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## THE FAMILY NAME DILEMMA: A QUESTION OF "FAIRNESS"

The common law doctrine of unfair competition does not lend itself to precise definition or delimitation. The Supreme Court once characterized the substance of the wrong as "the sale of the goods of one manufacturer or vendor for those of another,"<sup>1</sup> and thereafter most courts continued to restrict the definition to conduct resulting in such "palming off" or "passing off."<sup>2</sup> In a broader view, however, the recurrent practice of the courts "to mold, even to expand, the legal remedy in this field to conform to ethical business practice"<sup>3</sup> is indicative of the inherent flexibility of the rules of unfair competition.<sup>4</sup> "Fairness," the operative principle of that action, is not a static concept;<sup>5</sup> rather, it is constantly being recast from the mold of changing business methods and shifting standards of commercial morality. It is the purpose of this comment to examine one aspect of unfair competition—the business use of a surname or family name—which is particularly illustrative of the dynamic nature of the "fairness" concept. Before proceeding, however, the relationship between unfair competition and the law of trademarks should first be considered.

### I. UNFAIR COMPETITION AND THE LAW OF TRADEMARKS

The substantive law of trademark infringement has traditionally been described as a branch of the broader law of unfair competition; the essence of the wrong circumscribed by each action is that the defendant has passed off his goods as those of the complainant.<sup>6</sup> At one time, however, courts of equity drew very sharp distinctions between the two, and, though unfavorably regarded by some,<sup>7</sup> the resulting dichotomy was nevertheless considered to be fundamental.<sup>8</sup> Moreover, despite the eventual merger of unfair competition and the law of trademarks, certain facets of this dichotomy persisted in

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<sup>1</sup> *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 140 (1905).

<sup>2</sup> See, e.g., *Louisville Taxicab & Transfer Co. v. Yellow Cab Transit Co.*, 53 F. Supp. 272, 276 (W.D. Ky. 1943).

<sup>3</sup> *Prunier v. Prunier's Restaurant*, 159 Misc. 551, 554, 288 N.Y. Supp. 529, 532 (Sup. Ct. 1936).

<sup>4</sup> "[T]here is no part of the law which is more plastic than unfair competition, and what was not reckoned an actionable wrong 25 years ago may have become such today." *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F.2d 603, 604 (2d Cir. 1925) (per L. Hand, J.).

<sup>5</sup> 1 Nims, *Unfair Competition and Trade-Marks* at vi (4th ed. 1947).

<sup>6</sup> *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916).

<sup>7</sup> "It is to be regretted that sharp distinction was ever drawn between that trespass on property rights called trade-mark infringement, and the exactly similar trespass commonly spoken of as unfair competition . . ." *Thaddeus Davids Co. v. Davids*, 190 Fed. 285, 286-87 (C.C.S.D.N.Y. 1911).

<sup>8</sup> *Handler & Pickett, Trade-Marks and Trade Names—An Analysis and Synthesis*, 30 Colum. L. Rev. 168 (1930).

family name cases,<sup>9</sup> and, as will later appear, that aspect of unfair competition has remained *sui generis*. The distinctions were paramount in three areas: (1) the nature of the right protected, (2) the proof of fraud required, and (3) the extent of the relief granted.<sup>10</sup>

First, with regard to the nature of the right, protection of a common law or technical trademark presupposed the infringement of an *exclusive* right to the use of a word or mark,<sup>11</sup> which, because of its uniqueness or fancifulness (*e.g.*, the coined word "Kodak"), could be appropriated to the use of a particular merchant in the first instance. Such arbitrary words are not public property in the sense of forming part of the common language, and thus an exclusive right to their utilization as trademarks could be recognized. The action of unfair competition, on the other hand, is concerned with the protection of "trade names,"<sup>12</sup> which incorporate words that are in the public domain and hence not subject to exclusive appropriation by anyone.<sup>13</sup> "[W]ords descriptive of qualities or attributes, generic designations, personal . . . names, geographical terms, and the like . . ." are examples.<sup>14</sup> Whereas a broad *public right* prevails as to this category of words or names which prevents their "monopolization" as common law trademarks, it might well be asked why their usage, even as trade names, should be accorded protection.

The answer lies in the requirement that they first be "lifted from the public domain,"<sup>15</sup> *i.e.*, that they acquire an additional or "secondary" meaning, before their use as trade names will be protected under the law of unfair competition. The concept of secondary meaning evolved from the realization that strict adherence to the rule denying trademark protection to common words or names would encourage commercial fraud.

[The theory] contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation . . . might nevertheless have been used so long and so exclusively by one pro-

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<sup>9</sup> "[M]ore of the traditional differences between the two actions hold true of the personal name cases than of other non-technical marks." *Id.* at 196 n.82. This observation was made despite the authors' general conclusion that the essential unity between cases involving unfair competition and those based on trademark infringement indicated that the sharp line between the two actions was being obliterated.

