THE

LAW OF TRADE MARKS,

WITH SOME ACCOUNT OF

ITS HISTORY AND DEVELOPMENT

IN THE

DECISIONS OF THE COURTS OF LAW AND EQUITY.

BY

EDWARD LLOYD,

OF LINCOLN'S INN, BARRISTER-AT-LAW.

SECOND EDITION.

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TO THE RIGHT HONOURABLE

THE LORD JUSTICE KNIGHT BRUCE,

IN ACKNOWLEDGMENT

OF HIS EMINENT LEARNING AND TALENTS,

this work

IS

BY HIS LORDSHIP'S PERMISSION,

RESPECTFULLY DEDICATED,

BY HIS VERY OBEDIENT SERVANT,

The Author.

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PREFACE.

A GREAT portion of the present treatise has appeared in the "Solicitors' Journal" during the year 1861 and the early part of 1862. The author ventures, nevertheless, to hope that the republication of these papers, in a collected form, may not be without its use. The subject is one of very great importance to the commercial world; and the fact, that even during the past year several cases in which it was more or less fully discussed have been brought before the Courts of Equity, shows that the law, as it now stands, is not sufficiently definite to protect this species of property.

In addition to his former remarks the author has ventured to make some suggestions on the provisions of a Bill which was last year brought into the House of Lords by the late Lord Chancellor, and those of a Bill recently laid before the House of Commons by Messrs. Roebuck and Hadfield. These suggestions are put forward with much diffidence, but it seemed to him that any remark proceeding from a serious consideration of the difficulties of the question, and a careful study of the cases relating to it, would not be undeserving of the attention of those who were about to propose alterations in the existing state of law, as well as of the general public, to whom the state of the law as it is, and as it ought to be, must be of paramount importance.

9, *Old Square, Lincoln's Inn,*
March, 1862.

PREFACE TO THE SECOND EDITION.

NEARLY six months after the publication of this treatise the Merchandise Marks Act, 1862, became law, and by this Act it was no doubt expected that a serious check would be put to those frauds, the cognizance of which had previously been in a great measure confided to the Courts of Equity. Such, however, has not been the case; indeed it would almost seem as if the exhibition of an ineffectual remedy had given an impulse to the disease. At any rate nearly one-fourth of the cases reported on this subject have been decided within the last two years. It would not, however, now be profitable to examine the causes which might be assigned for the want of success of that measure. In the former Edition I ventured to discuss the main features of the two Bills then before Parliament; but as the passing of the Act of 1862 has rendered those observations superfluous, they have been omitted in the present volume. I may, however, be allowed to remark that the view then taken of the principle on which legislation on this subject should be based, rather receives confirmation from the events which have followed the alteration of the law. This change and the number of fresh cases which have been decided in the Courts of Equity, but more than all the very important decisions of the Lord

Chancellor (Westbury) in the Leather Cloth Company's case,* and in Hall *v.* Barrows, have induced me to hope that a Second Edition of this work might be useful to the public. As laying down clearly the principles on which the Courts of Equity must be taken to found their decisions, the two cases I have referred to are invaluable, and will, no doubt, put an end to the discussion of the question whether the right to use a trade mark is to be maintained as a proprietary right or not.

I have gladly availed myself of this opportunity for correcting, to the best of my ability, the errors and omissions of the former Edition; endeavouring, at all events, to present a complete catalogue of the cases decided up to the present time.

89, *Chancery Lane*,
February, 1865.

* During the progress of these sheets through the press, this case has been decided on appeal by the House of Lords. Their decision, though proceeding on different grounds from that of the Lord Chancellor, yet affirms rather than shakes the view expressed by him as to the proprietary character of the right to use a trade mark.

June 15*th*, 1865.

The Law of Trade Marks.

CHAPTER I.

NATURE AND ORIGIN OF THE RIGHT TO USE A TRADE MARK.

THE natural right of every one to enjoy, within certain limits imposed by law for the benefit of society at large, an exclusive profit on the results of his power of invention, whether applied in the production of any saleable commodity or of a new manufacture, or in the execution of a work of art, though unknown to ancient systems of jurisprudence, has long been recognised by modern civilization. This right is founded on the influence of public opinion. It is felt that for the public benefit, encouragement should be given to the development of new ideas, whether in manufacturing processes or in the province of art; it has also long been considered, although some modern theorists dispute this view, that sufficient encouragement can only be given to this development by a grant of some exclusive privilege of manufacture or sale; from these considerations has arisen an opinion almost universal, that it would be an immoral act on the part of the public to use the results of the inventor's labour, without offering him that fair price for it, which a limited monopoly alone represents. Such is the most reasonable supposition as to the origin of patent-rights in this

country, and their exception, by sec. 6, from the general enactments against monopolies (21 Jac. 1. c. 3).

So, also, the exclusive property of an author, artist, or designer, in the productions of his invention, is recognised, while its enjoyment is limited, by the conditions which have been imposed by the several Copyright Acts which have been passed since the original statute, 8 Anne, c. 19.

But if in these cases, still more in that of the exclusive right to a trade mark, must the same tacit admission of the existence of a natural right be assumed, to account for these instances in which its violation has repeatedly been punished. By attaching to any article of his manufacture a trade mark or device by which it is known to the trade, or to the public in general, a manufacturer acquires, as the result of his ingenuity and skill, a special preference in the market for goods so marked. Here the advantage to the public, supposed to be that of a peculiarly excellent commodity, is, as we all know, frequently small, often altogether illusory, while the privilege of the trader is in many respects considerable, and is without limit in point of duration. We can, therefore, hardly suppose any other grounds for this right having ever sprung into existence, than those which are afforded by the sentiment of natural equity. What this right is, doubtless is somewhat difficult to define.

The origin and nature of the legal right to protection in the use of a trade mark is to be ascertained from the species of remedy given for its violation. This remedy is an action on the case for deceit, so that the unauthorized use of a trade mark is obviously deemed to be a fraud. But then the question arises, on whom is the fraud committed? who shall maintain the action? the trader whose mark is unduly appropriated, or the buyer of the goods, the sale of which is promoted by this means? The difficulty is suggested by one of the ear-

liest cases on the subject, which is cited in *Southern* v. *Howe*, Pop. 1 43, 2 Cro. 468; and as it gives us the elements of the law which govern this subject, I give it *in extenso*. The case, as stated in Popham's Reports, runs thus, that, "in 22 Eliz. an action upon the case was brought in the Common Pleas by a clothier, that whereas he had gained great reputation for his making of his cloth, by reason whereof he had great utterance to his benefit and profit, and that he used to set his mark to his cloth, whereby it should be known to be his cloth, and another clothier perceiving it, used the same mark to his ill-made cloth on purpose to deceive him, and it was resolved that the action did well lie." On turning, however, to the report of the same case in Croke, we find it stated, that "an action upon the case was brought by him who bought the cloth, for this deceit, and adjudged maintainable;" so that it is doubtful, from these two statements, who was, in the opinion of the judges, the person to bring the action. Comyns, in his notice of this case (Dig., Action on the case for deceit, A. 9), leaves this point in ambiguity, although the reference he gives is to the report of the case in Croke; on the whole, however, judging by the applicability of the case to that of *Southern* v. *Howe*, where it is cited, it would seem that Popham's version is the correct one: on the other hand, Lord Rolle, the only other authority on the point, in his Rep. v. 2, p. 28, while he adds, with respect to this action, *Semble que gist pur le vendee*, yet states expressly that the point was left in doubt by Doderidge, J., who cited the case. From the form, indeed, of action originally adopted, and ever since adhered to, it might well be supposed that an action would lie as well on the part of the purchaser as on that of the trader whose mark is pirated: on the part of the former, because a direct fraud is committed against him, when by reason of the mark he is induced

to buy inferior goods; of the latter, because by the deceit practised he is excluded from the market, which otherwise he might have occupied, and loses the profit of the sale: the latter course, however, has been followed in all subsequent cases.

We see, therefore, that the ground on which the Courts of Common Law have always protected a trader in the use of his trade mark, is on that of fraud; or, as it is stated in general terms by Comyns, in his note on the passage before referred to, "A fraudulent misrepresentation (and fraud is of the essence of the injury) occasioning damage; the falsehood whereof the person to whom it is made has no means to detect, is actionable."

We come next to inquire what are the principles on which the Court of Equity has intefered for the protection of this right. In the earliest case on the point, *Blanchard* v. *Hill*, 2 Atk. 484, where an injunction was applied for to restrain the defendant from making use of the Great Mogul Stamp upon his cards to the prejudice of the plaintiff, Lord Hardwicke denied that there was any foundation for the Court to grant such an injunction. He observed that every particular trader had some particular mark or stamp, but that he knew no instance of granting an injunction in the Court of Equity to restrain one trader from using the mark of another. He thought it would be of mischievous consequence to do it. He denied the force of the objection that the trader was thereby prejudiced by the taking away of his custom, and by distinguishing from all others those cases in which the goods sold were inferior in quality, he leaves us to infer that in the latter case, and then only, would the Court of Equity interfere. This limit to the jurisdiction has been long since abandoned; indeed, it is not easy to follow the reasoning which led to Lord Hardwicke's conclusions. For, if the fact of the

injury done by loss of trade to the manufacturer who first uses a particular trade mark is not sufficient to support the jurisdiction, it is difficult to see upon what satisfactory principles the jurisdiction is founded when the goods sold under the pirated mark are inferior in quality.

It is worth while here to remark an observation of Lord Hardwicke's, "that there was no force in the objection that the defendant, by using this mark, prejudiced the plaintiff by taking away his customers," because this position has been completely overruled by the cases to which a reference will hereafter be made, and also on account of the illustration which his lordship offers of his opinion. He says, "There is no more weight in this than there would be in an objection to one innkeeper setting up the same sign as another." Now I should be disposed to think that if this was done under such circumstances as would be likely to draw away deceitfully the trade of the original inn, relief might be obtained in equity; and we find that the very point has been so held by an American Court, in a case where an hotel had acquired a very great reputation, and its owner was accordingly protected in that sort of property in the sign of his house (*Howard* v. *Henriquez.* 3 Sand. S. C. 722).

It is now established that where the right to use a trade mark has been sufficiently proved, either by trial at law or by usage, a Court of Equity will interfere by injunction, and that it will do so on the assumption that the legal remedy is inadequate, and on the ground of irreparable waste or damage. This general principle is very distinctly stated by Lord Cottenham in *Motley* v. *Downman*, 3 My. & Cr. 1, he says that, "the Court, when it interferes in cases of this sort, is exercising a jurisdiction over legal rights, and although in very strong cases it sometimes interferes in the first instance by injunction, yet in general it puts the party upon asser-

ting his right by first trying it in an action at law, or by permitting the plaintiff, notwithstanding the suit in equity, to bring an action." So far, then, the principles upon which the Courts of Law and Equity have acted in granting relief in these cases, appear to be in harmony with each other, the latter refusing to recognise any species of property in a name or a mark, and therefore granting relief only in those cases where the machinery and not the ground of jurisdiction of the former was inadequate to relieve against an injury, the essence of such injury being fraud. Where, however, we come to the later decisions of *Millington* v. *Fox*, 3 My. & Cr. 338; and *Welch* v. *Knott*, 4 K. & J. 747, we find a material alteration of opinion is implied, if not expressed, in the judgment of the Court in either case. For following the principles which are involved in these decisions it is clear, that even where there is no fraudulent intention on the part of the persons usurping the trade mark of the plaintiffs, yet that circumstance does not deprive the plaintiffs of their right to the exclusive use of certain names or marks. Already we find sufficient authority for saying that in the consideration of the Court of Equity the right of property in a trade mark is something more direct and specific than it can be deemed to be at law. At law it consists of a right to be protected against fraud; in equity it challenges some of the peculiar characteristics of property; but as it has been laid down more than once that a person cannot acquire property in a mere name, it must be deemed a species of property qualified rather than absolute, still sufficiently precise to enable the subject to attain a substantial protection.

This extension of their jurisdiction on the part of the Courts of Equity is quite in accordance with the distinctions which have been drawn between the subjects in which they are intended to afford relief, and those cases

in which the aid of a court of law may be successfully invoked. It would be hard that a person having unwittingly injured a trader by the use of a particular mark, should be punished by damages in an action at law, and yet very just that the same person should be restrained from continuing the injury, especially as such a continuation could not, after notice of the wrong, fail to be fraudulent. It must, however, be allowed that in granting relief in cases of this description, Courts of Equity abandon the legal ground of fraud, and can then only be considered to proceed on the ground of protecting against injury.

Another consideration by which the Courts of Equity have long been influenced is material as tending to the same view—that is, that in no case have they interfered unless an injury has been done to property. An instance of this is found in *Clark* v. *Freeman*, 11 Beav. 112, where it was held that Sir James Clark, having no pecuniary interest in the vending of medicine, he suffered no injury by the adoption of his name by the defendant to distinguish the "consumptive pills" made by him.

In the more recent case of *The Emperor of Austria* v. *Kossuth*, 2 Giff. 638, there are several observations of the learned judge showing an inclination on his part to regard trade mark rights in the light of property of some sort or other. The question, however, may now be considered as concluded by the very admirable judgments of the Lord Chancellor in the Leather Cloth Company's Case, 12 W. R. 289, and in *Hall* v. *Barrows*, *ibid.* 322. In the former case his lordship remarks, "that the goods of one man may be sold as the goods of another without giving that other person the right to complain, unless he sustains, or is likely to sustain, from the wrongful act some pecuniary loss or damage;" and, secondly, that "it is not requisite for

the exercise of the jurisdiction that there should be fraud or imposition practised by the defendant at all; imposition on the public becomes the test of the property in that trade mark having been invaded and injured, but is not the ground on which the Court rests its jurisdiction." He then proceeds to say that "if the plaintiff has an exclusive right to use any particular mark or symbol in connection with the sale of some commodity, it becomes his property for the purpose of such application, and the act of the defendant is a violation of such right of property corresponding with the piracy of copyright or the infringement of a patent. The true principle seems to be that the jurisdiction of the Court in the protection given to trade marks rests upon property, and that the Court interferes by injunction, because that is the only mode by which such property can be effectually protected." In the latter case, his lordship again pronounces that "the true ground of the Court's jurisdiction is property;" he accordingly ordered the trade mark of a firm to be valued as forming part of the partnership assets, and as included in the terms of the deed of partnership under the words "stock."

