

THE
Canadian Bar
REVIEW

VOL. XXVIII

June-July 1950

NO. 6

Inter-American Conventions for
Protection of Trade-Marks

WALTER J. HALLIDAY

New York

The protection of industrial property in general is based upon national legislation as supplemented by international agreements. About one hundred years ago some of the commercial nations began to conclude reciprocal treaties for the protection of trade-marks of their nationals. It soon became apparent, however, that bipartite treaties would not suffice because of the need for the establishment, so far as possible, of a general and uniform system of legislation on an international level.¹

The first great stride in this direction was the International Convention for the Protection of Industrial Property,² signed at Paris in 1883.³ This Convention is now effective in forty-seven

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¹ Increasing International Trade with World-Wide Protection of Trade-Marks, Report of Committee on International Protection of Industrial Property, United States Council of the International Chamber of Commerce, Inc. (1949) 5.

For an exhaustive list of such treaties to which the United States is a party, see Federico, *Treaties Between the United States and Other Countries relating to Trade-Marks* (1950), 39 T.M.R. Supplement.

² 613 O.G. 23. The text of the original Convention of Paris of 1883 was published in the Official Gazette for July 26th, 1887, 40 O.G. 448; the revision of Brussels of 1900 in the Official Gazette for November 11th, 1902, 101 O.G. 1372; the revision of Washington of 1911 in the Official Gazette for July 21st, 1914, 204 O.G. 1011; and the revision of The Hague of 1925 in the Official Gazette for June 9th, 1931, 407 O.G. 298.

³ Signed at Paris, March 20th, 1883; revised at Brussels, December 14th, 1900, at Washington, June 2nd, 1911, at The Hague, November 6th, 1925, and at London, June 2nd, 1934; ratification advised by the Senate June 5th, 1935; ratified by the President June 27th, 1935; ratification of the United

countries throughout the world, but few of the American republics have adhered to it. In fact, only five, namely, Brazil, Cuba, Dominican Republic, Mexico and the United States, have done so.⁴ The principal effect of this convention has been said to be the priority afforded foreign trade-mark applications, provided the foreign application is filed within six months of the application for registration of the same mark in the home country. In the United States, at least, this has been regarded as more of a theoretical than a practical advantage, since applications for registration of even important trade-marks abroad usually have not been filed within six months of the date of filing application here.⁵

In addition to the Paris Convention of 1883, however, there have been several Inter-American Conventions relating to trade-marks and other forms of industrial property to which many of the American republics, including the United States, have been parties.⁶ These conventions grew out of a few of the conferences forming a part of the programme embracing more than sixty international assemblies, convened during the past one hundred years. They began with the Montevideo Conventions of 1889 and include the successive Inter-American Conventions of 1910, 1923 and 1929.

The Montevideo Conventions were signed January 16th, 1889, at the International Congress of South American States, by Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay, but they were not ratified by Bolivia and Chile. Their outstanding feature was the definition of patentable inventions and trade-marks which they contain. By these conventions, reciprocal treatment

States deposited at London July 12th, 1935; proclaimed by the President October 28th, 1938; came into force August 1st, 1938, between the countries ratifying it prior to that date.

⁴ "The following countries were parties on January 1, 1947; the year following some of the countries indicates the latest revision adhered to in the case of those which have not adhered to the London revision: Australia (1925); Belgium; Brazil (1925); Bulgaria (1911); Canada (1925); Cuba (1911); Czechoslovakia (1925); Denmark; Dominican Republic (1911); Finland (1911); France; Germany; Great Britain; Greece (1911); Holland (1925); Hungary (1925); Ireland (1911); Italy (1925); Japan; Lichtenstein (1925); Luxemburg; Mexico (1925); Morocco, French Zone; Norway; New Zealand; Poland (1925); Portugal (1925); Rumania (1911); Spain (1925); Sweden (1925); Switzerland; Syria and Lebanon (1925); Tangier Zone; Tunis; Turkey (1925); United States; Yugoslavia (1925)." Rules of Practice in Trade-Mark Cases with Forms & Statutes 38 (U.S. Dept. Commerce 1947).

See also: Rogers and Ladas, *Proposals for Uniform Trade-Mark Laws* (1950), 40 T.M.R. 8.

⁵ Mock, *Is an International Trade-Mark Law Desirable Now?* (1950), 40 T.M.R. 3, at p. 4.

⁶ Derenberg, *Trade-Mark Protection and Unfair Trading* (1936) 779; 2 Callmann, *Unfair Competition and Trade-Marks* (1945) 1726.

of trade-mark owners and patentees was secured. No right of priority was accorded to trade-marks but one was included for patents. In other respects, the conventions referred to the national law of the contracting states.^{6a}

Most of the work of the Fourth International American Conference was devoted to economic and cultural matters and questions as to protecting industrial property, including trade-marks, patents and copyrights.⁷ The Convention for the Protection of Trade-Marks, signed at Buenos Aires, August 20th, 1910, resulted. Fourteen American republics ratified it but four eventually withdrew.⁸

The Buenos Aires Convention of 1910 was followed by the Inter-American Registration Office, located at Havana and opened in 1919. Many concerns registered trade-marks at Havana, expecting the single registration to cover the subscribing Latin American countries. In 1923, however, the usefulness of the Havana Bureau was eliminated by the provisions of the Santiago Convention requiring the payment of separate fees for each contracting country, in addition to the general fee for registering at the Inter-American office. As a result, the activities of this Havana Bureau soon terminated and the United States withdrew formally from its successor in 1945.⁹

In any event, registrations at the Havana Bureau were without prejudice to rights of third parties and to the laws of each member state, which cancelled out any benefits of the inter-American registration. This was a serious handicap to the operations of the Havana Bureau and has been credited with being sufficient in itself to have ensured its failure.¹⁰

The Fifth International American Conference, which was scheduled to meet in 1914 but was postponed to 1923 due to World War I, also devoted the greater part of its work to economic, humanitarian and cultural matters.¹¹ The Convention for

^{6a} Ladas, *International Protection of Trade-Marks* (1929) 11.

⁷ Rippy, *Historical Evolution of Hispanic-America* (3rd ed., 1947) 504; Duggan, *The Americas* (1949) 224.

⁸ This Convention was ratified by Brazil, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, United States and Uruguay; but Costa Rica, Guatemala, Honduras and Nicaragua later renounced it: *Industrial Property Protection Throughout The World*, Trade Promotion Series, No. 165, Dept. of Commerce, 171-173 (1936).

⁹ *Infra*, p. 613.

¹⁰ Mock, *Is an International Trade-Mark Law Desirable Now?* (1950), 40 T.M.R. 3, at p. 4; see also Von Gehr, *Foreign Trade-Marks* (1948), 38 T.M.R. 748, at p. 749.

¹¹ Rippy, *Historical Evolution of Hispanic America* (3rd ed., 1947) 506, 508; Duggan, *The Americas* (1949) 224.

the Protection of Commercial, Industrial and Agricultural Trade-Marks and Commercial Names, signed at Santiago, April 28th, 1923, was one of its accomplishments.¹² By the terms of article 36 of the General Inter-American Convention for Trade-Mark and Commercial Protection, signed at Washington on February 20th, 1929, the contracting states agreed that as soon as the 1929 convention became effective, the prior trade-mark conventions of 1910 and 1923 would automatically cease to have effect, but that any rights acquired under them, prior to the time the 1929 convention came into effect, would continue to be valid until their due expiration.

