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Grover C. Grismore
University of Michigan Law School

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 FRAUDULENT INTENT IN TRADE MARK CASES*

By GROVER. C. GRISMORE†

ONE of the troublesome questions which confront the trade mark lawyer is that as to the extent to which a fraudulent intention is an essential element in trade mark litigation. Must a plaintiff who is seeking injunctive relief, or damages, or an accounting against a defendant who, it is alleged, has simulated his trade mark, trade name or other identifying device, show that the latter has consciously sought to mislead the purchasing public? Judges and legal writers leave the matter in doubt.¹ It is the purpose of this paper to discover, if possible, how this doubt has arisen and to point the way to a correct determination of the problems involved. To accomplish this objective it will be necessary to trace, in brief outline, the history of the remedies which have been evolved for trade mark protection. That history is at the same time a rather remarkable illustration of the nature of the judicial process and shows how uncertain and accidental may be the foundations of important legal structures.

*The phrase "trade mark cases" is here used to include not only cases involving trade mark infringement, so-called, but also those which are frequently spoken of as "passing off cases" or cases of "unfair competition" in the narrower sense in which the latter phrase was formerly commonly employed. See NIMS ON UNFAIR COMPETITION, 2d ed. sec. 1; KERLEY ON TRADE MARKS, 6th ed. 435.

†Professor of Law, University of Michigan.

¹See Holmes, J. in *L. E. Waterman Co. v. Modern Pen Co.*, 235 U. S. 88, 94; *Cellular Clothing Co. v. Maxton*, 24 A. C. 326, 334 and 341; E. R. Coffin, "Fraud as an Element of Unfair Competition," 16 HARV. L. REV. 272; NIMS ON UNFAIR COMPETITION, 2d ed. chap. XXII.

It seems to be generally agreed that the common law relating to trade marks has its roots in the more or less irrelevant and reminiscent statement supposed to have been made by Mr. Justice Doderidge in the course of the hearing of the case of *Southern v. How*² which was decided in 1618. This appears to be the earliest reported reference to trade marks to be found in the common law. Doderidge is said to have recalled a case in which, in the reign of Elizabeth, a clothier was sued in an action on the case in the nature of deceit for counterfeiting a competitor's trade mark. Whether the action was brought by a deceived customer or by the outraged clothier is left in doubt by the several reports of the case. This doubt, as well as some others which have never been satisfactorily dispelled,³ has not prevented the reported statement of the supposed case from being relied upon as an authoritative exposition of accepted law.

While there does not appear to be any further reference to the matter for over a hundred years,⁴ yet apparently in reliance upon the authority of this statement the common law courts since that time have consistently permitted the trader whose identifying name or mark has been simulated to maintain an action for damages against the trade mark pirate. However, since the action was said to have been one for deceit, it has been held to follow that it is of the gist of the action that the plaintiff show that the defendant consciously intended to deceive, not the plaintiff, as in the ordinary case of deceit, to be sure, but a prospective purchaser of the goods on which the simulating mark was used. From this principle the common law courts have never departed.⁵ Neither have they made

²Popham: 143. The same case is also reported in J. Bridgeman's Rep. 125; Cro. Jac. 468, 2 Rolle 5 and 2 Rolle 28.

³For a critical examination of the reported statement see Schechter, HISTORICAL FOUNDATIONS OF TRADE MARK LAW, chap. I; E. S. Rogers in 24 MICH. L. REV. 97.

⁴The next reported case is that of *Blanchard v. Hill*, 2 Atk. Ch. 484 (1742) in which, although injunctive relief was denied, the authority of Doderidge's statement was apparently accepted.

⁵*Sykes v. Sykes*, 3 B. & C. 541; *Blöfeld v. Payne*, 4 B. & Ad. 410; *Morison v. Salmon*, 2 Man. & Gr. 385; *Crawshay v. Thompson*, 4 Man. & Gr. 357; *Rougers v. Nowill*, 5 C. B. 109; *Edelsten v. Edelsten*, 1 De G. J. & S. 185 (semble); *Reddaway v. Bentham Hemp-Spinning Co.*, [1892] 2 Q. B. Div. 639 (semble); *Bow v. Hart*, [1905] 1 K. B. 592 (semble); *Hartzler v. Lad-*

any distinction based upon the question as to whether the defendant had or had not a legitimate excuse for using the offending mark or name, such as that it was descriptive of the article or was the defendant's personal name.⁶

It ought to be said, however, that such cases as there are at common law on this subject are all comparatively old ones. Whether the rules therein announced would be adhered to in view of the principles developed in courts of equity in similar cases may be more or less an academic question, since all the later cases seem to be brought in equity, for reasons which will become evident as we proceed.

