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turbing vagueness of the rule was certainly not alleviated by the language used in the instant case. At the best, a reconsideration is looked for; at the least, clarification.

MICHAEL R. KLEIN

PROTECTION OF A TRADENAME IN THE ABSENCE OF ACTUAL COMPETITION

"Kash N' Karry Wholesale Super Markets" was the tradename¹ for the thirteen stores which the plaintiff operated in the Tampa area. When the defendant sought permission to use the same name for a similar business in Fort Lauderdale, because the name was "catchy," the prior user objected on the ground that he intended to expand to that area. However, the defendant, a South Florida business, subsequently appropriated the name, and the plaintiff brought suit to enjoin the alleged unfair competition.² The Chancellor dismissed the suit with prejudice.³ On appeal, *held*, affirmed: in the absence of actual competition between the litigants, a court of equity will not enjoin the use of a tradename unless there exists a reasonable probability, rather than a mere possibility, that the prior user's business would expand to the area of the subsequent user at the time of the alleged misappropriation. *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711 (Fla. 2d Dist. 1964).

FLORIDA LAW IN NONCOMPETITIVE SITUATIONS

In noncompetitive situations, the Florida courts have extended injunctive relief when customer confusion is proved⁴ or when it may be

1. "Tradename," as used in this article, has the definition given it by the Lanham Trademark Act. § 45, 60 Stat. 443 (1946), 15 U.S.C. § 1127 (1963). Thus, it is that name used by any entity "to identify their businesses, vocations or occupations." This is the most common usage of a tradename—applying it to a business and its good will—distinguishing it from trademark, which as a term is applied to vendible goods for identity purposes. *American Steel Foundries v. Robertson*, 269 U.S. 372 (1926); *Standard Oil Co. of N.M. v. Standard Oil Co. of Calif.*, 56 F.2d 973 (10th Cir. 1932); *Acme Chem. Co. v. Dobkin*, 68 F. Supp. 601 (W.D. Pa. 1946). As the principles governing the protection of marks and names are almost the same, cases involving marks are cited as authority for issues involving names. Chafee, *Unfair Competition*, 53 HARV. L. REV. 1289, 1297 (1940); Handler & Pickett, *Trademarks & Tradenames—An Analysis & Synthesis*, 30 COLUM. L. REV. 168, 759 (1930).

2. Tradenames may be protected in an action to restrain unfair competition. *Brown & Bigelow v. B.B. Pen Co.*, 191 F.2d 939 (8th Cir. 1951); *Cook Chem. Co. v. Cook Paint & Varnish Co.*, 185 F.2d 365 (8th Cir. 1950); *Safeway Stores, Inc. v. Sklar*, 75 F. Supp. 98 (E.D. Pa. 1947); 3 CALLMAN, *UNFAIR COMPETITION & TRADEMARKS* § 66.1 (2d ed. 1950).

3. FLA. R. CIV. P. 1.35(b). "Involuntary dismissal . . . After the plaintiff has completed the presentation of his evidence, the defendant . . . may move for a dismissal on the ground that upon the facts and the law the plaintiff has shown no right to relief. . . . Unless the court . . . otherwise specifies, a dismissal . . . operates as an adjudication on the merits."

4. *Chemical Corp. of America v. Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir.), *cert. denied*, 372 U.S. 965 (1963) (use of slogan); *Pure Foods, Inc. v. Minute Maid Corp.*, 214 F.2d 792 (5th Cir. 1954) (infringement of name).

presumed,⁵ as a matter of law, because the likelihood of such confusion is very great. Thus, when it appears from the facts that the prior user of a tradename will suffer from another's deceptive use of the name, or that its use will be an imposition on the public, Florida law will justify the granting of an injunction.⁶ In the instant case, the court intimated that injunctive relief would be granted, notwithstanding the lack of competition, if: (1) the tradename had acquired a secondary meaning through the efforts of the prior user; or (2) the subsequent use was accompanied by the intent to forestall the prior user's business; or (3) there was a reasonable probability of expansion by the senior user.⁷