<sup>10</sup> See 1 Nims, *op. cit.* supra note 5, § 1, at 11-13. See also Handler & Pickett, supra note 8, at 168-69, citing these and other related distinctions traditionally drawn between the two actions.

<sup>11</sup> *National Grocery Co. v. National Stores Corp.*, 95 N.J. Eq. 588, 592, 123 Atl. 740, 742 (1924).

<sup>12</sup> A trade name is any designation which is adopted and used by a person to denominate goods which he markets, or services which he renders, or a business which he conducts, or has come to be so used by others, and through its association with such goods, services, or business, has acquired a special significance as the name thereof.

*Edmondson Village Theatre, Inc. v. Einbinder*, 208 Md. 38, 45, 116 A.2d 377, 380 (1955).

<sup>13</sup> *W. R. Lynn Shoe Co. v. Auburn-Lynn Shoe Co.*, 100 Me. 461, 475, 62 Atl. 499, 505 (1905).

<sup>14</sup> *B. DiMedio & Sons v. Camden Lumber & Millwork Co.*, 23 N.J. Super. 365, 368, 93 A.2d 45, 47 (1952).

<sup>15</sup> *Standard Oil Co. v. Michie*, 34 F.2d 802, 804 (E.D. Mo. 1929).

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ducer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; *in other words, had come to be, to them, his trade-mark*. So it was said that the word had come to have a secondary meaning . . .<sup>16</sup> (Emphasis added.)

Thus, the nature of the right to be protected in cases where a common word or name had acquired secondary meaning was defined by the "new meaning of the word which the trade-mark use of it . . . created. The new meaning does not belong to the public but only to the concern to which it attaches."<sup>17</sup> Consequently, although such words or names were incapable of becoming technical trademarks,<sup>18</sup> the right to their new or secondary meaning became entitled to protection under the law of unfair competition.<sup>19</sup>

The second distinction between the two actions concerned the necessity for proof of fraud. In an action for infringement of a trademark, wrongful or fraudulent intent was always presumed from the mere fact of another's use of the mark.<sup>20</sup> Since a technical trademark's significance was arbitrary rather than generic or descriptive, it could have only its established meaning, and thus, any subsequent imitation gave rise to the cause of action regardless of motive.<sup>21</sup> By contrast, proof of fraudulent intent was regarded as an essential element of any cause of action based on unfair competition.<sup>22</sup> As a result, it was held that before competitive use of an established trade name would be restrained, the complainant had to show such circumstances as

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<sup>16</sup> G. & C. Merriam Co. v. Saalfield, 198 Fed. 369, 373 (6th Cir. 1912).

<sup>17</sup> 1 Nims, op. cit. supra note 5, § 37, at 156.

<sup>18</sup> Section 2(e) of the Lanham Act denies federal registration to marks which, when applied to the applicant's goods, are "merely descriptive" or "primarily geographically descriptive," or to a mark which is "primarily a surname." 60 Stat. 429 (1946), 15 U.S.C. § 1052 (1964). Section 2(f), however, does allow trademark registration, under certain conditions, of words which have become "distinctive of the applicant's goods in commerce," thus incorporating the common law principle of secondary meaning. In addition, the term "trade-mark" is defined in § 45 so as to include both trademarks and common law trade names; the definition of "trade name" is limited to firm names not used to identify goods. 60 Stat. 443 (1946), 15 U.S.C. § 1127 (1964).

<sup>19</sup> Today, additional protection is afforded the owner of a trade name in those states (Connecticut, Georgia, Illinois, Massachusetts, and New York) which have enacted anti-dilution statutes. See, e.g., Mass. Gen. Laws Ann. ch. 110, § 7A (1947). Statutes of this type purport to stop the gradual "whittling away" of the distinctiveness of a mark through its use by another, even where competition and confusion are lacking. The Massachusetts statute includes both trademarks and trade names within its protection, but it also requires that the mark involved have a "distinctive quality" which is threatened. This requirement would seem to exclude "weak" descriptive or suggestive words or personal names, all of which lack such a quality. See Pickett, Anti-Dilution Litigation in the United States, 55 Trademark Rep. 785, 793 (1965). Where secondary meaning can be demonstrated, however, the result may be otherwise. In Tiffany & Co. v. Boston Club, Inc., 231 F. Supp. 836 (D. Mass. 1964), all use of the mark "Tiffany" by a restaurant was restrained. Although a personal name, "Tiffany" was considered by the court to be a "very strong mark" which had acquired a "distinct secondary meaning." *Id.* at 842-43.

