

stantial alteration of, or addition to, any article bearing a trade-mark, and the sale thereof under the mark, is an infringement of the mark. The defendant had been accustomed to take the Ingersoll watches without luminous faces and exchange the faces for faces made luminous by a process of its own. In some instances the name "Ingersoll" or the Ingersoll trade-marks were printed upon the substituted faces. In other cases they were not. In every instance the watches bore the name "Ingersoll" permanently stamped upon them, and were accompanied by the plaintiff's guarantee. The court held that the defendant had no right to sell plaintiffs' goods under their trade-mark and guarantee, except in the form in which they came from the plaintiffs' hands, and that the alterations made in the goods were, therefore, a violation of plaintiff's right to his trade-mark.

With respect to the question of territorial rights in trade-marks, that has been the subject of discussion in each of our last two reports, there has been no change within the year. Important cases that will throw further light on the rights of trade-mark owners in this respect are still awaiting argument before the United States Supreme Court.

The "Aspirin" controversy, likewise mentioned in our 1917 report, has reached no judicial determination.

The committee again expresses its thanks to Arthur William Barber, secretary of the United States Trade-Mark Association, for assistance rendered in the preparation of this report.

Respectfully submitted,

E. K. HYDE, Chairman.

THE PAN-AMERICAN CONVENTION

The newspapers in January last announced that the first applications of business houses in the United States for the registration of trade-marks at the new International Bureau at Havana had been sent thither by the Commissioner of Patents. At this Bureau applications will now be received, not only from this country,



but also from Cuba, the Dominican Republic, Guatemala, Honduras, Nicaragua, Panama, Costa Rica, and Haiti; and a citizen of any one of these nations who secures the registration of his mark at Havana will receive protection in the others. Thus, the Pan-American Convention, which was adopted by the Fourth International Conference of American States at Buenos Aires on August 20th, 1910, has at length become effective so far as the republics of the northern half of the Hemisphere are concerned. Whether it will finally be ratified by a sufficient number of the states of South America to make it operative there remains to be seen.

This Convention has been the subject of very frequent comment in the Bulletin. (See vol. 6, p. 366; vol. 7, pp. 113, 237; vol. 9, p. 252; vol. 11, pp. 14, 172, 249; vol. 12, pp. 55, 118, 192; vol. 13, pp. 1, 36, 264.) And now, as it becomes a matter of practical importance, we think it may be of value to review, briefly, the history of the treaty and to call attention once more to some of its principal provisions, as well as to the means that have been adopted to secure their enforcement.

As a result of the discussions of the Third International Conference, held at Rio de Janeiro, in 1906, a Convention relating to trade-marks, patents and copyrights was signed by the representatives of the American republics, including the United States. But after the treaty had been placed before the United States Senate it was withdrawn, principally because of opposition to certain of its provisions relating to patents and because it was thought to be in conflict with the International Convention for the Protection of Industrial Property, signed at Paris in 1883.

Having in mind the objections raised to this previous treaty, particularly on the part of the United States, the committee charged by the Fourth International Conference with the duty of formulating an agreement upon the subjects of patents and trade-marks sought especially to avoid provisions that might be regarded as contrary to the national interests of any of the states or in conflict with their domestic legislation. The committee endeavored also, after careful study, to adopt such features of the Convention of Paris, as modified by the additional Act of Brussels of 1900, of the



Treaty of Montevideo of 1888 and of the Arrangement of Madrid of 1891, as appeared to be suitable for the conventions under consideration.

As result of these deliberations two separate conventions were drafted (another committee dealing with copyrights), one covering the subjects of patents of invention, drawings and industrial models, and the other relating to trade-marks, the committee wisely holding that in view of the fate of the Convention of 1906 it was not expedient to embody these matters in the same agreement. Both of these Conventions were signed by representatives of the United States, Argentina, Brazil, Chili, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay and Venezuela.

The Convention for the protection of trade-marks, for the effecting of its purposes, provides for a Union of the American Nations, to act through two International Bureaus, one to be established in Havana, Cuba, and the other in Rio de Janeiro, Brazil. The Bureau at Havana is to have charge of the registration of trade-marks from the northern group of nations, that is, the United States, Mexico, Cuba, Haiti, the Dominican Republic, Salvador, Honduras, Nicaragua, Costa Rica, Guatemala and Panama. That at Rio de Janeiro was designed to serve the group south of Panama. The Governments of Cuba and of Brazil were directed to proceed to the organization of their respective Bureaus upon the ratification of the Convention by at least two-thirds of the nations belonging to each group.

Brazil approved the Convention December 31, 1910. It was ratified by the Senate of the United States, February 8, 1911, and approved by the President March 21, 1911. At the present writing it has been adopted also by the Dominican Republic, Honduras, Panama, Guatemala, Nicaragua, Ecuador, Bolivia, Paraguay, Uruguay, Cuba, Costa Rica and Haiti. The action of Costa Rica in August, 1916, made the treaty effective for the northern group of nations, and it was proclaimed by the President of the United States on September 16th of that year. This final ratification was



in large measure due to the efforts of the International High Commission, which was established to carry out the recommendations of the First Pan-American Financial Conference and which met at Buenos Aires in April, 1916.

The Bureau at Havana is to be supported upon a *pro rata* basis by the republics of the northern group which have ratified the Convention. Its operation will be under the Cuban government, in consultation with the United States Commissioner of Patents and the Director of the Bureau, as well as with the proper officials in the other countries. Following the acceptance of the Convention by the required number of the members of the northern group, the Cuban government, therefore, under the leadership of President Menocal, who has shown great personal interest in the matter, began to take energetic measures toward putting the Bureau upon a working basis. Dr. Mario Diaz Irizar, a well-known Cuban trade-mark expert, was appointed Director, and in July, 1918, was sent to Washington to consult with and to advise officials of the United States. The Cuban Congress also voted the sum of \$10,000 to cover the initial expenses of the organization of the Bureau, and upon the Director's reporting that Cuba's quota of the initial expenses would amount to only some \$1,300, President Menocal decreed that the balance should remain at the disposition of the Director for the purpose of covering the successive annual quotas or other future eventualities. Cuba has, moreover, appropriated the sum of \$25,000 toward the construction of the building to be occupied by the Bureau and donated a building site valued at approximately \$150,000 opposite the presidential palace in Havana.