The equity courts on the other hand have been less consistent in their treatment of the matter.

In the first reported case, that of *Blanchard v. Hill*,⁷ Lord Hardwicke refused to grant an injunction to restrain a manufacturer of cards from using the same stamp as that employed by a competitor. However, in the course of his judgment, in referring to the clothier's case mentioned by Doderidge in *Southern v. How*,⁸ he used language suggesting that if there had been a showing that the defendant had used the mark with the fraudulent design of drawing customers away from the plaintiff he might have granted an injunction. In 1803 Lord Eldon did grant an injunction to restrain a defendant from pretending that his wares were those of the plaintiff.⁹ Soon thereafter injunctive relief was granted in quite a few cases under similar circumstances.¹⁰ While the reports of these cases are somewhat meagre, it seems reasonably clear that in all of

der Co., 55 Ind. App. 455 (semble); *Shaw & Co. v. Pilling & Son*, 175 Pa. St. 78; *Thedford Medicine Co. v. Curry*, 96 Ga. 89. See also *Derry v. Peek*, 14 A. C. 337.

⁶See the cases cited in note 5, supra. But compare *Miller Tobacco Co. v. Commerce*, 45 N. J. L. 18.

⁷2 Atk. Ch. 484 (1742). The reasons for the refusal to grant relief are not made very clear in the report of the case.

⁸Note 2, supra.

⁹*Hogg v. Kirby*, 8 Ves. Jr. 215. See also *Cruttwell v. Lye*, 17 Ves. Jr. 335.

¹⁰*Sedon v. Senate* (about 1811), referred to in *Canham v. Jones*, 2 V. & B. 218; *Day v. Day*, *Eden on Injunctions* (ed. of 1821) 314; *Lord Byron v. Johnston*, 2 Meriv. 29; *Day v. Binning*, 1 C. P. Coop. 489; *Gout v. Aleploglu*, 6 Beav. 69 n.; *Knott v. Morgan*, 2 Keen. 213; *Ransome v. Bentall*, 3 L. J. Ch. (n. s.) 161.

them the defendant was guilty of consciously attempting to pass off his wares as those of the plaintiff and that the relief was predicated on that ground.¹¹

However, in 1838, in the case of *Millington v. Fox*,¹² Lord Cottenham granted an injunction to restrain the defendant from simulating the plaintiff's trade mark in the face of a finding of fact that the defendant had acted innocently. Relief was predicated on the idea that the plaintiff had by long continued user acquired the exclusive right to use the mark in question (a personal name) as a trade mark.

Whether Lord Cottenham so intended it or not his decision as interpreted by some of the later cases worked a fundamental change in the theory of trade mark protection. His holding that the defendant's intention was immaterial was of course somewhat inconsistent with the idea that the basis of relief was the defendant's fraud. Moreover his mode of stating the problem engendered the notion that the plaintiff had a property in the name or mark itself, and that the protection of this property was the basis of equitable relief. Henceforth the tendency was to base the equity jurisdiction upon the protection of the plaintiff's so-called property in the name or mark itself rather than upon the defendant's fraud,¹³ although at the same time it was said, somewhat inconsistently it would seem, that the right to damages and an accounting was dependent upon proof of actual fraudulent intent.¹⁴

It ought to be said, however, that the transition, if it was ever completely effected, was not accomplished without dissent, for in

¹¹In *Canham v. Jones*, 2 V. & B. 218, Vice Chancellor Plumer in denying injunctive relief said: "but the violation of right, with which the defendant is charged, does not fall within the cases in which the court has restrained a fraudulent attempt by one man to invade another's property; to appropriate the benefit of a valuable interest, in the nature of a good will, consisting in the character of his trade or production, established by individual merit; the other representing himself to be the same person and his trade or production the same." See also *Cruttwell v. Lye*, 17 Ves. Jr. 335, 342.