<sup>20</sup> Elgin Nat'l Watch Co. v. Illinois Watch Co., 179 U.S. 665, 674 (1901).

<sup>21</sup> *Id.* at 677. See Gulden v. Chance, 182 Fed. 303, 306 (3d Cir. 1910).

<sup>22</sup> National Grocery Co. v. National Stores Corp., supra note 11.

would demonstrate the defendant's "wrongful intent in fact, or justify that inference from the inevitable consequences of the act complained of."<sup>23</sup> Moreover, although this ruling indicates that relief would be granted not only where the defendant's intent was fraudulent, but also where the effect of his action, regardless of intent, was to cause public confusion and injury to the plaintiff, it will later be shown that a requirement of deliberate fraud was commonly imposed in family name cases.<sup>24</sup>

The final distinction between unfair competition and the law of trademarks was based on the scope of the relief granted in each action. When a common law trademark was infringed,<sup>25</sup> the injunction restraining subsequent imitation was absolute, and all use of the mark was prohibited.<sup>26</sup> In cases involving unfair competition, on the other hand, the nonexclusive nature of the first user's right was regarded as necessitating a more limited type of protection. Consequently, the injunctive relief was qualified in scope, permitting exercise of the right to use the name or word in its primary sense, but prohibiting any abuse of that right which could lead to public confusion.<sup>27</sup> The objective of the courts, therefore, was "to work out a *modus vivendi* under which the parties [could] . . . engage in fair competition with each other . . ."<sup>28</sup>

## II. THE USE OF A FAMILY NAME AS CONSTITUTING UNFAIR COMPETITION

### A. *Early Development*

Judicial consideration of the limitations on the right to the business use of a family name or surname can hardly be termed a recent development in the law of unfair competition. In fact, it has been suggested that the action of unfair competition may have had its beginnings in personal name cases.<sup>29</sup> Typically, the plaintiff in these cases promotes his family name to the status of a well-known trade name in business. Subsequently, a defendant with an identical or similar surname enters the same or a related business

<sup>23</sup> *Elgin Nat'l Watch Co. v. Illinois Watch Co.*, supra note 20, at 674.

<sup>24</sup> "The rule [that fraud could also be inferred from the effect of the defendant's action] . . . is, however, frequently modified by an equally well-settled principle giving one the benefit of the use of his own name." *Gates v. Gates Coal Co.*, 114 Pa. Super. 157, 161, 174 Atl. 3, 4 (1934).

<sup>25</sup> "There is infringement if the words or designs used by the defendant are identical with, or so similar to, the plaintiff's that they are likely to cause confusion." *McGraw-Hill Publishing Co. v. American Aviation Associates, Inc.*, 117 F.2d 293, 294 (D.C. Cir. 1940).

<sup>26</sup> *Handler & Pickett*, supra note 8, at 169.

<sup>27</sup> *Elgin Nat'l Watch Co. v. Illinois Watch Co.*, supra note 20. See *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, supra note 1, at 136. The considerations that underlie unfair competition and the law of trademarks have been described as: the protection of those who are honest in their business, the punishment of the dishonest dealer, and protection of the public from deception. *Time, Inc. v. Motor Publications*, 131 F. Supp. 846, 848-49 (D. Md. 1955). The diversity of opinion as to which of these constitutes the dominant consideration of the courts is fully examined in 1 Nims, op. cit. supra note 5, §§ 7-9.

<sup>28</sup> *John B. Stetson Co. v. Stephen L. Stetson Co.*, 14 F. Supp. 74, 88 (S.D.N.Y. 1936).

<sup>29</sup> *Handler & Pickett*, supra note 8, at 196 n.82.

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under his own name, causing public confusion and consequent diversion of the plaintiff's trade. Thereafter, seeking injunctive relief, the plaintiff asserts a special interest in the name based on priority of use; the defendant contends that he has a natural right to the business use of his own family name. Resolution of this apparent conflict of rights must then depend on an application of the rules of unfair competition as viewed through the prevailing concept of "fairness."

The early history of personal name litigation discloses that courts of equity were guided in their attempts to resolve the family name dilemma by the so-called "sacred-right" theory, which posited the inherent right of every man to the use of his own name in his own business.<sup>30</sup> Judicial deference to this principle was reinforced by the belief that hardship would follow any denial of that right in an age when business goodwill was developed through personal contacts, and use of other than a family name invited the reproach of doing business under "false colors."<sup>31</sup> As a result, these cases were decided in strict conformity to the "fundamental" distinctions thought to exist between unfair competition and the law of trademarks. Thus, since personal names were considered generic and, therefore, incapable of exclusive appropriation,<sup>32</sup> it was held that every man had the absolute right to the *honest* trade use of his own name.<sup>33</sup> Further, since it was believed that no degree of prior secondary meaning could diminish this right, confusion and injury resulting from the mere similarity of names were considered nonactionable.<sup>34</sup> The plaintiff, therefore, had the burden of proving that the defendant had resorted to *artifice*, or had done some act *calculated* to deceive the public as to the identity of his business or the source of his goods.<sup>35</sup> In other words, to be actionable, confusion and consequent injury to the plaintiff had to result from the *manner* in which the defendant used his name, rather than the mere use itself.<sup>36</sup> Even then, however, complete injunctive relief was denied in all but a few extraordinary cases where blatant fraud colored the defendant's every use of the name.<sup>37</sup> Absent such aggravated circumstances, the courts merely qualified the defendant's right to use his own name by prescribing modifications which they hoped would avoid public confusion and deception.<sup>38</sup>

