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TRADE MARKS AND TRADE NAMES — INJUNCTION AGAINST NON-COMPETITORS — Plaintiff, Hugo Stein, began business in 1906 as Hugo Stein Cloak Company. Starting in the same year, defendant, S. B. Stein, continuously transacted a jewelry business variously as an individual, a partnership and finally, since 1931, as a corporation. Immediately prior to defendant's incorporation, plaintiff moved to within four doors of defendant. Plaintiff for thirty years consistently advertised as "Stein's," while defendant never did so, at least without additional description, until 1936, at which time it changed its store front and newspaper advertisements to correspond to plaintiff's. There was evidence that numerous people inquired at plaintiff's for jewelry. *Held*, defendant should be enjoined from using the word "Stein's" standing alone, in connection with

its business. *Hugo Stein Cloak Co. v. S. B. Stein & Son*, 58 Ohio App. 377, 16 N. E. (2d) 609 (1937).

Based on indefinable natural rights,¹ the general rule permits the indiscriminate use of one's surname in one's business subject to the qualification that one cannot use it in a way calculated to cause confusion between his goods and those of an established trader having the same name.² In the principal case the court holds immaterial counsel's discussion of the law of surnames, giving as a reason that both parties are corporations. While arriving at the correct conclusion on this issue, it is submitted that the reasoning is incorrect. True, distinctions must be drawn between the use of surnames by individuals and by corporations, but courts have carried over from the field of individual enterprise to the corporate field the problem of the clash between the desire to protect the use of one's name in his business and the desire to prevent trading on another's good will.³ Historically, there was more reason for protecting the use of surnames than there is today. Their protection is now both unnecessary, and in a large measure valueless, unless a secondary meaning has been built up,⁴ a factor explanatory of the trend toward replacement of the subjective test of fraud and intent as a basis for relief with an objective test looking primarily to the injury to plaintiff.⁵ Assuming that plaintiff has a protectible interest on the ground of unfair competition which the defendant's defense of use of sur-

¹ *Hilton v. Hilton*, 89 N. J. Eq. 182, 104 A. 375 (1918).

² *Drake Medicine Co. v. Glessner*, 68 Ohio St. 337, 67 N. E. 722 (1903); *French Bros.-Bauer Co. v. Townsend Bros. Milk Co.*, 25 Ohio N. P. (N. S.) 548 (1925), *affd.* 21 Ohio App. 177, 152 N. E. 675 (1925); *Riggs Optical Co. v. Riggs*, 132 Neb. 26, 270 N. W. 667 (1937); *Charles S. Higgins Co. v. Higgins Soap Co.*, 144 N. Y. 462, 39 N. E. 490 (1895). See NIMS, UNFAIR COMPETITION AND TRADE-MARKS, 3d ed., § 67 ff. (1929).

³ *Tussaud v. Tussaud*, 44 Ch. D. 678 (1890); *Backus Oil Co. v. Backus Oil & Car Grease Co.*, 8 Ohio Dec. Rep. 93 (1880). The language of this case is susceptible to either the English view or the view of *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118, 25 S. Ct. 609 (1904). See also 47 A. L. R. 1189 (1927); 66 A. L. R. 948 at 987 (1930); 26 Col. L. Rev. 870 (1926). Cf. *Carter v. Carter Electric Co.*, 156 Ga. 297, 119 S. E. 737 (1923).

⁴ When trade was more local in nature than it is now, purchasers inevitably bought in relation to the general reputation for service and integrity of the family whose name the firm bore. *Handler and Pickett*, "Trade Marks and Trade Names," 30 COL. L. REV. 168 at 192-200 (1930). Effective protection may often be given by "explanatory phrase" decrees wherein the court does not enjoin absolutely but merely requires defendant to distinguish his name from plaintiff's. *Tarrant & Co. v. Johann Hoff*, (C. C. A. 2d, 1896) 76 F. 959. But this relief is often inadequate, a fact testified to by the many suits brought by possessors of well-known surnames, as *Walter Baker & Co.*, *William Rogers Mfg. Co.*, *L. E. Waterman* and many others.