¹²3 My. & Cr. 338.

¹³See *Edelsten v. Edelsten*, 1 De G. J. & S. 185; *Hall v. Barrows*, 4 De G. J. & S. 150; *Leather Cloth Co. Ltd. v. Am. Leather Cloth Co. Ltd.*, 4 De G. J. & S. 137; *Singer Mfg. Co. v. Wilson*, 3 A. C. 376; *Singer Mfg. Co. v. Loog*, 8 A. C. 15, 33; *Boston Diatite Co. v. Florence Mfg. Co.*, 114 Mass. 69; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537.

¹⁴*Edelsten v. Edelsten*, 1 De G. J. & S. 185, 199.

*Perry v. Truefitt*¹⁵ we find Lord Langdale in a statement that is frequently quoted expressing the earlier view of the matter. Also, the equity courts frequently refused to grant relief until the plaintiff had established his right by bringing an action at law.¹⁶ This meant of course that he must first prove in a law court that the defendant had, with actual fraudulent intent, passed off his wares as those of the plaintiff.¹⁷

The theory that the plaintiff had property in the name or mark itself as used in connection with a particular kind of commodity was fairly satisfactory in those cases in which the plaintiff's mark consisted of what has been called a "fancy name" or "fancy word,"¹⁸ but obviously was not so well adapted to the cases in which the word or mark was one that the defendant had a legitimate excuse for using in a similar connection. If the mark or name which the plaintiff had adopted was at the same time the defendant's personal name, or a descriptive word, or a geographical name, it could hardly be said that the defendant should not have a right to use it in its primary sense in connection with his goods, simply because the plaintiff, by his prior user, had caused it to acquire a secondary meaning in relation to similar goods. On the other hand if the name or mark in question as employed by the plaintiff had acquired a sec-

¹⁵6 Beav. 66. At page 73 he says; "I think that the principle on which both the courts of law and of equity proceed, in granting relief and protection in cases of this sort, is very well understood. A man is not to sell his own goods under the pretense that they are the goods of another man; he can not be permitted to practice such a deception, nor to use the means which contribute to that end. He can not therefore be allowed to use names, marks, letters or other indicia, by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person. I own it does not seem to me that a man can acquire a property merely in a name or mark." Later in speaking of *Millington v. Fox*, note 12, supra, he says, "I am not aware that any previous case carried the principle to that extent." See also, *Croft v. Day*, 7 Beav. 84; *The Leather Cloth Co. v. The American Leather Cloth Co.*, 1 H. & M. 271; *Reddaway v. Banham*, 21 A. C. 199, 209; *McLean v. Fleming*, 96 U. S. 245; *Singer Mfg. Co. v. Wilson*, 3 A. C. 376, 400.

¹⁶*Motley v. Downman*, 3 My. & Cr. 1; *Rodgers v. Nowill*, 6 Hare 324.

¹⁷*Rodgers v. Nowill*, 5 C. B. 109.

¹⁸The phrase, "fancy word," was in current use in English law to denote a name or word that was neither descriptive, nor a personal name, nor a geographical name. See *Wotherspoon v. Currie*, 5 H. L. R. 508, 514; *Cellular Clothing Co. v. Maxton*, 24 A. C. 326, 338 and 343; *Reddaway v. Banham*, [1895] 1 Q. B. 286.

ondary meaning, it was equally evident that he should be given protection in that use so far as that was feasible consistently with the defendant's legitimate interests, even though he had no exclusive right to the use of the word. What were the courts to do?