In the United States the means necessary to make the treaty effective were not adopted as expeditiously as could have been desired.

In March, 1918, the Bureau of Foreign and Domestic Commerce organized a committee consisting of Hon. J. T. Newton, Commissioner of Patents; Dr. C. E. McGuire, Secretary of the International High Commission; Mr. C. P. Carter, of the Bureau of Foreign and Domestic Commerce; and Mr. Arthur William Bar-



ber, Secretary of the United States Trade-Mark Association, to consider the amendments necessary or desirable to be made in our trade-mark law to carry the Convention into effect. But it was not until July 1, 1918, that the bills providing for such amendments were introduced into Congress. On that date such bills were presented to both Houses. A hearing was held before the Senate Committee on Commerce on July 3rd and July 5th, at which it was directed that the proposed bill be redrafted, the Committee holding the original form not to be in harmony with the terms of the treaty. This bill was passed by the Senate September 11, 1918, and reported by the House Committee on Patents on February 18, 1919, but at the time of the adjournment of the sixty-fifth Congress on March 4th, the House had not approved it.

An effort has also been made to secure from Congress an appropriation toward the construction of a suitable building for the Bureau on the site provided by the Cuban government. For this purpose the State Department has asked for the sum of \$825,000. "Such a home as is contemplated for the Bureau," Secretary Lansing has said, "would necessarily be a monument of considerable aesthetic and political value, as well as a secure and spacious edifice for the safeguarding of the precious registration records of industrial property." But this appropriation also failed to secure the approval of Congress.

Notwithstanding this delinquency on the part of the United States in assuming its share of the responsibility, the Bureau has, nevertheless, begun its operations.

It will be remembered that the States of Latin America hold generally a theory of trade-mark property which is in many respects quite the opposite of that obtaining in the United States. In our view, which is that of the common law, it is the use which forms the basis of the ownership of the mark; in general, he who proves that he was the first to employ it is recognized as proprietor against the world. Here the property right in the mark is not at all dependent upon registration. Registration confers distinct advantages, creating a permanent record of adoption and use, serving as notice to the public of the claim of the registrant to the mark, etc.



But it does not establish ownership. In the countries of Central and South America, however, the prevailing doctrine is that registration does create ownership. There, ordinarily, if a man conceives any reason for acquiring title to a particular mark, he has only to apply at the proper office, pay the required fee and, thus, in the absence of prior registration, become the absolute proprietor of the symbol, although he may have no intention of applying it to any product of his own. Perhaps another merchant or manufacturer has been identifying his goods by the same mark for a considerable period, but (except in some cases of the most palpable fraud) he has no rights which he can enforce against the registrant.

The dangers which this feature of the Latin-American law holds for foreign owners of trade-marks, especially for those from the United States, have been frequently called to the attention of business men during the last two years. Manufacturers about to begin exportation to our southern neighbors under the marks by which they designate their goods here, have in numerous instances found themselves prevented by unscrupulous prior registrants in the countries they were intending to enter, and have been obliged either to adopt a new mark for the foreign fields or else come to terms with the appropriator. Germans who, before the entrance of the United States into the war, acted as agents of American firms in the countries in question, took advantage of the situation to register the marks of these firms in their own names. Under such conditions the intending exporter could not be safe unless he had registered his mark in every one of the countries to which he was likely at any time to send his goods.

The Pan-American Convention, however, aims to render this plural registration unnecessary. Article II of that treaty provides:

"Any mark duly registered in one of the signatory states shall be considered as registered also in the other States of the Union, without prejudice to the rights of third persons and to the provisions of the laws of each State governing the same.

"In order to enjoy the benefit of the foregoing, the manufacturer or merchant interested in the registry of the mark must pay, in addition to the fees or charges fixed by the laws of the State in which application for registration is first made, the sum of fifty dollars gold, which sum shall cover all the expenses of both Bureaus for the international registration in all the signatory States."



If, then, a manufacturer in the United States is contemplating the exportation of his product to Central America or the West Indies, he may by means of a single registration in the Bureau at Havana, obtained through application to the Patent Office at Washington, prior registration there and the payment of the additional fee, secure registration for his mark in all the republics of this part of the Hemisphere, except (at the present time) Mexico and Salvador. And if the Convention shall eventually be ratified by the required number of the South American States, the same act of registry at Havana will place his mark likewise upon the records in them. By the same method—through Havana, or Rio de Janeiro, when that Bureau is established—a citizen of one of the other signatory states may effect the registration of his mark here.

With reference to marks coming to the United States from other countries, during the discussions upon the Convention the question was raised as to whether the Patent Office at Washington might not be obliged to accept, because of their registration at one of the International Bureaus, certain marks which did not meet the requirements of our law, thus giving foreign traders an advantage over our own, and whether an outsider might not, through the new bureaus, obtain in the United States valid registration of a mark to which one of our citizens had acquired title by use, but which he had not registered. It is to be observed, however, that a mark coming from one State is to be considered as registered in the other, "without prejudice to the rights of third persons and to the provisions of the laws of each State governing the same."

If, then, the International Bureau should forward to Washington a mark which was not acceptable under the statutes of the United States, it could not, under the terms of this proviso, be regarded as duly registered. And if any mark so forwarded should be one in which any person here possessed legal rights, such rights could not be affected by the registration at Washington. The converse, of course, is true. A mark sent from here to the International Bureau cannot secure effective registration in a country where it does not meet the requirements of the local law, or where its registration would result in the infringement of the rights of third persons. On



this point our bill designed to give effect to the Convention provides that the Commissioner of Patents shall keep a register of all marks communicated to him by the International Bureaus, which register shall show a facsimile of the mark, the name and residence of the registrant, the number, date and place of the first registration of the mark, including the date on which application for such registration was filed, the term of such registration, a list of goods to which the mark is applied, etc., and also:

"That whenever any person shall deem himself injured by the inclusion of a trade-mark on this register, he may at any time apply to the Commissioner of Patents to cancel the registration thereof. The Commissioner shall refer such application to the examiner in charge of interferences, who is empowered to hear and determine this question, and who shall give notice thereof to the registrant. If it appears after a hearing before the examiner that the registrant was not entitled to the exclusive use of the mark at or since the date of his application for registration thereof, or that the mark is not used by the registrant, or has been abandoned, and the examiner shall so decide, the Commissioner shall cancel the registration. Appeal may be taken to the Commissioner in person from the decision of the examiner in charge of interferences."