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<sup>30</sup> "The right of a person to use his family name in his business is regarded as a natural right, of which he cannot be deprived by reason simply of priority of use by another of the same name." *Higgins v. Higgins Soap Co.*, 144 N.Y. 462, 467, 39 N.E. 490, 491 (1895).

<sup>31</sup> *Hat Corp. of America v. D. L. Davis Corp.*, 4 F. Supp. 613, 623 (D. Conn. 1933).

<sup>32</sup> *Brown Chem. Co. v. Meyer*, 139 U.S. 540, 542 (1891).

<sup>33</sup> *Meneely v. Meneely*, 62 N.Y. 427, 431 (1875), cited with approval in *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 188 (1896).

<sup>34</sup> *Brown Chem. Co. v. Meyer*, *supra* note 32, at 544.

<sup>35</sup> *Meneely v. Meneely*, *supra* note 33, at 431.

<sup>36</sup> *Harson v. Halkyard*, 22 R.I. 102, 104, 46 Atl. 271 (1900).

<sup>37</sup> 3 Callmann, *Unfair Competition and Trade-Marks* 1679 (2d ed. 1950). See, e.g., *Van Stan's Stratena Co. v. Van Stan*, 209 Pa. 564, 58 Atl. 1064 (1904), where the defendant was restrained from all use of his name when he simulated the plaintiff's label, script, container, advertisements, and trade circulars, intending thereby to deceive the public.

<sup>38</sup> See, e.g., the decree modified and affirmed in *Herring-Hall-Marvin Safe Co. v.*

In its initial development, therefore, the family name aspect of unfair competition was characterized by a strict adherence to the "sacred right" theory and a narrow interpretation of the requirements of "fairness." As the law developed, however, it became apparent that honest use of a family name should neither be the sole criterion of "fairness" nor a complete defense to an action based on unfair competition when, through prior trademark use by another, that name had acquired secondary meaning. Where such meaning was demonstrated, it became obvious that mere use of the name itself, unaccompanied by other deceptive acts, could result in public confusion. Thus, the new or secondary signification of the name came to be recognized as the subject of an *exclusive right* of the prior user,<sup>39</sup> not unlike that enjoyed by the owner of a technical trademark, and as such, deserving of affirmative protection. As a result, the Supreme Court was led to reevaluate its former conservative views:

[W]hatever generality of expression there may have been in the earlier cases, it now is established that when the use of his own name upon his goods by a later competitor will and does lead the public to understand that those goods are the product of a concern already established and well-known under that name, and when the profit of the confusion is known to and, if that be material, is intended by the later man, the law will require him to take reasonable precautions to prevent the mistake.<sup>40</sup>

The Court, however, failed to resolve the issue concerning the necessity for proof of fraud in family name cases based on unfair competition. Moreover, there was no delimitation of the extent of relief which should be granted to prevent mistakes resulting from public confusion. Although both of these questions would appear to be foreclosed by recognition of the exclusive nature of a prior user's right to the secondary meaning of his personal trade name, their resolution has been hampered by many difficulties, some of which are still apparent today.

#### B. Present Status

The family name cases have been divided as to whether the injurious *effect* of the defendant's use of his own name, or the fraudulent intent with which he used it, should be of paramount concern.<sup>41</sup> In the early development of unfair competition, liberal courts favored the former criterion, and enlarged the concept of "fraud" to include any activity resulting in public confusion and deception.<sup>42</sup> Significantly, application of this view to personal name cases

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Hall's Safe Co., 208 U.S. 554, 560 (1908), which prohibited the use of the name Hall, "either alone or in combination . . . unless accompanied by information that the defendant is not the original Hall's Safe and Lock Company . . . or, as the case may be, that the article is not the product of the last named company or its successors."

<sup>39</sup> Chickering v. Chickering & Sons, 215 Fed. 490, 495 (7th Cir. 1914).

<sup>40</sup> L. E. Waterman Co. v. Modern Pen Co., 235 U.S. 88, 94 (1914).