These attempts to work out a comprehensive system of trade-mark and trade protection among the American republics met with varying degrees of success. The Buenos Aires Convention of 1910 failed to provide the solution; and the Santiago Convention of 1923 was even less satisfactory because it was never ratified by a sufficient number of countries to make it effective.¹³

In 1940, the Supreme Court of the United States said:

As previous Conventions had not proved satisfactory,¹⁴ the Sixth International Conference of American States, held at Havana in 1928, recommended to the Governing Board of the Pan American Union the calling of a special conference 'for the purpose of studying in its amplest scope the problem of the Inter-American protection of trade-marks'. Delegates from the respective States were appointed accordingly and from their proceedings the Convention of 1929 resulted.¹⁵

The General Inter-American Convention for Trade-Mark and Commercial Protection was signed at Washington, February 20th, 1929, by nineteen of the twenty-one countries belonging to the Pan-American Union. As a striking departure, at the time, from previous practice, this Convention was executed in the form of four originals, in Spanish, English, French and Portuguese.¹⁶ In the course of twenty years it was ratified by ten American republics, including Colombia, Cuba, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru and the United States.¹⁷

¹² This Convention was ratified by Brazil, Cuba, Dominican Republic, Haiti, Paraguay and the United States: *Industrial Property Protection Throughout The World*, Trade Promotion Series, No. 165, Dept. of Commerce, 173-178 (1936).

¹³ Rogers, *The Inter-American Convention* (1931), 26 T.M. Bulletin. N.S. 169.

¹⁴ Ladas, *The International Protection of Trade-Marks by the American Republics*, pp. 11 et seq.; Derenberg, *Trade-Mark Protection and Unfair Trading*, pp. 779 et seq.

¹⁵ *Bacardi Corp. v. Domenech* (1940), 311 U.S. 150, at p. 158.

¹⁶ See four parallel texts in *Trade Mark and Commercial Protection and Registration of Trade Marks*, Treaty Series, No. 833 (Dept. of State 1931).

¹⁷ "The Convention was ratified by the United States on February 11th, 1931, and proclaimed February 27th, 1931. 46 Stat. 2907. It was ratified by

A separate Protocol, signed at the same time and attached to this Convention, established another International Office in Havana for the inter-American registration of trade-marks.¹⁸ Only six countries ratified the separate Protocol to the 1929 Convention, however (Cuba, Haiti, Honduras, Panama, Peru and the United States) and three of these have since denounced it (Haiti, Honduras and the United States).¹⁹

When signed, the 1929 Convention was regarded as surpassing in its achievements even the Paris Convention. The late Mr. Edward S. Rogers, who was one of the delegates who signed the Convention on behalf of the United States, characterized it as providing international legislation binding each country which ratified it to grant to nationals of the others the same rights and remedies extended to their own nationals, not only with respect to trade-marks and trade names but also as to the repression of unfair competition and false indications of geographical origin.²⁰

The important provisions of the 1929 Convention may be briefly summarized as follows:

(1) The contracting States bind themselves to grant to nationals of others the same rights and remedies extended to their own nationals with respect to trade-mark, trade names and the repression of unfair competition and false designations of origin (Article 1).

(2) Marks registered in any of the contracting countries may be registered in any other, provided they do not infringe rights already acquired, and provided that they are not generic or lacking in distinctiveness in the country where registration is sought. In determining the distinctive character of a mark, it is provided that all the surrounding circumstances should be taken into account (Article 3).

(3) Labels, industrial designs, slogans, prints, catalogues or advertisements used to identify or to advertise goods shall receive the same protection accorded to trade-marks in countries where they are considered as such (Article 5).

Cuba in 1930. *Id.* p. 2976. It has also been ratified by Colombia, Guatemala, Haiti, Honduras, Nicaragua, Panama and Peru. *Bulletin, U.S. Trade-Mark Association*, 1936, p. 174.¹⁸ *Bacardi Corp. v. Domenech* (1940), 311 U.S. 150, at p. 157, (n. 7). See also: Rogers and Ladas, *Proposals for Uniform Trade-Mark Laws* (1950), 40 T.M.R. 8, at p. 14.

¹⁸ Rogers, *The Inter-American Convention* (1931), 26 T.M. *Bulletin*, 169, at p. 170.

¹⁹ Robert, *The New Trade-Mark Manual* (1947) 112.

²⁰ Rogers, *The Inter-American Convention* (1931), 26 T.M. *Bulletin*, 169, 170, 175; see also Rogers, *Introduction to Robert, The New Trade-Mark Manual* (1947) xi-xxi.

(4) Collective marks and marks of associations may be registered (Article 6).

(5) Opposition and cancellation proceedings shall be permitted (Articles 7-9).

(6) Registration shall exist independently of registrations in other contracting countries, unless otherwise provided by domestic law (Article 10).

(7) Registrations by agents shall be considered to be for the benefit of the principal (Article 12).

(8) Trade and commercial names shall be protected in the contracting states without the necessity of deposit or registration (Articles 14-19).

(9) Unfair competition shall be prohibited and repressed under the Convention unless effectively dealt with by domestic law (Articles 20-22).

(10) False indications of geographical origin are prohibited, and in the absence of special remedies the domestic laws relating to misbranding, trade-marks or trade names shall apply (Articles 23-28).

(11) The Convention shall have the force of law in states where international treaties possess that character as soon as ratified. States in which fulfillment of international agreements is dependent upon enactment of appropriate laws agree to request such legislation promptly (Article 35).

(12) The 1910 and 1923 Conventions shall automatically cease to have effect upon ratification of this Convention (Article 36).

In view of the number of American republics which have failed to ratify the 1929 Convention (for example, Argentina, Brazil, Chile and Mexico) after the passage of twenty years, it is doubtful that many more will do so in the near future. Therefore it has been proposed that a conference of experts in trade-mark law, representing all the American republics, be convened to revise the 1929 Convention and adopt a preliminary draft of a new Inter-American Convention on Trade-Marks, Trade Names and Unfair Competition. It is further proposed that the draft so prepared should then be submitted by the respective governments to the interested organizations in each country for one year's study and for comment. Thereafter, it is proposed that a new Conference of official delegates meet to adopt a new Convention.²¹

²¹ Rogers and Ladas, *Proposals for Uniform Trade-Mark Laws* (1950), 40 T.M.R. 8, at p. 14.

Following is the resolution which was adopted by the Committee on Industrial Property of the Inter-American Bar Association at its May 1949 meeting in Detroit:

RESOLVED that this Conference recommends that the Pan-American Union should convoke at the earliest possible time a Preliminary Meeting of Experts in Trade-Mark Law designated by each of the Governments of the American Republics to deliberate on and adopt a draft Inter-American Convention on Trade-Marks, Trade Names and Unfair Competition which is to be submitted to the Governments concerned with the view to consideration by them and appropriate local organizations in each Republic and that within a year thereafter an official Conference should meet for the adoption of the final text of such Convention for signature and ratification by all of the American Republics.