Thus, all marks deposited with the International Bureaus from the other countries will be recorded in the Patent Office as a matter of course. This record, it would seem, will be taken as *prima facie* evidence of ownership, if the mark meets the requirements of our law. But a merchant or manufacturer upon whose rights the use of such a mark may infringe has his remedy in the form of an application for cancellation.

Doubt has arisen also as to the correct interpretation of Article III of the Convention, which reads:

"The deposit of a trade-mark in one of the signatory States produces in favor of the depositor a right of priority for the period of six months, so as to enable the depositor to make the deposit in the other States.

"Therefore, the deposit made subsequently and prior to the expiration of this period cannot be annulled by acts performed in the interval, especially by another deposit, by publication, or by the use of the mark."

Taken by itself, this would appear to mean that after the owner of a mark had secured registration in the country of origin he would be allowed six months in which to effect registration in the other countries signatory, either in some of them separately by the ordinary methods or in the whole group through the International



Bureau. Read in connection with the Article preceding, however, it may be understood as creating the period of priority only for those who seek registration by means of the International Bureau. Moreover, there is uncertainty as to the meaning of the word "deposit" as used in this Article—whether it refers to complete registration or merely to the application for registration, although the first interpretation appears the more reasonable.

Questions of a similar nature have arisen as to the construction of Article VI:

"All questions which may arise regarding the priority of the deposit, or the adoption of a trade-mark, shall be decided with due regard to the date of the deposit in the State in which the first application was made therefor."

Under this Article VI it appears that if A should register his mark in one of the countries of the Union before B had registered his in another of said countries, but B should be the first to apply for registration through the International Bureau, nevertheless, in case of conflicting claims, the date of first registration would be controlling both upon the International Bureau and the tribunals of the other countries—at least so far as questions concerning priority of registration and the like are concerned. It is not presumed that this provision relates to matters in which priority of *use* are involved.

As to what constitutes a trade-mark, the Convention defines broadly—

"any sign, emblem, or especial name that merchants or manufacturers may adopt or apply to their goods or products in order to distinguish them from those of other manufacturers or merchants who manufacture or deal in articles of the same kind."

This is taken to indicate merely what the International Bureau shall regard as a mark in passing upon applications from the signatory states. Obviously it is not intended to be binding upon the states themselves, most of which—if not all—would adhere to a much stricter definition. Thus, the Bureau, upon receiving and application, will accept the mark if it simply falls within the classification of this Article and then give the prescribed notice to the individual states, where its validity will be determined by the local law.



Article V forbids the adoption or use as trade-marks of—

“national, provincial or municipal flags or coats-of-arms; distinctive marks which may have been obtained by others or which may give rise to confusion with other marks; the general classification of articles; pictures or names of persons without their permission; and any design which may have been adopted as an emblem by any fraternal or humanitarian association.”

And adds:

“The foregoing provisions shall be construed without prejudice to the particular provisions of the laws of each State.”

It appears, therefore, that the forbidden marks are merely to be denied *international* registration; if they do not offend the laws of a particular state, they will be registrable there through the Bureau.

Another important provision of the Convention is found in Article VIII, which reads as follows:

“The falsification, imitation, or unauthorized use of a trade-mark, as also the false representation as to the origin of a product, shall be prosecuted by the interested party in accordance with the laws of the State wherein the offence is committed.

“For the effects of this article, interested parties shall be understood to be any producer, manufacturer or merchant engaged in the production, manufacture or traffic of said product, or, in the case of false representation of origin, one doing business in the locality falsely indicated as that of origin, or in the territory in which said locality is situated.”

The “producer, manufacturer or merchant” here referred to seems to include all those who produce or sell under the mark which may be infringed upon; the result being that, not only the owner of the mark but, every dealer in such goods, shall have the right to protect his trade, according to the laws of the country in which the infringement takes place.

With reference to cases of false representation of origin, it is to be observed that this Article is designed to protect all those doing business in the locality falsely indicated or in the territory in which that locality is situated. Section 3 of the bill introduced into Congress to give effect to the Convention likewise provides:

*“That any person who shall wilfully and with intent to deceive affix . . . or use in connection with any article * * * of merchandise, or any container * * * of the same, a false designation of origin, including words*



or other symbols, *tending to falsely identify the origin of the merchandise*, and shall then cause such merchandise to enter into interstate or foreign commerce, and *any person who shall knowingly transport such merchandise or cause or procure the same to be transported* in interstate or foreign commerce * * * *or shall knowingly deliver the same to be so transported*, shall be liable to an action at law for damages and to an action in equity for an injunction, at the suit of any person, firm or corporation *doing business in the locality* falsely indicated as that of origin, or in the region in which said locality is situated, or at the suit of any association of such persons, firms, or corporations." [Italics ours.]

Article IX is rather an innovation in international legislation. By its terms any person in any of the signatory states may by petition obtain in any of the other states, through the proper judicial authority, the cancellation of the registration of a trade-mark, if he himself has applied for registration of the mark in question or of another mark likely to be confused with it. In order to secure such cancellation the petitioner must prove: (1) That the mark which he seeks to register has been used within the country prior to the use of the registered mark by the registrant or those from whom he derived title; (2) that the registrant knew that the mark in question had been owned or used in some of the signatory states prior to its use by him or his assignors; (3) that the registrant had no right to the ownership or use of the registered mark on the date of deposit; (4) that the registered mark had not been used by the registrant or his assigns within the term fixed by the laws of the state in which it was registered.