The right to use a trade mark may therefore be considered as a property whose nature is compound. There is no exclusive ownership of the symbols which constitute a trade mark apart from the application of them, but the word itself is the designation of marks or symbols when applied to a vendable commodity, and the exclusive right to make such application is rightly called property. It is open to any one to use the mark apart from the article to which it was originally applied; so used, there is no injury to the original manufacturer, neither is there any injury in the use of a name belonging to another person to distinguish a particular article, such person having no

trading interest in that article; but in the sale of an article which by a mark or device attached to it professes to be the manufacture of a particular trader, apart from any intention of fraud, an injury is committed which it comes within the province of a Court of Equity to relieve against.

It might, at first sight, seem that the case of *Flavel* v. *Harrison*, 10 Hare, 467, is opposed to this view. In that case the defendant made and sold an article called "Flavel's Patent Kitchener" (which was, in fact, a copy of an article that had been long made by the plaintiff); but it appeared that the defendant was in the habit of stating at such sales that the article was not, in fact, Flavel's, but of his own manufacture; so that even supposing the case to have rested on that ground alone, there was room to contend that no injury was done to the plaintiff; but I am disposed to think that the decision in that case rested mainly on the fact that there was a misuse of the name by the plaintiff—that he had no right to use the word "patent;" this, as will be shown subsequently, has always been held to be a sufficient ground for the Court to refuse to grant relief. There were other circumstances, too, in the case which render it improbable that the decision was arrived at on the ground of property.

CHAPTER II.

THE REMEDIES AGAINST PIRACY.

THE view now taken by Courts of Equity on questions affecting the use of trade marks justifies the assertion that there is a qualified property in a name, mark, or device used to distinguish a particular manufacture, or in the particular application of the mark in combination with the manufacture; and on this ground alone, of there being such a quasi-property, can the later decisions be upheld. At law, on the other hand, the injury done to a trader in respect of his trade mark cannot be considered as anything more than a personal injury to be compensated by damages. The next question, therefore, which we shall have to consider is, what are the means which have been employed, or attempted to be employed, up to the present time, to protect the trader in the use of his mark, whether considered as property or as a mere personal right. These are of four classes :—

1. By criminal indictment.
2. By indictment under the Merchandise Marks' Act, 1862.
3. By action for damages.
4. By injunction.

1. There are two heads of crime under which it might be expected that the fraudulent imitation of a trade mark would be indictable,—as a forgery, or as the obtaining money under false pretences. The first of these methods was adopted in the case of *Reg.* v. *J. Smith*, 1 Dearsley

& Bell, 566. The imitation in this case consisted of a printed label, which was an exact imitation of the labels attached by the prosecutor, George Borwick, to packets of his powder, called "Borwick's Baking Powder," with this exception, that the signature, "George Borwick," was omitted in the counterfeit. It was contended, on the part of the prosecution, that the term forgery might be defined as the alteration or making of a false document with intent to defraud; and cases were cited in which the fraudulent imitation of a printed document, such as a diploma of the College of Surgeons, the good conduct certificate of the master of a ship, and of a clergyman as to the character of a schoolmaster, had been held to be forgeries. It was, however, unanimously held by the bench that the conviction was not sustainable; that the issuing of the wrapper or label, without the powder which it enclosed, would be no offence; and that, in the printing of the wrappers, there was no forgery committed by the printer. Bramwell, B., there said: "Forgery supposes the possibility of a genuine document, and that the false document is not so good as the genuine document, and, that the one is not so efficacious for all purposes as the other;" that, in the case before him, "one of the documents is as good as the other—the one asserts what the other does—the one is as true as the other; but one gets improperly used." I have not been able to find any case in the Reports, in which an indictment for obtaining money under false pretences, has been sustained in the case of a fraudulent use of a trade mark, although, by the kindness of a member of the profession, I have been referred to the cases of *Reg.* v. *Gray & Gosling*, in which the prisoners were sentenced to twelve months' hard labour for the fraudulent use of Messrs. Allsop's labels; and to another case of *Reg.* v. *S. Jones*, where a sentence of three years' penal servitude was inflicted. It is clear, however, that the principle is applicable; and, in the

case first cited, Willes, J., says: "In cases like the present the remedy is well known; the prosecutor may, if he pleases, file a bill in equity to restrain the defendant from using the wrapper; or he may bring an action at law for damages, or he may indict him for obtaining money under false pretences." This opinion of Mr. Justice Willes was assented to with more or less positiveness by the other judges; and it seems somewhat strange that this form of indictment should not have come into use by manufacturers for the purpose of protecting their trade marks. It may, however, be accounted for on the ground that an action at law for damages, if successful, gives a more ample compensation for the violation of their rights.

2. The operation of the Merchandise Marks' Act, 1862, has already been discussed in a very complete treatise by Mr. Poland. I need, therefore, only state that the various offences which it defines—such as the forging or application of a genuine or a false trade mark, or of a colourable imitation thereof, with intent to defraud—are declared to be misdemeanours, and to be punishable by penalties recoverable in an action of debt, or by summary proceedings before two justices, by action for damages, by imprisonment, with or without hard labour and fine, for not more than two years; and by forfeiture of the articles fraudulently marked. It does not seem probable that this Act will come into very general use, owing to the difficulty of proving a fraudulent intention so clearly as to induce a Court to allow the operation of a highly penal enactment, solely for the protection of property.

3. We have seen that the form of action adopted in vindication of the right to use a trade mark is that of an action upon the case for deceit, and that in this action fraud is of the essence of the injury. There are, therefore, two main points to be proved—the fraudulent nature of the wrong committed by the defendant, and

the nature of the injury suffered by the plaintiff. The nature of the wrong to be proved is well defined by Wilde, C. J., in the case of *Rodgers* v. *Nowill*, 5 C. B. 109. He says:—"Has more ever been necessary to be proved in actions of this description than that the plaintiff, being a manufacturer, has been accustomed to use a certain mark to denote that the goods so marked were of his manufacture; that such mark was well known and understood in the particular trade, and that the defendants had adopted the mark, and sold goods bearing it as and for the plaintiff's goods, with intent to deceive?" On these grounds the action was held not to be maintainable in *Singleton* v. *Bolton*, 3 Dougl. 298, for there no sale was proved to have been made by the defendant of a medicament (yellow ointment) of his own under the name or mark of the plaintiff, but both the plaintiff and the defendant used the name of the original inventor (Dr. Johnson), and no evidence was given of the defendant having sold his ointment as if it had been prepared by the plaintiff. So, also, in the case of *Crawshay* v. *Thompson*, 4 Man & Gr. 357, it was held that the mark used by the defendants was not used with the intention of supplanting the plaintiffs, but that it was applied to certain goods in the ordinary course of business, and in execution of orders. This decision is grounded on the evidence in the case as to the fraudulent use of the mark (which was alleged by the plaintiffs in their declaration), and turns on the question of what constituted such a fraudulent use. It seems clear, from the statement of the case, that there was no proof of an intention on the part of the defendants to sell their manufacture, which was iron in bars stamped with a particular stamp for the Turkish market, as and for the iron made by the plaintiff; but it was contended that their motive in using the mark or stamp was immaterial if the resem-

blance in fact existed, and they were aware of it. Here the case of *Polhill* v. *Walter*, 3 B. & Ad. 114, was cited to show that a fraud at law was committed where a representation is made which a party knows to be untrue, and which is calculated, from the mode in which it is made, to induce another to act on the faith of it so that he may incur damage; the intention to defraud being presumed from the act of misrepresentation. It was considered, however, in *Crawshay* v. *Thompson*, that there was no evidence to show that the defendants really believed that persons might be imposed upon by their using the mark complained of; and it was even held that a letter addressed by the plaintiff to the defendants, complaining of their use of the mark in question, and designating it as "a palpable fraud" upon him did not necessarily affect them with notice of resemblance, and with a consequent fraud; the evidence in the case having satisfied the jury that the statement of the plaintiff was not believed or admitted by the defendants. The nature of the wrong suffered by the trader whose mark is fraudulently used is twofold. It consists in the injury to his reputation where an article of inferior value is palmed off upon the purchaser, as was considered to be the ground of action in the case cited in *Southern* v. *Howe*; or else in the injury done to his trade by general loss of custom. It is quite clear that at the present time, whatever may have been the opinion of the Courts of Law formerly either is a sufficient ground of action. This point is sufficiently shown in *Blofield* v. *Payne*, B. & Ad. 410 (See also *Rodgers* v. *Nowill*), where it was held that a verdict for nominal damages was sufficient to maintain the statement in the declaration of the damage suffered by the plaintiff. It is, however, necessary for the plaintiff to show that an actual damage has been suffered.

The fact that the name used by the defendants to distinguish their manufacture is really their own, though it be that of the plaintiff also, is not sufficient to rebut the charge of fraudulent intention. In *Sykes* v. *Sykes*, 3 B. & Cr. 541, where one of the defendants was named Sykes, and contended that he had a right to mark certain shot-belts, powder flasks, &c., with that name, it was held such a use of a name might of itself be sufficient to show a fraudulent intention. *Rodgers* v. *Nowill* also decides the same point.

The case of *Sykes* v. *Sykes* is also important as showing that the misrepresentation need not be immediate in order to give a ground of action. It was there proved on the defence that the sale of the spurious article was made to retail dealers, who were aware of the fraud; but it was held that the sale to them for the purpose of a resale to the public, who would be deceived by the pirated stamp, was substantially the same thing as a direct fraud by the original vendor.

In *Lawson* v. *The Bank of London*, 18 C. B. 84, upon a declaration that the plaintiff had established a bank in London, called "The Bank of London," and was the first person who had established a bank by or under that name; and had established the said bank at a great expense, and caused the name to be published and affixed on the offices of the said bank, and had issued prospectuses with that title, whereby he had acquired and was acquiring great gains and profits, and upon the further statement that by the defendants, use of a similar title to their bank, the plaintiff had been deprived of his profits, it was held that the action would not lie. It appeared from the evidence that this was a contest between rival banking schemes; that the plaintiff had not established himself as a banker in such a way as to entitle him to complain of the defendant's conduct in using the same name for their bank, and that, in fact,

he had never actually carried on business, so that his loss of profit was merely contingent.

4. We have thus considered these cases in which the jurisdiction of the Courts of Criminal and of Common Law has been exercised, to punish the fraudulent imitation of a trade mark; that they are few, in comparison with those which we shall have to examine, shows sufficiently that hitherto the protection afforded by the Court of Equity to a trader, in respect of his property in, or his right to use, a distinguishing mark or name, has been considered more effectual than those methods which I have already discussed.

I have referred to the case of *Millington* v. *Fox*, in illustration of the proposition that only when the legal title is clear will a Court of Equity interfere by injunction to restrain the use of a trade mark.

When that title is not clear, there are two courses open—either to grant the injunction, at the same time ordering the plaintiff to bring an action at law to prove his title; or to suspend the injunction, and to order an account to be kept by the defendant of the profits which he may have made by the use of the mark or name alleged to be pirated, leaving it to the plaintiff to try his legal right or not, as he may consider advisable. The balance of authority is, perhaps, in favour of the latter course, and the reasons for which it is preferable are very fully stated by Lord Cottenham, in *Spottiswoode* v. *Clarke*, 2 Ph. 154, in the following words:—"I have often stated it to be my opinion, that unless a case depending upon a legal right is very clear, it is the duty of the Court to take care that the right be ascertained before it exercises its jurisdiction by injunction, and that it may commit great injustice by intefering until that question has been decided." His Lordship then points out the objections to this immediate inteference in questions of disputed title; first of all on the ground

that in pursuing this course the Court compels future litigation, whereas by suspending the injunction it enables the plaintiff to pause and consider whether it is worth his while to begin that course of litigation which will be requisite to establish the right on which he insists; in the second place, that in granting the injunction, the Court is expressing a strong opinion on the legal question, and thus prejudicing the defendant's case.

The stronger objection, however, is, that the Court runs the risk of doing the greatest injustice in case its opinion upon the legal right should turn out to be erroneous. If the plaintiff proves his title by a successful action at law, he is indemnified by the defendant on the account which the Court has directed the latter to keep. On the other hand, if the plaintiff fails in his proof at law, there are no means in his power for compensating the defendant for the loss he has sustained by the suspension of his trade during the operation of the injunction. This is, no doubt, quite a sufficient reason for withholding that remedy, unless there be a very clear preponderance of proof in favour of the plaintiff in the first instance, or some conduct be shown on the part of the defendant which renders it unadvisable to permit him to continue his trade upon the footing of an account to be taken. Similar principles have been applied in the exercise by the Court of its jurisdiction in patent and copyright cases, and on the same grounds. In *Stevens* v. *Keating*, 2 Ph. 338, the same learned judge uses these terms, "that if the injunction, having been once granted, turns out to be unfounded, you are doing an irreparable injury to the parties restrained, whereas by withholding it you may be permitting some injustice, but certainly not an injustice at all equal to that which you are doing by improperly granting it." In the latter case the Court went

so far as to fix the time within which the plaintiff was to bring his action; and on his failing to proceed to trial of that action upon grounds which were by the Court considered to be insufficient to justify his delay, and upon a subsequent motion on the part of the defendant, the injunction which had been granted on the merits of the case was dissolved, and the defendant was directed to keep an account of his profits. We shall notice hereafter some of the more important cases, showing the grounds on which the Court acts in restraining the violation of a trade mark where the legal right is clear; "where there has been such a length of exclusive usage of the name or mark of the plaintiff as to justify the Court in interfering" (*London and Provincial Law Life Assurance Society* v. *London and Provincial Joint Stock Life Insurance Company*. 11 Jur. 938), it will do so in a summary way against the defendant. On the other hand, when the question of right is not so clear and indisputable, it will order the plaintiff, while it gives a temporary protection to his title, to maintain his right by a trial at law, or will give him an opportunity of asserting that right, if on further reflection he should find it worth his while to do so. We shall have in the next place to consider who are the persons entitled to appeal to the Court for its protection in one or other of these forms, and to notice the distinctions which exist between the rights of British subjects and those of aliens on this head.