⁵ *Photoplay Pub. Co. v. La Verne Pub. Co., Inc.*, (C. C. A. 3d, 1921) 269 F. 730; *Holmes, Booth & Haydens v. The Holmes, Booth & Atwood Mfg. Co.*, 37 Conn. 278 (1870); 5 UNIV. CIN. L. REV. 220 (1931). Cf. *Marshall Drug Co. v. Ueberstine-Fraiberg Drug Co.*, 28 Ohio N. P. (N. S.) 412 (1931). In general, see NIMS, UNFAIR COMPETITION AND TRADE-MARKS, 3d ed., §§ 347-361a (1929); *Grismore*, "Fraudulent Intent in Trade Mark Cases," 27 MICH. L. REV. 857 (1929).

name cannot penetrate, the second issue in the case is whether unfair competition will lie, there being no actual competition between the parties to the suit. The modern law of unfair competition is based on the logic that a trade mark is a mere symbol for the trader's good will, and that good will is an interest properly protectible in equity.⁶ Although direct competition, as opposed to indirect competition within the same general class,⁷ is usually held unnecessary,⁸ there is but a handful of cases granting relief where admittedly there is an entire lack of competition.⁹ Prior to this line of cases, the general doctrine was described in terms of "passing off" or "confusion."¹⁰ Both of these terms connote injury to plaintiff's reputation or good will, and deceit upon the public, and both of these elements are tests under the strict interpretation of the doctrine.¹¹ Without emasculating or adding to either of them, it is entirely possible

⁶ GEIER, PATENTS, TRADE-MARKS AND COPYRIGHTS, 7th ed., 83 (1934).

⁷ Many courts adhering to the requirement of competition have espoused the rule requiring competition within a general class. *Atlas Mfg. Co. v. Street & Smith*, (C. C. A. 8th, 1913) 204 F. 398; *Layton Pure Food Co. v. Church & Dwight*, (C. C. A. 8th, 1910) 182 F. 35; note in 47 L. R. A. (N. S.) 1002 (1914). Where the court refuses to expand "good will" to include reputation in relation to non-competitors, it often reaches desirable though incongruous results by straining the definition of "same general class." *Wall v. Rolls-Royce of America*, (C. C. A. 3d, 1925) 4 F. (2d) 333; *L. E. Waterman Co. v. Gordon*, (C. C. A. 2d, 1934) 72 F. (2d) 272; *Ruppert v. Knickerbocker Food Specialty Co.*, (D. C. N. Y. 1923) 295 F. 381. In reality this rule is merely a narrower way of describing the more general test of confusion in the public as to source. 13 MINN. L. REV. 162 (1929).

⁸ As shown by *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, (C. C. A. 7th, 1912) 201 F. 510, and *George v. Smith*, (C. C. N. Y. 1892) 52 F. 830, a few courts have required proof of direct loss of sales. This is extremely difficult to prove.

⁹ *Eastman Photographic Materials Co. v. John Griffith Cycle Corp., Ltd.*, 15 Rep. Pat. Cas. 105 (Ch. D. 1898); *Walter v. Ashton*, [1902] 2 Ch. D. 282; *Vogue Co. v. Thompson-Hudson Co.*, (C. C. A. 6th, 1924) 300 F. 509; *Alfred Dunhill of London, Inc. v. Dunhill Shirt Shop*, (D. C. N. Y. 1929) 3 F. Supp. 487; *Tiffany & Co. v. Tiffany Productions, Inc.*, 147 Misc. 679, 264 N. Y. S. 459 (1932), *affd.* 262 N. Y. 482, 188 N. E. 30 (1933); *Oates*, "Relief in Equity Against Unfair Trade Practices of Non-Competitors," 25 ILL. L. REV. 643 (1931).

¹⁰ *Sykes v. Sykes*, 3 B. & C. 541, 107 Eng. Rep. 834 (1824); *Powell v. Birmingham Vinegar Brewery Co.*, [1896] 2 Ch. D. 54; *Brill v. Singer Mfg. Co.*, 41 Ohio St. 127 (1884); *Libby, McNeill & Libby v. Libby*, 241 Mass. 239, 135 N. E. 120 (1922); 23 MICH. L. REV. 433 (1925); 38 HARV. L. REV. 370 (1925). The basis of these decisions is that the goods are of such a nature that the public will be deceived as to their source. As *Vick Chemical Co. v. Vick Medicine Co.*, (D. C. Ga. 1925) 8 F. (2d) 49 at 52, puts it, "It is confusion of origin, not confusion of goods."