This recognition of the rights of the first user of the mark in the country in which he brings his suit and the enabling him to enforce them against a wilful appropriator in any of the states of the Union will no doubt prove effective in protecting marks of exporters from the United States in the countries whose theories of ownership are unlike our own.

Finally, it is not only of the immediate benefit of this Convention that we have to think. It forms a basis upon which the several nations may work toward a better understanding and a correlation of their laws and practices with reference to the subjects with which the treaty deals. The International Bureaus are to collect such reports and data as relate to the protection of intellectual and industrial property and to publish and circulate them among the na-



tions of the Union; to encourage the study and spreading of knowledge upon questions relating to these matters; to aid the governments in forming international conferences to study legislation concerning industrial property; to establish relations with similar bureaus and with scientific and industrial associations for the exchange of information and data which tend to advance the protection of industrial property; and to investigate cases where any of the States of the Union have denied to particular marks the registration provided for by the Convention, and to communicate the facts and reasons to the government of the country of origin and to interested parties.

Following are the regulations which have been adopted for carrying the Convention into effect:

Article I.—Any application for international registration of a trade-mark through the bureaus created by the Fourth International Conference of American States held at Buenos Aires in 1910, in accordance with the provisions of the convention, shall be made by the owner of the trade-mark or his duly authorized representatives to the trade-mark registration office of the country of origin in the manner prescribed by the latter office. The application shall be accompanied by an international money order payable to the director of the international trade-mark registration bureau of the respective group in the sum of \$50 for each trade-mark, pursuant to paragraph 2 of the second article of the convention.

The application and postal money order shall be accompanied by an electrotype of the design of the trade-mark, with a view to print such copies as are to be sent to the other nations, and to publish the trade-mark in the official bulletins of the international trade-mark registration bureaus. The electrotype shall display the design of the mark exactly as it has been registered by the trade-mark registration office of the country of origin without any alteration. Its dimensions may not exceed 10 centimeters square.

Article II.—The trade-mark registration office of the country of origin, having ascertained that the registration of the trade-mark is regular and still in force, shall communicate to the international trade-mark registration bureau of the respective group the following data with a view to secure the international registration of the mark:

- (a) The international money order for \$50 gold;
- (b) The electrotype of the trade-mark;
- (c) A certificate in duplicate containing the following information:
 1. The name of the owner of the trade-mark;
 2. The address of the owner of the trade-mark;
 3. The date of registration of the trade-mark in the country of origin;
 4. The order number of the trade-mark in the country of origin;
 5. The date of expiration of the registration of the trade-mark in the country of origin;
 6. A facsimile of the design of the trade-mark as registered;
 7. Statement of goods on which the mark is used.



Should the applicant wish to claim one or more colors as distinctive elements of his trade-mark, the international trade-mark registration bureau shall be furnished in addition with 30 printed copies of the trade-mark reproduced in colors, together with their brief description.

Article III.—The international trade-mark registration bureaus upon receipt of the communication required in the foregoing article shall enter all the information in appropriate registers, communicating the entry numbers and dates of entry to the trade-mark registration office of the country of origin.

Article IV.—Copies of the entries in the registers of the international trade-mark registration bureaus, embracing all the information required under Article II, should be sent to the trade-mark registration offices of those countries in which the convention is in full force and effect in order that the trade-mark may be afforded the protection given by their laws. In case of a claim that colors constitute distinctive elements of the trade-mark, the international trade-mark registration bureau shall also transmit one copy of the trade-mark reproduced in colors.

Article V.—The international trade-mark registration bureaus shall publish in their official bulletins, or in supplements thereof, reproductions of all trade-marks received, together with such particulars as are deemed necessary.

Article VI.—The protection afforded by international registration shall continue through such time as the registration of the mark in question remains valid in the country of origin, and may be renewed if the registration of the trade-mark has been renewed in the country of origin, in compliance with the original procedure as to application and payment of fee. In such case the information that the application is for the renewal of a trade-mark shall be included in the certificate required under paragraph (c) of Article II of these regulations.

Article VII.—The notice of acceptance or refusal of a trade-mark, respectively, by those countries in which the convention is in full force and effect shall be transmitted by the international trade-mark registration bureaus to the trade-mark registration office of the country of origin, with a view to its further communication to whom it may concern.

Article VIII.—Changes in ownership of a trade-mark shall be communicated to the international trade-mark registration bureaus for entry in their registers and corresponding notice given to the other countries of the International Trade-Mark Union of the American Republics.

Article IX.—At the beginning of each year the international trade-mark registration bureaus shall submit their accounts to the Governments of the states in which this convention is in full force and effect, setting forth their income and expenses during the preceding year, in order that any Government may make such comment or suggestions as it may deem justified.

When either of the directors does not find it possible to accept such suggestions or modifications, he shall submit a statement of his views to the Governments of the republics of the respective group. The Governments shall decide whether or not the director should accept the suggestions or modifications in question. No such suggestion may be given effect until accepted by all the Governments of the respective group.

Article X.—The directors of the international trade-mark registration bureaus may, in their discretion, appoint or remove the officials and em-



ployees of the bureaus, giving notice to the Governments of the respective group of such appointments and removals.

TRADE-MARK RENEWALS IN AUSTRALIA

All trade-marks initially registered in Australia under the Commonwealth Act in 1906 will fall due for renewal between December 31, 1919, and June 30, 1920. Applications for such renewals must be lodged within six months of the date of expiration. Renewal is no longer granted as a matter of right, but a new provision of the law requires *proof of substantial user in Australia*.

Attention is called to Section 55 of the law which reads:

"At the prescribed time before the expiration of fourteen years from the date of the last registration of the trade-mark, the Registrar shall send notice in the prescribed manner to the registered proprietor or his agent in Australia of the date at which the existing registration will expire, and the conditions as to proof of substantial user and as to payment of fees and otherwise upon which a renewal of such registration may be obtained, and if at the expiration of the time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the trade-mark from the register, but any party aggrieved shall have a right to appeal in manner prescribed."

