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Carlos G. Stratton

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TRADE-MARK REGISTRATION: WHERE AND WHY

By Carlos G. Stratton, of the Denver Bar

“**W**HY should I register a trade-mark in *both* the United States and in the state? Doesn't the United States registration include the state?” is a question often encountered in trade-mark practice.

The answer is that both are advisable, for at least two very definite reasons. First, the United States registration is not infringed by competing use that is wholly intrastate. Congress passed a trade-mark act in 1870 that was declared unconstitutional by the Supreme Court in 1879, because the act permitted registration of any trade-mark. The Trade-Mark Act of 1905, the earliest of two Federal trade-mark acts that are now in force, only allows registration of trade-marks that have been in use in interstate commerce, and it has been held that the only uses of a trade-mark that will constitute infringement of the Federal registration is interstate use.² In other words, use of the trade-mark Coca-Cola, for instance, would not be an infringement of the United States registration, if the use is confined wholly within the State of Colorado.

The second reason why state registration is advisable in addition to national registration is that there is a criminal statute in most, if not all, states for criminal prosecution of an infringer of a state registered mark. Colorado has such a criminal statute.³ The only penalties for infringing a nationally registered trade-mark are civil, to wit, injunction and damages.⁴

An important feature of the state statute is the variety of things that can be registered, to wit: labels, trade-marks, terms, designs, devices or forms of advertisement.⁵

A trade-mark does not need to be used on goods in order to be registrable in this state, since according to Sec. 4021 “adoption” is enough by itself, but there must be actual use on the goods in interstate commerce before registration can

² *Youngs Rubber Corp. v. C. I. Lee & Co.*, 45 F. (2d) 103, 106.

³ Sec. 4020, Comp. Laws of Colo., 1921.

⁴ Act of Feb. 20, 1905, Sec. 16.

⁵ Sec. 4020, Comp. Laws of Colo., 1921.

be secured in the United States. Under "Form of Advertisement" the office of the Secretary of State of Colorado has registered slogans, such as "Packed in the Shadow of the Rockies," for the Kuner Pickle Co.

Thus, if the owner of a trade-mark wants to stop infringement that is carried on wholly within the State of Colorado and/or to be able to criminally prosecute an infringer, the state registration is important. The national registration is, of course, advisable in order to prevent interstate commerce and to make a public record in Washington of the ownership of the trade-mark in question.

As a matter of information, a Federal registration under the Act of 1905 is good for twenty years and may be renewed perpetually, providing it is renewed within six months before each period expires.⁶ There is no term limit on registrations under the Act of 1920. The statutes of Colorado do not name any limit of time for a registration of a state registered trade-mark.

A trade-mark may be registered in the United States Patent Office, not only if it has been used on goods in interstate commerce, but also if it has been in use in commerce with an Indian tribe, or in commerce with someone in a foreign country.

There are two trade-mark acts under which the United States Patent Office now registers trade-marks, the Acts of February 20, 1905, and March 19, 1920. Apparently all marks that are registrable under the Act of 1905 may be registered under the Act of 1920, but only restricted groups of marks may be registered under the Act of 1905. The logical question then would be, "Well, why use the Act of 1905 at all then?" The answer is that attorneys want to register under the Act of 1905, if possible, because registration under the Act of 1905 means that the registrant is *prima facie* the owner of the trade-mark. If registration under the Act of 1905 is not possible, then registration under the Act of 1920 is resorted to. Registration under the Act of 1920 does not mean that the registrant is the owner. The effect of registration under the latter act is to officially recognize the date that the registrant claims to have started using the trade-mark.

⁶ Sec. 12 of the Trade-Mark Act of Feb. 20, 1905.

The only excuse for Congress ever having passed such a trade-mark act as that of 1920 apparently was to provide means for registering descriptive, geographic and other marks not registrable under the Act of 1905, on account of the International Convention for the Protection of Industrial Property, to which the United States is an adherent. A number of countries of the world require that before a foreigner may register a trade-mark, he must have registered the mark in his own country. If a citizen of the United States happened to be using a descriptive mark or a geographic mark, and wanted to register it in one or more of those countries, he could not do so because he could not register the mark in the United States under the Act of 1905. Furthermore, certain foreign countries allowed our citizens to register descriptive and geographic trade-marks in their countries and demanded the same right for their citizens in the United States, hence the trade-mark Act of 1920. It is necessary to understand this background for this act in order to appreciate why we have two trade-mark acts, whose effects are so dissimilar and yet which overlap some as to what is registerable under each.