<sup>41</sup> 3 Callmann, *op. cit. supra* note 37, at 1722. For a relatively recent case noting this difference of opinion, see Edmondson Village Theatre, Inc. v. Einbinder, *supra* note 12, at 45-46, 116 A.2d at 380-81.

<sup>42</sup> See, e.g., Bates Mfg. Co. v. Bates Numbering Mach. Co., 172 Fed. 892, 895 (C.C.D.N.J. 1909).

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was restrained by strong judicial adherence to the principles of the "sacred right" theory.<sup>43</sup> However, with the later realization that the mere application of a recognized name to the product or business of a competitor could cause confusion, it was accepted that "a willful intent to injure another or purposely to take advantage of an established business reputation need not be present . . . ."<sup>44</sup>

Two recent cases, *MacSweeney Enterprises, Inc. v. Tarantino*<sup>45</sup> and *David B. Findlay, Inc. v. Findlay*,<sup>46</sup> are illustrative of the present shift of emphasis in family name cases from fraudulent intent to the deceptive effect of the defendant's act, *i.e.*, the objective infringement. The plaintiff in *MacSweeney*, the operator of the famous restaurant in San Francisco known as "Tarantino's," sought to enjoin the defendants from using that name in their restaurant business at Al Tahoe, California. The California District Court of Appeals expressly rejected the lower court's holding that confusion was irrelevant in the absence of fraud, and adopted the rule that

the original user of a trade name whose exploitation of that name has given to its use a "secondary" meaning is entitled to enjoin use by a junior appropriator (even though the trade name be the latter's surname) *when and to the extent that deception is likely. Actual fraud, i.e., planning or contrivance, by the junior user is not necessary.*<sup>47</sup> (Emphasis added.)

The decision in the *Findlay* case is in sharp contrast to the unequivocal principles of the "sacred right" theory earlier espoused in that jurisdiction.<sup>48</sup> The parties involved were brothers, both of whom had been separately engaged in the art business in different states for over twenty-five years. In 1963, the defendant purchased the premises immediately adjacent to his brother's business on East 57th Street in New York City and opened an art gallery under the name "Wally Findlay Galleries." Public confusion resulted, and the plaintiff immediately sought to enjoin his brother's use of the family name. The New York Court of Appeals affirmed the lower court's order enjoining the defendant's use of the name "Findlay" on 57th Street, despite a finding that he had not deliberately set out to exploit his brother's goodwill. Concluding that the "sacred right" theory was not unlimited, the majority noted that a trade name with a secondary meaning was involved, and that fraud or deliberate intent to mislead the public was not a necessary element where confusion was present or threatened:

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<sup>43</sup> See note 24 *supra*.

<sup>44</sup> *Madison v. LaSene*, 44 Wash. 2d 546, 555, 268 P.2d 1006, 1011 (1954). It is noteworthy that dicta in some early Supreme Court cases indicated that where a personal name had acquired secondary meaning, the use of such name by another without precaution could, in itself, amount to an artifice calculated to produce deception. *Herring-Hall-Marvin Safe Co. v. Hall's Safe Co.*, *supra* note 38, at 599; *Singer Mfg. Co. v. June Mfg. Co.*, *supra* note 33, at 188.

<sup>45</sup> 235 Cal. App. 2d 549, 45 Cal. Rptr. 546 (1965).

<sup>46</sup> 18 N.Y.2d 12, 218 N.E.2d 531, 271 N.Y.S.2d 652 (1966).

<sup>47</sup> 235 Cal. App. at 561, 45 Cal. Rptr. at 554.

<sup>48</sup> *Meneely v. Meneely*, *supra* note 33.



The bona fides of [defendant's] . . . intentions do not change the applicable principles. The objective facts of this unfair competition and injury to plaintiff's business are determinative, not the defendant's subjective state of mind.<sup>49</sup>

The dissenters ignored the concept of secondary meaning and, in effect, argued for the continued validity of the "sacred right" theory. Since there was no evidence of wrongful or fraudulent intent, they concluded that the confusion resulting from the defendant's good-faith use of his own name was not actionable.<sup>50</sup>

*MacSweeney* and *Findlay* are indicative of the present status of the fraud requirement in family name cases, and the rule they articulate is both logical in formulation and just in result. Since the plaintiff is injured as the result of confusion regardless of motive or intent, it is unreasonable to conclude that the defendant's subjective state of mind should be the determinative factor.<sup>51</sup> The right to use one's name because of its generic signification should not imply a right to appropriate goodwill belonging to another.<sup>52</sup> Therefore, since one of the general objectives of equity courts in unfair competition cases is to protect the goodwill of the complainant, "fairness" requires that the sole criterion should be an objective one—namely, the presence or likelihood of confusion. And, as one writer has noted, where a personal name has acquired secondary meaning and a competitor uses the same name, "to do so cannot but create confusion."<sup>53</sup>