Also to Regulation 64, which is as follows:

"An application to the Registrar for the renewal of the registration of a trade-mark may be made in writing at any time within six months before the expiration of the registration of the trade-mark, and may be in accordance with form N, and shall be accompanied by the prescribed fee for renewal, and a declaration showing that the trade-mark has been substantially used in Australia since the date of the last registration thereof in respect of the goods in respect of which it is registered."

We are advised that the provisions of the Act will be vigorously enforced, and that in preparing evidence to establish substantial user regard may be had to Section 30, which reads:

"Where under the provisions of this act user of a registered trade-mark is required to be proved for any purpose, the Registrar, Law Officer, or the Court, as the case may be, may, if and so far as he or it thinks fit, accept user of an associated registered trade-mark, or of the trade-mark with additions or alterations not substantially affecting its identity, as an equivalent for the user of the first mentioned trade-mark."



fornia long prior to July, 1915. The pertinent remarks of the Commissioner were as follows:

"The point urged at the hearing was that Letts had not proven inter-state use of the mark, but as the trade-mark statute has been construed, if Letts was the first user, the registration of Kuhn & Sons (Inc.) is invalid, since the statute provides in effect that no mark can be registered which is identical with a known trade-mark '*owned and in use*' by another and appropriated to merchandise of the same descriptive properties, or which so nearly resembles a registered or known mark '*owned and in use*' by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion in the mind of the public or to deceive purchasers.

"*'Owned*' in the statute has heretofore been construed to mean owned anywhere in the United States. Similarly, '*in use*' has been construed to mean in use anywhere in the United States. This interpretation may be changed in view of the decision of the U. S. Supreme Court in *United Drug Co. v. Theodore Rectanus Co.*, 257 U. S. 1082 [9 T. M. Rep. 1], holding in effect that an unregistered mark is valid in or covers only the territory where it is known or where its reputation has been established. To so construe the present trade-mark statute would logically lead to the registration of the same mark for the same goods to different owners doing business in different sections of the United States. Indeed, if the courts should apply the doctrine announced in the *United Drug Co. v. Rectanus*, *supra*, to registered trade-marks, it will probably call for an amendment of the present trade-mark statute, but it is noted that the marks in litigation in that case had not been registered, and until the courts specifically apply that doctrine to marks registered under the present statute, the office should follow its long line of practice and regard a registered mark as known and its use as extending throughout the United States * * * *"

THE INTERNATIONAL TRADE-MARK BUREAU AT HAVANA

Many questions have arisen and there is still much doubt, apparently even in official circles, as to the precise operation of the Bureau for the international registration of trade-marks recently opened at Havana under the terms of the Pan-American Convention. (See Bulletin, Vol. 14, page 48). Accordingly, we publish herewith some of the latest available information upon the subject, as it has been furnished us.

The following is part of a statement issued under date of June 19, by Dr. Mario Diaz Irizar, Director of the Bureau, who has been in Washington attending the Second Pan-American Commercial conference:



"Apart from its fundamental advantage of drawing the American nations closer together, the Buenos Aires Convention, in providing for the Trade-Mark Registration Bureaus has, in my judgment, carried into effect three objects of primary importance, namely, first, to make more simple, secondly, to make more economical and, thirdly, to make more effective, the process of securing trade-mark protection for manufacturers and merchants.

"In the first place, the process is made simpler, because the proprietor of a mark which is registered at home has only to request his trade-mark authorities to secure the extension of his protection by means of a deposit of the mark at the International Office. His domestic trade-mark bureau officially transmits the application to the International Bureau, which in turn undertakes this transmission to the other countries of the respective group.

"It should be noted, and this is especially true in the United States where protection is given to a mark merely on the basis of *use*, that we have been dealing here with *registered* marks. In other words, the International Bureau *only* accepts *registered* marks. So far as the effects of the Convention are concerned, in making use of the machinery for international protection, marks required on a basis of use are without standing *unless they have been registered*.

"In the second place, the process is less expensive. Economy is assured, as against the numerous expenses of separate registration in the individual countries including the cost of certificate, legalization, translation, power of attorney, legalization of the same and agent's fees in each country in which an application is made for the right of deposit, to say nothing of the national trade-mark fee required by law. The Convention provides for the handling of the international arrangements with one single fee of \$50 gold, plus some trifling expenses arising from the correspondence itself. It is hardly likely that in any one country, under the arrangements hitherto possible, \$50 would have covered the total outlay. Therefore, as soon as the Convention will have been ratified by all the American Republics, it will be possible to secure trade-mark protection in them through a monetary outlay of \$50 and the compliance with the Convention and the regulations prepared under it.

"In the third place, the Convention makes protection more effective. Six months' priority is granted to applicants for deposit through the International Bureau. The importance of this arrangement may be demonstrated by a practical example. Let us suppose that a merchant living in Havana applies to the Cuban Trade-Mark Office for the title to a trade-mark for hats 'XX.' His application, we will say, is dated May 1, 1919. Now let us suppose that a hat maker in the United States already has registered at Washington in the Patent Office a trade-mark 'XX' for hats. If the United States manufacturer does not happen to have his trade-mark registered in Cuba, and if the Cuban merchant succeeds in securing title to the mark 'XX,' then no hats can be sent from the United States with that trade-mark. Nor is there any legal recourse to which the manufacturer in the United States may turn to prevent the concession of this trade-mark by the Cuban authorities.

"But, however, if the manufacturer in the United States learns through the International Bureau (with which, of course, his trade-mark lawyer would keep closely in touch at all times by means of the official bulletin of the International Bureau) that his trade-mark 'XX' has been applied



for in Cuba, he may at once request the Patent Office at Washington to forward for international deposit at the Bureau in Havana his duly registered mark 'XX.' The Patent Office at Washington will forward his application to the International Bureau at Havana, which will, immediately upon its receipt, automatically transmit it to the trade-mark authorities of Cuba, as well as of the other countries of the Northern Group. If that application for international protection shall have been made within six months from the date upon which the Cuban merchant ventured to apply to the Cuban authorities for the mark 'XX,' the title to the mark will be denied to the Cuban merchant by those authorities, and the mark as registered in Washington will be duly deposited in Cuba. This example, of course, is quite applicable to any other country which may have ratified the Convention, so far as concerns its relations with the other countries having so ratified it. The enormous importance of the ability to avail one's self of six months' priority in making deposit of a mark will readily be seen by manufacturers and merchants. It is, however, once more to be emphasized that in order to enjoy this benefit they must have the trade-mark registered at home.

