

landlord must submit to the alternative of leaving his premises without a tenant or releasing the tenant from his obligation. Of course the act of the landlord in reletting inures to the benefit of the tenant, since his obligation for the rent would be reduced by the reletting, but to allow the tenant to set up such acts on the part of the landlord as showing an acceptance of surrender, or to allow the tenant to recover the increased rental, would be inequitable since the tenant by his very act of wrongful conduct has created the situation.

INJUNCTIONS FOR PROTECTION OF TRADE-MARKS AND TRADE NAMES.—The distinction between a trade-mark and a trade name is one extremely difficult to determine due to the synonymous use of the terms by our courts. A trade-mark is defined by Hopkins in his work *Trade-Marks, Trade Names and Unfair Competition*¹ as "A distinctive name, word, mark, emblem, symbol, or device, used in lawful commerce to indicate or authenticate the source from which come, or through which has passed, the chattel upon or to which it is applied or affixed". The same author attempts to distinguish this from a trade name by saying that "A trade-mark owes its existence to the fact that it is actually affixed to a vendible commodity. A trade name is more properly allied to the good-will of a business. However, a trade name may be attached to a vendible commodity."² This distinction, as is admitted by the author, is entirely inadequate. But, since the same rules of law are applicable to both, they will be discussed together.

The first legal recognition of trade names was in 1590,³ but it was not until the nineteenth century that the property right in a trade-mark or trade name became firmly established. In the early cases the action was in case for damages based on fraud and deceit in fraudulently imitating the name or mark of the plaintiff so that the public was induced to believe that the goods of the defendant were those of the plaintiff.⁴ The right of action was given not only to the trader imposed upon, but to the purchaser as well, on the theory that by being induced by the defendant to buy goods of inferior quality he had been defrauded.⁵ The remedy at law being inadequate, however, equity soon

¹ Section 3. Another good definition of trade-mark is given by Chief Justice Fuller in *Elgin National Watch Co. v. Illinois Watch Co.*, 179 U.S. 665 (1900): "Trade mark means a distinctive mark of authenticity, through which the products of particular manufacturers or the vendible commodities of particular merchants may be distinguished from those of others. It may consist in any symbol or in any form of words, but as its office is to point out distinctively the origin or ownership of the articles to which it is affixed, it follows that no sign or form of words can be appropriated as a valid trade mark which from the nature of the fact conveyed by its primary meaning, others may employ with equal truth, and with equal right for the same purpose."

² Section 4.

³ Noted in case of *Southern v. Howe*, 79 Eng. Rep. 1243.

⁴ *Sykes v. Sykes*, 107 Eng. Rep. 834 (K.B. 1824).

⁵ For development of the history of production of trade marks and trade

took over jurisdiction,⁶ and since this assumption of jurisdiction by equity, an action at law for damages is practically a rarity, there being only one reported case in New Jersey of a law action for damages for infringement of rights in a trade-mark.⁷

The jurisdiction of equity is invoked to prevent the infringement of a trade-mark or trade name on the theory that such an infringement constitutes an invasion of a valuable property right,⁸ it being firmly established that when one has caused a particular species of goods to be characterized by certain marks or symbols and given the article such currency in the trade, that it is identified with the mark, the law holds him to be possessed of a property right in such mark, in connection with such species of goods, which it will protect by action or injunction against any unlicensed use of it by others.⁹

The test of whether the complainant's right has been invaded is by noting whether or not the public has been imposed upon.¹⁰ It is not necessary, however, for the complainant to be entitled to relief, to show that anyone has actually been deceived.¹¹ In determining whether or

names see *Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd.*, 46 Eng. Rep. 868 (Ch. 1863), *aff'd.* 11 Eng. Rep. 1435 (H.L. 1865).

⁶ One of the earliest cases reported in which equity gave relief for the infringement of rights in a trade-mark is *Millington v. Fox*, 40 Eng. Rep. 956 (Ch. 1838), where the defendant was enjoined from using a mark similar to that of the complainant even though he was ignorant of its prior use by the complainant.

⁷ *Miller Tobacco Manufactory v. Commerce*, 45 N.J.L. 18 (Sup. Ct. 1883).

⁸ *Schneider v. Williams*, 44 N.J.Eq. 391, 14 Atl. 812 (Ch. 1888); *International Silver Co. v. Rogers Corp.*, 66 N.J.Eq. 119, 57 Atl. 1037 (Ch. 1904); *Lawrence Manufacturing Co. v. Tenn. Manufacturing Co.*, 138 U.S. 537 (1891); *Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd.*, *supra*; POMEROY'S EQUITY JURISPRUDENCE SEC. 1998.