*Chemical Corp. of America v. Anheuser-Busch, Inc.*⁸ is a leading federal case interpreting the Florida law of unfair competition. The Fifth Circuit Court noted that a cause of action may exist when appropriation of another's name causes damage separate from actual confusion as to source.⁹ In that case the litigants were located in the same geographical area, but their goods were noncompetitive, although sold at the same retail outlets. The alleged misappropriator of the plaintiff's slogan,¹⁰ although agreeing with the facts as alleged in the complaint, contended that such facts would not justify the granting of an injunction. Pointing out this lack of "product competition," the defendant argued that he had a right to use the complainant's slogan, popularized by expensive and extensive advertising, to his own advantage, regardless of the "confusion as to the source" of his product or by "any dilution . . . of the value . . ."¹¹ This argument was based on the following two cases.

5. *Sentco Inc. v. McCulloh*, 68 So.2d 577 (Fla. 1953) (packaging and tradename); *Florida Ventilated Awning Co. v. Dickson*, 67 So.2d 215 (Fla. 1953) (name and format); *Quality Courts United, Inc. v. Jones*, 59 So.2d 20 (Fla. 1952) (use of the word "quality" in advertising a motor court).

6. *Chemical Corp. of America v. Anheuser-Busch, Inc.*, *supra* note 4, at 438.

The *Restatement* view takes into consideration that ours is a competitive society and that a suit for unfair competition may be maintained to protect a tradename against a party who is not in direct competition. This protection was limited to the extent of possible confusion of source in the prospective purchasers, *RESTATEMENT, TORTS* § 730, comment *b* (1938), with the possibility of expansion also a factor. *Id.* § 731(b). The extent of protection in reference to territorial markets is now broadened; accordingly, the *Restatement* encompasses the "established rule" that infringement may result in a territory where one does no business if confusion or deception is likely. *RESTATEMENT (SECOND), TORTS*, Introduction at xiv (Tent. Draft No. 8, 1963).

7. *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711, 712 (Fla. 2d Dist. 1964).

8. 306 F.2d 433 (5th Cir.), *cert. denied*, 372 U.S. 965 (1963).

9. *Id.* at 438.

10. The alleged misappropriator of the beer company's slogan, "Where there's life . . . there's Bud!" used it to advertise its insect repellent, "Where there's life . . . there's Bugs!"

11. *Chemical Corp. of America v. Anheuser-Busch, Inc.*, 306 F.2d 433, 436 (5th Cir. 1962). When the junior appropriator's use of the name enables him to get a "free ride" on the good will and reputation of the senior user, then to that extent the value of the owner's name is diluted. Georgia, Illinois, Massachusetts, and New York have antidilution statutes: GA. CODE ANN. §§ 106-115 (1956); ILL. REV. STAT. ch. 140, § 22 (1957); MASS. ANN. LAWS ch. 110, § 7A (1958); N.Y. GEN. BUS. LAW § 368-d (1963). See generally Derenberg, *The Problem of Trademark Dilution and the Antidilution Statutes*, 44 CALIF. L. REV. 439 (1956); Comment, 77 HARV. L. REV. 520 (1964).

*Stagg Shop of Miami, Inc. v. Moss*¹² was distinguished on the ground that the gist of the action was actual competition. In *Stagg Shop*, as in the instant case, the prior user's claim for relief was based on the contention that there was a possibility of close competition in the future.¹³ However, since the tradename, as related to the plaintiff's Miami Beach or Coral Gables stores, had not been recognized or established in the Palm Beach area, equity could not prevent a similar business located there from using a similar name.¹⁴ Seeing little hope for relief on the theory of possible actual competition, the complainants sought to obtain an injunction via the "confusion as to source" route. They were dealt a crucial blow when, upon cross-examination, their "confused as to source" witness testified—over objection of plaintiff's council—that she purchased the goods in the defendant-appropriator's establishment because she liked the merchandise, and not because the name "Stagg" was on the store.¹⁵

In *Webb's City, Inc. v. Bell Bakeries, Inc.*,¹⁶ the claim for relief was based on customer confusion; and when this could not be proved, there was held not to be an actionable wrong. At the common law, no one is given the exclusive use of a tradename; relief is available only against an imitator using unfair means to beguile prospective purchasers to buy his wares while the purchasers are under the impression they are the goods of another.¹⁷