"One difficulty has been brought up with reference to the language to be used in describing the products of merchandise to which the mark is applied. This detail, we believe, has been satisfactorily settled through an arrangement whereby the applications proceeding from the United States to Havana will carry descriptions of the products to which the marks apply, both in English and in Spanish. A recommendation that the same procedure be followed by the other countries in having their marks transmitted to the United States will be made. It is, of course, preferable that the translation of the description of the merchandise to which the mark applies shall be made in the country whence the application emanates. Obviously, nobody knows as well as the merchant or manufacturer himself the type of products or merchandise embraced by his trade-mark. In having the translations made in the country of origin, we shall avoid possible errors of translation which might have disagreeable consequences."

As we reported in the article above referred to, applications by business houses in the United States for registration of trade-marks at Havana have been sent there since the first of the year. But in view of the fact that Congress has not yet enacted the proposed statute giving effect to the Pan-American Convention, the status of these applications has not been clear. The following is part of a statement which, as we understand, was approved by Dr. Irizar about the middle of June:

"Will the filing of a trade-mark application at the present time, in the International Trade-Mark Bureau, recently established at Havana, Cuba, result in securing the effective registration of the mark in the Pan-American Union countries?"

This can only be answered having in view the following facts:

In the U. S. Patent Office Gazette, Vol. 258, of January 21, 1919, published February 15, 1919, page 644, will be found the proposed regulations of the International Office at Havana, Decree No. 1948.



Under Article XV of the Union, these regulations must be approved by all the signatory States before they can come into operation. They have not, so far as it is known at this time, been approved by any country other than Cuba and United States.

In a letter dated March 4, 1919, the Chief Clerk of the U. S. Patent Office has stated that 'Congress has not passed any act authorizing the United States to operate under the provisions of Decree No. 1938, but there is pending in the Senate Bill 4889 intended to effect this result.'

In a letter dated April 4, 1919, to the International Patent Law Association, the Hon. Commissioner of Patents has stated as follows:

The U. S. Patent Office has no authority to register trade-marks under the Convention as yet. A registration statute was passed by the Senate at the last Congress, and this bill was favorably reported by the House Committee on Patents, but by reason of rush of business was never reached for action.

Notwithstanding the fact that the regulations of the Union Office have not been approved as far as known by any of the signatory countries of the Union other than Cuba and United States, trade-mark applications for international registration are being filed with the International Office at Havana under these regulations.

As the United States is not at this time giving the benefits of Union registration to citizens of the other countries of the Union, it is believed that the filing of an application in the Havana Office will not secure protection for American corporations and citizens in the other countries of the Union. Until said regulations have been unanimously approved, and our own Congress has passed a law giving effect to the reciprocal benefits required by the Convention, it does not conclusively appear that the registration secured through the Havana Office can obtain for United States citizens and corporations the same measure of protection afforded by separate registration under the local laws."

In our last issue (Bulletin, Vol. 14, p. 104), we stated that a new bill giving effect to the Pan-American Convention was introduced into the House of Representatives on May 19th. Prospects for the passage of this bill in the near future are said to be bright.

It is hoped, also, that the Bureau at Rio de Janeiro as provided for by the Convention, will soon become a reality. This would serve the Southern Group of countries as the Havana Bureau will the Northern, but of the former group only Brazil, Uruguay, Paraguay, Ecuador and Bolivia have as yet ratified the Convention. As a result of the interest aroused in the question of trade-mark protection by the second Pan-American Commercial Conference it is said, however, that diplomatic representatives of South American countries in Washington are about to take steps toward bringing the Rio de Janeiro Bureau into existence.



facturers from the unlawful use of the name "Sheffield" and the misuse of trade-marks. About two years ago, as we reported at the time (Bulletin, Vol. 13, p. 138), this committee took steps to prevent the use of "Sheffield" upon inferior cutlery which was being sent out without any indication of the identity of the manufacturer.

ANOTHER BILL TO ENFORCE THE PAN-AMERICAN CONVENTION

On September fourth, Mr. Nolan, of California, introduced into the House of Representatives another bill to give effect to certain provisions of the Pan-American Convention for the protection of trade-marks and commercial names, signed at Buenos Aires, August 20, 1910. (See Bulletin, Vol. 14, p. 48).

The bill provides that the Commissioner of Patents shall keep a register of all marks communicated to him by the International Bureau, in connection with which the fee of fifty dollars in gold for international registration has been paid. This register would show a facsimile of the mark, the name and residence of the registrant, the number, date and place of first registration of the mark and a list of goods to which the mark is applied as shown by the registration in the country of origin.

The proposed law contains also a section under which a person deeming himself injured by the inclusion of a trade-mark in the register may apply for the cancellation of the mark. Another section declares that persons who wilfully and with intent to deceive use false designations of origin upon merchandise or containers shall be liable to an action at law for damages and to a suit in equity for an injunction. These provisions differ but little from those contained in the original Senate bill which failed of passage last year and from those of the bill introduced into the House by Mr. Sims, of Tennessee, on May nineteenth (Bulletin, Vol. 14, p. 104). The bill is identical with one introduced into the Senate by Senator Fletcher, of Florida, on May twenty-third last.

Persons counterfeiting marks are made liable in damages. In order to use a mark in the United States, a registrant under the Act is required to comply with the law of the country in which his original registration took place, in respect to giving notice of registration to the public. Various sections of the general trade-mark Act (of February 20, 1905) are made applicable to marks placed upon the register provided for by the bill.

Proposed legislation with reference to the Pan-American Convention is thus before both Houses of Congress, but it does not appear likely that any law giving effect to the Convention will be passed for some time.