⁹ *Wilcoxon v. McCray*, 38 N.J.Eq. 466 (Ch. 1884); *Miller Tobacco Manufactory v. Commerce*, *supra*; *Eureka Fire Hose Co. v. Eureka Rubber Manufacturing Co.*, 69 N.J.Eq. 159, 60 Atl. 561 (Ch. 1905), *aff'd.* 71 N.J.Eq. 300, 71 Atl. 1134 (E. & A. 1906); *Corbett Brothers Co. v. Reinhardt-Meding Co.*, 77 N.J.Eq. 7, 76 Atl. 243 (Ch. 1910); *Safety Storage Co. v. Lupenski*, 100 N.J.Eq. 385, 136 Atl. 203 (Ch. 1927); *McLean v. Fleming*, 96 U.S. 245 (1878); *Lawrence Manufacturing Co. v. Tenn. Manufacturing Co.*, 138 U.S. 537 (1891); *Elgin National Watch Co. v. Illinois Watch Co.*, 179 U.S. 665 (1900); *Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd.*, *supra*.

¹⁰ *Schneider v. Williams*, *supra*; *Rosenthal v. Blatt*, 80 N.J.Eq. 90, 83 Atl. 387 (Ch. 1912); *Rubber Co. v. Rubber-Bound Brush Co.*, 81 N.J.Eq. 419, 88 Atl. 210 (Ch. 1913), *aff'd.* 81 N.J.Eq. 519 (E. & A. 1913); *National Biscuit Co. v. Pacific Coast Biscuit Co.*, 83 N.J.Eq. 369, 91 Atl. 126 (Ch. 1914); *United Cigar Co. v. United Confectioners*, 92 N.J.Eq. 449, 113 Atl. 226 (E. & A. 1920); *Bush Terminal Co. v. Bush Terminal Trucking Co.*, 206 N.Y.S. 2 (1924); *Federal Securities Co. v. Federal Securities Corp.*, 276 Pac. 1100 (Ore. 1929); *Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd.*, *supra*.

¹¹ *Wirtz v. Eagle Bottling Co.*, 50 N.J.Eq. 164, 24 Atl. 658 (Ch. 1892), where it was held that although labels were not strictly trade-marks they would be protected in the same manner and for the same reasons; *Rubber Co. v. Rubber-Bound Brush Co.*, *supra*; *A. Hollander & Son, Inc. v. Jos. Hollander, Inc.*, 117 N.J.Eq. 306, 175 Atl. 628 (Ch. 1934).

not deception is likely, a court of equity will not require the complainant to show that the mark or name used by the defendant is identical with that used by him. It will require him to prove only that such a similarity exists between the marks or names that the ordinary prudent purchaser would be likely to be confused or deceived.¹³ And the court looking to the type of purchasers served, will allow a greater similarity where it is shown that the customers catered to are more discriminating.¹⁴ But the court will never expect an ordinary purchaser to use a nice discrimination to distinguish the goods of the defendant from those of the complainant.¹⁵

In order to acquire the right to exclusive use of a name, device, or symbol as a trade-mark, it must appear that it was adopted to show the origin or ownership of the goods by the complainant,¹⁶ prior to its use by anyone else in that business, in connection with a vendible commodity.¹⁷ As a general rule no exclusive right can be had in the use

¹³ Van Horn v. Coogan, 52 N.J.Eq. 380, 28 Atl. 788 (Ch. 1894), *aff'd.* 52 N.J.Eq. 588, 33 Atl. 50 (E. & A. 1894); International Silver Co. v. Rogers, 66 N.J.Eq. 119, 57 Atl. 1037 (Ch. 1904); Smyth Sales Corp. v. Kaveny, 109 N.J.Eq. 138, 156 Atl. 322 (Ch. 1931); McLean v. Fleming, *supra*, where it was stated that, "Exact similitude is not required to constitute an infringement or to entitle the complaining party to protection. If the form, marks, contents, words, or the special arrangement of the same, or general appearance of the alleged infringer's device is such as would be likely to mislead one in the ordinary course of purchasing goods, and induce him to suppose that he was purchasing the genuine article, then the similitude is such as to entitle the injured party to equitable protection."

¹⁴ Hilton v. Hilton, 89 N.J.Eq. 149, 102 Atl. 16 (Ch. 1917), *modified in part*, 89 N.J.Eq. 182, 104 Atl. 375 (E. & A. 1918); Bayuk Cigars Inc. v. Fine, 112 N.J.Eq. 166, 163 Atl. 799 (Ch. 1933), *aff'd.* 114 N.J.Eq. 83, 168 Atl. 303 (E. & A. 1933); Celluloid Manufacturing Co. v. Cellonite Manufacturing Co., 32 Fed. 94 (C.C.A. 1887); Charles S. Higgins Co. v. Higgins Soap Co., 39 N.E. 490 (N.Y. 1895); Bush Terminal Co. v. Bush Terminal Trucking Co., *supra*; Wotherspoon v. Currie, L.R. 5 E. & I. App. Cas. 508 (H.L. 1872).

¹⁵ Federal Securities Co. v. Federal Securities Corp., 276 Pac. 1100 (Ore. 1929).

¹⁶ International Silver Co. v. Rogers Corp., 67 N.J.Eq. 646, 60 Atl. 187 (E. & A. 1904); Evening Journal Ass'n. v. Jersey Pub. Co., 96 N.J.Eq. 54, 124 Atl. 767 (Ch. 1924); Bayuk Cigars, Inc. v. Fine, *supra*.