An interesting decision as to what is geographic was decided in 1931 by the U. S. Court of Customs and Patent Appeals, in which it held that the word "Plymouth" used by the Chrysler Motors for the name of an automobile was not "merely geographic," which the Act of 1905 prohibits as non-registrable. In this decision, the court stated on this point:

"But it is well settled, we think, that a geographic name, or term, may acquire such a secondary meaning as to remove it from the 'generic or descriptive' designation which renders it incapable of individual appropriation, and make it subject to rights, which equity will, within proper limits, protect. In other words, a geographic name can, and frequently does, acquire a meaning which causes it to become something other than merely geographic, or solely geographic, or only geographic."

In re Plymouth Motor Corp., 46 F. (2d) 211.

Another difference between the Act of 1905 and the Act of 1920 is that the trade-mark must have been used for one year in interstate commerce by the applicant before it can be registered under the Act of 1920, but a single use is sufficient

for registration under the Act of 1905. In other words, if a client wishes to register a descriptive or geographic mark, it must be used in interstate commerce for at least one year before it can be registered.

The proceeding to obtain registration under the Act of 1905 will probably be of interest. The application first must meet with the approval of the Examiner as to form. Details of the requirements as to form will not be related here, but suffice to say the requirements are rigid, as with most governmental agencies.

After the application has been approved as to form, the trade-mark is published in the Official Gazette of the Patent Office, and anyone who thinks he will be damaged by the registration may oppose same within thirty days after publication.⁷

Generally speaking, however, the only one who is able to successfully oppose registration of a trade-mark is one who has used the same or a deceptively similar mark for a longer period on goods having the same descriptive properties. If the opposer is successful, of course, the mark is not registered. If the applicant prevails against the opposer, or if the registration is not opposed, the certificate of registration is issued in due course of business.

"How long does it take to register a trade-mark?" is often asked. If no opposition is filed and there is no appeal, it generally takes from three to four months to register under the Act of 1905. It is usually from one to two months shorter under the Act of 1920, because registration of a mark under this act may not be opposed.

"If someone who has used the mark for a shorter period, should register the mark first, what is the remedy?" The man who has used a trade-mark longest is the one who is entitled to the registration. The United States statutes do not recognize territorial rights when it comes to registration of trade-marks, so the first user is entitled to the registration even though the second user adopted and is using the mark in good faith, not knowing of the first user. In this connection, it might be explained, however, that under the well recognized doctrine of territorial rights, the subsequent adopter may

⁷ Sec. 6, of the Act of Feb. 20, 1905.

continue to use his mark in his territory, providing his adoption and use of the mark was in good faith and not inimical to the rights of the other party.⁸

If the one who had used the trade-mark a shorter period had registered the mark without the longer user opposing it, the latter nevertheless has the remedy of cancelling the registration of the later user. This is the answer to the question as to what happens where someone slips in and registers the trade-mark.

In view of the fact that a proceeding is provided for opposing the registration of the mark, the argument has been made that the earliest user is estopped from later on asserting that he is a prior user of the mark because he did not oppose the registration or that the prior user is guilty of laches in not bringing the cancellation proceeding as soon as the mark is registered. However, the doctrine of laches has been held not to apply to the bringing of a cancellation proceeding because the statute says it can be brought "at any time."⁹

A line of cases about trade-mark registration that may be surprising to the attorney in general practice holds that "registration under the statute confers no new rights to the mark claimed or any greater rights than already exist at common law without registration."¹⁰ Registration, however, facilitates the remedy when suit is brought for infringement of the trade-mark. In other words, the owner of a trade-mark does not obtain any new rights by registration. He has, however, the official stamp of approval on the rights he already has and in case of suit his registration certificate is *prima facie* evidence that he is the owner. Another thing is that after registration in the United States Patent Office, notice of such may be given the public generally, as by affixing "Registered in U. S. Patent Office" or "Reg. U. S. Pat. Off." on the mark; in fact, notice must be given in order for the registrant to obtain damages in a suit for infringement under the Federal trade-mark statutes.

⁸ *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403; and *United Drug Co. v. Rectanus Co.*, 248 U. S. 90.

⁹ Sec. 13, of the Act of 1905.

¹⁰ Nims on Unfair Competition and Trade-Marks, p. 592.