CHAPTER III.

THE RIGHTS AND REMEDIES OF ALIENS.

THERE is a strong analogy between the cases upon the property of an alien friend in the copyright of his work, first published in this country, and those upon his right to protection in the use of a trade mark; and I think it will be admitted that the only true distinction arises from the fact that the former right must be now held (whatever may formerly have been the judicial opinion on this subject) to exist solely by virtue of the statute 8 Anne, c. 19, whereas the latter is a common-law right.

The latest, and perhaps most important, case on the subject of copyright in a foreigner residing abroad is that of *Jeffreys* v. *Boosey*, 4 H. of L. 815. In that case there seems to have been a very strong opinion that, independently of the statute of 8 Anne, an author had, even after publication, an exclusive right in his manuscript by virtue of the common law. At any rate, from the opinion of the six judges, who, in that case, pronounced in favour of the right of a foreigner residing abroad and publishing his manuscript in this country first, to the privileges of a British subject in respect of his copyright (for the circumstances of that case are equivalent to such a statement of facts), the following propositions appear to follow: that copyright for the author of a literary work existed by common law, unless taken away by the statute of Queen Anne or some succeeding statute; that property was the foundation of that right; that the author had the copyright of his work

because he was the owner; and that (the statute law in their opinion not intervening to destroy that pre-existing right, but only to limit it) the author, whether a natural-born subject or a foreigner, was entitled to protection in respect of this right, which existed on our soil, and was there exposed to wrongful damage; and the cases of *Millar* v. *Taylor*, 4 Burr. 2303, and *Donaldson* v. *Beckett*, 4 Burr. 2408; s. c. 2 Bro. P. C. 129 were referred to in support of these doctrines. However, since the judgment in *Jeffreys* v. *Boosey*, it must be held that a foreigner resident abroad has no copyright in his work sent into our country to be first published; that the common law right to an unpublished manuscript is, after publication, replaced by that given by the statute; and that in this statute, *i.e.*, 8 Anne, c. 19, the words in the preamble to the effect that the object of the Act was the "encouragement of learned men to compose and write useful books," and the words in the enacting clause, "that the author of any book," should have the sole liberty of printing and reprinting it, were to be taken to comprehend such learned men and authors only as were, at the time of publication—for it is, no doubt, at that moment that the statutory right begins—actually resident in this kingdom. The dictum of the Vice-Chancellor in *Delondre* v. *Shaw*, 2 Sim. 237 (the earliest case in which a foreigner attempted to obtain the protection of a Court of Equity in the use of a trade mark), "that the Court does not protect the copyright of a foreigner," accords with this view, although his Honour, in a later case (*Bentley* v. *Foster*, 10 Sim. 329), expressed a directly opposite opinion.

With regard, however, to the right of an alien friend to be protected in the use of his trade mark, the cases of the Collins Company (*Collins Co.* v. *Brown*, 3 K. & J. 423; *Collins Company* v. *Cohen*, Id. 428, 5 W. R. 676) place the question beyond a doubt, wherever the infringement of

that right is attempted by persons within the jurisdiction of the Courts of this country. The Collins Company were edge-tool manufacturers in the United States, and had long used certain stamps and labels to distinguish their tools, and they charged the defendants in the respective suits (for both bills were in substance the same) with having fraudulently used and imitated their trade mark and label, and with selling articles of their own manufacture, in large quantities, to various persons in England and elsewhere, marked and labelled like the goods of the plaintiffs, for the purpose of passing them off as being such goods; and the bills charged the loss already, and which would be hereafter, suffered by the plaintiffs by a continuance of this practice on the part of the defendants, and prayed for an account of their profits on such fraudulent sales, the delivery up of all stamps and labels imitating those of the plaintiffs, and an injunction to restrain them from the use of such stamps and labels in the future.

It was contended in support of a demurrer in the first of these suits (*Collins Co.* v. *Brown*) that the plaintiffs, being an American Company without an establishment in this country, and having never even, according to their own allegations, manufactured or sold goods here, had no right to a trade mark in England; that they could not be defrauded by the use of their trade mark by another person in England, and that in their own country they might sue any person who there sold goods so as to interfere with their trade. It was urged that as in cases of foreign copyright, so in this case, the foreign right gave no similar right in this country; and that a patent taken out in America might be infringed in this country without redress, and the same rule must extend to using trade marks; and it was urged that there would be great inconvenience to traders in this country who might, if suits

of such a nature were allowed, be vexatiously charged with violations of rights of which they perhaps were utterly ignorant. In either case, however, the demurrer was disallowed on the ground that the right to sue in such cases was a personal right, and that being so, a party injured in respect of such right might obtain a remedy against the wrong-doer in the country where he resided, wherever the injury might have been done. In the words of the judgment in this case, "the simple question is, has the plaintiff, by the appropriation of a particular mark fixed in the market where his goods are sold, a conviction that the goods so marked were made by him; and, if so, and if no one else had been in the habit of using that mark, another man has not the right to use that mark so as to commit the fraudulent act of palming off his own goods as being the goods of the person who is known to have been in the habit of using it;" that fraud "is the true foundation of jurisdiction in these cases; and if a man has been in the habit of using a particular mark for his goods for a long time, during which no one else has used a similar mark, the adoption of the same mark by another can only be with a fraudulent intent, and any fraud may be redressed in the country in which it is committed, whatever may be the country of the person who has been defrauded."

Nearly the same arguments were advanced in the second case (*Collins Company* v. *Cohen*) in support of the defendant's demurrer; and it was further urged that the defendants had obtained by user the right to this trade mark in England. It was also urged that there was nothing to show that by the law of America the acts complained of were such as the Courts there would restrain. It was, however, said by V. C. Wood that it was no question of acquiring the trade mark; that no person could acquire property in a trade mark;

what was to be inquired was whether the defendants had acquired a right to put the names and addresses and the trade mark of the plaintiffs on their goods for the purpose of selling them as being the work and manufacture of the plaintiffs. And it was said that the doing of this was a fraud in respect of which the subject of every country not being an alien enemy (and even to an alien enemy the Court has extended relief in some cases of fraud), would have a right to apply to the Court to have the injury to his property arrested. This latter expression contains the whole ground for the decisions of the Courts of Equity upon cases of the violation of trade marks, and for the distinction, when the rights of an alien not here resident are concerned, between these cases and those of copyright. In the latter case there is a specific property created by statute—a property of such a nature (according to the case of *Jeffreys* v. *Boosey*) that it cannot subsist in a foreigner restrained abroad; in cases of the former class, there is a right existing by virtue of common law to have an injury against property of a certain species restrained, the property being not in the mere mark or name, but in the preference in a particular market for the sale of particular goods; or, in the words of Lord Cranworth, in *Farina* v. *Silverlock*, De G. M. & G. 214, 4 W. R. 731, "it is a right which can be said to exist only, and can be tested only by its violation; it is the right which any person designating his wares or commodities by a particular trade mark, as it is called, has to prevent others from selling wares which are not his, marked with that trade mark, in order to mislead the public, and so incidentally to injure the person who is owner of the trade mark." This right, it is now clear, is recognised by our Courts to exist for an alien as well as for a subject of this country; for I think the case of *Pisani* v. *Lawson*, 6 Bing. N. C. 90, shows that at

law as well as in equity an alien friend, not resident at any time in this country, may maintain a personal action for an injury done within the realm.

In the cases of *Delondre* v. *Shaw* and *Farina* v. *Silverlock*, to which I have before alluded, the decision was not grounded on the nationality of the plaintiff in either case; they contain particular points of interest on which I shall hereafter observe; the whole law relating to the rights of foreigners is contained in the Collins Company cases to which I have referred; they were followed by the case of *Collins Company* v. *Reeves* 6 W. R. 117, where the defendant's answer, tending to throw some doubt on the title to the trade mark, the plaintiffs' bill was retained for a year, with liberty to them to bring an action-at-law, and *Collins Company* v. *Walker*, 7 W. R. 222, decided in favour of the plaintiff. In neither of these cases, however, was the right of a foreigner to sue in respect to an injury to his property in a trade mark denied, that injury having been committed in this country.

CHAPTER IV.

THE DOCTRINES OF FOREIGN TRIBUNALS.

THE general principles on which in our own country the rights of the trader, whether a British subject or an alien friend, in the use of a trade mark have been protected, are recognised in the courts of justice both in America and of France. In America, as might be expected, frequent reference has been made in the arguments and the decisions, in cases of this class, to the doctrines of our Courts on the subject; the exponents of the law, however, have derived considerable advantage in the precision with which they are enabled to lay down a rule by which their Courts will be guided in granting or refusing relief from not being hampered by previous decisions. We see in our own Courts a constant endeavour to limit the equitable jurisdiction to the principles laid down by Lord Hardwicke in *Blanchard* v. *Hill*; and though the good sense of later judges has at length firmly established the jurisdiction on a wider basis, I think no one who reads their decisions will fail to be struck by a species of timidity in their expressions, by an anxiety to guard against anything like a recognition of property in a trade mark; although, in fact, some of these very decisions can only be supported by reference to the general right of a Court of Equity to interfere for the protection of property against injury. The general principle has, however, been fully recognised in the American Courts. Mr. Justice Story places injunctions granted in restraint of an alleged violation of a trade mark, together with

cases of piracy of dramatic works, publication from notes of an oral lecture without the author's permission, publication of private letters or engravings, under the general head of protection to property. In *Coffeen* v. *Brunton*, 5 McLean, 256, the principles by which the American Courts will be guided are stated in the following words:—"To entitle a complainant to protection against a false representation, it is not essential that the article should be inferior in quality, or that the individual should fraudulently represent it so as to impose upon the public; but if by representation it be so assimilated as to be taken in the market for an established manufacture or compound of another, the injured party is entitled to an injunction." In the case of *Partridge* v. *Menk*, 2 Sand. Ch. 622, the right of a trader in the use of his mark is regarded as a species of goodwill which he acquires in his business (which is undoubtedly a proprietary right); and it is said by the appropriation to himself of a particular label, sign, or mark, indicating that the article is made or sold by him, or by his authority, or that he carries on business at a particular place, he is entitled to protection against one who attempts to pirate upon the goodwill of his friends or customers, or the patrons of his trade or business, by using such label, sign, or trade mark without his authority.

I have referred to the case of *Howard* v. *Henriquez*, which certainly carries the jurisdiction to its limit; for it appears that in that case the proprietor of an hotel called the "Irving House," or "Irving Hotel," obtained an injunction to restrain the defendant from using the same title for his place of business, although the name did not appear upon any part of the building of the plaintiff. The case of *Colladay* v. *Baird*, decided in the Court of Common Pleas, and recently reported in the *Solicitors' Journal*, vol. 5, p. 543, enters very fully into the reported cases, as well English as American, on this sub-

ject; and while it recognises the principle that a manufacturer, though having no copyright in a label, may adopt a trade mark, which so far becomes his own property as to entitle him to the protection of the Courts of Law and Equity, yet admits the possibility of cases arising in which one trader may use a name adopted by another as a trade mark, and yet not interfere with his legal or equitable rights. No one, indeed, will be disposed to deny this, or to assert that a manufacturer can, by the use of a name, obtain an absolute right in it as a name merely; "it is only when a name is printed in a particular manner upon a particular label, and thus becomes identified with a particular style of goods, or where a name is used by a defendant in connection with his place of business (and not his manufactured goods), under such circumstances as to deceive the public, and to rob another of his individuality, and thus destroy his goods and injure his profits, that it becomes a trade mark or in the nature of a trade mark, and as such entitles its possessor or proprietor to the protection of the courts of justice." These words (quoted from the lastly-mentioned case) agree very closely with the definition of the right of property in a trade mark, which I have ventured to lay down, and do, in fact, recognise its qualities as property of a peculiar sort.

There are other cases in the American reports to which I will only refer (*Coats* v. *Holbrook*, 2 Sand. Ch. 599; *Clench* v. *Maddick*, 16 Leg. Inst. 236; *Dayton* v. *Wilkes*, *Ibid*, 292; *Coats* v. *Platte*, 19 Leg. Inst. 213; *Davis* v. *Kendall*, 11 Ann. L. Reg. 680). The case of *Taylor* v. *Carpenter*, 2 Sand. 603, is valuable, inasmuch as it shows that the Courts of the United States will grant an injunction to a native of this country against one of their own subjects to restrain an infringement of the right to a trade mark, although it was in that case argued on the alleged authority of *Delondre* v. *Shaw*, that the English Courts

would not grant relief to a foreigner for such a violation of his rights, and that the trade marks of Englishmen in the United States were, therefore, not entitled to protection. In the judgment in this case, however, it was admitted that *Delondre* v. *Shaw* lays down no such rule, but rather that the English Courts will always restrain the fraudulent sale of a spurious article; the greatest abhorrence is expressed of the doctrine that fraud by a citizen should be sanctioned because it was practised on a foreigner in the prosecution of a legitimate business within the American jurisdiction, or that a suitor should be denied the ordinary remedy to protect him in the enjoyment of his rights because he is a foreigner; and it is truly said, that every dictum of enlightened wisdom requires that a foreigner, especially in a commercial country, shall be entitled to the same protection of his rights as a citizen.

