitted to use a well known and established mark to identify his goods. The phrase "Let the Buyer Beware" cannot be relied upon in trade-mark cases.¹¹⁸ Trade-marks make competition possible and afford the purchaser an honest and free choice of selection. To paraphrase Justice Holmes, trade-marks deal with a delicate matter of great value and should be protected with

¹¹⁴ Derenberg, "The Patent Office as Guardian of the Public Interest in Trade-Mark Registration Proceedings," 14 *LAW & CONTEMP. PROB.* 288 (1949). Secretary of Commerce Sawyer: "Trade-Marks and brand names have helped to build these markets [world-wide business]. In Batavia, as in Boston, the word 'Ford' is known. Not only the citizens of Atlanta, but also residents of Capetown, Calcutta and Chungking understand what 'Coca-Cola' means." 40 *T.M. REP.*, No. 6, Pt. I, 489 (1950).

¹¹⁵ *Id.* at 305. See Martin, "The Meaning of Distinctiveness in Trade-Mark Law," 45 *ILL. L. REV.* 535 (1950); Callmann, "Technical Trade-Marks of the Lanham Act," 25 *N.Y. UNIV. L. REV.* 291 (1950).

¹¹⁶ *Id.* at 311. *Junior Guild Frocks, Inc. v. Page & Dixon Drug Co.*, (C.P. 1948) 79 *U.S.P.Q.* 41 at 45.

¹¹⁷ *Hershey Chocolate Corp. v. Yorkana Cigar Co.*, 40 *T.M. REP.*, No. 4, Pt. II, 337 (Examiner of Interferences 1950). Cf. *The Alligator Co. v. Larus & Brother Co.*, (C.P. 1950) 86 *U.S.P.Q.* 332. See also *John Walker & Sons, Ltd. v. Tampa Cigar Co.*, 40 *T.M. REP.*, No. 8, Pt. II, 862 (Examiner of Interferences 1950) and cf. *The Greyhound Corp. v. The Robinson Houchin Corp.*, Op. No. 29,122 (Examiner of Interferences 1950).

¹¹⁸ *FTC v. Standard Education Society*, 302 *U.S.* 112 at 116, 58 *S.Ct.* 113 (1937).

corresponding care.¹¹⁹ Unless the judiciary ends the confusion, the law will remain in a state of uncertainty. The refusal of the courts to apply consistently the express provisions of the law can result in destruction of property rights worth millions of dollars. If trade-marks which have acquired celebrity and attained commercial magnetism are not protected, then *woe unto you trade-mark owners*.

¹¹⁹ A. Bourjois & Co. v. Katzel, 260 U.S. 689 at 692, 43 S.Ct. 244 (1923). See also Kingsland, "The Future of the Trade-Mark System in the American Economy," 38 T.M. REP. 607 (1948); Ooms, "Good News for Brand Advertisers," 36 T.M. REP., No. 8, Pt. I. 167 (1946); The Supreme Court has said: "The consumer is prejudiced if upon giving an order for one thing, he is supplied with something else. . . . In such matters, the public is entitled to get what it chooses, though the choice may be dictated by caprice or by fashion or perhaps by ignorance." FTC v. Algoma Lumber Co., 291 U.S. 67 at 78, 54 S.Ct. 315 (1933). See also Oppenheim, "The Public Interest in Legal Protection of Industrial and Intellectual Property," 40 T.M. REP., No. 7, Pt. I, 613 (1950); Stahly, Inc. v. M. H. Jacobs Co., (7th Cir. 1950) 183 F. (2d) 914 at 917 discussed in 64 HARV. L. REV. 684 (1951).