THE SECONDARY MEANING DOCTRINE

According to the secondary meaning doctrine, a name may be protected if the public associates the name with a particular source and the name has acquired a reputation. Until then, a name is *publici juris*. In order for the doctrine to operate, the secondary meaning must have been introduced into the geographical area of the subsequent user through the efforts of the prior user, and before the subsequent user has appropriated the name.¹⁸ Thus, a name originally incapable of exclusive appropriation because it might be geographic or descriptive¹⁹ nevertheless may acquire a secondary meaning when, because of its long and exclusive use by one establishment, the purchasing public thinks only of that establishment upon hearing the name.²⁰

12. 120 So.2d 39 (Fla. 2d Dist. 1960).

13. *Stagg Shop of Miami, Inc. v. Moss*, 120 So.2d 39, 40 (Fla. 2d Dist. 1960).

14. *Id.* at 42.

15. *Id.* at 41.

16. 226 F.2d 700 (5th Cir. 1955).

17. *Webb's City, Inc. v. Bell Bakeries, Inc.*, 226 F.2d 700, 702 (5th Cir. 1955).

18. *Hot Shoppes, Inc. v. Hot Shoppe, Inc.*, 203 F. Supp. 777 (M.D. N.C. 1962); *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711 (Fla. 2d Dist. 1964). See generally Note, 6 U. FLA. L. REV. 256 (1953).

19. *Standard Oilshares, Inc. v. Standard Oil Group, Inc.*, 17 Del. Ch. 113, 150 Atl. 174 (1930); *A. & H. Transp., Inc. v. Save Way Stations, Inc.*, 214 Md. 325, 135 A.2d 289 (1957); *National Shoe Stores Co. v. National Shoes of N.Y., Inc.*, 213 Md. 328, 131 A.2d 909 (1957).

20. *Food Fair Stores, Inc. v. Lakeland Grocery Corp.*, 301 F.2d 156 (4th Cir. 1962);

A tradename which is strong, *i.e.*, arbitrary and fanciful, will be protected more readily than one that is weak, merely descriptive or geographic.²¹ The protection extended to a strong tradename will also cover a larger geographical area than for a weak tradename.²² As long as a word or words, coined as a tradename for a business, are invented or coined because of the fancy of the owner, no other person or business should be allowed to use that name unless it becomes a "generic" term.²³

It is settled law that a plaintiff who has established a right to a tradename which is fanciful or arbitrary or has acquired a secondary meaning is entitled to protection of his reputation against the use of that name by others even upon noncompeting goods, if the defendant's goods are likely to be thought to originate with the plaintiff.²⁴

In his dissenting opinion in *Triangle Publications, Inc. v. Rohrlich*,²⁵ Judge Jerome Frank expressed the more orthodox view. He argued that the secondary meaning doctrine did not extend so far as to preclude a girdle manufacturer from using a tradename previously appropriated by a magazine publisher: the doctrine should be restricted to actually or potentially competitive articles. Judge Frank was also concerned with the possibility of harm to the consumer, who would have to pay more for a protected "named" brand when a product of equal quality could have been available for less. Furthermore, the probability of confusion was so slight

G. & C. Merriam Co. v. Saalfeld, 198 Fed. 369 (6th Cir. 1912), *aff'd & modified sub nom.*, 238 Fed. 1 (6th Cir.), *cert. denied*, 243 U.S. 651 (1917).

21. *El Chico, Inc. v. El Chico Cafe*, 214 F.2d 721 (5th Cir. 1954); *Stork Restaurant, Inc. v. Sahati*, 166 F.2d 348 (9th Cir. 1948); *Durable Toy & Novelty Corp. v. J. Chein & Co.*, 133 F.2d 853 (2d Cir.), *cert. denied*, 320 U.S. 211 (1943); *RESTATEMENT, TORTS* § 731, comment *e* (1938).

22. *Ibid.*

23. Since a "generic" or "descriptive" word will not be protected as a tradename. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938); *Houston v. Berde*, 211 Minn. 528, 2 N.W.2d 9 (1942).