The proposed Penal Code of New York (1864) contains provisions to a great extent like those of the Merchandise Marks Act, thus giving an additional protection in cases of fraud.

Property in trade marks in France is regulated by the law of the 23rd June, 1857. By this law the exclusive right to use a trade mark is obtained for a period of fifteen years, by depositing two copies of a model of it at the office of the Tribunal of Commerce of the place and abode of the party; the right may be continually renewed by a fresh deposit at the expiration of every fifteen years. The term, trade mark, is defined to be everything used as a sign to distinguish a trade product, or an article of commerce. The rights of foreigners are protected by the following provisions (Tit. ii. 5, 6):—"Foreigners who possess in France manufacturing or commercial establishments, shall enjoy for the products of their establishments the benefit of the law, on condition that they fulfil the formalities prescribed by it." "Fo-

reigners and natives of France, whose establishments are situated out of that country, shall likewise enjoy the benefit of the law for the products of those establishments, if, in the countries where they are situate, treaty conventions have established reciprocity for French trade marks." In this case, the deposit of foreign marks is to be made at the office of the Tribunal of Commerce of the Department of the Seine. The penalties for the breach of this law are by fine and imprisonment, or by one of these punishments, by the loss of certain civil rights, and by confiscation of the articles fraudulently marked. Proceedings may be taken before the civil tribunals in a summary way, or before the tribunal of police, in which case, judgment is given subject to the reservation of the question of legal title. A very important question has been discussed more than once before the French Courts, as to the rights of foreigners to a trade mark really belonging to them, but which had been used in France, whether fraudulently or *bonâ fide*, before the date at which the foreigner acquired his right under the foregoing law, by deposit of the mark at the office of the Tribunal of Commerce.

In one case (reported in *Le Droit Commercial*, 26th July, 1864,) the English manufacturer had duly deposited his mark shortly after the date of the commercial treaty of 1861—by which reciprocal rights in these trade marks were assured—the mark consisting of his proper name in combination with other signs. It appeared that certain French manufacturers had for some years previously, been in the habit of using the mark, and the main ground of defence set up by them was that by this user the mark had become public property. The tribunal, however, held that a fraudulent act (such as they considered this, upon the evidence, to be), however long practised, could not be the foundation of a right on the part of the public any more than it would on the part of an indi-

vidual; thus, though the complainant could have no redress for acts of fraudulent user before the date at which he acquired the property in his mark by complying with the terms of the law, yet the continuation of those acts after his property was so ascertained was punishable. This view, however, was not adopted in a similar case before the Court of Cassation in Paris, on appeal. There it was held (*vide Le Droit Commercial*, 24th May, 1864,) that the prior use of a trade mark, even of one containing the proper name of a manufacturer, made it public property, so that a subsequent compliance with the formalities of the law by the foreigner did not enable him to deprive the public of this property.

This must, therefore, be considered as established law in France; and, as we are now employed in protecting the subjects of this country by commercial treaty with various continental nations, it is of the utmost importance that provision should be made to meet similar cases. However consistent it may be with a logical interpretation of the letter of the law, it is certainly not in accordance with equity, that a manufacturer should be defrauded of the exclusive right to his trade mark because the use of it has been fraudulently usurped by others at a time when he had no power to assert that right.

The Belgian law is in the main the same as that in France; it is contained in a law of the 22nd Germ. Ann. XI., and is applied to subjects of this country by the Treaty of Commerce, 23rd July, 1862: certainly the provision in the treaty is that British subjects, to obtain the exclusive property in a mark, must conform to the regulations in force in Belgium; so that they would, by implication from the law referred to, have been obliged to have a place of manufacture in Belgium. It has, however, been held in a case in which Messrs. Allsop

were complainants, that this is not necessary, the Court of Brussels relying not only on the equity of case, and on the circumstance that to dismiss the complaint would, in a great number of cases, make the law and the treaty imperative; but referring also to Art. 3 of the English treaty (the "most favoured nation's clause"), and to the corresponding rights secured by the commercial treaty between France and Belgium, which by Art. 16 provides that a French manufacturer, not having an establishment in Belgium, should deposit his mark at the office of the Tribunal of Commerce at Brussels.

CHAPTER V.

RIGHTS ANALOGOUS TO TRADE MARK RIGHTS.

It was more convenient to defer the consideration and definition of the nature of a trade mark until I had discussed the general principles on which it has been protected, because the word itself gives a very good notion of what sort of cases we should have to consider. There are, however, distinct from what may be looked upon as trade marks proper, two species of property which have been protected in the Court of Equity on principles analogous to those on which the decisions in the former class of cases rest: these are the goodwill of a trade so far as it is contained in the style and title of a partnership, or the name of a trader, or the description of his place of business; and property in a name or distinguishing style, as connected with a literary publication or a work of art.

These two classes of cases it is my intention to consider before taking a survey of those relating to trade marks properly so called; they are branches of some importance of the same subject, and, as such, the principles which we find laid down in them are most valuable in leading us to those which support the decisions on the main head. There is another class of cases, too, which must not be entirely omitted from consideration—I mean those in which the interference of the Court has been grounded on the general doctrine of the prevention of damage arising from a breach of trust or confidence.

By this method of classification most of those cases

which remain to be considered may be included under some general head. It seems, however, that there would be much convenience in having a statutory definition of a trade mark, which should distinguish, as was done by the old French law, between the *marques de fabriques*, or trade marks properly so called, consisting of a stamp affixed to or incorporated with a manufactured article, and the use of a name, or label, or a sign-board, or placard, and all those less permanent marks of distinction which are in use in trade; and again separating from them all cases which involve literary or industrial property.

In *Crutwell* v. *Lye*, 17 Ves. 335, the nature of a goodwill in a trade, and the extent to which it is protected, are fully illustrated. The goodwill in that case consisted in certain premises in Bath and in Bristol, which were sold by the assignees in bankruptcy of one of the defendants, Edward Lye, who had for some years, together with his father, George Lye, carried on the business of a carrier from Bristol through Bath to London; the same parties having also a carrying business from Bristol through Salisbury and Warminster to London. At the sale, the whole of the premises of the Messrs. Lye, and their business as carriers from Bristol through Bath to London, and the goodwill of that business, was sold in one lot to the plaintiffs; the carrying business from Bristol through Warminster and Salisbury being put up for sale separately, and eventually bought by friends of E. Lye, the defendant, who then set him up in that business. The question was, whether the defendant, according to the facts stated, was really carrying on his own trade and not the plaintiff's. There is no doubt that a person having sold a house and stock-in-trade is, in the absence of any special covenant, at liberty to set up a similar business, if he pleases, next door to his former shop—that is,

merely a fair case of competition in trade; but he must not, under colour of chalking out a differeut course of trading, really carry on, for his own benefit, the trade of others. The goodwill in this case was defined to be nothing more than than the probability that the old customers would resort to the old place of business, and if that species of property was damaged by the fraudulent act of the defendant, that would give a right to relief; but it was considered by Lord Eldon that the facts were not sufficient to prove such a fraudulent design. He says that they "amount to no more than that the defendant asserts a right to set up this trade (the carrying business), *and has set it up as the like but not the same trade with that sold*, taking only those means that he had a right to take to improve it." The case of *Keen* v. *Harris* was also commented on and distinguished from the present on the ground that there an injunction was granted to relieve against a breach of trust. In that case the printer of the *Bath Chronicle* left to his widow the benefit of that newspaper, subject to a trust for bringing up her family; she formed an attachment for the foreman of the business, and allowed him the use of the old house and types to set up a rival paper under the same name.

The case of *Lewis* v. *Langdon*, 7 Sim. 421, goes further to illustrate the same notion of property in a partnership's name, as a species of goodwill attached, not to the place of business, but to the name of a firm or of the trader. Accordingly it was held by the Vice-Chancellor that a surviving partner had, on the death of his co-partner, a right to carry on the business under the designation of the original firm; that the goodwill arising from the use of a particular designation was, during the partnership, the joint property of the firm, and became, on the death of one of the partners, the sole property of the survivor. His Honour, however, while

granting the injunction, directed the plaintiff to bring his action at law.

So, in *Webster* v. *Webster*, 3 Swanst. 490, n., an application for an injunction to restrain surviving partners from using the name of a deceased partner in carrying on that business, was refused; for it could not be said that the estate of the partner would be thus rendered liable for the debts of the firm, nor, if there was a fraud on the public, was that any ground for the plaintiff (an executor of the deceased partner) to come to the Court.

Thus far we have been considering the general goodwill in trade appendant to a place or a person; from which it seems that the advantage gained in the market by the use of a trade mark is only a sort of special goodwill, having the same qualities as property, and entitled to the same species of protection. There is, perhaps, one distinction to be drawn between the two classes of cases; that whereas in the latter we may have, as in *Millington* v. *Fox*, 3 My. & Cr. 338, the adoption of a trade mark by unauthorized persons, without any intention to commit fraud, and still have such an adoption restrained in equity, it is difficult to conceive a case coming under the former head in which the goodwill, either personal or local, of a trader, could be otherwise than fraudulently impeached (supposing the title to it to be clear); and therefore it might seem that in such cases the jurisdiction is founded on fraud only. That, however, does not seem to be the ground upon which the Vice-Chancellor decided in *Lewis* v. *Langdon (vide ante)*, and I think that we may fairly look upon the goodwill in trade as a species of property, of a like nature with the quasi-property in a trade mark.

Perhaps *Churton* v. *Douglas*, Jo. 174, 7 W. R. 365, approaches more nearly than any other of the numerous cases on goodwill to the case of a trade mark. There

the defendant had, in 1857, received a considerable sum from the plaintiff, upon a dissolution of partnership, for the purchase of "all his known rights and interests in the partnership business and the goodwill thereof." The plaintiffs carried on the old business under the name of their new firm, "late John Douglas & Company;" four months afterwards the defendant again set up his old business, in partnership with other persons, under the firm of "John Douglas & Company." The whole question, as in *Crutwell* v. *Lye*, was whether, upon all the circumstances, this was an attempt to set up, not a business similar to the old one, but the identical business, and the Court coming to the conclusion that such was the defendant's intention, granted the injunction prayed, although the defendant's name was John, and the style was genuine.

There is another class of cases which seems to form a connecting link between those where the goodwill of a trade has been protected and those which may be characterized as relating to trade marks proper. This is when the advantage in the market (or goodwill) is due either to the name of the trader or trading firm, or to their place of business, or to both these causes combined, but not being, as a goodwill, allowed to rest merely *in nubibus*, is embodied in a label or wrapper and affixed to the article sold; this name is then called a trade mark. *Croft* v. *Day*, 7 Beav. 84, is a very important case under this head. The trade mark there consisted in the name of Day & Martin, and their address, 97, High Holborn, with other devices, on a printed label attached to the bottles of blacking made by the plaintiffs, the executors of the former firm of Day & Martin, and then carrying on the same business. This was so closely imitated by the defendant as to afford the fair presumption that he intended the public to be deceived into buying his blacking as and for that of the original firm.

In his judgment in this case, the Master of the Rolls observes that the act complianed of was equivalent to a sale by the defendant of his goods as those of the plaintiffs; that two things were requisite for the accomplishment of this fraud. First, a general resemblance of the forms, words, symbols, and accompaniments, such as to mislead the public. And, secondly, a sufficient distinctive individuality was to be preserved, so as to procure for the person himself the benefit of that deception which the general resemblance was calculated to produce. In *Burgess* v. *Burgess*, 3 De G. M. & G. 896, it was held on grounds which I shall examine hereafter, that no fraud was intended; that it was always a question of evidence as to the false representation, and that it was incumbent on the party applying for an injunction to show that there was such a sale of the defendant's goods by him as to induce the public to conclude that these were those of the plaintiff. So, also, the cases of *Burgess* v. *Hills*, 26 Beav. 244, and *Burgess* v. *Hately*, Id. 249. What we see done in all cases is, in short, that a trader perceives that an article manufactured by a particular house of business, and known in the market by a particular stamp or design, is sought after and has acquired a peculiar value; this advantage in the market he endeavours to appropriate to himself by offering for sale a similar article, recommended to the purchaser by a like distinctive mark: what is this, in fact, but an attempt to appropriate the goodwill of his rival? Goodwill is, then, the general term, which may include, amongst other particulars, that special advantage in the market which is procured by a trade mark.

2. We have now to consider those cases in which the use of a particular title or title-page to a book, or the use of an author's name, has been restrained by injunction. For such cases, although they can hardly be classed under the strict head of trade marks, are yet so

far similar, that we find the same principles brought to bear in the decisions on them as are laid down in cases of trading.