¹⁷ Origin or ownership are used in the sense of showing who is the maker, and where the name taken by the manufacturer or vendor is of a descriptive nature. That name will be protected only when it acquires such a secondary significance as to indicate the origin or ownership of the goods. *Cf.* Perlberg v. Smith, 70 N.J.Eq. 638, 62 Atl. 442 (Ch. 1905); Corbett Brothers Co. v. Reinhardt-Meding Co., 77 N.J.Eq. 7, 76 Atl. 243 (Ch. 1910); Rubber Co. v. Rubber-Bound Brush Co., *supra*; Columbia Mill Co. v. Alcorn, 150 U.S. 460 (1893); POMEROY'S EQUITY JURISPRUDENCE SEC. 1998.

¹⁸ The requisites of gaining an exclusive property right in a trade mark are best set forth in Schneider v. Williams, *supra*, where the court states that the mark must be one which has not been used before in that particular business, and which is connected with a vendible commodity. The court further states that until the article with the mark attached is put on the market no property right in the mark can arise. Other cases following the same rule are Blue Goose Auto, etc. v. Blue Goose Super, etc., 110 N.J.Eq. 438 (Ch. 1930), *rev'd.*

of geographical, generic or descriptive terms.¹⁸ An exception is made, however, where the complainant through the use of the geographical, or descriptive term gives it a secondary significance so that it comes to be indicative of origin (origin meaning to indicate the maker or vendor, rather than the place from whence it came), in which case it will be protected.¹⁹ But since it is the policy of the law that everyone should be allowed to describe his goods truly in the most appropriate terms,²⁰ a court of equity will seldom restrain the use by the defendant of the similar geographical or descriptive term, but will instead allow him to use it on condition that he properly distinguish his goods from those of the complainant.²¹ The cases illustrating the application of the above rule are manifold, the leading case in New Jersey on this subject being *Van Horn v. Coogan*,²² where the complainant was in the business of selling "Portland" ranges. The defendant whose store was two doors away from that of the complainant changed the name of his range from

110 N.J.Eq. 547, 160 Atl. 316 (E. & A. 1931); *Columbia Mill Co. v. Alcorn*, *supra*.

¹⁸ *Van Horn v. Coogan*, *supra*; *Medlar & Holmes Shoe Co. v. Delsarte Manufacturing Co.*, 68 N.J.Eq. 706, 46 Atl. 1089 (E. & A. 1905); *N. Y. & N. J. Lubricant Co. v. Young*, 77 N.J.Eq. 321, 77 Atl. 344, *rev'd*. 84 N.J.Eq. 469, 94 Atl. 570 (E. & A. 1915); *Rosenthal v. Blatt*; *Rubber Co. v. Rubber-Bound Brush Co.*, *supra*; *Busch v. Gross*, 71 N.J.Eq. 508, 64 Atl. 754 (Ch. 1906); *Evening Journal Ass'n. v. Jersey Pub. Co.*, *supra*; *Safety Storage Co. v. Lupenski*, 100 N.J.Eq. 385, 136 Atl. 203 (Ch. 1927); *D. L. & W. R.R. Co. v. Lackawanna, etc. Inc.*, 117 N.J.Eq. 385, 175 Atl. 905 (Ch. 1934); *Manufacturing Co. v. Trainer*, 101 U.S. 51 (1879); *Lawrence Manufacturing Co. v. Tenn. Manufacturing Co.*; *Columbia Mill Co. v. Alcorn*; *Celluloid Manufacturing Co. v. Cellonite Manufacturing Co.*, *all supra*; *American Waltham Watch Co. v. U. S. Watch Co.*, 53 N.E. 141 (Mass. 1899); *Federal Securities Co. v. Federal Securities Corp.*, *supra*.

¹⁹ *Van Horn v. Coogan*; *Eureka Fire Hose Co. v. Eureka Rubber Manufacturing Co.*, *both supra*; *Johnson & Johnson v. Seabury & Johnson*, 69 N.J.Eq. 696, 61 Atl. 5, *rev'd*. 71 N.J.Eq. 750, 67 Atl. 36 (E. & A. 1906); *Rosenthal v. Blatt*; *Rubber Co. v. Rubber-Bound Brush Co.*; *Busch v. Gross*; *Hilton v. Hilton*; *Evening Journal Ass'n. v. Jersey Pub. Co.*; *Safety Storage Co. v. Lupenski*; *D. L. & W. R.R. Co. v. Lackawanna, etc. Inc.*; *Elgin National Watch Co. v. Illinois Watch Co.*, *all supra*; *French Republic v. Saratoga Vichy Spring Co.*, 191 U.S. 427 (1903); *American Waltham Watch Co. v. U. S. Watch Co.*; *Federal Securities Co. v. Federal Securities Corp.*; *Wotherspoon v. Currie*, *all supra*; *Reddaway v. Banham & Co.*, 65 L. J. Q. B. 381 (H. L. 1896). In the last case the plaintiff sold a belting called "Camel-hair Belting" which acquired a secondary significance under that name. The defendant put out a belting made of camel-hair and called it "Camel-Hair Belting." It was held that the fact that the defendant was telling the truth about his article would not be a defense to a bill to enjoin his use of the term, where it might be believed that he was using it in the secondary sense which the plaintiff had given it. However, since the term "Camel-Hair" was a descriptive one, the court did not enjoin its use by the defendant, but ordered that in using the term the defendant must properly distinguish his product from that of the complainant.