The question of the extent of relief to be accorded the prior user of a family trade name has not, unlike the issue of fraud, been completely resolved even today. As previously noted, the belief that no man could be denied the right to use his name, simply because of its prior use by another, led to the conclusion that the court's power should properly be directed toward the correction of any *abuse* of that right rather than its preclusion. The latecomer, therefore, was free to use his own name even where it had previously acquired secondary meaning, as long as he took reasonable precautions to prevent public deception. It was carefully emphasized, however, that

this duty to warn . . . must not be pressed so far as to make it impracticable for the second comer to use his name in trade. Otherwise we destroy under the law of unfair trade competition the very right which we have saved under the law of trade-mark.<sup>54</sup>

Because of this judicial reluctance to prohibit all trade use of a family name, even where confusion had resulted, injunctive relief was limited to a requirement that the defendant either prefix his first name or initials to his surname,

<sup>49</sup> 18 N.Y.2d at —, 218 N.E.2d at 535, 271 N.Y.S.2d at 656.

<sup>50</sup> *Id.* at —, 218 N.E.2d at 535-36, 271 N.Y.S.2d at 657-58.

<sup>51</sup> *King Pharr Canning Operations, Inc. v. Pharr Canning Co.*, 85 F. Supp. 150, 154 (W.D. Ark. 1949).

<sup>52</sup> *J. A. Dougherty's Sons v. Dougherty*, 36 F. Supp. 149, 151 (E.D. Pa. 1940).

<sup>53</sup> 1 Nims, *Unfair Competition and Trade-Marks* § 72, at 219 (4th ed. 1947).

<sup>54</sup> *Stix, Baer & Fuller Dry Goods Co. v. American Piano Co.*, 211 Fed. 271, 274-75 (8th Cir. 1913).

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or add a phrase disclaiming any connection with the plaintiff's product or business. However, since the principal cause of confusion was usually the *common family name* used by both parties, this method of relief often proved ineffective,<sup>55</sup> and its value has been seriously questioned.<sup>56</sup>

Most critics have now taken the position that, in general, nothing short of total prohibition of junior usage will prove satisfactory. Nims, for example, favors a rule providing that "if the defendant cannot use his name without confusion resulting, then he may not use it at all in the particular line of business in which the public has come to associate this name with the plaintiff."<sup>57</sup> Other writers have found an implicit refutation of the "sacred right" theory within the concept of secondary meaning itself: Callmann, although affirming the right of every man to appear under his own name when he does so *as an individual personality*, would deny such a right when the prior user of that name has already made it famous by association with his product and goodwill. He maintains that if a competitor uses the same name under the latter circumstances, "it is . . . not the sacred right to his own name that he exercises; he is attempting to capitalize upon the secondary meaning name-mark of another, which happens to be identical to his own name . . . ."<sup>58</sup> Hence, Callmann would agree that complete prohibition is necessary where any competitive usage of an established personal trade name would inevitably confuse the original association formed in the public mind.<sup>59</sup>

Despite severe academic criticism, judicial reluctance to extend complete protection to the senior user of a family name continues to dominate this aspect of unfair competition.<sup>60</sup> Two types of cases, however, must be distinguished: first, the cases in which a family trade name is used to identify the business *directly*, through its attachment to the physical structure itself in the manner of a sign (*e.g.*, "Findlay's Art Gallery"); and second, the cases in which the name is also affixed to the merchant's goods in the manner

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<sup>55</sup> See, *e.g.*, the summary of the widespread litigation resulting from the Rogers Silverware and Baker Chocolate cases in 1 Nims, *op. cit. supra* note 53, § 70.

<sup>56</sup> As one federal court observed:

[T]he eye of the purchaser, long taught to identify the product by the name Dobbs alone, promptly registers the identity as complete upon catching the surname without noticing and pondering the significance of initials or suffix. And even the occasional purchaser who notices the suffix is not enlightened. For one who has known of one Dobbs only, suddenly confronted with the suggestion that there are in existence varieties of the species, is not informed which Dobbs is "his" Dobbs. *Confusion is created by the very explanation intended to avert confusion.* (Emphasis added.)

Hat Corp. of America v. D. L. Davis Corp., *supra* note 31, at 622.

<sup>57</sup> 1 Nims, *op. cit. supra* note 53, § 69, at 200.

<sup>58</sup> 3 Callmann, *op. cit. supra* note 37, at 1706-07.

<sup>59</sup> In the competitive struggle between the two, the public will inevitably be induced to believe that the later name has reference to the original trademark owner. Indeed it is apparent that the public reaction to the original mark demonstrates its secondary meaning which is of inestimable value in and of itself. *Id.* at 1706.