The first of these cases is *Hogg* v. *Kirby*, 8 Ves. 215, where the plaintiff was proprietor of a monthly magazine published by the defendant, and sold at his shop upon commission. This publication continued during five months, but at the end of that time disputes arose between the parties; it was agreed to discontinue the joint publication, and a final settlement of accounts was had. The plaintiff then circulated advertisements, stating that the publication under its old title would be continued by him, and that a sixth number of the magazine would be, as it accordingly was, shortly afterwards published by him. The defendants at once advertised and published the first number of a periodical work under a title similar to the plaintiff's, but described as a "New Series Improved." The injunction applied for was to restrain them from selling any copies of their publication, and from printing or publishing any future or other number either under the same or any similar appellation, and from borrowing and using the title and appellation, or copying the ornaments, or any part of the plaintiff's original publication. Several circumstances were alleged by the bill to show that the defendant's work was intended to mislead the public to the conclusion that it was a continuation of the plaintiff's—such as the general resemblance, though not an exact similarity of its title-page or wrapper; the continuation in the new magazine of an article left unfinished by the old; and the publication of an index to the first five numbers of the old work, under the name of an index to the first part. This intention was, however, denied by the defendant's answer, which attempted to give a sufficient reason for the steps which he had taken in composing the form and substance of

the new magazine, to show that it was not intended by him to represent it to the public as a continuation of the old work; and he submitted that he had a right to publish a work under a similar title. The Court, however, held that upon the facts stated there appeared to be an intention on the part of the defendant to put his work before the world as a continuation of the old magazine. Lord Eldon there did not rest his decision so much on the ground of copyright or of contract, but relied principally upon that of fraud. After referring to other cases as having been generally where, under colour of a new work, an old work has been republished, and copies multiplied, he proceeds to consider whether the same principles may not be applied to the case before him, and goes on to say:—"In this case, while protesting against the argument that a man is not at liberty to do anything which can affect the sale of another work of his kind, and that because the sale is affected, therefore here is an injury (for if there is a fair competition by another original work, really new, be the loss what it may, there is no damage or injury), I shall state the question to be not whether this work is the same, but, in a question between these parties, whether the defendant has not represented it to be the same, and whether the injury to the plaintiff is not as great, and the loss accruing ought not to be regarded in equity upon the same principles between them as if it was, in fact, the same work." What we may gather from this decision amounts to this, that by a certain resemblance of form and matter a publisher may put forth to the public a literary work so as to be taken for another work of established reputation, so that the advantage in the market enjoyed by the original work is fraudulently obtained by the copy; and that this advantage in the market corresponds in some measure with the property

created by the copyright Act, and will be protected by the Court on analogous grounds.

The case of *Spottiswoode* v. *Clarke* is of a similar character. There an application to discharge an order of the Vice-Chancellor was granted, because the Court was not satisfied that it was a case in which the plaintiff had a legal right against the defendant, so as to justify it in restraining the latter from the sale of his work until the legal right had been established in the proper tribunal. The injunction had been granted to restrain the defendant from selling or exposing for sale any almanacks bound in wrappers or covers with the title "Pictorial Almanack" printed thereon, so as, by colourable representation or otherwise, to represent the almanack published and sold by the defendant to be the same as the almanack printed and sold by the plaintiff for the coming year, with a direction that the plaintiff should forthwith bring an action against the defendant for the alleged colourable imitation of his wrapper. I have (*ante* pp. 16—17) quoted some of the remarks of Lord Cottenham on this case, showing that the difficulty felt by him was, as to the question whether the legal title of the plaintiff was so clear as to make the interference of a Court of Equity by injunction the most reasonable course. The following remarks of his lordship are, besides, worthy of notice:—"In the course of argument, cases of trade marks were referred to; but trade marks have nothing to do with this case. Take a piece of steel, the mark of the manufacturer from whom it comes is the only indication to the eye of the customer to the quality of the article: so it is of blacking, or any other article of manufacture, the particular quality of which is not discernible by the eye. But these cases are quite different from the present case, in which, if you are deceived at all, it is not by the eye; the size, the

colour, the engravings, are all different in the two works, so that no one who sees the two could mistake the one for the other." In this last remark, I imagine, lies the whole gist of the question; where the alleged imitation is such that a person cannot detect the difference between two works without a critical examination of the style and title of each: perhaps even where a casual observer would probably be induced to purchase the imitation in the place of the original, then the principle laid down in cases of trade marks is applicable, and the use of a particular name, title, or wrapper will be restrained. This case is cited in and followed by that of *Purser* v. *Brain*, 17 L. J. Ch. 141. See also *Chappell* v. *Davidson*, 1 K. & J. 123.

There is a remarkable case of *Lord Byron* v. *Johnstone*, 2 Mer. 29, the principle of which, it seems to me, to be somewhat difficult to reconcile with the decision in *Clark* v. *Freeman*. In the former case the defendant, a publisher, advertised for sale certain poems which he represented by the advertisement to be the work of Lord Byron, on whose behalf a bill was (during his lordship's absence abroad) filed to restrain the publication under the title described in the advertisement. There appears to have been some doubt at the time of original application whether or not the poems were Lord Byron's, but when the defendant at the hearing declined to swear as to his belief that the poem in question was actually the work of Lord Byron, the Court granted the motion for an injunction until answer or further order. Now, is not this something like recognising a proprietary right in a mere name? At any rate, it goes so far as to grant relief against damage arising from the use of a particular name in conjunction with a particular article offered for sale; it being impossible for the purchaser to ascertain on inspection the truth or falsehood of the representation on the faith of

which he buys the article. In *Clark* v *Freeman*, it was held that Sir J. Clark had no property in his name such as would be liable to damage from the unauthorized use of it by the defendant, as a puff to recommend his consumption pills. The only distinction, therefore, which I can draw between the two cases, that in the former the author must be held to have a species of property in his name, consisting in the recommendation to the public, which the use of that name gives to the sale of a literary work; if Sir J. Clark had been in the habit of selling medicines, or of deriving a profit from the sale of medicines, it might have been argued that by the piracy of his name, his trade had suffered injury; but the Court would not recognise an injury done to his reputation, which it treated as an illusory damage; it must, therefore, have held in the former case that the author has a species of interest in his name quite similar to that of a trader in his name or mark affixed to the articles of his manufacture.

From the general considerations, therefore, brought forward in these cases of literary works, I think we may fairly conclude that an author or publisher has, either in the title of his work, or in the application of his name to that work, or in the particular external marks which distinguish it, just such a species of property as a trader has in his trade mark, and may equally claim the protection of a Court of Equity against such a use or such an imitation of that name or mark as is likely, in the opinion of the Court, to be a cause of damage to him in respect of that property. Indeed, in *Clement* v. *Maddick*, 5 Jur. 2. s. 512, where an injunction was granted to restrain the defendant from using the name "Bell's Life," for his newspaper, the Court characterized the suit as "an application to support a right to property."

3. We have hitherto considered only those cases in which an injury has been suffered by a manufacturer or

a trader, or by an author or publisher of a literary work, from the presentation to the public of something apparently the production of the original proprietor, but which is, in fact, a spurious imitation only, put forward by a rival in the market. There are also cases which we shall now proceed to examine, where the existence of a contract or agreement between the parties for the conduct of any business involving a secret process, and the consequent communication of such a secret, has introduced a somewhat different sort of consideration into the rules which the Court has laid down in restraining the breach of such an agreement, the divulging of the secret in trade, and generally the violation of the confidence reposed by one of the parties in the other.

The earliest of these cases, *Newbury* v. *James*, 2 Mer. 416, shows the difficulties that have been felt in dealing with questions of this sort. The plaintiff here claimed to be entitled, under the provisions of certain agreements entered into by the ancestors of himself and the defendant respectively, to the exclusive right of selling certain powders and pills well known as "James' Powders," and "Analeptic Pills," as agent to the defendants, and prayed a decree for specific performance of agreements; the pills and powders were made up by the defendants from an alleged secret recipe, and it was also sought to restrain them from communicating this recipe to any other person without the plaintiff's permission. The Court does not appear to have looked upon this secret recipe in light of property—the subject of certain agreements as to the manner of enjoyment, and as clearly liable to injury from divulgation; had this been done, I cannot see that there would have been much difficulty in framing an injunction in restraint of such a contemplated injury, even though the Court might not have been able to decree the specific performance of the agreement. On this head it is observed by the Lord Chan-

cellor, that the difficulty was how to decree specific performance of the agreement. "Either it was a secret or it was none. If a secret, what means did the Court possess for enforcing its own orders? If none, there was no ground for interfering;" that "if the art and method of preparing the Analeptic Pills, for which no patent had been procured, were a secret, what signified an injunction, the Court possessing no means of determining on any occasion whether it had or had not been violated? The only way in which a specific performance could be effected would be by a perpetual injunction; but this would be of no avail unless a disclosure were made to enable the Court to ascertain whether it was or was not infringed;" and that it was necessary for a person coming to that Court, to complain of the breach of an injunction, first to show that the injunction had been violated. The injunction was therefore dissolved.

So also in *Williams* v. *Williams*, 3 Mer. 157, where the Court granted a motion to dissolve an injunction, obtained *ex parte*, to restrain the communication of a similar secret. It was there said that if on a treaty with his son (the defendant) while an infant for his becoming a partner when of age, the plaintiff had, in the confidence of a trust reposed in him, communicated to him the secret of a recipe, and given him possession of certain stock-in-trade (mentioned in the bill); and instead of acting according to his trust, the son had taken to himself the exclusive dominion over the stock-in-trade, and begun to vend various articles without permission, so far the injunction was right in compelling him either to perform or to waive the agreement. But it was said that the Court would not struggle to protect secrets in medicine of that sort; that it was different in the case of a patent, because there the patentee was a purchaser from the public, and bound to communicate his secret at the expiration of the patent.

The question, however, whether a contracting party was entitled to the protection of the Court in the exercise of its jurisdiction, to decree the specific performance of agreements, by restraining another party to the contract from divulging the secret he had promised to keep, was declared to be one requiring much consideration.

This point *has*, however, since been settled with tolerable distinctness; in *Dietrichsen* v. *Cabburn*, 2 Ph. 52, Lord Cottenham, whilst noticing what was in the argument, alleged to be a recent dictum of the Vice-Chancellor of England, "that the Court will not prohibit the violation of a negative term in an agreement, unless it has the power of enforcing the positive part of the same agreement," says, "I cannot but think that there has been some misapprehension of the meaning of the Vice-Chancellor, as applied in this supposed rule; for in the case of *Kimberley* v. *Jennings* (6 Sim. 340), his Honour, in stating that the violation of a negative term in an agreement will not be restrained in cases in which the positive part of it cannot be enforced, exemplifies it by saying that if the agreement cannot be performed in the whole, the Court cannot perform any part of it. To this proposition so explained I entirely assent." This means only that where there is such an infirmity in an agreement that it cannot be performed *in all its parts*, the Court will not by injunction compel a defendant to perform the one part, it being at the same time unable to compel the plaintiff to perform reciprocally the other, namely, that which was positive in the agreement, if its aid should be appealed to by the defendant in order to procure for him the benefit of the contract or agreement.

We find, however, that in *Yovatt* v. *Winyard*, 1 J. & W. 394, the defendant, who had been employed as the plaintiff's assistant under an agreement by which he was to have a salary, and be instructed in the general

knowledge of the business, but not in the secret of manufacturing the medicines sold, was restrained from divulging those recipes to which he had surreptitiously obtained access; and from making up and selling the medicines compounded from the recipes, with certain printed instructions almost literally copied from the plaintiff's. In this case the decree proceeded on the ground of trust; as it did likewise in the case of *Green* v. *Folgham*, 1 S. & S. 398, where the defendant was held to be the trustee of the secret of compounding "the golden ointment," under the trusts of a certain settlement, and was ordered to account for certain mesne profits made by him by the sale of the ointment: the Court even going so far as to direct a valuation of the secret to be made for the purpose of administering the trust property.

Again, in *Tipping* v. *Clarke*, 2 Hare 383, a case arising out of a dispute between two merchants, in the course of which the defendant, in a letter to the plaintiff, stated that he had acquired a knowledge of his books and accounts, and that he intended to make a public exhibition of them, we have a recognition of the same doctrines; which Vice-Chancellor Wigram, in the second and third grounds given in his judgment, states to be "that of breach of contract between the parties, and that which is common to all cases, that the Court interposes to prevent a positive wrong, the consequences of which cannot be adequately measured or repaired in damages." There was no doubt the question of the property in the account-books, but looking at the case with reference to the other two heads, it was clear that every clerk in a merchant's office is under an implied contract to keep the secrets of his employer's business, and that the defendant's information could only be derived from some breach of such a contract; and further, that it was probable a serious injury would arise from

the publication of such accounts, which could only be relieved against by injunction. The question was discussed only on exceptions to the defendant's answer, which were allowed, so that it must not be considered as laying down any final rule. The case, however, seemed to me worthy of notice, as lying so near on the boundary line of the subject under consideration.

Morison v. *Moat*, 9 Hare. 241, is, I think, the latest case which we need consider under this head. It appeared that the plaintiff and defendant had for some years carried on in partnership the business of making and selling "Morison's Universal Medicine." On the dissolution of the partnership, the defendant, who must, under the circumstances stated, be considered to have retired from the business, set up for himself, and made and sold the original medicine under its former name as prepared by him. It appears that the plaintiff, in praying for an injunction, did not omit to put forward the ground of fraud or misuse of his labels and trade marks by the defendant; he, however, relied on this only in aid of the principal head—that of breach of faith and contract; and it is on this ground that the decision rests. The Vice-Chancellor, noticing the cases which I have here cited, as also *Abernethy* v. *Hutchinson*, 3 L. J. Ch. 209, and *P. Albert* v. *Strange*, 1 Mac. & G. 25, to which I shall allude hereafter, says:—"That the Court has exercised jurisdiction in cases of this nature does not, I think, admit of any question. Different grounds have indeed been assigned for the exercise of that jurisdiction. In some cases it has been referred to property, in others to contract, and in others again it has been treated as founded on trust or confidence—meaning, as I conceive, that the Court fastens the obligation on the conscience of the party, and enforces it against him in the same manner as it enforces against a party to whom a benefit is given the obligation of per-

forming a promise on the faith of which the benefit has been conferred." The Vice-Chancellor here recognises the ground of property, a ground which brings all these cases under the same general head as those of trade marks; and it is worthy of remark that while he seems to consider this as only a subsidiary ground for the decree, he limits the operation of that decree to restrain only a given use on the part of the defendant of the name and marks of the plaintiff, and from using the secret in compounding the medicine, not the general use of the name of Morison in the manufacture or sale of any medicine; nor does the injunction restrain the defendant from communicating the secret. This, I confess, seems to me very much like the recognition of the same species of compound property in the secret recipe, sold under a certain name, as exists, in my opinion, in the case of the trade marks; and no one can fail to notice that there seems to be traceable in the decisions on this head, as on the other, the same progress, from a refusal to recognise any such sort of property, and a determination to found the relief granted on any other head, to the opinions and principles laid down in *Morison* v. *Moat*, and in *Millington* v. *Fox*, and *Welch* v. *Knott*.