²⁰ *Lawrence Manufacturing Co. v. Tenn. Manufacturing Co.*, *supra*.

²¹ *Johnson & Johnson v. Seabury & Johnson*, *supra*.

²² 52 N.J.Eq. 380, 28 Atl. 788 (Ch. 1894), *aff'd.* without opinion, 52 N.J.Eq. 588, 33 Atl. 50 (E. & A. 1894).

"Columbian Dandy" to "Portland" and advertised it at reduced prices. The complainant brought a bill to enjoin the use by the defendant of the name "Portland" and the defendant set up as a defence that the complainant could not gain any exclusive right to the name "Portland," it being a geographical name. The court there held that it was not necessary for the complainant to show an absolute or exclusive property in the name, the complainant having to show only that the defendant used an imitative device designed to beguile the public into buying his goods as those of his rival, and that the name "Portland" having gained a secondary significance the defendant would be enjoined from using it in that sense.

A rule similar to that applicable to the use of geographical, generic, and descriptive terms, governs cases involving the use by a competitor of his own name. The rule is best set forth in the case of *International Silver Co. v. Rogers Corp.*²³ The International Silver Co. was the assignee of the silver business of Rogers Bros., a company which had a long established reputation in the trade. The defendant, whose name was Rogers, went into a competitive business, using his own name as part of his corporate name. The International Silver Co. brought a bill to enjoin the use by the defendant of the name "Rogers," claiming a property right in the name and that the defendant by his use of the name was likely to deceive the public who would buy his goods believing them to be the goods of the complainant company. The defendant set up as a defense that he had a right to use his own name in the operation of his business, and that the complainant could have no exclusive property right to the name Rogers. The court said²⁴ that, "The law is that a man may carry on business under his own name, and may compete under that name with any other person engaged in the same or a similar business. The law favors competition and none the less because it may be carried on by a competitor bearing the same name. What it does, and all that it does, is to prevent the passing off by one man of his goods as the goods of someone else, to the injury of the latter."²⁵ And the

²³ 66 N.J.Eq. 119, 57 Atl. 1037 (Ch. 1904); 66 N.J.Eq. 140, 57 Atl. 725, first case modified, second case affirmed in 67 N.J.Eq. 646, 60 Atl. 187 (E. & A. 1904); 71 N.J.Eq. 560, 63 Atl. 977 (Ch. 1906), *rev'd.* 72 N.J.Eq. 933, 67 Atl. 105 (E. & A. 1907). The New Jersey cases here are part of a group of cases involving similar litigation in this and other jurisdictions; this group of cases now comprising an excellent exposition of the various phases of trade-mark law.

²⁴ 66 N.J.Eq. at page 134.

²⁵ The statement that one can't palm off his goods as those of another, expresses the underlying reason for the invoking of equitable relief for the protection of trade-marks and trade names. That this is so may be seen by the many cases setting for this rule. *Wirtz v. Eagle Bottling Co.*, 50 N.J.Eq. 164, 24 Atl. 658 (Ch. 1892); *Van Horn v. Coogan*; *International Silver Co. v. Rogers Co.*; *Rosenthal v. Blatt*; *National Biscuit Co. v. Pacific Coast Biscuit Co.*; *Smyth Sales Corp. v. Kaveny*; *A. Hollander & Son, Inc. v. Jos. Hollander, Inc.*; *McLean v. Fleming*, *all supra*; *Coats v. Merrick Thread Co.*, 149 U.S. 562 (1892); *Celluloid Manufacturing Co. v. Cellonite Manufacturing Co.*, *supra*; *Croft v. Day*, 49 Eng. Rep. 994 (Rolls Ct. 1843); *Reddaway v. Banham & Co.*, *supra*.

court quoting from *Burgess v. Burgess*²⁶ said,²⁷ "Where a person is selling goods under a particular name and another person not having that name is using it, it may be presumed that he so uses it to represent the goods sold by himself as the goods of the person whose name he uses. But when the defendant sells goods under his own name, and it happens that the plaintiff has the same name, it does not follow that the defendant is selling his goods as those of the plaintiff. *It is a question of evidence in each case whether there is false representation or not*". The court, rather than enjoin the use by Rogers of his own name, permitted him to use it, but ordered that in using the name he take proper precautions to distinguish his goods from those of the complainant.²⁸

Inversely, the same principle, that generic or descriptive terms are entitled to protection where they gain a secondary significance, is extended to situations where the name appropriated by the plaintiff has become so widely known and used that it comes to be used as a term descriptive of all merchandise of a similar class and thus becomes *publici juris*.²⁹ That this is so is evidenced by the patent cases, where, although the patent has expired, the court still protects the name of the patentee.³⁰

²⁶ 43 Eng. Rep. 351 (Ch. 1853).