FURTHER RESOLVED that the preliminary draft of such Convention to be considered by the Experts should be prepared through the care of the Pan-American Union and should include in particular stipulations establishing an inter-American regime for trade-marks with respect to the following principles:

1. Recognition of the principle of protection of the prior user of a trade-mark against misappropriation or imitation of his trade-mark.
2. Knowledge of the prior use of a trade-mark by the trade should be sufficient basis for such protection.
3. Establishment of administrative opposition by the prior user against the attempt to misappropriate or imitate his mark by registration in the name of another person.
4. Provision for a uniform period for opposition with the right for extension of time to enable opposition to be filed or to afford an opportunity for an amicable settlement.
5. Provision for the right of the prior user to cancel the registration of an infringing mark within a minimum period.
6. Provision that the registration of a trade-mark becomes conclusive and incontestable with respect to all attacks except in the case of fraud.
7. The registrant's right in his trade-mark shall not be forfeited except when abandonment is shown, non-user for reasons beyond the control of the owner being acceptable legal excuses.
8. Assignment and licensing of the use of trade-marks to be always permitted so long as no deception of the public is involved.
9. Adequate protection of trade names without registration.
10. Adequate provision against all acts of unfair competition.²²

The differences in fundamental theories as to rights in trade-marks, arising out of the prevalence of the common law system in the United States and Canada and the civil law in Latin American countries, present great difficulties when any attempt is

²² *Ibid.*, at pp. 14-15. It should be noted that item 6 of the resolution goes far beyond the provisions of the Lanham Act; and item 8 is ambiguous and may be construed to go far beyond both the common law and the Lanham Act.

made to obtain uniformity of protection through multipartite treaties. Under the common law, trade-mark rights are founded upon use. Therefore, a word or mark cannot be a trade-mark until it is used on goods in trade, and it may not be registered in the United States until it has been so used as a trade-mark. In some countries, however, words may be registered as trade-marks without first being used on the goods, and in most Latin American countries registration determines title to the trade-mark regardless of whether the registrant is the first user.

In the absence of international agreements, however, the diversity of national laws, operating only within the territory of the respective countries, is such as to result in irreconcilable conflicts which jeopardize valuable industrial properties and hinder trade. For example, under the common law, the law of trade-mark infringement is regarded as a part of the broader law of unfair competition.²³ By contrast, in most of the Latin American republics there is no law of unfair competition.²⁴

This is not to say that there are no conditions under which protection may be obtained against trade-mark infringement. In certain of the code-law countries, notably Argentina, Bolivia, Costa Rica, Ecuador, Haiti, Paraguay, Peru and Salvador, however, all trade-mark rights emanate from registration. In these eight countries, registration is controlling and priority of use is immaterial. Furthermore, registration, which is the *sine qua non* of protection through the right to sue for infringement and to object to conflicting registrations, may be obtained without use of the mark.

In certain of the so-called modified code law countries, including Brazil, Chile, Colombia, Cuba and Mexico, although no use is required in order to obtain registration of a trade-mark and rights therein depend primarily upon registration, some limited bases are provided for prior users under special conditions, to oppose or cancel conflicting registrations. In Mexico and Cuba, no opposition is permitted but a prior user may petition to cancel within three and four years, respectively, from the date of the infringing registration. In Chile, the prior user has no right to cancel but may oppose, provided he has more than one year's prior use; and in Colombia three years' prior use is required.

Six of the Latin American republics permit the prior user to

²³ *Hanover Milling Co. v. Metcalf* (1916), 240 U.S. 403, at p. 413; 1 Nims, *Unfair Competition and Trade-Marks* (4th ed., 1947) 9 et seq.

²⁴ Ladas, Federico and Derenberg, *Trade-Marks and Foreign Trade* (1948), 38 T.M.R. 278, at p. 289; Ladas, *Trade-Marks and Patents in Foreign Commerce* (1947), 37 T.M.R. 195, at p. 196.

oppose on bases similar to those obtaining in the United States. These countries are Guatemala, Nicaragua, Panama, Puerto Rico, Uruguay and Venezuela.²⁵ For traders domiciled in the other Latin American code countries and dealing with them, in the absence of treaties, the situation doubtless would be equally as confusing and difficult as it has been for those in the United States to cope with the differences between the common and civil law theories.

In addition there has been divergence in the laws of the various countries as to what should constitute trade-mark subject matter.²⁶ Attempts to deal with this situation have been made by treaty²⁷ and national legislation.²⁸ In view of the underlying differences in national traditions, forms and philosophies of government, legal and judicial systems and administrative techniques, it is no doubt too early to expect that a completely uniform law of trade-marks, governing the entire subject, can be worked out in the near future which will be acceptable to all the American republics. Our own experience with efforts to obtain uniform state laws on various subjects in the United States furnishes an index of the obstacles to be overcome. The National Conference of Commissioners on Uniform State Laws has drafted one hundred acts since it was organized and, after fifty years of work, "the goal of uniformity is yet only a dream".²⁹ Despite the difficulties, however, much has been and is being accomplished to bring conflicting legislation into harmony in both the national and international fields.

Perhaps the greatest hope for a workable synthesis of the common and civil law systems lies in a combination of the two which is being adopted by increasing numbers of countries. Under this theory, priority is accepted as the fundamental basis of trade-mark rights, and rights accruing to others from subsequent registrations are subject to defeasance for limited periods but acquire varying degrees of "incontestability", if not cancelled within the statutory period allowed under the respective national

²⁵ Von Gehr, *Foreign Trade-Marks* (1948), 38 T.M.R. 748, at p. 749; Ladas, Federico and Derenberg, *Trade-Marks and Foreign Trade* (1948), 38 T.M.R. 278, at pp. 291-2; Ladas, *Trade-Marks and Patents In Foreign Commerce* (1947), 37 T.M.R. 195, at pp. 197-8.

²⁶ Hearings before Committee on Patents, Subcommittee on Trade-Marks, on H.R. 4744, 76th Cong., 1st Sess. 126, 127 (1939). These were culled in framing the omnibus definition of registrable matter for the Supplemental Register, under the Lanham Act.

²⁷ See Article 5 of 1929 Convention.

²⁸ 60 Stat. 435 (1946), 15 U.S.C. § 1091 (1948).

²⁹ Rossman, *Uniformity of Law: An Elusive Goal* (1950), 36 A.B.A.J. 175.

laws. The Lanham Act, which went into effect on July 5th, 1947, in the United States, incorporates this theory.³⁰

Although treaties and conventions affecting industrial property may have the force of law upon ratification in this country, the question depends upon the determination of whether or not such treaties are self-executing, and not all have been so held.

Chief Justice Marshall explained the rule as to whether a treaty is self-executing or not as follows:

A treaty is, in its nature, a contract between two nations, not a legislative act. It does not generally effect, of itself, the object to be accomplished, especially so far as its operation is infra-territorial; but is carried into execution by the sovereign power of the respective parties to the instrument.

In the United States, a different principle is established. Our constitution declares a treaty to be the law of the land. It is, consequently, to be regarded in courts of justice as equivalent to an act of the legislature, whenever it operates of itself without the aid of any legislative provision. But when the terms of the stipulation import a contract, when either of the parties engages to perform a particular act, the treaty addresses itself to the political, not the judicial department; and the legislature must execute the contract before it can become a rule for the court.³¹

In discussing this question as to the Paris Convention of 1883, which was held not self-executing, the Fourth Circuit Court of Appeals said:

It was the opinion of Attorney General Miller (19 Op. Attys. Gen. 273) that, as Congress alone was given by the Constitution the power 'to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries,' treaty provisions relating to patent rights must be deemed dependent upon legislation in aid thereof. And this seems to have been the view also of Judge Lowell in *United Shoe Machinery Co. v. Duplessis Shoe Machinery Co.* (C.C.) 148 F. 31, and there is much to be said in its favor. Patent rights differ from many other rights which are the subject of treaties, in that they are created by and dependent upon statutes which only Congress has power to enact. Furthermore, the right under a patent is not one which extends across national boundaries, and is therefore necessarily a matter for regulation by treaty, but is one which must be enjoyed within the territory of the nation. We think, however, that the better view is that a treaty affecting patent rights may be so drawn as to be self-executing. See *United Shoe Machinery Co. v. Duplessis Shoe Mach. Co.* (C.C.A. 1st) 155 F. 842; *Hennebique Construction Co. v. Myers* (C.C.A. 3rd) 172 F. 869; *Cherokee Tobacco*, 11 Wall. 616, 621 (20 L. Ed. 227); *Hijo v. U.S.*, 194 U.S. 315, 324, 24 S. Ct. 727 (48 L. Ed. 994). But the reasons which led to the doubt as to whether a treaty could be so drawn as to effect patent rights, without supporting legis-

³⁰ 60 Stat. 433, 438 (1946), 15 U.S.C. §§ 1064, 1065, 1115 (1948).