At first they were inclined to say that there could be no limitation or qualification of a defendant's right to use such a word or mark in its primary sense even though the plaintiff, through his use, had caused it to acquire a secondary meaning, however much the plaintiff might be injured by the manner of its use by the defendant.¹⁹ It was said that the defendant was only telling the truth in using the word in its primary sense, and that this he had a perfect right to do.²⁰

Of course if the defendant did more than to use the word or name in its primary sense, he was guilty of fraud and relief was granted.²¹

It was soon realized that this view of the matter was not at all satisfactory, since it resulted in giving the trade mark pirate a comparatively free hand in a very large number of cases. It was also realized that when the same word has two meanings, one does not necessarily tell the truth by using that word without qualification.²²

Had the courts desired to be logical they might have said what

¹⁹In *Cellular Clothing Co. v. Maxton*, 24 A. C. 326, 343, Lord Davey says; "If the older decisions in England of the Court of Chancery were examined, I think it would be found that descriptive words, or common words, expressive only of the quality of the goods, would not have been by that court considered entitled to any protection." See also Lord Shand's opinion in the same case and *Burgess v. Burgess*, 3 De G. M. & G. 896; *Turton v. Turton*, 42 Ch. Div. 128; *Reddaway v. Banham*, [1895] 1 Q. B. 286; *Glendon Iron Co. v. Uhler*, 75 Penn. St. 467; *Rogers & Bro. v. Rogers*, 53 Conn. 121; *Amoskeag Mfg. Co. v. Spear*, 4 N. Y. Sup. Ct. 599, 609; *Canal Co. v. Clark*, 80 U. S. 311, 327.

²⁰See the cases cited in note 19, *supra*.

²¹Lopes, L. J. in *Reddaway v. Banham*, [1894] 1 Q. B. 286, 294, put the matter thus, "A man may correctly in plain language describe the material of which his goods are made, though the description be the same as that of a rival manufacturer and though the one, owing to the similarity of description, be likely by customers to be mistaken for the other, and though he may have closely imitated the description of the other, but he must not, in addition to correctly describing them, dress up or garnish his goods so as to make them resemble the goods of his rival, and he must not by words or conduct pass them off as the goods of his rival or endeavor so to do."

²²*Reddaway v. Banham*, 21 A. C. 199.

in fact Lord Westbury did say in *Wotherspoon v. Currie*,²³ that in such a case the plaintiff acquires a limited property in the word or name—that he has the exclusive right to use it in its secondary sense in connection with the kind of goods in question and that if the defendant desires to employ it in a similar connection he must so use it as to make it clear that he is using it in its primary sense. It is also true that in some of the earlier cases at least the English courts found no difficulty in saying that the plaintiff had property in a personal name where it happened that the particular defendant who used it had no legitimate excuse for so doing.²⁴ However, to have said that a plaintiff might acquire a property in the secondary meaning of a word, where the defendant did have a legitimate excuse for using the same word, would have been a complete reversal from the stand previously taken that in such a case no protection at all could be had. Such a reversal was hardly to be anticipated. On the other hand, if it could be said that the defendant's conduct was fraudulent, then whether the plaintiff had property in the word or not a satisfactory reason for limiting the defendant in his use of the same word could be said to exist. This was the view finally adopted. What the courts finally did was to resort to the earlier basis of trade mark protection and to say that in this class of cases the right to relief was based upon the defendant's fraud.²⁵ So that from now on the tendency, especially in the American cases, is to divide the trade mark cases into two distinct categories. On the one hand we have those in which the plaintiff's mark is one which the defendant has no legitimate excuse for using. In such cases the plaintiff is said to have property in the mark and his right to relief is based upon the protection of that property. His action is called an action for trade mark infringement, and he is said to have a technical trade mark. On the other hand we have those cases in which the defendant does have an excuse for using the same mark. In such cases the plaintiff can have relief only on the ground of fraud. His mark is called a non-technical trade mark and his action

²³5 H. L. R. 508, 522. See also *Sartor v. Schaden*, 125 Iowa 696; *Burton v. Rex-Oil Co.*, 29 F. (2d) 474.

²⁴See *Singer Mfg. Co. v. Wilson*, 3 A. C. 376.