¹¹ *American Steel Foundries v. Robertson*, 269 U. S. 372, 46 S. Ct. 160 (1925); *Celluloid Mfg. Co. v. Read*, (C. C. Conn. 1891) 47 F. 712. Some courts, not content with using deceit upon the public as a test, justify relief on that ground. *Rosenberg Brothers & Co. v. Elliott*, (C. C. A. 3d, 1925) 7 F. (2d) 962. This is strikingly enunciated by *British-American Tobacco Co., Ltd. v. British-American Cigar Stores Co.*, (C. C. A. 2d, 1914) 211 F. 933, where the court bases relief on the fact that investors in the purchase of securities might be confused. While confusion in the

to justify the result in cases like the instant one.¹² While still denying the right to the exclusive use of a tradename in the abstract,¹³ the modern trend refuses to hunt for specific and arbitrary criteria, e.g., direct or indirect competition.¹⁴ Instead it emphasizes the first word of the doctrine, "unfair,"¹⁵ and asks itself the factual question, "Is defendant trading on plaintiff's good will, to the confusion of the public and to the injury of plaintiff?"¹⁶ It finds the confusion to the public in a broad sense in that the public may mentally *connect* plaintiff with defendant's business,¹⁷ and injury to plaintiff in that defendant's goods might be of inferior quality with resulting reflection on plaintiff's name or good will¹⁸ plus an additional damage through loss of the uniqueness of the symbol.¹⁹ Each case is a question of degree, but the above outlined injuries, plus the makeweight argument that here there is strong evidence of wrongful intent, easily enable the court to protect plaintiff under the facts of the instant case.

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public might justify injunctive relief, it is difficult to rest an accounting on it. When it is used as a test, no actual proof is required. Rather it depends upon the judicial estimate of the probability of confusion. *Evening Journal Assn. v. Jersey Pub. Co.*, 96 N. J. Eq. 54, 124 A. 767 (1924).

¹² Wolff, "Non-Competing Goods in Trademark Law," 37 COL. L. REV. 582 (1937).

¹³ This is proved by the line of cases refusing relief when the parties do not operate within the same geographical limits. *Carroll v. Duluth Superior Milling Co.*, (C. C. A. 8th, 1916) 232 F. 675; *Chapin-Sacks Mfg. Co. v. Hendler Creamery Co.*, (C. C. A. 4th, 1918) 254 F. 553.

¹⁴ *Supra*, note 9. *As Vogue Co. v. Thompson-Hudson Co.*, (C. C. A. 6th, 1924) 300 F. 509 at 512, puts it, "there is no fetish in the word 'competition.'" This is further exemplified by the fraternal lodge cases typified by *Grand Lodge, Knights of Pythias v. Grand Lodge, Knights of Pythias*, 174 Ala. 395, 56 So. 963 (1911).

¹⁵ *Beech-Nut Packing Co. v. P. Lorillard Co.*, (C. C. A. 3d, 1925) 7 F. (2d) 967; 5 UNIV. CIN. L. REV. 220 (1931).

¹⁶ *Walter v. Ashton*, [1902] 2 Ch. D. 282; 7 ROCKY MT. L. REV. 277 (1935).

¹⁷ This is well discussed in the article cited *supra*, note 12, and in *Vogue v. Thompson-Hudson Co.*, (C. C. A. 6th, 1924) 300 F. 509. Under this theory of confusion in a wider sense, a justification for relief emphasized by some courts, viz., that plaintiff might be excluded from going into related fields in the future, *Florence Mfg. Co. v. J. C. Dowd & Co.*, (C. C. A. 2d, 1910) 178 F. 73, could be used.

¹⁸ Actual injury need not be shown. *BROWNE, TRADE-MARKS*, 2d ed., § 35 (1885); *Blofeld v. Payne*, 4 B. & Ad. 410, 110 Eng. Rep. 509 (1833); *Walter v. Ashton*, [1902] 2 Ch. D. 282.

¹⁹ *Tiffany & Co. v. Tiffany Productions, Inc.*, 147 Misc. 679, 264 N. Y. S. 459 (1932), *affd.* 262 N. Y. 482, 188 N. E. 30 (1933); *Schechter*, "The Rational Basis of Trademark Protection," 40 HARV. L. REV. 812 at 830 ff. (1927). Still further justification for this broader view rests in our present-day economic structure. Today it is common practice for companies to manufacture many by-products, or to sell more than one line of merchandise, facts conducive to greater possibility of confusion.