³¹ *Foster v. Neilson* (1829), 2 Pet. 253, at p. 314.

lation by Congress, are matters which must be considered in the interpretation of treaties affecting patent rights; and they require that such treaties be held not self-executing, unless their language compels a different interpretation.

Patent rights are valid, of course, only within the country granting the patent. They are created by statute, and complicated administrative machinery is provided for the application of the statutory provisions. Treaties are drafted ordinarily to accomplish certain general results, and in the nature of things cannot regulate details and ought not to interfere with the domestic machinery which the several countries have provided for the regulation of patents. For these reasons, unless a contrary intention is clearly indicated, they should be construed, not as of themselves making changes in the patent laws, but as contemplating that the various parties signatory will enact appropriate legislation and promulgate proper rules to effectuate the ends which they are designed to accomplish.

This rule of construction has been uniformly followed in this country, and treaties affecting patent rights have been held to be not self-effectuating, where the purpose that they should be carried out by supporting legislation was not by any means so clearly indicated as in the section of the treaty under consideration. Thus article II of the Convention of March 20, 1883, provided:

'The subjects or citizens of each of the contracting States shall enjoy, in all the other states of the Union, so far as concerns patents for inventions, trade or commercial marks, and the commercial name, the advantages that the respective laws thereof at present accord, or shall afterwards accord to subjects or citizens. In consequence they shall have the same protection as these latter, and the same legal recourse against all infringements of their rights, under reserve of complying with the formalities and conditions imposed upon subjects or citizens by the domestic legislation of each state.'

In the opinion of Attorney General Miller, referred to above, this article was held not to be self-executing, but to require the support of legislation before it became a rule for the courts to follow. While the constitutional question to which we have adverted was discussed, the opinion was finally based upon the proposition that the treaty was a contract operating in the future *infra-territorially*. The Attorney General said:

'It is not necessary to the decision of the question submitted to me in the matter under consideration to determine whether all the provisions of treaties, whose execution requires the exercise of powers submitted to Congress, must be so submitted before they become law to the courts and executive departments, for the treaty under consideration is a reciprocal one; each party to it covenants to grant in the future to the subjects and citizens of the other parties certain special rights in consideration of the granting of like special rights to its subjects or citizens. *It is a contract operative in the future infra-territorially. It is therefore not self-executing, but requires legislation to render it effective for the modification of existing laws.*' [Italics ours]

In *Rousseau v. Brown*, 21 App. D.C. 73, *Rousseau*, a citizen of France, based his claim upon the provisions of the Convention of March 20, 1883. In denying his claim, the court said:

"The convention is in the nature of a contract between the parties thereto, and is not self-executing. It requires the action of Congress to give it full force and effect. *This is the construction that has been placed upon it by most of the parties to it*, and they have adopted legislation giving effect to it. . . . But without regard to the action of other states, *the uniform construction of that convention by the Patent Office officials, and by the courts of this country, has been that the convention is not self-executing*, but requires the aid of an act of congress."³² [Italics by the Court]

In construing the General Inter-American Convention for Trade-Mark and Commercial Protection, signed at Washington on February 20th, 1929, the Supreme Court said:

This treaty on ratification became a part of our law. No special legislation in the United States was necessary to make it effective.³³

The decision in the *Bacardi* case was hailed as finally settling the question as to the self-executing character of conventions relating to industrial property, not only with respect to the Inter-American Convention but also to the International Convention for the Protection of Industrial Property. It was regarded as overruling the contrary opinion of Attorney General Miller, given in 1889, and the cases relying thereon.³⁴ The *Bacardi* case was also considered as settling in the affirmative the question whether conventions relating to industrial property may create substantive rights, and as contradicting the theory that International Conventions could never be construed as intended to put foreigners on a more favourable footing than our own citizens.³⁵

Despite the decision of the Supreme Court in the *Bacardi* case, in 1940, as to the self-executing character of the 1929 Inter-American Convention, six years later, in reporting the Lanham Trade-Mark Bill, it was asserted that there was still a question as to whether the ratified Conventions were self-executing. The Senate report included, as reasons for the passage of the Lanham Bill, the following:

. . . In addition the United States has become a party to a number of international conventions dealing with trade-marks, commercial names, and the repression of unfair competition. These conventions have been ratified, but it is a question whether they are self-executing, and whether they do not need to be implemented by appropriate legislation.

Industrialists in this country have been seriously handicapped in securing protection in foreign countries due to our failure to carry out,

³² *Robertson v. General Electric Co.* (1929), 32 F. 2d 495, at pp. 500-501 (C.C.A. 4).

³³ *Bacardi Corp. v. Domenech* (1940), 311 U.S. 150, at p. 161.

³⁴ *Supra*, pp. 618-19.

³⁵ Ladas, *The Self-Executing Character of International Conventions on Industrial Property and Their Effects on Substantive Rights* (1941), 31 T.M.R. (Pt. I) 5, at pp. 8-9; 36 T.M. Bulletin 5, at pp. 8-9.

by statute, our international obligations. There has been no serious attempt fully to secure to nationals of countries signatory to the conventions their trade-mark rights in this country and to protect them against the wrongs for which protection has been guaranteed by the conventions. Naturally under such circumstances foreign governments do not always give to citizens of the United States their convention rights. To remedy this discreditable situation is merely an act of international good faith.

This bill attempts to accomplish these various things:

2. To carry out by statute our international commitments to the end that American traders in foreign countries may secure the protection to their marks to which they are entitled. Although it has solemnly pledged at inter-American conventions to do so, the United States has failed adequately to protect owners of trade-marks in the other American countries doing business with this country. As a result of this inaction, our business organizations have not received reciprocal advantages in the other Americas. The bill remedies this matter, eliminates these sources of friction with our Latin-American friends, and will facilitate mutual trade in this hemisphere.³⁶

During the past thirty years, a number of laws have been passed in the United States which implemented the International Conventions relating to trade-marks, to which the United States has adhered.

The Act of March 19th, 1920, was entitled "An Act To Give Effect To Certain Provisions Of The Convention For The Protection Of Trade-Marks And Commercial Names, made and signed in the City of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes".³⁷ The 1920 Act provided for the establishment of a register of all marks communicated to the Commissioner of Patents by the International Bureaus established by the 1910 Convention. However, the 1920 Act, by its terms, was so limited as not to embrace either the 1923 or 1929 conventions. Since the 1929 convention provided that upon its ratification the 1910 and 1923 conventions would cease to have effect, the provisions of the 1920 Act in this regard became inoperative even as to the 1910 convention when the 1929 convention was ratified by the United States.

Nevertheless, the 1920 Act had some effect in implementing the conventions and assisting those engaged in foreign trade. It provided a register to which geographic and descriptive terms and surnames were admitted, if they were not incapable of distinguishing the applicant's goods. Such marks were not registrable under the 1905 Act. Although the language of the 1920 Act did

³⁶ Senate Report No. 1333, 79th Cong., 2d Sess. (1946).

³⁷ 15 U.S.C. §§ 121-128, 1051n.

not expressly exclude words incapable of distinguishing, it was so construed by the Patent Office and the courts.