ACTIVITIES OF THE FEDERAL TRADE COMMISSION

Among the formal complaints recently entered by the Federal Trade Commission we note the following:

A complaint is brought against a pneumatic machinery company and its subsidiaries, charging the maintenance of a system of resale pieces, discrimination in prices between various dealers, and the giving of rebates to purchasers who agree to buy exclusively from the company.

A second complaint charges a paper company of New York with the adoption of the identical trade-name of a competitor corporation, with the effect of misleading the purchasing public. When the respondent adopted the name, it is set forth, there was a Massachusetts corporation of the same name in business, conducting a branch in New York City. It is also charged that the respondent represented that it manufactured paper, whereas it purchased paper in bulk and converted it in New York into bags and other paper products.

An electric appliance company in Kansas is said to have used its trade-name without mentioning its location, with the intent and result of deceiving the general public, which is thus led to believe the concern to be the same as one with a similar name in Illinois.

The period of priority for trade-marks was made four months. To the article (IX) concerning the seizure of products bearing trade-marks unlawfully, two paragraphs were added, declaring that in states whose legislation does not admit of seizure on importation, such seizure may be replaced by a prohibition on importation, and that authorities shall not be required to make the seizure in case of transit. Producers, manufacturers and traders established in the region where a locality falsely indicated as the place of origin is situated were declared to be interested parties. A new article was added providing that those entitled under the convention should enjoy in the countries of the Union the same protection against unfair competition as that accorded to citizens or subjects.

On June 2, 1911, Brazil, Cuba, Spain, France, Great Britain, Portugal, Switzerland and Tunis signed at Washington an agreement revising the Arrangement of Madrid, concerning the suppression of false marks of origin upon merchandise. But to that the United States is not a party.

The Pan-American Convention

The Pan-American Convention, adopted by the Fourth International Conference of American States at Buenos Aires on August 20, 1910, was fully commented upon in a recent issue (Bulletin, Vol. 14, p. 48).

OPERATION OF THE PAN-AMERICAN CONVENTION

We have received under date of November 3, 1919, a communication from Dr. Mario Diaz Irizar, Director of the International Trade-Mark Bureau at Havana, informing us of the manner in which the Bureau is at present treating applications for the international registration of trade-marks which are sent there by the Patent Office of the United States. Doubt as to the exact status of such marks, it will be remembered, arises especially from the fact that Congress has not yet enacted the legislation necessary to render the Pan-American Convention effective in this country.

Article Sixteen of the Convention provides that the governments of Cuba and of Brazil shall proceed with the organization of the offices of the International Union, upon the ratification of the Convention by at least two-thirds of the nations belonging to each group. The simultaneous establishment of both Bureaus was not made necessary, it being stipulated that one only might be put in operation as soon as the required number of nations belonging to the group had ratified the Convention. Cuba, therefore, proceeded to organize the Bureau at Havana upon the ratification of the treaty by two-thirds of the nations of the Northern Group.

In view of this situation, Dr. Irizar understands that he would have no right to delay the registration of any trade-mark received by the Bureau, provided it meets all the requirements named by the Convention and the regulations adopted for carrying it into effect. When, therefore, a trade-mark arrives in the Havana office from any republic of the Northern Group, it is immediately entered in the register provided for by the first paragraph of Article Twelve of the Convention, and copies of such entries are then forwarded to the trade-mark registration offices of the other countries of the Group. Documents are also sent to the Government of Brazil, to be retained until the Bureau at Rio Janeiro for the Southern Group may be opened.

Dr. Irizar informs us that the first trade-mark registered in the Bureau at Havana was that of the Eagle Pencil Company, which had been registered in the Patent Office on August 1, 1905, as No. 44,942. The date of registration at Havana was October 28, 1919.

As we pointed out in a previous issue, however, until the regulations adopted for the government of the Bureau have been unanimously approved by all the signatory states, as required by the Convention, and until Congress enacts a law permitting citizens of those states to secure the benefits of the Convention here, it does not appear that registration through the Havana Bureau can obtain effective protection for citizens of the United States (Bulletin, Vol. 14, p. 128).

The bill designed to enforce the Pan-American Convention which was introduced into the House of Representatives by Mr.

Nolan, of California, on September fourth (Bulletin, Vol. 14, p. 244), was reported out of the Committee on Patents on October twenty-fourth, and its passage was strongly urged by the Secretary of the Treasury. But the special session closed without its becoming a law.

A somewhat extended discussion of the Pan-American Convention appears in Volume 14 of the Bulletin at page 48.

TRADE-MARKS IN ALSACE-LORRAINE

The Treaty of Versailles provides (Article 54) that the territories ceded to Germany in 1871 should be restored to French sovereignty as of November 11, 1918. It is stipulated also (Article 311) that the inhabitants of the territories taken from Germany by reason of the Treaty shall, notwithstanding their change of nationality, retain the full enjoyment of all rights in industrial property which they possessed under the German law at the time of their separation from that country.

By virtue of Article 311 trade-marks duly registered in Germany by Germans or foreigners will continue in force in Alsace-Lorraine, the rights of owners remaining the same as under the German law. In this way French courts may be called up to apply the German law. When such registrations expire, the owners of these marks can then secure registration only under the conditions prescribed by French legislation. Residents of Alsace-Lorraine who are German or foreigners, and who have registered their marks in France, may claim protection by virtue of Article Six of the French law of 1857, which provides that foreigners and French citizens whose establishments are situated outside of France shall have the benefit of the French law for the product of their establishments, if, in the countries where they are situated, treaties have established reciprocity for French marks. Citizens of Alsace-Lorraine who have again become French will not be required to rely upon protection secured through previous registration in Germany, but they may effect registrations and renewals through the registry of the tribunal of commerce of their domicile.



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**TRADE-MARK DEVELOPMENTS AT THE NATIONAL
CAPITAL**

BY WALDON FAWCETT

There is every prospect that the year 1920 will witness consideration by the Congress of the United States of proposals for trade-mark legislation, to an extent not paralleled in many years. Any predictions at this time as to what measures, if any, will be formally approved by the national legislature would, of course, be purely speculative. However, it is observable that Congress is again in a mood to listen to projects for the amendment or amplification of the trade-mark statutes. Since the entry of the United States into the world war, virtually all proposed trade-mark legislation has been pigeonholed, and even before the United States entered the war there was a disposition in Congress to allow trade-mark legislation to wait, pending international readjustments that were in progress.