²⁷ Page 124.

²⁸ A similar type of decree, to that entered in the Rogers case, was rendered in *Hilton v. Hilton*, *supra*; *Charles S. Merton & Co. v. Percy Merton, Inc.*, 103 N.J.Eq. 380, 143 Atl. 515 (Ch. 1928); *A. Hollander & Son, Inc. v. Jos. Hollander, Inc.*, *supra*; *Waterman Co. v. Modern Pen Co.*, 235 U.S. 88 (1914), where Justice Holmes said, "When the use of his own name upon his goods, by a later competitor, will and does lead the public to understand that those goods are the products of a concern already established and well known under that name, . . . the law will require him to prevent the mistake." Although the prevailing rule is that a party will not be restrained from using his own name, there are cases where such use has been enjoined. However, the cases so deciding do not discuss the constitutionality of such a decree. *Edison Storage Battery Co. v. Edison Automobile Co.*, 67 N.J.Eq. 44, 50 Atl. 900 (Ch. 1904); *Martin Co. v. Martin and Wilckes*, 75 N.J.Eq. 39, 71 Atl. 409, *rev'd*. 75 N.J.Eq. 257, 72 Atl. 294 (E. & A. 1908); *Charles S. Higgins Co. v. Higgins Soap Company*, 39 N.E. 490 (N.Y. 1895). In the latter case the defendant sold his soap business together with the name and good-will to the plaintiff, the soap being known as Higgin's Soap. The defendant later went into the same business in competition with the plaintiff, and using the same name. The court held that the sale of the business included the name, and the defendant was enjoined from using the same name in a competitive business.

²⁹ *Johnson & Johnson v. Seabury & Johnson*; *N. Y. and N. J. Lubricant Co. v. Young*; *Rubber Co. v. Rubber-Bound Brush Co.*; *Celluloid Manufacturing Co. v. Cellonite Manufacturing Co.*, *all supra*. In the latter case the plaintiff was the inventor of the process of making celluloid and was the first to use the term, which became so widely used as to become a recognized word in the English language. The court held that the fact that the word gained common usage in the language, would not affect the plaintiff's right to protect it as a trademark, where he had used it prior to its assimilation into the language.

³⁰ *Centaur Co. v. Link*, 62 N.J.Eq. 147, 49 Atl. 828 (Ch. 1901), where there was a bill to enjoin the defendant from manufacturing "Castoria" and selling it in bottles similar to those of the plaintiff, after the plaintiff's patent had

Justice White in the case of *Singer Manufacturing Co. v. June Manufacturing Co.*,³¹ after a review of the various cases, ably expresses the extent to which the trade name of the patentee may be protected when he says, "The result, then, of the American, the English, and the French doctrine universally upheld is this, that where, during the life of a monopoly created by a patent, a name whether it be arbitrary or be that of the inventor, has become by his consent, either express or tacit, the identifying and generic name of the thing patented, this name passes to the public with the cessation of the monopoly which the patent created. Where another avails himself of this public dedication to make the machine and use the generic designation, he can do so in all forms, with the fullest liberty by affixing such name to the machine, by referring to it in advertisements and by other means, subject, however to the condition that the name must be so used as not to deprive others of their rights or to deceive the public, and therefore, that the name must be accompanied with such indications that the thing manufactured is the work of the one making it as will unmistakably inform the public of that fact".

Thus, the inference is clear that in all of these cases the court lends its aid not because the plaintiff's property right has been invaded, but relief is granted, rather, because the defendant in representing his goods to be those of the plaintiff is guilty of unfair competition. The distinction is that infringement of a trade-mark is a violation of an exclusive right of the complainant to the use of a word, mark, or symbol, while unfair competition is much broader and will be restrained, even though the word may be purely generic and descriptive, so long as fraud is shown.³² In a suit for infringement of a trade-mark, fraud need not be shown, but will be presumed.³³ However, in unfair competition cases, fraud is the gravamen of the action and must be affirmatively pleaded and proved.

The complainant in setting forth his *prima facie* case for relief for infringement of rights in a trade-mark need only show his property right in the mark and a use by the defendant of a mark so similar that it is likely to deceive the public.³⁴ Registration of the trade-mark is not

expired. The court held that the name of the patented article becomes public property at the expiration of the patent but that the defendant would be enjoined from using the name so as not to confuse the public. Other cases in point are *Rubber Co. v. Rubber-Bound Brush Co.*, *supra*, and *Singer Manufacturing Co. v. Loog*, 8 App. Cas. 15 (H.L. 1882).

³¹ 163 U.S. 169 (1895).