For traders located in the United States and engaged in foreign commerce with countries requiring a home registration as a basis for registration under their laws, the 1920 Act filled a definite need: it gave such traders an opportunity to obtain foreign registrations covering marks consisting of geographic and descriptive terms and surnames. Similarly, foreign traders were afforded an opportunity to register such marks in this country. Registrations under the 1920 Act could be deposited with the customs authorities in the United States to keep out goods bearing confusingly similar marks;³⁸ and they furnished the federal question upon which to base jurisdiction in suits in the federal courts of the United States in the absence of diversity of citizenship. None of the presumptions as to ownership, validity and use, afforded by a 1905 Act registration, however, could be predicated upon a 1920 Act registration.³⁹ This weakness led the Exchequer Court of Canada to refuse registration, under the Canadian Act, to the word "Tenderized", as a trade-mark for hams, where the Canadian application was based upon a 1920 Act registration. The Canadian court held the mark to be unregistrable, as descriptive, and the home registration, under the 1920 Act, to be unavailing because not one made in the "country of origin", as contemplated by the Canadian statute and the Hague Convention of 1925, to which both Canada and the United States were signatories.⁴⁰

The 1920 Act is one of those repealed by the Lanham Act; and registrations under the 1920 Act may not be renewed unless renewal is required to support foreign registrations. In that event renewal of the 1920 Act registration may be effected, on the supplemental register, under the Lanham Act, in accordance with the provisions of section 9 of that Act.⁴¹

By the 1938 amendment of the 1905 Act, "collective marks"

³⁸ As to abuses and anomalies resulting from deposit of 1920 Act registrations with the Ports of Entry, see Hearings before Committee on Patents, Subcommittee on Trade-Marks, on H.R. 9041, 75th Cong., 3d. Sess. 74 (1938).

³⁹ *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.* (1938), 305 U.S. 315, at pp. 322 et seq.; *Charles Broadway Rouss, Inc. v. Winchester Co.* (1924), 300 F. 706, at pp. 712-714 (C.C.A. 2d), cert. denied (1924), 266 U.S. 607.

Similarly, registrations on the Supplemental Register under the Lanham Act have neither prima facie nor conclusive evidentiary effect on any point: 60 Stat. 436 (1946), 15 U.S.C. § 1094 (1948).

⁴⁰ *Albany Packing Co., Inc. v. The Registrar of Trade-Marks* (1940), 30 T.M.R. 595 (Ex. Court, Canada).

⁴¹ 60 Stat. 427, 431 (1946), 15 U.S.C. §§ 1051n, 1059 (1948).

were made registrable for the first time in the United States, where legitimate control over their use was exercised by any natural or juristic person.⁴² This idea was retained by similar provisions of section 4 of the Lanham Act.⁴³

The Lanham Act was passed on July 5th, 1946, but by its terms, as mentioned, did not become effective until July 5th, 1947. Section 45 of the Lanham Act states the intent of the Act in part as follows:

... to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names and unfair competition entered into between the United States and foreign nations.⁴⁴

This statement of the intention of the new Act was amplified in the Senate Report, previously referred to, giving the reasons for its passage.⁴⁵

Section 44(a) of the Lanham Act⁴⁶ provides for the establishment of a register for all marks communicated to the Commissioner by the international bureaus set up under the conventions for the protection of the industrial property, trade-marks, trade and commercial names and the repression of unfair competition to which the United States is or may become a party. It is specifically provided that this register shall be a continuation of the register provided for under section 1(a) of the 1920 Act. As the United States is not now an adherent to the parts of the International Conventions setting up the international bureaus, the operation of section 44(a) of the Lanham Act remains a matter for future development. This, however, is taken care of by its terms and it is not subject to the limitations which rendered section 1(a) of the 1920 Act inoperative.

The principal and supplemental registers, under the Lanham Act, are both available to certain foreigners under the conditions and limitations prescribed in section 44(b) et seq., which provide:

44(b) Persons who are nationals of, domiciled in, or have a bona fide and effective business or commercial establishment in any foreign country, which is a party to (1) the International Convention for the Protection of Industrial Property, signed at Paris on March 20, 1883; or (2) the General Inter-American Convention for Trade-Mark and Commercial Protection signed at Washington on February 20, 1929; or (3) any other convention or treaty relating to trade-marks, trade or commercial names, or the repression of unfair competition to which the United States is a party, shall be entitled to the benefits and subject to the provisions of

⁴² 52 Stat. 638 (1938), 15 U.S.C. § 81 (1939).

⁴³ 60 Stat. 429 (1946), 15 U.S.C. § 1054 (1948).

⁴⁴ 15 U.S.C. § 1127 (1948).

⁴⁵ Quoted *supra*, pp. 620-21.

⁴⁶ 60 Stat. 441 (1946), 15 U.S.C. § 1126 (1948).

this Act to the extent and under the conditions essential to give effect to any such conventions and treaties so long as the United States shall continue to be a party thereto, except as provided in the following paragraphs of this section.

(c) No registration of a mark in the United States by a person described in paragraph (b) of this section shall be granted until such mark has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

For the purposes of this section, the country of origin of the applicant is the country in which he has a bona fide and effective industrial or commercial establishment, or if he has not such an establishment the country in which he is domiciled, or if he has not a domicile in any of the countries described in paragraph (b) of this section, the country of which he is a national.

(d) An application for registration of a mark under sections 1, 2, 3, 4, or 23 of this Act filed by a person described in paragraph (b) of this section who has previously duly filed an application for registration of the same mark in one of the countries described in paragraph (b) shall be accorded the same force and effect as would be accorded to the same application if filed in the United States on the same date on which the application was first filed in such foreign country: *Provided, That* —

(1) the application in the United States is filed within six months from the date on which the application was first filed in the foreign country;

(2) the application conforms as nearly as practicable to the requirements of this Act, but use in commerce need not be alleged;

(3) the rights acquired by third parties before the date of the filing of the first application in the foreign country shall in no way be affected by a registration obtained on an application filed under this subsection (d);

(4) nothing in this subsection (d) shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country unless the registration is based on use in commerce.

(e) A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible, otherwise on the supplemental register herein provided. The application therefor shall be accompanied by a certified copy of the application for or registration in the country of origin of the applicant.

(f) The registration of a mark under the provisions of paragraphs (c), (d), and (e) of this section by a person described in paragraph (b) shall be independent of the registration in the country of origin and the duration, validity, or transfer in the United States of such registration shall be governed by the provisions of this Act.

(g) Trade names or commercial names of persons described in paragraph (b) of this section shall be protected without the obligation of filing or registration whether or not they form parts of marks.

(h) Any person designated in paragraph (b) of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to effective protection against unfair competition, and the remedies pro-

vided herein for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.⁴⁷

Under section 44(b), persons⁴⁸ who are nationals of, domiciled in, or have a bona fide and effective business in any foreign country, which is a party to the conventions named or to any of the other conventions or treaties referred to therein and to which the United States is a party, are entitled to register on either the principal or the supplemental register, under the conditions enumerated in the statute. For example, a person described in section 44(b) may apply for registration directly and without the necessity of having either a registration or a pending application for registration, in the country of his origin, provided he alleges "use in commerce".⁴⁹ Unless such an applicant alleges "use in commerce", however, no registration of his mark may be granted to him until the mark has been registered in the country of his origin.⁵⁰ Where an application is based upon a home registration or a pending application in the country of origin, the applicant is accorded a six months' right of priority, under section 44(d), provided the foreign application "conforms as nearly as practicable" to the requirements of the Lanham Act.