The conclusion appears to be confirmed by the expressions of Vice-Chancellor Knight Bruce in the case of *Prince Albert* v. *Strange* (on app. 2 De G. & S. 652), and the observations of the Lord Chancellor on the same case on appeal (*vide* sup.). The former of these learned judges pursues the following train of argument:—That it is upon the principle of protecting property that the common law, in cases not aided or prejudiced by statute, shelters the privacy and seclusion of thoughts and sentiments committed to writing, and desired by the author to remain not generally known; that, such being the nature and foundation of the common law as

to manuscript, its operation cannot of necessity be confined to literary subjects. "Wherever the produce of labour is liable to an invasion in an analogous manner, there must be a title to analogous protection or redress." His Honour also quotes with approbation what was said by Mr. Justice Yates in *Millar* v. *Taylor* (4 Burr., 2303) that an author's case is exactly similar to that of an inventor of a new mechanical machine; that both original inventions stand upon the same footing in point of property, and that the immorality of pirating another man's invention is as great as that of purloining his ideas.

In order completely to understand the view which was taken by Lord Cottenham of this case, it is necessary to state the main facts involved; they were as follows:—The defendant Strange had published a catalogue of certain etchings, the work and private property of Prince Albert and the Queen. This catalogue, descriptive of the works themselves, also advertised a public exhibition of copies surreptitiously obtained by one of the defendants, and the whole professed to be by the permission of her Majesty and the Prince Consort. His lordship, assuming that the right of the plaintiff to an injunction restraining the defendant from dealing in any manner with the etchings themselves was clear, considered that the only question was as to the catalogue, and especially as to the representation there held out that its publication was by permission of the Queen and her Consort. This he considered to be a complete case of an intention to sell under false representation; and that as all manufacturers are, as a matter of course, restrained from selling their goods under similar misrepresentation, tending to impose upon the public and to prejudice others, it would be singular if the like restraint should not be imposed in the case before him.

It may, no doubt, be urged that in the case of trade

marks there is no such property as this; no doubt there are many expressions in the older cases which would seem to justify such an assertion. Admitting that there is no property in a mere name or mark, still, by the use of such a name or mark injuriously affecting the rights of any person who has established his claim to use it to distinguish articles of his manufacture, according to recent decisions at any rate, there is an injury done to property. Having, therefore, once fixed the notion of this species of property, the analogy between the cases to which I have referred above, and those of trade marks more properly so called is, no longer far-fetched or illusory.

CHAPTER VI.

OF TRADE MARKS PROPERLY SO CALLED.

TRADE MARKS proper have been divided by the Master of the Rolls, in his judgment in *Hall* v. *Burrows*, 12 W. R. 525, into two classes—local, or denoting the place of manufacture; and personal, as showing by whom the article is made; to these may be added a third, a very numerous class, that of fancy names, arbitrarily selected by the inventor or maker of a product to distinguish it from others of the same nature. We may almost say that there was a fourth class in which the mark was of a composite character, consisting in part of words or signs which taken by themselves would bring it under one of the former heads; but having in addition the name of a person or a firm by whom the article distinguished is or has been made, thus giving a partly personal character to the mark. In this latter class of cases the Court will often grant relief by restraining the use of the mark in such a way as to induce the public to believe the article made by the defendant to be that made by the plaintiff, leaving it to a future occasion to determine whether there has been such user; or by restraining the use of that part of the combination which is personal in its character; each case depending so much on its peculiar circumstances that it is impossible to lay down a general rule as to what will be the measure of relief. With regard to the two first classes, there is this difference between them, that the local mark becomes almost at once and of necessity an indicium of quality; as such it may be sold or transferred at plea-

sure. With personal marks this is not necessarily the case; they may, no doubt, in time acquire this property, as in the case of *Millington* v. *Fox*, referred to by the Lord Chancellor (Westbury) in *Hall* v. *Burrows*, in which the proper name of the original manufacturer had by long user come to denote a particular quality of iron, and the persons who were his successors in the manufacture were held to have an exclusive right to this mark. On the other hand, a name impressed on a vendible commodity may serve simply as an assurance that the commodity has been manufactured by a particular person, and in such a case the right to use the name simply and without addition cannot be sold or transferred to another person; but if the business or manufacture carried on by the owner of the name be sold, the purchaser will acquire a right only to represent himself as the successor in business of the first maker, and in that character to use the name.

With respect to the third class of cases it may be observed that the same change has taken place in view now held by our Courts of Equity, as has been pointed out in commenting on *Blanchard* v. *Hill*, and other earlier cases. This view used to be that any manufacturer has a right to use whatever mark or name he pleases to distinguish his manufacture, but with this limitation, he must not use such a distinctive mark as will induce a purchaser to buy his article on the supposition that it is the manufacture of another man. A very old case—that of *Canham* v. *Jones*, 2 V. & B., 218—fairly illustrates this. The facts stated by the bill were, that the plaintiff was proprietor of the secret for preparing a medicine called "Velno's Vegetable Syrup," and that the defendant had imposed on the public a spurious composition under the same name, the sale of which he promoted by the use of the names of Velno and Swainson (the original proprietors of the medicine), and by

certifying that his medicine was the same as that of the plaintiff; and the prayer of the bill was for an account of the defendant's profits, and for an injunction. The Vice-Chancellor observed that the bill proceeded upon an erroneous notion of exclusive property subsisting in the medicine, and that if such a claim to monopoly in the sale of it could be maintained without any limitation of time, it became more valuable than a right by patent; but he said that the violation of right with which the defendant was charged did not fall within the cases in which the Court had restrained a fraudulent attempt by one man to invade another's property; to appropriate the benefit of a valuable invention in the nature of a good-will, consisting in the character of his trade or production established by individual merit; the other representing himself to be the same person, and his trade or production the same, combining imposition on the public with injury to the individual. This was, however, in the opinion of the Court, a very different case. The defendant had, indeed, used, as he rightly might, the name of the medicine as sold by the plaintiff, but it did not appear that he had done anything to induce a belief that his preparation was the same as that of the plaintiff, but one of as good quality; and so the bill was dismissed.

We may here more particularly note two expressions —first, that the Court, in deciding on these cases, will restrain what is now designated as a "fraudulent attempt to invade another man's property," an expression only to be justified by admitting that notion of property in the combination of the article sold, and its distinguishing mark—a notion which I have before endeavoured to show does in truth reconcile the apparently conflicting dicta on this subject; secondly, that such an interest as we are now considering is "in the nature of a good-will," and that, so far as the opinion

of the Vice-Chancellor goes, I was justified in drawing the analogy before suggested between the two classes of cases, and in asserting that the principles which govern the two are identical.

The decision in *Canham* v. *Jones* would probably in the present day be reversed. The Court has recently more than once protected the use of a mere fancy name, even though there may be no evidence that the defendant has sold his article as that of the plaintiff, and though the former may have used his proper name to distinguish the article. *Browne* v. *Freeman*, 12 W. R., 305, is in fact an authority in favour of this proposition. There, Dr. Collis Browne, the alleged inventor of chlorodyne, filed his bill to restrain the defendant from selling an article made by the latter, and also called chlorodyne; the suit was not prosecuted, and this the Court held to be an abandonment by the plaintiff of the right which he might otherwise have maintained to the simple term chlorodyne. So that on his filing a second bill to restrain the defendant from calling his medicine "the original chlorodyne," the Court declined to try the question who was the first inventor of the medicine, and though it held the circumstances to be suspicious, yet there being no evidence of an intention to defraud, the bill was dismissed.

In these, as in the other classes of trade marks, the Court will often enjoin against the use of a part of the mark, or against a specified use of it. *Henderson* v. *Jorp* (V. C. Wood, 22nd June, 1861), is an instance of this. The plaintiffs here had been in the habit of using a lion stamp upon certain cloths of their manufacture, made for the Chinese market, upon others an elephant stamp. These goods were well known in the trade as "the lion chop" and "the elephant chop." Here it was held that such stamps were marks of quality, and that there was such a colourable imitation of them as to injure the

plaintiffs' trade by the greater cheapness of the inferior article, as well as by loss of character in the market. Still the injunction granted was not to restrain altogether the use of such marks as the lion or elephant by any other parties than the plaintiffs, but to restrain the use of them in any manner which might represent the goods so marked to be the plaintiffs'. The Court will not undertake to say that there may not be such a use of any trader's mark as would be innoxious to him, and as, therefore, would not be fairly prohibitable. In principle this is, no doubt, just enough; but in practice it tends to much evil. It puts rival manufacturers to all sorts of shifts and ingenious devices to evade the terms of such an injunction, and, may, no doubt, be hereafter be cited as a rule and adhered to in cases where, morally speaking, it is impossible that any use of a specific trade-mark should be other than fraudulent. This was the case in *Cartier* v. *May* (V. C. Wood, July 12, 1861), where a perpetual injunction was obtained in the year 1859, for the breach or alleged breach of which a motion for committal was afterwards made, but was refused; and his Honour observed, when a motion was made before him on the date above to vary the terms of the injunction, "that since it had been granted there had been on the part of the defendants a series of ingenious devices to secure the misrepresentation without coming within the terms of the injunction;" so that in the end his Honour was obliged to make an order absolutely restraining the use of the words "cross cotton," which were used by the plaintiff on his labels.

By registration no doubt many frauds that are now attempted would be restrained, and the adoption of such a system would afford a reasonable ground for giving new legal forms of protection to a species of property which would then be recognised and defined by a specific enactment.

CHAPTER VII.

OF THE TITLE TO A TRADE MARK.

WE have before considered the general grounds on which the Court acts with respect to granting or refusing an injunction to restrain piracy of a trade mark in cases where the plaintiff's legal title is not clear.

We will now refer to a few of those cases which show how a good legal title is obtained in the first instance; in the second, what are the circumstances that affect a title by devolution.

In all cases the first exclusive use of a trade-mark by an individual or a firm is the foundation of the right. It used to be said that to give a valid title there must be a long-continued usage; and this view was, no doubt, founded on the notion, that a reputation in the market for the goods marked could not be acquired until the names or signs which constituted the trade mark had been used for a considerable time. *Mottley* v. *Downman*, *Croft* v. *Day*, 7 B., 84, *Millington* v. *Fox*, are all illustrations of this rule, which in the *London and Provincial Law Life Assurance Society* v. *London and Provincial Joint Stock Life Assurance Company*, 11 Jur. 938, is thus stated: "The Court will always have regard to the fact whether there has been such a length of exclusive usage of the name under which the plaintiff carries on his trade or business as to justify it in interfering in a summary way." No doubt, where the trade mark is of a local or personal character, and one which would thus in time become merely descriptive of quality, there is much to be said in favour of such a rule. On the other hand,

the mere adoption by one man of the mark or description in use by another is a circumstance calculated to raise a doubt as to the honesty of his intentions. It is somewhat doubtful if in the present day, even in the former classes of trade marks, a long-continued user would be held necessary as a foundation of title; in a majority of cases, especially in those relative to a fancy name or mark, it would not be required. In *M'Andrew v. Bassett*, 10 L. T. N. S. 65, S. C. on App. 12 W. R. 777, this point was much pressed, for there the evidence showed that the plaintiff's mark was known in the market only in July, 1861; a large sale of the liquorice, stamped with it, was proved to have been made in August, while the infringement was begun only in September, and completed on the 24th October by delivery of the article piratically marked; the bill was filed in the December following. The Vice-Chancellor, however, says: "There was a clear publication and use of the trade mark by the plaintiffs before its adoption by the defendants,—that is, such a quantum of use as is sufficient to confer the right which the plaintiffs claim." All that is essential as to user is thus stated by the Lord Chancellor (Westbury) in his judgment on the same case: "That the mark should have been applied to the goods rightfully by the plaintiff; secondly, that the article to which it is applied should be an article vendible in the market; thirdly, that the defendant, knowing this, has imitated it for the purpose of passing goods into the market."

In all such cases it may now be asserted that nothing more than an actual use of the mark in a course of trade is necessary, the mere fact that it is worth while for another person to adopt the same mark showing that the goods so distinguished must have acquired some sort of reputation.

We have seen that the trade mark of a partnership

will go on the decease of one of the partners to the survivors; it may also pass by devise, or by assurances *inter vivos*. In the latter case it is distinguished as to its proprietary character from the good-will of a trade; the latter is property assignable, the former should be made to pass by way of licence. This is pointed out by Vice-Chancellor Wood in the Leather Cloth Company's case (11 W. R. 931) in which the old firm assigned its good-will to the new, and as to the trade marks gave "full power and liberty to use" them.

CHAPTER VIII.

GROUNDS OF DEFENCE TO A BILL FOR INFRINGEMENTS.

The most important of these grounds is the well-established rule of equity that the protection of the Court will not be extended to persons whose case is not founded in truth, is first made use of as a ground of defence to a bill for an injunction to restrain the alleged violation of the right to use a trade mark in *Hogg* v. *Kirby*, 8 Ves., 215. The objection there taken was that the plaintiff, claiming the protection of the Court for the title-page of his magazine, which professed to be "by William Granger, Esq.," was in fact guilty of an imposition on the public, it being shown that the name of the alleged author was fictitious. The excuse made for this was that it was a custom of the trade; but Lord Eldon states in his judgment that he felt considerable difficulty on the question, and that this custom, though it might be very usual, appeared to him very much like a fraud on the public. His lordship, however, deciding the case upon other grounds, left this question as an ingredient in an action for damages.