²⁵See *Massam v. Thorley's Cattle Food Co.* 14 Ch. Div. 748 and the cases cited in the next note.

is called one for passing off or unfair competition.²⁶ Of course the extent of the relief to be given to the plaintiff necessarily differs also in the second class of cases from that in the first, since it is essential in such cases both to safeguard the plaintiff in the secondary meaning which the word has acquired in relation to the goods which he puts upon the market, and also to permit the defendant to use it in its primary sense.²⁷

The federal trade mark legislation has tended to accentuate this distinction, since under the act of 1905,²⁸ as also under the earlier acts,²⁹ in general only those marks are registerable which were regarded as technical trade marks at common law. Moreover, while the act does not purport to change the substantive rights of the trade mark user but only to recognize and reënforce his pre-existing rights, yet it does speak throughout of the registrant as owner of the mark and makes registration prima facie evidence of title. While the act of 1920³⁰ provides for the registration of so-called non-technical trade marks, the effect of the registration of such marks is quite different from that under the act of 1905, since it does not even confer prima facie rights upon the registrant.³¹

As time has gone on it has become increasingly evident that even in the second class of cases the injury to the plaintiff may be just as serious whether the conduct of the defendant was the result of intentional fraud or not. His loss of custom is not made less because the defendant's goods are being bought as his without the defendant's knowledge. Neither can it be said that the defendant should be allowed to avail himself of the plaintiff's skill and enterprise just because he does so innocently. However, if the court's jurisdiction is based upon fraud a dilemma results.

The English courts and some American state courts have solved

²⁶See *Reddaway v. Banham*, 21 A. C. 199; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537; *Opinion of Lord Shand in Cellular Clo. Co. v. Maxton*, 24 A. C. 326, 338; *Simmons Medicine Co. v. Mansfield Drug Co.*, 93 Tenn. 84; *Drake Med. Co. v. Glessner*, 68 Oh. St. 337; *National Grocery Co. v. National Stores Corp.*, 95 N. J. Eq. 588; *Lynn Shoe Co. v. Auburn-Lynn Shoe Co.*, 100 Me. 461.

²⁷See *Reddaway v. Banham*, 21 A. C. 199.

²⁸15 U. S. C. A., sec. 81 *et seq.*

²⁹Act of 1870, 16 Stat. 198, secs. 77 to 84; Act of 1881, 21 Stat. 502.

³⁰15 U. S. C. A., sec. 121.

³¹*Broadway Rouss Inc. v. Winchester Co.*, 300 Fed. 706.

the problem, with some hesitation it is true, by saying that intentional fraud is not necessary to be shown, without making any attempt to explain away the resulting inconsistency.³² Other state courts and the Supreme Court of the United States have consistently asserted that in this type of case actual fraudulent intent must be shown.³³ However, there is evident in these jurisdictions a tendency to modify the result of this assertion by relaxing the requirements in regard to the character and the quantum of the proof necessary to make out a case of fraudulent intent. Thus it is said that: "Fraud may be inferred in many cases from the fact of imitation alone";³⁴ that where, "the defendant has refused on notice to cease the use of a mark or label, the natural and probable result of which will be to deceive the public, and palm off the goods of the defendant as the goods of the plaintiff, fraudulent intent will be presumed."³⁵ Also where the mark is one that is registerable under the ten year clause of the Federal Trade Mark Act³⁶ fraudulent intent need not be shown to make out a case for relief, even though the mark is not one that is the subject of exclusive appropriation as a common law trade mark.³⁷ In fact the federal courts are showing some disposition to abandon the requirement altogether, as have the English courts.³⁸

³²Earl of Halsbury in *Cellular Clothing Co. v. Maxton*, 24 A. C. 326 (but compare the opinion of Lord Shand in the same case which is contra on this point); *Chivers v. Chivers*, 17 R. P. C. 420; *Nesne v. Sundet*, 93 Minn. 299; *Penn. Central Brewing Co. v. Anthracite Beer Co.*, 258 Pa. St. 45; *Henry Perkins Co. v. Perkins*, 246 Mass. 96; *Mayfield Milling Co. v. Covington Bros. & Co.*, 212 Ky. 262; *Wood v. Wood*, 78 Or. 181; *Kansas Milling Co. v. Kansas Flour Mills Co.*, 89 Kans. 855; *International Silver Co. v. Rogers Corp.*, 66 N. J. Eq. 119 (but compare *National Grocery Co. v. National Stores Co.*, 95 N. J. Eq. 588); *Armington v. Palmer*, 21 R. I. 109.