Some discussion has arisen as to the eligibility of the subject matter of foreign registrations for registration under section 44(e)⁵¹ upon the basis of registrations in countries which do not require use of a mark on the goods or in connection with services. Although there may be no question as to the due registration in the "country of origin" as defined in section 44(c),⁵² there is considerable question as to whether or not the subject matter of such foreign registrations qualifies as a "mark" under this Act.

By the terms of section 45 the term "mark" is defined as including "any trade-mark, service mark, collective mark, or

⁴⁷ 60 Stat. 441 (1946), 15 U.S.C. § 1126 (1948).

⁴⁸ By definition, in section 45, "the term 'person' and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this Act includes a juristic person as well as a natural person. The term 'juristic person' includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law". 60 Stat. 443 (1946), 15 U.S.C. § 1127 (1948).

⁴⁹ As defined in section 45, "The word 'commerce' means all commerce which may lawfully be regulated by Congress" and "For the purposes of this Act a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce". 60 Stat. 443 (1946), 15 U.S.C. § 1127 (1948).

⁵⁰ S. 44(c), 60 Stat. 441 (1946), 15 U.S.C. § 1126 (1948), *supra* p. 624. See also: *Ex parte Drewry & Edwards Ltd.* (1949), 39 T.M.R. 961.

⁵¹ *Supra* p. 624.

⁵² *Supra* p. 624.

certification mark entitled to registration under this Act whether registered or not". This definition and the statutory definition of a trade-mark⁵³ have been expanded for purposes of the supplemental register by section 23 to include in addition "any . . . label, package, configuration of goods, . . . slogan, phrase, surname, geographical name, numeral or device, or any combination of any of the foregoing . . .", none of which are defined by the Act.⁵⁴ However, each of the items in the expanded definition of a mark for purposes of the supplemental register is subject to the repeated limitation in section 23 that "such mark must be capable of distinguishing the applicant's goods or services"; and each of the statutory definitions of the terms "trade-mark", "service mark", "certification mark" and "collective mark" includes the requirement of use on or in connection with goods or services.⁵⁵

By the terms of section 23 an applicant for registration on the supplemental register must comply with the provisions of section 1 governing the contents of applications for registering trade-marks on the principal register, so far as they are applicable. Under section 1 the applicant is required among other things to specify in his application the date of first use of the mark, the mode or manner of use, and is required to file specimens or facsimiles of the mark as actually used.⁵⁶ Similarly, sections 3 and 4 governing the registration of service marks, collective and certification marks, require the use of such marks on goods or in connection with services, as the case may be, and prescribe that the procedure as to applications shall conform as

⁵³ 60 Stat. 443 (1946), 15 U.S.C. § 1127 (1948).

⁵⁴ 60 Stat. 435 (1946), 15 U.S.C. § 1091 (1948).

⁵⁵ "The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

"The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce.

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

"The term 'collective mark' means a trade-mark or service mark used by the members of a cooperative, and association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization." 60 Stat. 443 (1946), 15 U.S.C. § 1127 (1948).

⁵⁶ 60 Stat. 427 (1946), 15 U.S.C. § 1051 (1948).

nearly as practicable to that prescribed for the registration of trade-marks under section 1.⁵⁷

These are declaratory of the common law concept that rights in trade-marks and service marks depend upon use and do not arise out of mere adoption, registration or thinking-up of marks. While it may be possible from a theoretical or philosophical point of view for a word or device to be "capable of distinguishing the applicant's goods or services" though it be not used, as a practical matter it may be argued that it is impossible for a mark to be capable of distinguishing goods or services unless it is used on the goods or in connection with the services.

In the first reported case involving this problem which arose under the Lanham Act, a British concern applied for registration of its trade-mark on the principal register, basing its application upon a registration in Great Britain. The purported application contained no statement that the mark sought to be registered had actually been used, and no specimens showing the mark as used on the applicant's goods accompanied the papers. When the Examiner required that specimens be filed to cure the informality of the application, before it could be given a filing date and be accepted, the reason given by the applicant for not submitting specimens was that the mark was not used and hence specimens of the mark as actually used could not be filed.

The Commissioner denied applicant's petition for the exercise of supervisory authority to require the Examiner to accept the application. In sustaining the Examiner's rejection of the application, the Commissioner said:

... while the question was raised because of the absence of specimens, this is only one symptom of a more fundamental issue, that of lack of use by the applicant anywhere.

The requirements for registration on the Principal Register are specified in section 1 of the Trade-Mark Act of 1946. These requirements include, among others, a written application specifying 'the mode or manner in which the mark is used in connection with such goods.' Again, the statute requires 'such number of specimens or facsimiles of the mark as actually used as may be required by the Commissioner.' Those quotations from the requirements, as well as others in the same section of the Act, clearly indicate that only a mark that is actually used in connection with goods can be registered. Therefore it is clear that the application is incomplete and should not be accepted for examination.

The purported application is based on a registration in Great Britain and applicant relies on section 44(e) of the statute which states in part, 'A mark duly registered in the country of origin of the foreign applicant may be registered on the Principal Register if eligible.' This part of the

⁵⁷ 60 Stat. 429 (1946), 15 U.S.C. § 1053, 1054 (1948).

Act does not eliminate any of the requirements for registration on the Principal Register. The standards and requirements for registration on the Principal Register are set forth in sections 1 and 2 of the Trade-Mark Act. It is true that one requirement, that the trade-mark must be in use in commerce which can be controlled by Congress has been eliminated in the case of applications for registration based upon a foreign registration. However authority for this exception is found in section 44(c) which states that:

'No registration of a mark in the United States by a person described in paragraph (b) of this section shall be granted until such mark has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.'

The presence of this section indicates that registration based upon a registration in the country of origin of the applicant may be granted without any allegation of use in commerce over which the United States has control. However, no authority can be found anywhere in the Act for eliminating any other requirement. Since the requirements in section 1 are positive in nature, they cannot be dispensed with unless authority is found in the Act for such dispensation.

In view of the specific language of the statute it is not considered necessary to discuss petitioner's contention as to the meaning and the effect of article 6 of the International Convention for the Protection of Industrial Property. No authority for petitioner's assertions have been given and none have been found. It may be noted, however, that the most recent discussion of this provision found, in the report 'International Protection of Trade-Marks.' Brochure 138, International Chamber of Commerce, 1949, prepared by Mr. Charles L. Magnin, Vice-Director of the International Bureau of Berne, established under the Convention, adopts a view contrary to that of the petitioner (page 15) and an article entitled 'The Prerequisite of Trade-Mark Registrations in Canada,' by George H. Riches, appearing in 39 T.M.R. 104, would also appear to indicate that the construction suggested by petitioner is not accepted in Canada.⁵⁸

From the foregoing, it would appear that, unless the Commissioner is reversed, foreign registrations not based on use should not be held a proper foundation for registration under the Lanham Act on either the principal or supplemental register.⁵⁹

By the terms of section 44(f),⁶⁰ the registration obtained by a person described in section 44(b) is independent of any registration in the country of his origin and its duration,⁶¹ validity or transfer⁶² in the United States is governed by the provisions of

⁵⁸ *Ex parte British Insulated Callender's Cables, Ltd.* (1949), 39 T.M.R. 1057, 1058.

⁵⁹ But, see note by Levy (translator) to Winter, Home Country Registration — Article 6, Paris Convention, 40 T.M.R. 194 (March, 1950).

⁶⁰ *Supra*, p. 624.

⁶¹ Lanham Act registrations have a twenty year term and are renewable for like periods: Sections 8-9, 60 Stat. 431 (1946), 15 U.S.C. §§ 1058, 1059 (1948).