<sup>60</sup> "Courts are naturally reluctant wholly to forbid a man to do business in his own name and have generally refused to do so." *S. M. Spencer Mfg. Co. v. Spencer*, 319 Mass. 331, 337, 66 N.E.2d 19, 22 (1946). See *Paul Sachs Originals Co. v. Sachs*, 325 F.2d 212, 216 n.6 (9th Cir. 1963).

of a trademark, thus *indirectly* identifying his business as the source of those goods (e.g., a "Waterman pen").

When a family trade name is used in a "service" business like a restaurant, or by a concern which sells goods produced or manufactured by another, the secondary meaning attaching to that trade name will ordinarily enjoy only local popularity because of the fixed situs of the business itself. Consequently, the geographical area in which any competitive use of the same name might result in confusion is similarly limited.<sup>61</sup> In such a situation, courts will issue an injunction prohibiting all junior use of the trade name in the specific area where it has acquired secondary meaning. In *Findlay*, for example, the injunction restrained the defendant "from using the name or names 'Wally Findlay Galleries,' 'Findlay Galleries' or any other style or designation incorporating the name 'Findlay' in connection with the operation of [a] . . . gallery on East 57th Street."<sup>62</sup> (Emphasis added.) It is significant that in cases like *Findlay*, adequate relief is possible within the limits defined by established judicial reluctance to deny all use of a family name. Even the geographically-limited injunction, however, is often rejected in favor of prefixes or explanatory phrases if the court persists in the belief that it is possible to protect the plaintiff and at the same time, preserve the defendant's right to use his name.<sup>63</sup>

When a family trade name is also used to identify the business source indirectly, through its affixation to goods made or sold by that concern in its own name, secondary meaning is not usually confined to the immediate location of the business entity, but is as widespread as the geographical distribution of those goods. Consequently, the possibility of confusion arises well beyond their geographical origin.<sup>64</sup> In this circumstance, a personal

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<sup>61</sup> This geographically-limited form of confusion is proscribed by § 2(a)(3) of the Uniform Deceptive Trade Practices Act, 9 U.L.A. 183 (Supp. 1965), which concerns commercial conduct causing "likelihood of confusion . . . as to affiliation, connection, or association with, or certification by another . . ." The comment indicates that this subsection involves likelihood of confusion caused by misleading "trade names." Like the Lanham Act, the definition of trade name in § 1(8) of the Uniform Act is limited to firm names which are not used to identify goods. See discussion note 18 *supra*. Thus, any mark which is used to distinguish a person's goods falls under the definition of "trademark" in § 1(7) of the act, even though it may constitute a common law trade name.

<sup>62</sup> *David B. Findlay, Inc. v. Findlay*, 47 Misc. 2d 649, 658, 262 N.Y.S.2d 1008, 1017 (1966). Compare *Visser v. Macres*, 214 Cal. App. 2d 249, 29 Cal. Rptr. 367 (1963), enjoining use of the name "Macres Florist" in connection with any florist business in the City of Anaheim; *Stern Furniture Co. v. Stern*, 52 Ohio L. Abs. 527, 83 N.E.2d 804 (Ct. App. 1948), enjoining defendant's use of his name in connection with a furniture business in the "Broadway Business District," where plaintiff's store was located.

<sup>63</sup> See, e.g., *S. M. Spencer Mfg. Co. v. Spencer*, *supra* note 60. In *MacSweeney Enterprises, Inc. v. Tarantino*, *supra* note 45, the California District Court of Appeals remanded the case to the trial court for determination of the proper form of injunctive relief. The final order required the defendant to prefix his first name when using the common surname "Tarantino." *MacSweeney Enterprises, Inc. v. Tarantino*, No. 10866, Super. Ct. Calif., Nov. 5, 1965.

<sup>64</sup> The Uniform Deceptive Trade Practices Act also encompasses confusion arising in this context. Subsection 2(a)(2) prohibits conduct causing "likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods

## STUDENT COMMENTS

trade name performs the same function as a technical trademark, and injunctive relief against infringement should be framed accordingly. Here, the absolute but locally-qualified injunction cannot effectively be utilized. The choice is "between depriving the defendant of his use of his own name . . . in connection with the sale of the particular . . . articles on which the plaintiff has used the name [or] . . . permitting a condition to continue in which fraud [*i.e.*, confusion] is inevitable."<sup>65</sup> In general, however, the courts have continued to elect the latter alternative, rather than prohibit all competitive use of an established family trade name.<sup>66</sup> Moreover, in the few cases where all use of a surname in a particular field has been enjoined—ostensibly on the ground that confusion was inevitable—the defendant's use of that name has been marked by actual fraudulent intent.<sup>67</sup>