The words "holiday," "east," "west," "by-the-sea" all seem to be descriptive or geographic and could therefore come under the category of a weak tradename. But the Fifth Circuit Court of Appeals enjoined the subsequent use of "Inn-by-the-Sea" when the former owners of a Mississippi hotel of that name opened a hotel in Florida with the same name five years after they lost the other. *Rhea v. Bacon*, 87 F.2d 976 (5th Cir. 1937). In addition to the subsequent appropriation of the tradename, the Floridians had also duplicated certain effigies which were placed in front of the other hotel.

The Pennsylvania Supreme Court refused to enjoin a subsequent user from having the word "Holiday" in its tradename when the prior user was located only 80 miles away on the same highway using the tradenames "Holiday East" and "Holiday West" in a similar business. *Zimmerman v. B. & C. Motel Corp.*, 401 Pa. 278, 163 A.2d 884 (1960). But *cf. Faciane v. Starnier*, 230 F.2d 732 (5th Cir. 1956); *Lininger v. Desert Lodge*, 63 Ariz. 239, 160 P.2d 761 (1945).

24. *Triangle Publications, Inc. v. Rohrlich*, 167 F.2d 969, 972 (2d Cir. 1948). The court based its reasoning on cases in which the prior user was likely to suffer injury to his reputation and tradename: *Standard Brands, Inc. v. Smidler*, 151 F.2d 34 (2d Cir. 1945); *L.E. Waterman Co. v. Gordon*, 72 F.2d 272 (2d Cir. 1934); *Yale Elec. Corp. v. Robertson*, 26 F.2d 972 (2d Cir. 1928); *Bulova Watch Co. v. Stolzberg*, 69 F. Supp. 543 (D. Mass. 1947).

25. 167 F.2d 969, 974 (2d Cir. 1948).

as to be virtually non-existent; the real basis for relief should be actual injury. When relief is extended to such extraordinary cases of "probable confusion," the complainant should prove that the defendant's product is so sub-standard that, if the product be associated by consumers with the plaintiff, impairment of the plaintiff's good will is a likely result.²⁶

The courts have recognized that widespread advertising knows no real boundaries and that the good will and reputation of a business exceeds its scope of actual trade. The tradename of that business will be protected to the extent that the prior user's name has become known to the purchasing public in that area at the time of the alleged misappropriation.²⁷ If a tradename has not acquired a secondary meaning, the name might be given limited protection against a particular defendant if the latter selected that name for a purpose which could be detrimental to the senior user.²⁸

BUSINESS EXPANSION AND THE GOOD FAITH JUNIOR USER

A business and its name have a natural area of expansion.²⁹ When the junior appropriator's use lies within that area, relief should be granted.³⁰ This area to be protected for purposes of expansion falls between the zone of actual good will on the one side and an area where good will is presently and potentially non-existent on the other. This is the natural and reasonable area of expansion, an area of "potential good will."³¹

The determination of the area of tradename protection is largely a

26. *Id.* at 981. It seems almost sacrilegious to write an article on the protection of tradenames in noncompetitive situations without including these famous words by Learned Hand, J.:

[I]t has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask. And so it has come to be recognized that, unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful. *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928).

27. *Ambassador East, Inc. v. Orsatti, Inc.*, 257 F.2d 79 (3d Cir. 1958); *Bulova Watch Co. v. Steele*, 194 F.2d 567 (5th Cir.), *aff'd*, 344 U.S. 280 (1952); *Adam Hat Stores, Inc. v. Scherper*, 45 F. Supp. 804 (E.D. Wisc. 1942). *But see Dawn Donut Co. v. Hart's Food Stores*, 267 F.2d 358 (2d Cir. 1959); *Food Fair Stores, Inc. v. Square Deal Market Co.*, 206 F.2d 482 (D.C. Cir.), *cert. denied*, 346 U.S. 937 (1953).

28. *Safeway Stores, Inc. v. Sklar*, 75 F. Supp. 98 (E.D. Pa. 1947).

29. *White Tower System, Inc. v. White Castle System of Eating Houses Corp.*, 90 F.2d 67 (6th Cir.), *cert. denied*, 302 U.S. 720 (1937); *Sweet Sixteen Co. v. Sweet "16" Shop, Inc.*, 15 F.2d 920 (8th Cir. 1926); *Nielsen v. American Oil Co.*, 203 F. Supp. 473 (D. Utah 1962).