⁶² Section 10, 60 Stat. 431 (1946), 15 U.S.C. § 1060 (1948).

this act. This is a departure from the provisions of the 1905 Act, which made the term of registrations, covering marks previously registered in a foreign country, dependent upon continuance of protection in the country of origin of the registrant.⁶³ Under that Act, since the registration of a foreigner was valid only so long as his home registration continued in force and expired registrations could not be renewed, it was held that, in seeking the renewal here, it was incumbent upon the registrant to show that his home registration was still in force.⁶⁴

The 1920 Act had provided a private right of action for damages and for an injunction against any person who willfully and with intent to deceive used a false designation of origin on goods in interstate or foreign commerce, at the suit of any person doing business in the locality falsely indicated, or in the region in which such locality was situated.⁶⁵ During the entire period of over twenty-five years, however, that this provision was on the books, prior to the enactment of the Lanham Act, there appear to have been no reported decisions under it.

By similar provisions of section 43(a), the Lanham Act⁶⁶ grants a private right of action against any person who uses in commerce, in connection with goods or services, a false designation of origin, or any false description or representation tending falsely to describe or represent them. The proponents of the Lanham bill intended this provision to expand the remedy granted by the 1920 Act, and obviate the necessity for proof of intent. Thus far, however, the expectations of the proponents have not been realized.

Discussing these provisions of the 1920 and 1946 Acts, the Court of Appeals for the Second Circuit recently said:

The Trade-Mark Act of 1920 gave a remedy in favor of persons of the locality against any person who wilfully or with intent to deceive affixed to any article 'a false designation of origin.' 15 U.S.C.A. §123. This is said to have been a dead letter because of the difficulties of proof; at any rate, the Lanham Trade-Mark Act of July 5, 1946, makes two important changes, in that it omits the requirement of wilfulness or intent to deceive and extends the liability 'to a civil action' by 'any person who believes that he is or is likely to be damaged by the use of any such false description or representation.' § 43(a), 15 U.S.C.A. §1125(a) The amendment is expected to produce a more effective remedy, Robert, *The New Trade-Mark Manual*, 1947, 186-188; Callmann, *The New Trade-Mark Act of July 5, 1946*, 46 Col. L. Rev. 929, 931, although Mr. Derenberg states it perhaps more judiciously as codi-

⁶³ 33 Stat. 727 (1905), 15 U.S.C. § 92 (1939).

⁶⁴ *Ex parte The Appolinaris Company, Ltd.* (1947), 73 U.S.P.Q. 64, at p. 66.

⁶⁵ 41 Stat. 534 (1920), 15 U.S.C. § 123 (1939).

⁶⁶ 60 Stat. 427 (1946), 15 U.S.C. § 1051n (1948).

lying the doctrine of the Grand Rapids case. Derenberg, Preparing for the New Trade-Mark Law, Analysis 50, Research Inst. of America, 1947, 6. As applied to a situation such as here disclosed, there is of course the necessity of proving that the apparel labels do designate the origin of the goods to the buyers, and there is the further problem as to the rather curious and ambiguous wording of the statute creating liability to an action [query: Does this mean judgment, and if so, for what?] in favor of a quite indefinite number of volunteer plaintiffs. How far this may change the effect of the Ely-Norris Safe Co. case must therefore await further elucidation.⁶⁷

In that case, however, the Lanham Act was held inapplicable because it did not become effective until after the argument of the appeal, and by the terms of section 46(a) did not apply to pending cases.

It has been suggested that, as a result of the passage of the Lanham Act implementing the Conventions, an unfair competition suit in the United States is now an action "arising under the Act", and that the federal courts therefore have jurisdiction regardless of whether there is diversity of citizenship and that in determining such cases, the doctrine of *Erie v. Tompkins*⁶⁸ no longer controls.

The reasoning upon which this suggestion is based runs as follows: (a) The Paris Convention⁶⁹ and the 1929 Inter-American Convention both guarantee effective protection against unfair competition; (b) the Lanham Act, by section 44(b), provides that persons entitled to the benefits of these Conventions are entitled to the benefits of the Act; (c) section 44(h) of the Lanham Act provides that any person designated in section 44(b) is entitled to effective protection against unfair competition and that the remedies provided for in cases of trade-mark infringement shall be available so far as appropriate in repressing unfair competition; (d) section 44(i) of the Lanham Act provides: "Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in paragraph (b) hereof";⁷⁰ (e) section 39 of the Lanham Act provides that the federal courts shall have original jurisdiction of all actions arising under the Act, without regard to the amount in controversy, or

⁶⁷ *California Apparel Creators v. Wieder Of California, Inc.* (1947), 162 F. 2d 893, 900-901 (C.C.A. 2d); criticized: Callmann, False Advertising as a Competitive Tort (1948), 48 Col. L. Rev. 876, 38 T.M.R. 1048.

See also, *Samson Crane Co. v. Union National Sales, Inc.* (1949), 40 T.M.R. 33 (D. Mass.), dismissed for failure to state a cause of action under section 43(a) of the 1946 Act.

⁶⁸ (1938), 304 U.S. 64.

⁶⁹ *Maison Prunier v. Prunier's Restaurant & Cafe Inc.* (1936), 159 Misc. 551 (S. Ct. N.Y. County).

⁷⁰ 60 Stat. 441 (1946), 15 U.S.C. § 1126 (1948).

to the diversity or lack of diversity of the citizenship of the parties;⁷¹ (f) in *Erie v. Tompkins* the Supreme Court held that the federal courts were required to apply the common law of the State in which they sit, but the State decisions and their binding force resulting from the decision in *Erie v. Tompkins* have been supplanted by the Conventions and the new federal statute.⁷²

Assuming the correctness of such reasoning, it would appear that it would be limited to cases involving unfair competition, arising in "commerce" which may lawfully be regulated by Congress, since the power of Congress to pass the Lanham Act is based upon the commerce clause of the Constitution.⁷³

Where competitors are doing business on a national and world-wide scale, their respective rights in similar marks in separate foreign markets may differ from their domestic rights and vary from place to place depending on the differences in the local factual situations and the legal systems operating in the localities involved. The rights and liabilities of the parties in such cases are determined in accordance with established principles of conflicts of law.⁷⁴ Because of such variations in the facts and the different manner in which trade-mark rights are acquired under the common and civil law systems, the application of conflicts of law principles occasionally produce "checker board" decrees.

The recent action of the Court of Appeals for the Second Circuit in *George W. Luft Co., Inc. v. Zande Cosmetic Co., Inc.*,⁷⁵ furnishes a detailed example of the working of this process. In that case, the parties were competing in the cosmetic business in the United States and abroad. The District Court had enjoined defendant's use of the word "Zande" as constituting an infringement of plaintiff's trade-mark "Tangee", and also unfair competition.⁷⁶

The Court of Appeals affirmed the injunction and accounting as to defendant's use of "Zande" in the United States but modified the decree with respect to defendant's use of the mark in foreign countries, stating:

... As to the foreign business, the evidence which the district court

⁷¹ 60 Stat. 440 (1946), 15 U.S.C. § 1121 (1948).

⁷² Rogers, Introduction to Robert, New Trade-Mark Manual (1946) xvi-xx; New Concepts of Unfair Competition under the Lanham Act (1948), 38 T.M.R. 259; Diggins, Federal and State Regulation of Trade-Marks (1949), 14 Law And Contemporary Problems 200; Lunsford, Trade-Marks And Unfair Competition — The Demise of *Erie v. Tompkins* (1950), 40 T.M.R. 169.

⁷³ Trade-Mark Cases (1879), 100 U.S. 82, 25 L. Ed. 550.

⁷⁴ 2 Callmann, Unfair Competition and Trade-Marks (1945) 1749.