Thus, where no aggravated circumstances are present, courts continue to regard good faith as a mitigating factor and rely, for the most part, on *qualified* injunctive relief. As previously noted, however, good faith is irrelevant to the issue of confusion, and the utilization of prefixes or explanatory phrases has often added to the very confusion which first caused the plaintiff injury. Realistically,

such results cannot be justified by a false tenderness for the rights of the individual. To be sure, he is entitled to protection in all proper use of his name, but not to a use which, though true to the few fully informed, is false to the many who are only partially informed.<sup>68</sup>

Perhaps a latent factor underlying continued judicial reluctance to grant adequate relief in family name cases is the possibility of constitutional objection to any prohibition of a man's right to use his own name.<sup>69</sup> In the past, courts have anticipated such objections by observing that injunctive restraint goes to the *abuse* of the right rather than its denial, and hence, that such decrees could not properly be deemed deprivations of rights.<sup>70</sup> This reasoning permits adequate relief to be granted where a personal trade name enjoys only local popularity, because the geographically-limited injunction constitutes only a qualified denial of the defendant's right to use his name. The same reasoning, however, is equally adaptable to the situation where the trade name is more widely known because of its attachment to the plaintiff's goods. Here again, adequate relief does not necessitate a *complete* denial of the defendant's trade rights in his name:

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or services." This subsection thus circumscribes conduct traditionally known as "passing off."

<sup>65</sup> 1 Nims, *op. cit.* supra note 53, § 72, at 225.

<sup>66</sup> See note 60 supra.

<sup>67</sup> See, e.g., *Max Factor & Co. v. Factor*, 226 F. Supp. 120 (S.D. Cal. 1963).

<sup>68</sup> *Hat Corp. of America v. D. L. Davis Corp.*, supra note 31, at 622.

<sup>69</sup> One court has declared that "the right of a man to use his own name in his own business is part of the natural and inalienable rights guaranteed by the very first clause of our Constitution, without which the right to acquire, possess, and protect property would be of little worth." *Hilton v. Hilton*, 89 N.J. Eq. 182, 183-84, 104 Atl. 375, 376 (1918).

<sup>70</sup> See, e.g., *J. A. Dougherty's Sons v. Dougherty*, supra note 52.

The vital part . . . of any decree restricting or forbidding the use of surnames in business names is that they do not forbid or limit defendant from use of his name *except in connection with the trade or business in which he has misused it*. If this can be understood, much of the hesitation to give relief in surname cases that is adequate and practical should cease.<sup>71</sup> (Emphasis added.)

Therefore, unless a defendant can show some special interest in, or necessity for using an established family trade name which can be weighed in the balance of "fairness," it seems much the better policy to protect the public and the plaintiff by effectively *eliminating* confusion rather than to continue or compound it because of "false tenderness" for the rights of the latecomer. Especially in the current age of nonpersonal trade names, when limitations on the right to use one's name involve no real hardship, "good will established through effort and labor should be deserving of more consideration than the fact that the business name of a competitor happens to be identical with his family name."<sup>72</sup>

### III. CONCLUSION

In recent years, the doctrine of unfair competition "has evolved into something different from its more primitive and less ethical form."<sup>73</sup> As has been demonstrated, the conservative principles which initially governed the use of family names in business have been no exception to this evolutionary process. Here, however, the change has been more subtle, and perhaps less complete, than in other aspects of unfair competition. For a time, judicial deference to the "sacred right" theory tended to obscure the correlative obligations attaching to the right to the business use of one's name. As a result, the requirements of "fairness" were narrowly defined, and the relief granted was of doubtful efficacy.

Today, the basic principle remains unchanged: every man has the right to the business use of his own name. Now, however, that right is qualified by increased emphasis on priority and on the protection of established goodwill. Consequently, if a family name acquires secondary signification as a trade name through the efforts of a prior user, an exclusive right to that secondary meaning will be recognized. Further, objective infringement, *i.e.*, confusion or its likelihood, will be determinative in the event of any subsequent use by another, and the scope of protection accorded will be defined by the circumstances of the particular case. "Fairness" requires at least this, and given the proper facts, it may and should require more. The operative consideration should always be the desirability of avoiding confusion. Therein lies the limit of the plaintiff's right, the measure of the defendant's obligation, and the breadth of the protection which equity ought to extend.

FREDERICK S. LENZ, JR.

<sup>71</sup> 1 Nims, *op. cit. supra* note 53, § 72, at 221.

<sup>72</sup> 3 Callmann, *op. cit. supra* note 37, at 1706.

<sup>73</sup> Guild & Landis, Inc. v. Liles & Landis Liquidators, Inc., 2 Ohio Misc. 169, 173, 207 N.E.2d 798, 801 (Montgomery County C.P. 1959).