30. *Ibid.*

31. 3 CALLMAN, *op. cit. supra* note 2, § 76.3(b). This could be referred to as the "reputation zone." *Ritz Carlton Hotel Co. v. Ritz Carlton Hotel Corp.*, 66 F. Supp. 720 (S.D. Fla. 1946) (4th order of court).

factual one, and each case must be decided on its own facts.³² General rules governing unfair competition will not suffice.³³ However, when there is a mere possibility of expansion, but not a reasonable probability, relief should be denied.³⁴ If the prior user is only "pretty sure" of expanding and is simply "negotiating" for land in the junior user's area *after* suit has been commenced, an injunction will not lie.³⁵

In situations where neither the senior user's tradename nor his business has expanded into the area in which the junior appropriator is using the tradename,³⁶ the good or bad faith of the alleged infringer is important, but not dispositive.³⁷

In *El Chico, Inc. v. El Chico Cafe*,³⁸ even though the junior user knew at the time he established his business that the senior user was operating a similar business under the same tradename 2000 miles away, the existence of such knowledge by the junior user was not sufficient to demonstrate fraud or deceit.³⁹ The court based its decision on the following factors: (1) the New York establishment did not have the exclusive right to such a common Spanish name, since the businesses were not in direct competition; (2) there was no likelihood of confusion as to source; (3) there was no intent to benefit from the reputation or good will of the senior user; and (4) much money was spent on advertising by the junior user. These were held to amount to a showing of good faith. The mere possibility of confusion of sponsorship was considered to be too far-fetched, and the suit for an injunction was denied.

However, in *Lincoln Restaurant Corp. v. Wolfies Restaurant, Inc.*,⁴⁰ evidence showed bad faith on the part of the junior appropriator of the

32. *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711 (Fla. 2d Dist. 1964); *Maison Prunier v. Prunier's Restaurant & Cafe, Inc.*, 159 Misc. 551, 288 N.Y. Supp. 529 (Sup. Ct. 1936); *Foss v. Culbertson*, 17 Wash. 2d 610, 136 P.2d 711 (1943).

33. *Maison Prunier v. Prunier's Restaurant & Cafe, Inc.*, *supra* note 32.

34. *Fairway Foods, Inc. v. Fairway Markets, Inc.*, 227 F.2d 193 (9th Cir. 1955); *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711 (Fla. 2d Dist. 1964).

35. *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, *supra* note 34.

36. *Lincoln Restaurant Corp. v. Wolfies Restaurant, Inc.*, 291 F.2d 302 (2d Cir. 1960); *El Chico, Inc. v. El Chico Cafe*, 214 F.2d 721 (5th Cir. 1954); *Ambassador East, Inc. v. Shelton Corners, Inc.*, 120 F. Supp. 551 (S.D. N.Y. 1954)

37. *Lerner Stores Corp. v. Lerner*, 162 F.2d 160 (9th Cir. 1947); *Cf. Best & Co. v. Miller*, 167 F.2d 374, *cert. denied*, 335 U.S. 818 (1948); *Safeway Stores, Inc. v. Sklar*, 75 F. Supp. 98 (E.D. Pa. 1947). "Good faith" is shown by: lack of knowledge of prior use of the name, *Faciane v. Starner*, 230 F.2d 732 (5th Cir. 1956); an absence of intention to injure the senior user, *El Chico, Inc. v. El Chico Cafe*, 214 F.2d 721 (5th Cir. 1954); an amount of money spent by the subsequent user in advertising commensurate with his volume of business, 3 *CALLMAN, op. cit. supra* note 2, § 76.3.

"Bad faith" could be inferred when the subsequent user had knowledge of the name's prior use or where no explanation was offered as to the origin of the name by the subsequent user. *Esquire, Inc. v. Esquire Bar*, 37 F. Supp. 875 (S.D. Fla. 1941). *Contra*, *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711 (1964).

38. 214 F.2d 721 (5th Cir. 1954.)

39. *Accord*, *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711 (Fla. 2d Dist. 1964).