⁷⁵ (1944), 142 F. 2d 536 (C.C.A. 2).

⁷⁶ (1942), 48 F. Supp. 602 (S.D.N.Y.).

excluded as irrelevant bears upon a classification that we regard as relevant, as follows: (a) countries where both parties are doing business and the defendants have established their right by the local law to use the name 'Zande'; (b) countries where both parties are doing business and the defendants have not established such right; and (c) countries where the defendants are doing business and the plaintiff has not proved that it has ever done business or is likely to do it.

In countries falling within class (a) the defendants' use of the word 'Zande', either as a trade-mark or as part of the corporate name cannot constitute unfair competition with the plaintiff. Therefore they should not be restrained from doing business there in their corporate name or from using there the trade-mark 'Zande'. The next problem is whether equity should interfere with the defendants' activities in the United States which are exclusively concerned with such foreign markets. . . . We do not see upon what 'principles of equity' a court can enjoin the initiation of acts in the United States which constitute no wrong to the plaintiff in the country where they are to be consummated. Nor can we perceive upon what theory a plaintiff can recover damages for acts in the United States resulting in a sale of merchandise in a foreign country under a mark to which the defendant has established, over the plaintiff's opposition, a legal right of use in that country. Consequently neither the injunction nor the accounting should cover activities of the defendants, either here or abroad, concerned with sales in countries where the defendants have established rights superior to the plaintiff's in the name 'Zande'. What particular countries meet this test, we leave for determination by the district court.

Countries falling within class (b) present the converse of the principles we have been discussing. Activities in the United States which will be consummated in those countries constitute an infringement of the Trade-Mark Act and are governed by the Hecker case.⁷⁷

There remains for consideration class (c) countries where the defendants are doing business but the plaintiff has not proved that it ever has done business or is likely to do it. The Trade-Mark Act creates no new substantive rights in those who register their marks. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 324, 59 S. Ct. 191, 83 L.Ed. 195; *Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co.*, 6 Cir., 119 F. 2d 316, 322, reversed on other grounds 316 U.S. 203, 62 S. Ct. 1022, 86 L.Ed. 1381; *Scandinavia Belting Co. v. Asbestos & Rubber Works*, 2 Cir., 257 F. 937, 952, certiorari denied 250 U.S. 644, 39 S. Ct. 494, 63 L. Ed. 1186; *Nims on Unfair Competition & Trade-Marks*, 3rd Ed., §223a. And it is well established that the right to a particular mark grows out of its use, not its mere adoption, and is not the subject of property except in connection with an existing business. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412-414, 36 S. Ct. 357, 60 L. Ed. 713; *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98-100, 39 S. Ct. 48, 63 L.Ed. 141. Hence if the defendants are doing business in Turkey, for example, but the plaintiff has never extended its trade to that country and there is no evidence that it is likely to do so, the plaintiff has not been damaged by the defendants' Turkish business

⁷⁷ *Hecker H-O Co. Inc. v. Holland Food Corp.* (1929), 36 F. 2d 767 (C.C.A. 2).

and is not entitled to restrain its continuance or to an accounting for damages and profits with respect to sales made there. See *Standard Oil Co. of Maine v. Standard Oil Co. of New York*, 1 Cir., 45 F. 2d 809, 313; Cotton, L.J., in *Orr, Ewing & Co. v. Johnston & Co.*, 13 Ch. Div. 434, at page 464.

We do not think it desirable for this court to attempt to recast the decree with complete particularity. In so far as it relates to domestic business it is affirmed; also, it is affirmed with respect to business in Cuba, Chile and Nicaragua. With respect to other foreign business the reference to the master should be broadened to enable him to consider the evidence introduced before the district judge, including that relating to trade-mark registration or litigation between the parties in such countries and additional evidence, if offered, and to report to the district court in conformity with this opinion on the proper scope of the injunction as well as on the accounting.⁷⁸

*The American Trading Co. v. Heacock Co.*⁷⁹ presented a similar situation. There the principals (The International Silver Co. and Wm. A. Rogers, Ltd.) of both parties had qualified rights in this country in the use of the word "Rogers" as a trade-mark for silver-plated ware, but neither had exclusive rights.⁸⁰ This condition resulted from the multiple uses of the word "Rogers" accompanied by various symbols and initials, by different concerns in the silverware industry, and numerous decisions defining the respective rights of such users. Although that condition had obtained in the United States for many years, it had never extended to the Philippine Islands. Beginning in 1901, Heacock (International) imported "Rogers" ware into the Philippines, and obtained registration under the Philippine law. For about twenty-five years Heacock (International) had exclusive use of the name "Rogers" there, prior to the importations of silverware bearing similar marks by American Trading Co. (Wm. A. Rogers, Ltd.). It was held that as to the Philippine Islands, which in 1901 was virgin territory and in which the word "Rogers" thereafter had acquired a secondary meaning identifying respondent, Heacock (International) was entitled to an injunction against the use of "Rogers" in local trade in the Philippines by American Trading Co. (Wm. A. Rogers, Ltd.).

The *Luft* case demonstrates the results where there were both varying factual conditions and different applicable legal systems. The *Heacock* case shows a similar result because of the facts, though only one system of law was involved. Common to the two cases is the familiar commercial reality that even widespread busi-

⁷⁸ (1944), 142 F. 2d 536, 540-541 (C.C.A. 2).

⁷⁹ (1932), 285 U.S. 247.

⁸⁰ *Ibid.*, at p. 260.

ness operations build step by step, from smaller to larger scales, and do not reach all points of the globe simultaneously. Thus, the results in the *Luft* case would not necessarily be changed by a wider adherence to the conventions we have discussed. Irrespective of whether greater uniformity as to the laws governing trade-marks were achieved through international conventions, the peculiarities of the facts in individual cases would continue to produce the possibility of varying rights in different markets. Such results could be eliminated only by extending the dream of uniformity to envisage a universal system of compulsory registration upon the basis of which rights would both attach and be projected immediately to all markets. Somewhere between such delusions and the inadequacies of the moment, the practical solution lies.

Legal Education a Hundred Years Ago

Parents who wish to place their sons in the office of an attorney, have to lament that very few will now take them into their own families. And young men who are articulated to an attorney, without any guardian over their conduct farther than relates to the duties of an office, and ushered into life without those restraints which are necessary to their happiness, are placed in a situation where they will meet with temptations to vice which many of them possibly will be seduced by, and thus contract habits of dissipation extremely detrimental to their characters and improvement. The want of proper society very frequently plunges them into low company, where they meet with neither talents nor learning, but with persons of very inferior attainments, and distinguished rather for vulgarity and obscenity than for respectable knowledge of any kind. In such company there will be much danger of all laudable ambition, as well as all virtuous principles being extinguished, and no hope that a proper thirst for literary acquirements will be encouraged. In low company the mind sinks into a state of languor bordering on stupidity, and loses all useful energy. The advantages which a young man receives from proper superintendence are sufficient to turn the scale much in favour of placing him in a respectable attorney's family, in preference to lodgings, where he will be at liberty to act as he pleases, and where he will consider himself conferring an obligation rather than receiving one. There cannot be a doubt that a parent who places a child in a situation where his moral conduct will be unrestrained greatly risks his happiness. And if we look into the world we find the attorneys' clerks who live under the roof of their instructors, form an honourable majority with regard to their conduct when compared with their contemporaries, who have only the privilege of sitting five years at a desk in a clerk's office without any more favourable opportunity of acquiring knowledge than their fellow writers, who receive an annual stipend from their employers. (William Wright: *Advice on the Study and Practice of the Law*. 2nd ed., 1815)