But in the case of *Pidding* v. *Howe*, 8 Sim. 477, the same rule of equity was successfully adduced in support of a motion to dissolve an injunction obtained against the defendants. In this case the plaintiff in his labels and advertisements intimated that the tea sold by him as "Howqua's mixture" was in part made by Howqua in Canton, and consigned directly from him to the plaintiff, and that its peculiar excellence was owing to the admixture of one very valuable species of black tea,

grown only in the province of Kyiang Nan, and which could not be procured at any price in England. On the other hand it was proved that "Howqua's mixture" was neither made nor used by Howqua, that the tea which gave to that mixture its peculiar flavour was well-known and easily procurable in England, and that in fact the teas of which it was composed were bought in England, and that the packages in which it was sold were made, not in China, but in England. This, in the opinion of the Vice-Chancellor, amounted to such a degree of misrepresentation held out to the public by the plaintiff, as to the mode of procuring and making up his mixture, that a Court of Equity ought not to interfere to protect him; that although, as between the plaintiff and the defendant, the course pursued by the latter had not been a proper one, yet as the former had chosen to mix up what might be true with that which was actually false in introducing his tea to the public, the Court could not, unless he first established his title at law, interfere on his behalf.

The decision in *Perry* v. *Truefitt*, 6 Beav. 66, rests on the same ground. There the bill was filed for an injunction on the part of Mr. Perry to restrain the defendant from making and selling "Medicated Mexican Balm," with his name prefixed to it, alleging that this was a violation of the plaintiff's right in the title and description of his own "Medicated Mexican Balm." Now, whatever might have been the rights of the parties to use the name of a particular composition, yet each selling this as his own, and the defendant in fact carefully guarding against the danger of conveying an impression to the mind of his customers that his article was identical with that of the plaintiff, yet, observes the Master of the Rolls in his judgment, "when we see the representations made by Mr. Perry, I think they are conclusive against this application." And after expres-

sing his entire concurrence with the observations of the Vice-Chancellor in the case of *Pidding* v. *Howe*, his Honour proceeds to comment on those particulars of misrepresentation on the part of the plaintiff which were in his opinion sufficient to disentitle him to relief. That after having bought a secret invention from a Mr. Leathart he represented to his customers and to the public, that "his admirable composition was made from an original recipe of the learned Von Blumenbach, and was recently presented to the proprietor by a very near relation of that illustrious physiologist;" and that further there was no evidence to show that the composition was, as its name professed it to be, formed of vegetable balsamic production from Mexico. But the same course will probably not be followed where, though the statements contained in the label may not be absolutely true, they yet express merely that sort of exaggeration which is usually to be found in puffing advertisements, *Holloway* v. *Holloway*, 13 Beav. 209.

So in *Flavel* v. *Harrison*, 10 Hare 467, one of the grounds for retaining the plaintiff's bill for an injunction to restrain the defendant from using the name of "Flavel's Patent Kitchener," for an article of his manufacture, was that of misrepresentation. It appeared that neither the plaintiff nor his father from whom he claimed by descent the right to use the name, and who was the original inventor of the "Kitchener," had ever taken out a patent for the article, and that it never was in fact patented; and it was held that the advantage gained by this misrepresentation, increasing its value in the estimation of the public, protecting it against those tests which might be applied to an unpatented article, and *prima facie* against attempts at imitation on the part of rival manufacturers—that all these causes were sufficient to justify the Court in declining to protect the use of a name which thus derived a material part of

its value from a direct falsehood. It appears, however, from a case before Lord Eldon there alluded to, that where a patent had been taken out, and had never been repealed, although an action had been brought and decided against the original patentee, this was not a sufficient case of misdescription to deprive the plaintiff in equity of his remedy. Similarly in the case of *Edelsten* v. *Vick* 11 Hare, 78, where the plaintiffs represented the original patentees of "Taylor's Solid Headed Pins," an article, the patent for the manufacture of which had expired, it was held that they had a right to be protected in the use of the labels by which their pins were distinguished; there having been a continuous use of the same style of labels, printed from the original blocks, which had been employed through the duration of the patent-right, and that it was this continous use of the label which conferred that right. On the question of misdescription, the Vice-Chancellor Wood, while maintaining in its fullness the general rule of equity, drew the following distinctions between the case then before him and those which I have before cited: "If there had never been any patent granted for the manufacture of these pins, or if after the term of the patent had expired the plaintiffs had taken up the use of the term "patented" as descriptive of their manufacture, and had first circulated the labels in that form, I should probably have thought that the case came within this ground of objection. But here that was not so; the blocks for the labels had been made during the existence of the patent, when the representation was perfectly true. The plaintiffs became proprietors of the rights of the original patentees, and of the blocks, labels, and other property; and those labels which, as the external demonstration of the article, had acquired a certain value, or had attracted a certain degree of confidence, they continued to use." The general rule, therefore, to

be deduced from these cases is, that in order to entitle a trader to the protection of the Court in his use of a name or label by way of trade mark, any representation contained in or expressed by such a mark must be strictly correct; but that there may be cases in which a representation which was originally accurate in every part (and no continuous use can be held to cure an original inaccuracy) has ceased to be so, and that in such cases the goods having become known by their original description, the continued use of that description will be protected.

The case of *Croft* v. *Day* is another illustration of the same principle, that suit having been instituted by the executors of Mr. Day, the surviving partner of the firm of Day & Martin, blacking manufacturers, and the objection being taken by the defendants that there was a deception practised upon the public by representing the manufacture to be that of Day & Martin, while no person of those names was concerned therein. But here it is said that the decision is not founded upon any peculiar or exclusive right in the plaintiffs to use the names of Day and Martin (though the continued use of such a description was not objectionable), but upon the fact of the defendant using those names in conjunction with certain circumstances in a manner calculated to mislead the public, and to enable him to obtain, at the expense of Day's estate, a benefit to which he was not in fair and honest dealing entitled. Thus, as is said by Vice-Chancellor Wood in the Leather Cloth Company's case, the Court will protect the use of the name of a firm or of a manufacturer, though the firm be no longer in existence, and the original manufacturer be succeeded by others; but as the Lord Chancellor points out in *Hall* v. *Barrows*, this can be only when the name has become a mere mark of quality. His lordship therefore in the former case reversed the decision of the Vice-Chancellor, holding that

the statements contained in the trade marks of the plaintiffs amounted to an assertion that the goods made by them were identical with those made by those from whom the plaintiffs derived their title—that their statements being false, the plaintiffs had lost their right to relief.

In *Rodgers* v. *Nowill*, 6 Hare, 325, the question of title was raised on the part of the defendants by a statement that a firm under the title of J. Rodgers and Sons (which was the style adopted by the plaintiffs), had carried on business for some years in Sheffield; that the plaintiffs had no exclusive right to use that name or stamp, which the defendants, as partners of, or successors to the firm, were entitled to use. One point of some importance was raised in this case, as to whether the plaintiffs were entitled to any decree, inasmuch as they had not established their legal title at the hearing. It is, no doubt, an act of indulgence to a plaintiff to give him, by retaining his bill, an opportunity of proving his title at law, when he has neglected to bring forward at the hearing any evidence of title which would support a decree; and in *Bacon* v. *Jones* the bill was dismissed on this account. It is said (in *Rodgers* v. *Nowill*) that in cases between traders, affecting the conduct and profits of their business, the omission on the part of a plaintiff to establish his legal right, either before the bill is filed, or, if not, to establish it by the leave of the Court before the hearing of the cause, is a circumstance always unfavourable to a claim for indulgence at the hearing. That it is a great hardship on a tradesman to call him to account for what he has been doing for three or four years during the progress of a suit, and a hardship which is unnecessary and of no advantage to the plaintiff: and it seems that generally the Court will in such cases dismiss the bill of a plaintiff who at the hearing fails to bring forward sufficient evidence of his title.

Another ground of defence not uncommon, and which,

to some extent, involves the main consideration whether there can be any exclusive property in a name, is illustrated by those cases where the parties against whom an injunction is sought, or some of them, bear the same name with the parties seeking that relief. Now this may happen in two ways. The name used may, though really that of the defendant or of a partner, have been used or obtained for use in such a manner as to afford a reasonable ground for suspecting that it had been used colourably only, and for the purpose of misleading the public and drawing away the plaintiff's trade, and in such cases the Court will, acting on its ordinary rule, restrain a fraudulent use of the name, even though that name of right belongs to the defendant as well as the plaintiff. On the other hand, if the name is already used *bonâ fide*, there is no such property in a mere name as to entitle the Court to interfere.

Under the first head will be found the case of *Croft* v. *Day*, where the defendant Day, the nephew of Charles Day, one of the original firm of Day & Martin, alleged that he had induced an intimate friend of the name of Martin, with whom he was about to enter into a formal partnership business, to join him in the manufacture of blacking, and that his use of the style and title of "Day & Martin" could not be interfered with. It was, however, held by the Court that this use of the name of the original firm was one, amongst other circumstances, showing a fraudulent intention on the part of the defendant; that it was the duty of the Court to restrain him in the prosecution of that intention; and that though he had an undoubted right to use his own name or any other name in a fair and honest way, yet he must be prevented from using it in such a way as to deceive and defraud the public, and obtain for himself at the plaintiffs' expense an undue and improper advantage. Accordingly the form of the injunction was to

restrain him from selling or offering for sale "any blacking or composition described as or purporting to be blacking manufactured by Day & Martin, in bottles or with labels so contrived as by colourable imitation or otherwise" to obtain for him that fraudulent advantage.

The same rule was followed in the case of *Rodgers* v. *Nowill*, although there the Court considered that there was an amount of uncertainty as to the facts of the case sufficient to induce it to send the question of title to the name for trial at law; and the verdict of the jury at that trial being in favour of the plaintiff, the injunction prayed for was ultimately granted.

The next case—that of *Holloway* v. *Holloway*—perhaps goes as far as the Court has ever gone in such cases; for there the defendant was not only *prima facie* entitled to use the name of Holloway, but he had in using it prefixed to it the initial of his Christian name, Henry, whereas the title by which the plaintiff's pills and ointment were known was simply as "Holloway's." But the evidence of fraudulent intention was, in the opinion of the Master of the Rolls, so clear that the defendant could not be allowed to use even his own name, with such additions to it as to induce the public to believe that he was selling the pills and ointment made by the plaintiff.

But where (as in the case of *Burgess* v. *Burgess*, 3 De G. M. & G. 896) there is no evidence before the Court of the existence of a fraudulent intention on the part of the defendant to take advantage of a similarity of name to injure the trade of another, there can be no restraint on the mere use of a name which is his own, on the ground that other parties had previously, however legitimately, used that name, and had gained considerable benefit from it. It was indeed argued that, even in the absence of any fraudulent intention, the Court would, following *Millington* v. *Fox*, protect the exclusive use of a

name ; but, as was remarked by the Lord Justice, the right to manufacture and sell sauces and pickles was free to all, as is also the right of every subject to use his own name, even though it be also his father's, and that was all that the defendant in this case had done. He, like his father before him, made and sold "Burgess's Essence of Anchovies." There was no evidence tending to show an intention of passing off his goods for his father's. It so happened that his father's goods had obtained a great reputation, but that could not confer on the father such a monopoly as to prevent any one else from making essence of anchovies, and selling it under his own name.

The mere fact that the statements contained in the defendant's mark are true, is no ground of defence. Thus, in *Harper* v. *Pearson*, 3 L. T. Rep. N. S. 547, the defendants issued a trade circular, in which they added to their style, "late Harper & Moore" (the old firm), and inserted other particulars from which the Court inferred an intention to induce the public to believe that they were successors in business to the firm of Harper & Moore: an injunction was therefore granted. *Edgington* v. *Edgington*, 11 L. T. Rep. N.S. 299 is another illustration of this, although there the Court, on a review of the whole circumstances, did not infer the intention. In *Alexandre* v. *Wallis* (V. C. Wood, 8th Dec., 1864) there is an instance of another very common device for attracting the custom of a rival, namely, by stating that the one business is conducted by the foreman of the other, a statement in itself no doubt permissible, but giving rise to suspicion of dishonest intention, and which must be accompanied by *more than ordinary precaution to prevent a possible* deception, if the transaction is *bonâ fide*. So also *Williams* v. *Osborne* (Vice-Chancellor Wood, 16th Dec., 1864).