40. 291 F.2d 302 (2d Cir. 1960), *cert. denied*, 368 U.S. 889 (1961).

tradename, a probable confusion as to sponsorship, and a lack of control by the senior user of that name. Therefore, there was a probability of injury to the senior user's reputation and good will, even though the businesses were 1500 miles apart. After alleging and proving their priority of use and the similarity of the tradenames and operations of the businesses, the Miami Beach complainants somehow proved to the court that from fifty to sixty per cent of its customers come from the area of the alleged misappropriator—Brooklyn, N.Y.⁴¹ A crucial blow to the junior appropriator's defense was his failure adequately to explain the origin of his tradename.⁴² This failure implied bad faith, and injunctive relief was granted.

A difficult situation arises when the rapidly expanding senior user encounters another user of its tradename who was organized subsequently, but located prior in time in the proposed area of expansion. If the good faith subsequent user did not attempt to use the larger user's name to its own advantage, and the senior user's tradename had not acquired a secondary meaning in the area of the local user at the time the latter established its business,⁴³ the court would be reluctant to enjoin either party. In one case, rather than being granted injunctive relief the litigants were given ninety days to work out their own solution.⁴⁴

Of course, when a person in the exercise of ordinary care would not confuse two businesses, and there is no actual confusion on the part of the public, an injunction will not lie.⁴⁵

CONCLUSION

When a person expends time, energy and money to build a tradename, he wants to be assured that the name will be his alone. The courts have formed and applied standards to protect tradenames in noncompetitive cases, but their standards are "elastic." Since in such cases the intent of the subsequent user of a tradename has had a bearing on the protection granted by the courts, it would be unjust to apply a totally rigid standard.⁴⁶ If the junior user is trying to "ride the coattails" of the senior

41. *Id.* at 303. See generally Annot., 76 A.L.R.2d 619 (1961); Caughey, *The Use of Public Polls, Surveys & Sampling as Evidence in Litigation, and Particularly Trademark & Unfair Competition Cases*, 44 CALIF. L. REV. 539 (1956).

42. Could it be possible that every person named "Moore" who wants to operate a restaurant will have a first name of "Dinty"? For discussion see the dissenting opinion of Moore, J., in *Lincoln Restaurant Corp. v. Wolfies Restaurant, Inc.*, 291 F.2d 302, 304 (2d Cir. 1960).

43. *Lerner Stores Corp. v. Lerner*, 162 F.2d 160 (9th Cir. 1947); *Tampa Wholesale Co. v. Foodtown, U.S.A., Inc.*, 166 So.2d 711 (Fla. 2d Dist. 1964); *Stagg Shop of Miami, Inc. v. Moss*, 120 So.2d 39 (Fla. 2d Dist. 1960).

44. *Hot Shoppes, Inc. v. Hot Shoppe, Inc.*, 203 F. Supp. 777 (M.D. N.C. 1962).

45. Cases cited note 44 *supra*.

46. The rationale of trademark protection is still based on the idea that one may not "palm off" his goods as the goods of another. *Croft v. Day*, 7 Beav. 84, 49 Eng. Rep. 994 (Ch. 1843); *Perry v. Truefitt*, 6 Beav. 66, 49 Eng. Rep. 749 (Ch. 1842); *Millington v.*

user's reputation, exploit his good will, or "poach" on an established business, he should be stopped. But if the subsequent use was exercised in ignorance of the prior use, and the junior user expended effort and money to build his own good will, an application of a rigid standard would seem harsh.

However, minimum standards to protect tradenames should be set by precisely-worded legislation. Adequate protection necessarily would entail registration and a clearing house to cross check between corporate names, trademarks and tradenames. A central authority transcending state government would be most desirable.⁴⁷

Fox, 3 Myl. & Cr. 338, 40 Eng. Rep. 956 (Ch. 1838). However, "judicial sensibilities" rather than strict legal principles governs such protection. Schecter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

47. Several states have adopted specific tradename statutes, naturally all territorially limited in scope, and generally requiring a registration with the Secretary of State of a "readily distinguishable" name. *E.g.*, IND. STAT. ANN. §§ 50-201 to -204 (1964); N.H. REV. STAT. ANN. ch. 349 (Supp. 1963). *Cf.* CAL. BUS. & PROF. CODE §§ 14400-05 (1960), which is a codification of California's case law with no registration provision.