³² *National Grocery Co. v. National Stores Co.*, 95 N.J.Eq. 588, 123 Atl. 740 (Ch. 1924), *aff'd.* 97 N.J.Eq. 360, 127 Atl. 925 (E. & A. 1924). It is pointed out in this case that that the unfair competition to be actionable must be illegal rather than unethical, and what is illegal is only a matter of degree.

³³ *Eureka Fire Hose Co. v. Eureka Rubber Manufacturing Co.*, 69 N.J.Eq. 159, 60 Atl. 561, *aff'd.* 71 N.J.Eq. 300, 71 Atl. 1134 (E. & A. 1906).

³⁴ *Van Horn v. Coogan*; *Johnson & Johnson v. Seabury & Johnson*; *Bayuk Cigars, Inc. v. Fine*, *all supra*.

necessary,³⁵ although it will be *prima facie* evidence of ownership.³⁶ The mere showing that the public has been deceived will not be sufficient, however, since the action is based upon the invasion of the property right, and not the deception of the public,³⁷ the deception of the public only being a test of whether or not the right has been invaded.³⁸ On the other hand it will be no defence to show that no one was actually deceived,³⁹ or that no damage resulted to the complainant.⁴⁰ So, too, absence of fraud on the part of the defendant will not be a defence,⁴¹ although it may be of importance in assessing damages.⁴² The doctrine that fraud must be proven in a cause founded upon the invasion of the

³⁵ Blue Goose Auto, etc. v. Blue Goose Super, etc., 110 N.J.Eq. 438 (Ch. 1930), *rev'd.* 110 N.J.Eq. 547, 160 Atl. E. & A. 1931).

³⁶ Elgin National Watch Co. v. Illinois Watch Co., 179 U.S. 665 (1900).

³⁷ Schneider v. Williams, 44 N.J.Eq. 391, 14 Atl. 812 (Ch. 1888). This was an action by the Cigar Makers International Union to enjoin the use by the defendant of labels having a mark similar to that used by the complainants denoting that the cigars were made by the members of the complainant union. Relief was denied on the grounds that the Union could have no property right in the mark. However, the theory of this case that a Union could have no property right was overruled in *Schmalz v. Wooley*, 56 N.J.Eq. 649, 39 Atl. 539 (Ch. 1898), *rev'd.* 57 N.J.Eq. 303, 41 Atl. 939 (E. & A. 1898), where in a suit by a hatter's union the defendant was enjoined from displaying a label on his goods similar to that used by the complainant.

³⁸ Schneider v. Williams; Rosenthal v. Blatt; Rubber Co. v. Rubber-Bound Brush Co.; National Biscuit Co. v. Pacific Coast Biscuit Co.; United Cigar Co. v. United Confectionery Co.; Busch Terminal Co. v. Busch Terminal Trucking Co.; Federal Securities Co. v. Federal Securities Corp.; Leather Cloth Co. v. American Cloth Co. Ltd., *all supra*.

³⁹ Wirtz v. Eagle Bottling Co., *supra*, where the court held that it was sufficient if it was shown that the resemblance was so great as to render deception to the public, and injury to the plaintiff probable, and that no actual deception need be proven. Rubber Co. v. Rubber-Bound Brush Co.; A. Hollander & Son, Inc. v. Jos. Hollander, Inc.; Bush Trucking Co. v. Bush Terminal Trucking Co., *all supra*.

⁴⁰ D. L. & W. R.R. Co. v. Lackawanna, etc. Inc., 117 N.J.Eq. 385, 175 Atl. 905 (Ch. 1934); Columbia Grammar School v. Clawson, 200 N.Y.S. 768 (1923).

⁴¹ Wirtz v. Eagle Bottling Co.; Miller Tobacco Manufacturing v. Commerce; International Silver Co. v. Rogers Corp.; Eureka Fire Hose Co. v. Eureka Rubber Manufacturing Co.; Corbett Brothers Co. v. Reinhardt-Meding Co.; Rubber Co. v. Rubber-Bound Brush Co.; National Biscuit Co. v. Pacific Coast Biscuit Co.; Hilton v. Hilton; Smyth Sales Corp v. Kaveny; A. Hollander & Son, Inc. v. Jos. Hollander, Inc.; McLean v. Fleming, *all supra*. American Clay Manufacturing Co. v. American Clay Manufacturing Co. of N. J., 47 Atl. 936 (Pa. 1901); Millington v. Fox; Leather Cloth Co. Ltd. v. American Cloth Co., Ltd., *both supra*; Hall v. Barrows, 46 Eng. Rep. 873 (Ch. 1863). *Contra*, Sykes v. Sykes, 107 Eng. Rep. 834 (K. B. 1924); Burgess v. Burgess, 43 Eng. Rep. 351 (Ch. 1853), where the plaintiff sold "Burgess's Essence of Anchovies" and the defendant having the name of Burgess, went into the same business and used the same name. The court held that the defendant would not be enjoined from using his own name since no fraud was shown. For the language of the court see footnote 26 *supra*.