³³*Elgin Butter Co. v. Elgin Creamery Co.*, 155 Ill. 127; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537, 549; *Coats v. Merrick Thread Co.*, 149 U. S. 562; *Elgin Nat'l Watch Co. v. Illinois Watch Co.*, 179 U. S. 665, 674. Compare *Waterman Co. v. Modern Pen Co.*, 235 U. S. 88, 94; *Coffeen v. Brunton*, Fed. Cas. No. 2946; *Saxlehner v. Siegel-Cooper*, 179 U. S. 42.

³⁴*Atlas Assurance Co. v. Atlas Insurance Co.*, 138 Iowa 228, 234. See also *Thum Co. v. Dickinson*, 245 Fed. 609; *Rubber & C. H. T. Co. v. Devoe*, 233 Fed. 150.

³⁵*Queen Mfg. Co. v. Ginsberg & Bros.*, 25 F. (2d) 284, 288.

³⁶15 U. S. C. A., sec. 85.

³⁷*Thaddeus Davids Co. v. Davids*, 233 U. S. 461.

³⁸See *Coty Inc. v. Parfums DeGrande Luxe*, 298 Fed. 865, 870; *Charles*

The modes of approach adopted as the subject has developed both at law and in equity have tended to obscure the true basis for trade mark protection. Much of the confusion and inconsistency that have resulted could have been avoided had a more careful analysis been made at the outset.

After all a trade mark is not an end in itself. Neither is it the mark as such, in the normal case at any rate, that the trader is interested in protecting. It is rather the good will which the trade mark symbolizes—the reasonable expectation of future custom—that is the object of the trader's solicitude. The value is to be found not in the mark itself but in the anticipated custom which is made possible of realization because the trade mark furnishes a convenient means whereby a prospective purchaser may identify goods as coming from the same source as that from which he previously obtained goods of the same kind, which he has found satisfactory.³⁹ In other words the right involved is the right not to be deprived of the custom which would normally come to the plaintiff, since his use of the mark in question has caused purchasers to want goods with that mark upon them, because in such goods they have found satisfaction.

If a court must have a convenient peg upon which to hang the right to relief why not call the good will itself, which the mark symbolizes and makes easy of realization, property and base the right to relief upon the protection of that property? Certainly in a matured system of law good will is not too metaphysical a concept to be classed as property. If we do this, all distinction between the two classes of cases vanishes, so far as the basis of relief is concerned, as indeed it should, and it is no longer necessary to talk about fraud as the basis of relief in either type of case.⁴⁰ The right in both kinds of cases is fundamentally the same. In either kind of case the only question of importance is whether would-be purchasers of goods coming from the plaintiff are kept from buying such goods by reason of the defendant's acts. That this is the

Broadway Rouss Inc. v. Winchester Co., 300 Fed. 706, 724; Trappey v. McIlhenny Co., 281 Fed. 23, 27; Photoplay Pub. Co. v. La Verne Pub. Co., 269 Fed. 730.

³⁹See Rogers, *GOODWILL, TRADE MARKS AND UNFAIR TRADING*, ch. IV.

⁴⁰Of course if one is content with a fiction, the same result can be achieved by basing relief in both classes of cases on fraud, actual or constructive. See Perlberg v. Smith, 70 N. J. Eq. 638, 643.

true basis for trade mark protection is clearly recognized in some of the late cases.⁴¹ Moreover, this view of the matter also finds support in the rules that a trade mark user is entitled to protection only in the territory in which he has used the mark⁴² and in relation to goods like or similar to those on which he has used the mark,^{42a} as well as in the rule that a mark can not be assigned apart from the business in which it has been employed.⁴³

Of course the defendant should not lightly be prevented from using words in their primary sense, but that has to do merely with the nature of the protection to be afforded to the plaintiff and not with the basis for granting relief. Also if it can be shown that the defendant has been guilty of intentional deception that is pretty good evidence that the plaintiff's right has been violated—in other words that he has been deprived of custom to which he is rightly entitled—but has nothing to do with his right to relief as such.

This analysis would seem to lead to the conclusion that actual fraud is not an essential element in the right to relief in either type of case and it is submitted that this is the correct view of the matter.