Florida's tradename statute is found in a section entitled "Unlawful to Counterfeit Trademark," FLA. STAT. § 506.06 (1963), of the chapter entitled "Stamped or Marked Bottles and Boxes":

When any person . . . adopts or uses and files . . . any label; trademark, term, wording . . . for the purpose of . . . distinguishing any goods . . . or other products of labor as having been made . . . or put on sale by such person . . . , it shall be unlawful to counterfeit or imitate such label, trademark, term, wording . . . or knowingly to use . . . such label, trademark, term, wording

While not obviously, at first blush, a statute for the protection of tradenames, its application by the courts has been with reference, *inter alia*, to the name of a restaurant, *Faciane v. Starner*, 230 F.2d 732 (5th Cir. 1956); a transportation corporation, *Greyhound Corp. v. Goberna*, 37 F. Supp. 171 (S.D. Fla. 1941); and a shoe store, *Children's Bootery v. Sutker*, 91 Fla. 60, 107 So. 345 (1926). Florida requires a filing with the Secretary of State, FLA. STAT. § 506.07 (1963), and provides for the granting of an injunction for counterfeiting or imitating the registered tradename. FLA. STAT. § 506.09 (1963). This statute announces no standard to be applied to find a violation, and thus the courts have used the standards as set out in Florida's common law.

The Lanham Trademark Act, 60 Stat. 443 (1946), 15 U.S.C. §§ 1051-1127 (1963), is the pattern for many state trademark statutes. The protection given trademarks under the act and the state trademark statutes does not extend to tradenames. Yet by negative application of the act, a tradename is given some protection. For example, a trademark will be refused registration if it so resembles a tradename being used in the United States as to be likely to cause confusion, mistake or deception. 76 Stat. 769 (1946), 15 U.S.C. § 1052(d) (1963).

Two recent cases may tend to limit state laws regarding unfair competition: *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), held that an action for unfair competition would not lie when the action is for patent infringement and the article in question is not patented. The rationale here was that state unfair competition laws cannot be inconsistent with federal laws regarding a federal power—the right to grant or deny patents. However, in 376 U.S. at 232, the Court expressly said that states "may protect businesses in the use of their trademarks, labels, or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of goods."

Flexitized, Inc. v. National Flexitized Corp., 335 F.2d 774 (2d Cir. 1964), *petition for cert. filed*, 33 U.S.L. WEEK 3236 (U.S. Dec. 28, 1964) (No. 790), interpreted the *Stiffel* case as merely holding that states cannot, under the guise of regulating unfair competition, grant what is in effect patent protection. However the petition for certiorari presents the question:

Did the Lanham Act, independently of state law, establish the federal law of un-

True, free enterprise and honest competition are encouraged by our economic policies, but the ingenuity of a new-comer in building his business is also to be encouraged, and misappropriation of a trade-name discouraged. A court's failure to condemn such misappropriation after being brought to its attention would constitute "judicial condonation of practices which violate the fundamental precepts of fair business dealing."⁴⁸ However, it is clear that as to each particular case, "The determination [must be] largely a factual one and should not be disturbed . . . unless clearly erroneous."⁴⁹

There is no doubt that in the instant case the law followed by the district court is in accord with the majority and is the better reasoned view. However, in applying the law to the facts, it seems that a more liberal court could have granted injunctive relief based on the finding that the subsequent appropriation occurred within the "area of expansion," and that it was made with knowledge of the existence of a prior user.

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fair competition with respect to transactions involving interstate commerce, and, if so, may a state's unfair competition law, consistently with such federal law, impose liability for or prohibit use in interstate commerce of a descriptive word, if such use is permissible under federal law?

What effect the answer has on future state court decisions regarding actions for unfair competition in interstate commerce remains to be seen.

48. Philadelphia Storage Battery Co. v. Mindlin, 163 Misc. 52, 57, 296 N.Y. Supp. 176, 182 (Sup. Ct. 1937).

49. Tampa Wholesale Co. v. Foodtown, U.S.A., Inc., *supra*, note 43, at 714.