Theoretically, the United States Congress was in a position to take up, as soon as the armistice was signed, certain projects that have all but attained the status of perennial trade-mark issues. Practically, however, various obstacles interposed. The sixty-fifth Congress, in its concluding session, with a change of political control impending, marked time on trade-mark measures, and the first or special session of the sixty-sixth Congress, which adjourned in November, 1919, was no more responsive to appeals for trade-mark legislation, because such pressing "unfinished business" as the peace treaty and railroad legislation engrossed its attention. With the entry of Congress upon a "long" session, which is expected to continue uninterruptedly through more than one-half of the current

year, there is every prospect that several trade-mark measures will be brought to vote, if the Congressional committees to which the respective bills have been referred for report, see fit to recommend them.

As some trade-mark users have already learned to their inconvenience, there is a growing disposition, both in the Senate and the House of Representatives, to refer legislative proposals that are essentially trade-mark measures to any one of several committees, instead of turning over all such measures for investigation to the Patents Committees of the respective houses of Congress, as was formerly the practice. Thus, it is no longer safe to assume that the measures awaiting attention on the calendar of the Patents Committee constitute the sum total of pending legislation affecting trade-mark interests. Indeed, by way of illustration of the diversity of jurisdiction, it may be said that at this writing there are awaiting attention in the Committee on Interstate and Foreign Commerce of the House of Representatives a greater number of bills having to do with trade-mark interests than are to be found in the keeping of the Patents Committee, supposedly the logical censor of such proposals.

Of the trade-mark proposals now on the waiting list at the Capitol, perhaps the most interesting, because new in form and particularly comprehensive in protective scope, is that put forward by Representative Mott and designated officially as H. R. 401. This bill would protect owners of trade-marks, labels and similar property by making it unlawful for any person to make, print or execute, or cause to be created any trade-mark, design or picture in colorable likeness, similitude or shape of any known existing trade-mark or device, unless written authority has been given for such reproduction. The sweeping character of the protection that would be afforded to trade-mark owners is evidenced by the fact, that the penalties of the act would extend to persons who exhibit, circulate, distribute or have in their possession the prohibited counterfeits of established trade-marks.¹

¹ See Bulletin, Vol. 14, p. 188. (As the terms of this bill are not made applicable to marks, etc., used in interstate commerce, it would probably not be constitutional.)



The large number of long-established trade-mark owners who, in this age of "families" of products, are disposed to expand or extend the lines upon which trade-mark reputation has been won, would be benefited by an amendment to the Trade-Mark Act of 1905 which has been sponsored by Congressman Merritt in H. R. 7157. This bill would allow any person or corporation that had registered a trade-mark under the "ten-year clause" to secure registrations under the same clause in the additional classes necessary to obtain protection for articles not included among the trade-mark owner's products during the decade prior to 1905, but subsequently added.² A bill (S. 1216) introduced in the Senate by Senator New is, on the face of things, far removed from the trade-mark sphere, being designed to curb anarchy. It has, nevertheless, provoked misgivings on the part of some trade-mark owners by reason of the restrictions it would place upon the exhibition of red or black flags, banners and emblems. There is apprehension lest a narrow interpretation of this measure, should it be approved, might inconvenience the users of trade-marks embodying red or black pennants or emblems.

The proposal to authorize a national trade-mark in the guise of a distinctive symbol indicative of American origin, which has been the subject of animated controversy in business circles, is kept before Congress by means of a bill (H. R. 264) introduced by Congressman Sims, who was its sponsor in the previous Congress. The present proposition follows the lines of the original program in that it contemplates giving the Secretary of Commerce authority to license the use of the national trade-mark and power to suspend or revoke such license for misuse of the mark.³ The alternative proposal—sometimes confused with the national trade-mark idea as above expressed—to require use of the inscription "Made in U. S. A." on articles of Yankee origin, is before Congress in the form of a bill (H. R. 2220) of which Representative Garland is the author. The bill as framed would necessitate the use of the legend upon all articles passing in interstate commerce, and not

² See Bulletin, Vol. 14, p. 208.

³ See Bulletin, Vol. 14, p. 86.

merely upon those designed for export, as was suggested by some interests preferring a plain-type designation of origin to any national trade-mark likely to be interpreted as a guarantee of quality.⁴

Not a few owners whose marks include the insignia of the Red Cross, by virtue of registration under the ten-year clause, have lately inquired at Washington whether there is at present any renewal of the effort to persuade Congress to enact legislation withdrawing the privileges of employing this emblem even from pioneer users. There is not. In the closing days of the last Congress, officials of the American Red Cross attempted to secure legislation which would have been virtually retroactive in its effect upon early users of the Red Cross trade-mark; but thus far this campaign has not been renewed in the present Congress.⁵ Similarly quiescent is the erstwhile movement to bring about the enactment of a new design registration law, which was prosecuted more or less actively for several years by the organization known as the Design Registration League.

Numerous and diverse in character are the pending bills which would affect trade-mark owners indirectly if not directly. Representative of such proposals are the so-called resale price-fixing measures—bills such as the H. R. 1702 of Congressman Kelly,⁶ and other successors to the widely-exploited Stephens bill, which, incidental to conferring the privilege of price standardization, require the filing of trade-marks with a supervisory authority at Washington. Awaiting consideration in Congress, also, are a number of so-called "misbranding" bills, which are worthy of attention by trade-mark owners. Representative Barkley, who first took up this subject in the days when the Oldfield bill was a thorn in the side of the trade-mark owner, has now returned to the crusade with a bill (H. R. 2855) which has certain compensations for established trade-mark owners in that it would, for instance, denounce as misbranded any article offered for sale in interstate commerce under the name of another article or carrying a mark or brand calculated

⁴ Bulletin, Vol. 14, p. 212.

⁵ Bulletin, Vol. 14, p. 21.

⁶ Bulletin, Vol. 14, p. 112.