Whether a plaintiff should be given damages or an accounting in the absence of proof of fraud in fact is another matter. As regards an accounting of profits it would seem evident that the plaintiff's right should depend upon the proof of actual fraud, since this form of relief as usually administered amounts in reality to imposing a penalty upon the defendant.⁴⁴

On the other hand there does not seem to be any good reason why the plaintiff should not be compensated in damages for any loss of custom which he can trace to the defendant's acts, even though those acts were the result of inadvertence. It is difficult to

⁴¹*Boston Shoe Shop v. McBroom Shoe Shop*, (Ala. 1916) 32 So. 102; *Carter Transfer Co. v. Carter*, 106 Neb. 531; *Shaver v. Heller & Merz Co.*, 108 Fed. 821; *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403. See also *Glover v. Malloska*, 238 Mich. 216; *Featherstone v. Ind. Service Station Assn.* (Tex. 1928) 10 S.W. (2d) 124.

⁴²*United Drug Co. v. Theodore Rectanus*, 248 U. S. 96. For additional cases see, 36 A. L. R. 922; 22 ILL. L. REV. 379.

^{42a}See 75 U. OF PA. L. REV. 197.

⁴³For a collection of the cases see Ann. Cas. 1917 A 260.

⁴⁴"In taking an account of the profits, the defendants should be charged with the entire profit made upon sales of the tablets under the guise of the infringing trademark. All these sales were wrongfully made, and the defendants must be held to account for the profits made upon all of them." Regis

see why the defendant should be allowed to profit at the plaintiff's expense even when he does so innocently.

Unfortunately the matter has been confused somewhat because the two kinds of relief are frequently lumped together in dicta without any recognition of the fact that they may in a given case involve fundamentally different principles. This has happened partly through carelessness and partly because in those jurisdictions in which fraud in fact is essential to be shown to maintain the suit in so-called passing off cases, there is no occasion to distinguish between the two types of relief in such cases, since no relief at all can be had in any such case unless the deceptive intent is shown.⁴⁵ However, a few cases have recognized and acted upon the distinction suggested.⁴⁶

In view of the fact that the question of what constitutes unfair trade is constantly becoming more acute, as our ideas in regard to proper business ethics develop, it would seem to be highly important that the matter of trade mark protection should be placed upon a correct footing in the law. After all, trade mark infringement is but one of many (albeit one of the commonest) unfair methods by which one trader may divert custom to himself which otherwise would go to his competitor and thus take advantage of the latter's skill and enterprise. A recognition of the fact that the problem in all of these cases is fundamentally the same will do much to bring about an orderly and intelligent development of the law on this very important question of adjusting the relations of competitors in business.

v. Jaynes & Co., 191 Mass. 245, 249. In accord are *Hamilton-Brown Shoe Co. v. Wolf Bros.*, 240 U. S. 251; *Wm. Wrigley Jr. Co. v. L. P. Larson, Jr. Co.*, 5 F. (2d) 731; *Lynn Shoe Co. v. Auburn-Lynn Shoe Co.*, 100 Me. 461. See also 20 HARV. L. REV. 620.

⁴⁵See *Edelsten v. Edelsten*, 1 De G. J. & S. 185, 199; *Moet v. Couston*, 33 Beav. 578, 581; *Stagg & Co. v. Taylor & Sons*, 95 Ky. 651, 669; *N. K. Fairbanks v. Windsor*, 124 Fed. 200; *Oneida Community v. Oneida Game Trap Co.*, 150 N. Y. S. 918; *Slazenger & Sons v. Spalding & Bros.*, [1910] 1 Ch. 257.

⁴⁶*Dickey v. Mutual Film Corp.*, 174 N. Y. S. 784; *Rubber & C. H. T. Co. v. F. W. Devoe & C. T. Reynolds Co.*, 233 Fed. 150; *P. E. Sharpless Co. v. Lawrence*, 213 Fed. 423. See also *Regis v. Jaynes & Co.*, 191 Mass. 245, 248; *Henry Heath Ltd. v. Gorringer*, 41 R. P. C. 457; *Elgin Nat'l Watch Co. v. Illinois Watch Co.*, 179 U. S. 665, 674; *Amoskeag Mfg. Co. v. Spear*, 4 N. Y. Sup. Ct. 599, 607; *Gehl v. Hebe Co.*, 276 Fed. 271.