⁴² Eureka Fire Hose Co. v. Eureka Rubber Hose Manufacturing Co., *supra*. However, this question does not arise very often, since equity will not give unliquidated damages, but only an accounting. Martin Co. v. Martin & Wilckes, *supra*.

right to the use by the plaintiff of a geographical or generic term in its secondary significance has been criticised and some of the later cases say that fraud need not be affirmatively proven, since the use by the defendant of a name similar to that of the complainant gives rise to a presumption that the defendant used it with a fraudulent intent to profit by the plaintiff's reputation in the trade. In *A. Hollander and Son, Inc. v. Joseph Hollander, Inc.*,⁴³ one of the most recent enunciations on this problem, the court said that "It is not necessary that the complainant in order to succeed should prove actual fraud by the defendant"; but, nevertheless, the court went to great extremes to show a systematic simulation of the plaintiff's name by the defendant, "evincing a studied design on the part of the defendant to mislead the consumer public". Although it is stated in the *Hollander* case that fraud is not a necessary element, it is doubted whether relief would have been granted in the absence of fraud, especially as concerns that part of the bill which was to enjoin the use by the defendant of his own name. And it is submitted that the rule set forth in the case of *International Silver Co. v. Rogers Corp.*, *supra*, represents the better and more logical rule, that the defendant should not be enjoined from using his own name in the operation of his business unless it can be shown that in so doing he is palming off his goods as those of his competitor. Of course, the *Hollander* case follows the *International Silver Co.* case in essence, since in neither case is the use of the name enjoined, but instead the defendant is ordered to take proper precautions to distinguish the name from that of the complainant.

By way of defence to an action for infringement of rights in a trade-mark of trade name, the defendant may set up a prior use of the name or mark. However, in order for the prior use to be of value as a defense, it must be shown by the defendant that the use made by him was to indicate origin or ownership.⁴⁴ And the same rules which apply to the indication of origin and ownership in the complainant will be applied to determine whether or not the defendant's prior use is such a valid one as to preclude the complainant from now restraining the defendant. It may always be shown, of course, that the name appropriated by the defendant is not misleading, in which case no injunction will be granted.⁴⁵ However, it has been held that where the defendant takes a name similar to that of the complainant with the express intention of

⁴³ 117 N.J.Eq. 306, 175 Atl. 628 (Ch. 1934).

⁴⁴ *Johnson & Johnson v. Seabury & Johnson*; *Celluloid Manufacturing Co. v. Cellonite Manufacturing Co.*, *both supra*, the latter case holding that acquiescence in use of the name by others will not be a defense to the use by the defendant of the name.

⁴⁵ *Bear Lithia Springs Co. v. Great Bear Springs Co.*, 71 N.J.Eq. 595, 71 Atl. 383 (Ch. 1906), *aff'd*, 72 N.J.Eq. 871, 68 Atl. 86 (E. & A. 1907); *Corbett Brothers Co. v. Reinhardt-Meding Co.*; *Evening Journal Ass'n. v. Jersey Pub. Co.*, *supra*.

misleading the public, the use of that name will be enjoined, even though it otherwise would not be.⁴⁶

The two most prevalent defences set up in actions for infringement of trade-marks and trade names are misrepresentation on the part of the complainant and laches. If the defendant shows that the complainant is guilty of any material misrepresentation in the marketing of his goods, the complainant will not be given any relief since he comes into equity with unclean hands.⁴⁷ However, it has been held that where the complainant has terminated the misrepresentation prior to the bringing of the suit, relief will be granted.⁴⁸

It is the universally accepted rule that laches will not be a bar to injunctive relief, the theory being that laches should not preclude the complainant from restraining future infringement of his right.⁴⁹ Laches is sometimes a bar to a preliminary injunction,⁵⁰ however, since a preliminary injunction will not ordinarily be granted where the right to relief is doubtful.⁵¹ Almost as universal as the rule that laches is no defence to relief, is the rule that laches will be good grounds for refusing an accounting, and this is so even where the facts are sufficient to warrant the granting of an injunction restraining the use of the name.⁵² The reason for this rule is very evident, it being founded upon the principle that equity will not allow the plaintiff to stand by and watch the defendant invest money in building up his business and then let the plaintiff reap the profits therefrom.⁵³

Equity, following the law, protects the assignee of a name just as it protects the person originally assuming the name. Since the sale of a business includes the good-will, the name, being part of the good-will, will be protected, even though not specifically mentioned as passing in

⁴⁶ *Evening Journal Ass'n. v. Jersey Pub. Co., supra.*

⁴⁷ *Van Horn v. Coogan, supra*; *Stirling Silk Manufacturing Co. v. Sterling Silk Co., 59 N.J.Eq. 394, 46 Atl. 199 (Ch. 1900)*; *Perlberg v. Smith*; *Bear Lithia Springs Co. v. Great Bear Springs Co.*; *N. Y. & N. J. Lubricant Co. v. Young, all supra*; *Manhattan Medicine Co. v. Wood, 108 U.S. 218 (1883)*; *Worden v. California Fig Syrup Co., 187 U.S. 516 (1902)*; *Leather Cloth Co., Ltd. v. American Leather Cloth Co., Ltd., supra*; *Ford v. Foster, L.R. 7 Chan. App. Cas. (Ch. 1872)*, where the test is given that if the misrepresentation would be sufficient to bar an action at law then equity will not grant relief, but if an action at law will lie, equity will grant relief.

⁴⁸ *Johnson & Johnson v. Seabury & Johnson, supra.*

⁴⁹ *International Silver Co. v. Rogers Corp.*; *Johnson & Johnson v. Seabury & Johnson*; *Smyth Sales Corp. v. Kaveny*; *McLean v. Fleming, all supra*; *Menendez v. Holt, 128 U.S. 514 (1888).*

⁵⁰ *Stirling Silk Manufacturing Co. v. Sterling Silk Co., supra.*

⁵¹ POMEROY'S EQUITY JURISDICTION, Section 2002.

⁵² *International Silver Co. v. Rogers Corp.*; *Rubber Co. v. Rubber-Bound Brush Co.*; *National Biscuit Co. v. Pacific Coast Biscuit Co.*; *Blue Goose Auto, etc. v. Blue Goose Super, etc.*; *McLean v. Fleming, all supra*, where the plaintiff was held not to be guilty of laches for having waited twenty years in seeking injunctive relief. However, he was held to be in laches in seeking an accounting.

⁵³ *International Silver Co. v. Rogers, supra.*

the contract of sale.⁵⁴ It is not requisite, however, that the complainant, to be protected, should be the manufacturer of the goods, it is sufficient if he attaches his name as vendor.⁵⁵

The court of equity holds the property right in a name to be so valuable that it extends its aid to protect names assumed by corporations organized not for pecuniary profit,⁵⁶ and courts have even gone so far as to restrain the use of similar names in non-competitive trades.⁵⁷ It is believed, however, that these cases extend the rule to unreasonable proportions, and that the cases limiting the granting of injunctive relief to competitive businesses,⁵⁸ represent the better and sounder rule.

LIABILITY OF PACKER, DISTRIBUTOR, AND RETAILER FOR DEFECTS IN GOODS SOLD IN ORIGINAL CONTAINERS.—Because of the fact that canned goods and goods sold in original packages in the ordinary course of business usually pass through the hands of several parties before being put to the use for which they are intended, the courts have had to determine upon whom the liability should rest for injury suffered by reason of the deleterious nature of the product, or the defective condition of the container. In general a person who sells articles of food is under a legal duty to exercise reasonable care to insure their being wholesome and fit for consumption, and is liable in an action *ex delicto* on the ground of negligence for any injury resulting from their being unwholesome or unfit, if he knew, or by the exercise of reasonable care could have known their defective condition.¹ So too, in the sale of goods for immediate consumption, the weight of author-

⁵⁴ *Smith v. Brand & Co.*, 67 N.J.Eq. 529, 58 Atl. 1029 (Ch. 1904); *O'Grady v. McDonald*, 72 N.J.Eq. 805, 66 Atl. 175 (Ch. 1907); *Corbett Brothers Co. v. Reinhardt-Meding Co.*; *Charles S. Higgins Co. v. Higgins Soap Co.*; *Leather Cloth Co. v. American Leather Cloth Co., Ltd.*, *all supra*.

⁵⁵ *McLean v. Fleming*; *Menendez v. Holt*, *both supra*.

⁵⁶ *Schmalz v. Wooley, supra*; *Cape May Yacht Club v. Cape May Yacht & Country Club*, 81 N.J.Eq. 454, 86 Atl. 972 (Ch. 1913); *Sup. Lodge of World, etc., v. Imp. Benev. etc.*, 98 N.J.Eq. 598, 131 Atl. 219 (Ch. 1925); *Kline v. Knights of the Golden Eagle*, 113 N.J.Eq. 513, 167 Atl. 758 (Ch. 1933).

⁵⁷ *Edison Storage Battery Co. v. Edison Automobile Co., supra*; *Long's Hat Stores v. Long's Clothes*, 231 N.Y.S. 107 (1928). In the latter case the court rested its decision upon the fact that the clothing business engaged in by the defendant was so similar to that of the complainant, that the defendant should be enjoined from using the name since the reputation of the complainant company might be injured by the defendants use thereof.

⁵⁸ *National Grocery Co. v. National Stores Co.*, 95 N.J.Eq. 588, 123 Atl. 740, *aff'd*, 97 N.J.Eq. 360, 127 Atl. 925 (E. & A. 1924); *Leather Cloth Co., Ltd. v. American Leather Cloth Co., Ltd.*, *supra*. Where the defendant has honestly acquired and used a name similar to that of the complainant in a non-competitive area, he will not be enjoined from using that name upon his entry into competition with the complainant, so long as he takes proper precautions to distinguish his product from that of the plaintiff. *Peerless Laundry Co. v. Peerless Service Laundry*, 111 N.J.Eq. 221, 161 Atl. 832 (Ch. 1932).

¹ 26 *Corpus Juris* 783, and cases therein cited.