Another ground of defence was taken in the suits of *Dent* v. *Turpin*, and *Tucker* v. *Turpin*, 2 J. & H. 139, viz., that the exclusive right was not a sole right. The

plaintiffs in the two suits were step-sons of the original Dent, and his successors in business though that had been divided at the death of the father. The bill in the first suit was filed by the administratrix to one of these step-sons, the devisee of one moiety of the business, with the goodwill and the shop in which it was carried on; and who had in obedience to the desire of his step-father assumed the name of Dent, carried on the business for several years in that name, and continued the use on his watches of the original trade mark. This mark had been applied by the defendants to watches of their manufacture, or sold by them, and the bill prayed for an account of the watches so marked and sold; of the profits made by such sales, and for the payment to the plaintiff of such part of those profits as under the circumstances stated he might appear to be entitled to, and for an injunction and the delivery up of all watches in the defendant's possession so marked, to be destroyed, or to have the marks erased. The defence made was by demurrer, for want of equity and for want of parties, on the ground that the alleged injury was to one of the firms who succeeded to Dent's original business as much as to the other, and that in a court of equity, as at law, where the injury was joint, relief could be obtained only by joinder of all parties injured; that at any rate a separate account ought not to be decreed in each case, which would have the effect of making the defendants liable to answer the results of two different and conflicting accounts in two different suits, and, possibly, to account twice over for the same injury; and, consequently, that the amount of damages must be assessed as a whole, and then apportioned, which could not be done in the absence of one of the parties. It was decided, however, that each plaintiff had in equity, in respect of the wrong done to him, to restrain the use of the trade mark by the defendants. The proposition

that where there is a common damage there can only be one action on behalf of all the persons injured, is hardly sustained by the cases (*Weller* v. *Baker*, 2 Wills. 414; *Coryton* v. *Lithebye*, 2 Wms. Sand. 115; *Hill* v. *Tucker*, 1 Taunt. 7); all that can be asserted from their authority is, that where a wrong is done which affects two persons having a joint interest in the right which is invaded, and in the damages to be recovered, then both must join in the action. But if two persons are injured in several capacities by the same wrongful act, then either may bring his action; and, as has been laid down in the case of a crime being imputed to two persons, each must sue separately. So, in the case before us, the wrong was done to a common right; but the account, in the form prayed by the bill, related to the damage suffered by each plaintiff individually. Nor had the defendants a right to complain of any difficulty which might be found to arise in taking the accounts; all that arose from their own wrongful acts. And though the Vice-Chancellor considered that possibly one suit might have been sufficient, he held that the plaintiffs were justified in filing separate bills, and overruled the demurrer in each suit, with costs.

Reference was in this case made to *Hine* v. *Lart*, 10 Jur. 100, as showing that where a bill for an injunction to restrain the violation of right in the use of a trade mark, was filed by the survivor of two partners and a new partner, and where it appeared on the face of the bill to be possible that a portion of the right in question might still be vested in the personal representative of the deceased partner, yet that the plaintiff might support a suit; that *prima facie* whether the right was in him alone, or jointly with some other person, there was an existing right in him capable of being protected. I may also refer to *Dent.* v. *Turpin*, as an illustration that in equity as well as at law it is suffi-

cient to show that a general injury has been done to the plaintiff, so that it is not necessary to aver special damage; *vide Blofield* v. *Payne.*

The same objection was taken again in the Leather Cloth Company's case, but was overruled by Vice-Chancellor Wood, on the ground that whatever might be the rights of other parties, no one but the plaintiff had used the name Crockett's in this country.

In *Batty* v. *Hill*, 1 H. & M., 264; 11 W. R., 745, however, the same learned judge held this to be a fatal objection, that was a suit to restrain the defendant from marking his pickles, "Prize Medal, 1862," though he had never obtained a medal, which the plaintiff had. Another person had also obtained a prize medal, and the Vice-Chancellor remarking that in some classes there were twenty or thirty medals awarded, held in these no right could be maintained.

In cases where the trade mark consists of a fancy name, it is essential that it should be purely arbitrary; it must not be the name of the place whence the article stamped comes, nor a name derived from the several ingredients of which a product is compounded.

The former was the main contention in *M'Andrew* v. *Bassett*, but in both Courts it was held that "Annatolia" had no reference to the place whence the liquorice-root came. *Browne* v. *Freeman* was partly contended on the same ground, but without success. On the other hand, in *Young* v. *M'Rae*, 9 Jur. N. S. 322, the patentee of a process of making paraffine oil from the natural product paraffin was held to have no exclusive right to his adaptation of the known chemical designation.

In all cases the Court will look closely at every circumstance in deciding what is in fact the test of infringement of a plaintiff's property,—the existence of an intention on the part of one man to pass off his goods as another's. As is said by the Master of the Rolls, in *Shrimp-*

ton v. *Laigh*, 18 Beav. 164, the question is not how great or how small is the difference between the imitation and the original article, but whether or not the purchaser would, on the whole, be likely to be deceived by the appearance of the former. So in *Knott* v. *Morgan*, 2 Keen, 213, it was simply the use of the words "conveyance company" which was restrained. No case goes further than the dicta of the Vice-Chancellor Wood in *Woollam* v. *Ratcliffe*, 1 H. & M., 259, which are to the effect, that it is not necessary a specific trade mark should be infringed, if the Court is satisfied that there has been, on the whole, a fraudulent intention of palming off the defendant's goods as those of the plaintiff.

It is very important that the plaintiff should, if possible, produce some evidence of actual deception, though his success will not necessarily depend upon this. In regard to the nature of such evidence, it is also important to note whether the genuine and spurious articles are made for retail sale, or are sold wholesale, and so come into the hands of persons better qualified to judge by mere inspection of which make they are.

It is a common practice on the part of a plaintiff to send an agent to purchase some of the spurious article; but such a purchase is of no use to prove actual deception, though it will, of course, weigh as one of the ingredients in the case; this sort of case is illustrated in *Welch* v. *Knott*, 4 K. & J. 747. The injunction here applied for was to restrain the defendants from using or selling soda-water in bottles similar to those in use by the plaintiffs, with the words and figures "J. Schweppe & Co., 51, Berners'-street, Oxford-street, Genuine Superior Ærated Waters," or similar words and figures stamped thereon, and from using or selling soda-water in bottles having labels pasted thereon similar to or colourably imitating the plaintiffs'. It appeared that the solicitor for the plaintiffs had asked for and pur-

chased at the defendant's shop a dozen bottles of soda-water, five of which were stamped like the plaintiffs' bottles, and had a label affixed to them of a similar colour to that used by them. The defence set up was, that the defendants were in the habit of purchasing lots of second-hand soda-water bottles, and also of receiving from customers old bottles in return for those which were sent out by them, and that in such a course of business they received not only their own bottles, but those of other soda-water manufacturers as well. It was stated by the defendants that this was done without any fraudulent intention on their part, and they had offered to give the plaintiffs a legal guarantee to discontinue the practice. The injunction (which had been obtained *ex parte*) was dissolved by Vice-Chancellor Wood on the special circumstances of the case. He considered it to be clear that the defendant could not be allowed to use the plaintiffs' bottles in such a manner, as, in fact, to mislead the public, although there might be no intention on his part to mislead, and cited *Millington* v. *Fox* in support of his opinion. His Honour continued by considering whether, in selling the soda-water in bottles like those of the plaintiffs, the onus was not thrown upon the defendant, of informing the public that it was not Schweppe's soda-water, and that he thought to be a question of much importance; though, the soda-water having been purchased by Mr. Chapple, the plaintiffs' solicitor, with a full knowledge that it was not Schweppe's, but of the defendant's manufacture, it was not one which he was then called on to determine. The conclusion to which he came was, that the sale was not only one in which there was not the most distant attempt on the part of the defendant to mislead, or to sell bottles as containing any soda-water but his own, but that in the whole transaction it was perfectly clear that the purchaser was not in fact misled into a

belief to the contrary. Here was, in truth, no injury to the property of the plaintiffs, because there was no attempt on the part of the defendant to substitute his article and sell it as theirs.

I have now passed in review those cases which exhibit the principal grounds for granting or refusing an injunction to restrain the violation of the right to use a trade mark. There is, however, a further species of injury to rights or property of this sort, to restrain or remedy which the Court has in some cases been applied to; I mean cases where the manufacture of a label or placard has been complained of. There can be no doubt, looking at the matter from a common-sense point of view, that the person who makes and sells a copy or an imitation of a label, without the permission or authority of the person entitled to use that label, lays himself open *primâ facie* to the suspicion that he is a party to a fraud intended to be committed by persons who purchase such a label. The ground of defence relied on in *Farina* v. *Silverlock*, 1 K. & J. 509; 3 W. R. 532; S. C. 6 De. G. M. & G. 214, 7 W. R. 731, puts this question in issue. It was there asserted by the defendant that he, in the ordinary course of his trade, was in the habit of making and selling the labels and wrappers complained of, which were evidently a colourable imitation of the plaintiff's; that he was not aware that those labels were intended to be used by the persons purchasing them, fraudulently; and he stated his belief that they were not so used, but were intended to supply the place of labels which had been lost or worn out, and to be affixed to articles of the plaintiff's manufacture, and not to an inferior or spurious article. Of course, if this view were shown to be correct, or even probably so, there could be no ground of complaint on the part of the owner of the trade mark, but it is difficult to see how this can be. The mere fact that the labels in this case were not a simple copy, but a very

close imitation of the plaintiff's, at once suggests the idea of an intended fraud. Again, if we consider the ordinary course of trade, that the persons who manufacture goods protected by such labels are in the habit of issuing a certain number of them to the retail dealers whom they supply with their goods; that even in a case where labels were lost or damaged, the retailer could obtain a fresh supply on representing his case to the manufacturer; but that instead of doing this, he prefers to go to a printer of labels and buy what is not exactly the article he has lost, but a close imitation;—taking all these considerations together, and also the improbability that there should ever be such a legitimate waste of any label as to make it worth while to carry on a trade solely to supply that waste, the conclusion to which the Lord Chancellor arrived on the appeal in this case, in which he reversed the perpetual injunction granted by His Honour Vice-Chancellor Wood, and retained the plaintiff's bill for a year, to enable him to bring an action at law, seems somewhat questionable.. No doubt there was no distinct evidence before the Court that spurious Eau de Cologne had been sold as and for the plaintiff's genuine manufacture by means of the defendant's labels; that was, however, alleged in the bill, and was stated to be the fact by the plaintiff on his oath, nor was it contradicted in terms by the defendant. It was also stated, and without material contradiction, that persons were in the habit of purchasing these spurious labels for a fraudulent purpose. This was, in the opinion of His Honour, sufficient to establish the jurisdiction of the Court, which would, if a defendant was enabling others to commit a fraud by distributing the means of doing so without waiting till the whole fraud was completed by the sale of the spurious goods, by its injunction arrest the evil at its source. The Lord Chancellor, however, considered that the circumstances of the case were

not sufficient to prove such a fraudulent dealing on the part of the defendant, and that issue he accordingly left for trial. In the only other case on this head, that of *Delondre* v. *Shaw*, 2 Sim. 237, the bill was dismissed on the ground that the Court could not intend a fraud where none was alleged; that is to say, that though the defendants had printed and sold labels and wrappers which were an imitation of the plaintiff's, the bill contained no allegation even that such labels had been used to assist the sale of a spurious article, and it was not, in fact, shown that any such sales had ever been made.

In concluding this part of my subject, I will only briefly refer to several cases which I have hitherto omitted to mention, as not especially illustrating any of the principles laid down in the foregoing remarks. In *Franks* v. *Weaver*, 10 Beav. 297, the use of a pamphlet containing testimonials in favour of a medical preparation, published by the plaintiff, and sold along with his medicine, was protected by injunction. Again, in *Ransome* v. *Bentall*, 3 L. T. N. S. 161, the injunction was to restrain a particular use of certain letters and figures stamped by the plaintiff on ploughshares of his manufacture. Here, although from the report of the case it is not very clear that a fraud was either practised or intended, yet it was held that to dismiss the bill would have been to decide *ab ante* that no possible use of the plaintiff's letters and figures could be fraudulent.

In *Purser* v. *Brain*, 9 L. J. Ch. 141, the injunction was withheld, and a trial at law directed; the intent to defraud being sufficiently manifest, but the Court doubting as to the exclusive right of the plaintiff.

Another species of colourable imitation, namely, the insertion in a label or advertisement, of material words of difference, but in a very small type, has been restrained in *Day* v. *Binning*, C. P. Cooper, Cha. Ca.

489. There was also a somewhat similar restriction in *Burgess* v. *Burgess*, and in a case before Vice-Chancellar Wood, T. T. 1861, of Kaye Worsdell's Vegetable Pills. But where no fraudulent intention has been shown, and the case is such that the public are not likely to be misled, no injunction will be granted: *The London and Provincial Law Assurance Society* v. *The London and Provincial Joint Stock Life Insurance Company.*

It will not be inappropriate here to notice the course which has been taken by the Court where its injunction has been disregarded. *Rodgers* v. *Nowill*, 3 De G. M. & G. 614, was an appeal from an order of Vice-Chancellor Stuart, who declined to commit W. Rodgers, one of the partners in a cutlery business, against whose firm an injunction had been granted six years previously, restraining them from the use of the plaintiff's trade mark, for contempt by breach of that injunction. Whenever the Court is called on to exercise its acknowledged jurisdiction in a manner so highly penal as by committal for contempt, it is of course necessary to show clearly the breach of the injunction in express terms, and the animus of the defendant. In the present case circumstances were stated on his part, which it was contended would show that no specific breach had been committed; or that he was justified in using the names and symbols which he had been injoined against, on grounds which had risen subsequently to the issue of the injunction in the original cause. It was, moreover, contended that the plaintiffs had no right to proceed against one partner in the firm in the absence of the other. All these grounds of objection were, however, overruled, and the learned Justices of Appeal expressed their opinion that unless the defendant could satisfy them that the mark he and his firm intended to use in future would not be inconsistent with the rights of the plaintiff, an order for committal must not be made.

In *Cartier* v. *May* (before His Honour Vice-Chancellor Wood, 12th July, 1861), the defendant had, by a series of ingenious substitutions, managed to evade the letter of the injunction, while evidently breaking it in spirit, and the Court accordingly was obliged to dismiss the motion to commit him. At the same time the terms of the injunction were so amended, by the express and absolute prohibition of the use of certain words in the plaintiff's labels, as to afford him substantially the security which he desired, and to which he was fairly entitled.

CHAPTER IX.

OF COSTS AND ACCOUNT OF PROFITS.

THE general rule of the Court that costs in a suit shall follow the result, and those modifications of that rule which will, under special circumstances, be adopted, are fully laid down by Lord Cottenham in *Millington* v. *Fox*. The expediency of the general rule in these cases, as in many others, arises from the consideration that, however doubtful the title may be, or however proper it may be to dispute it, it is but fair that the party who has the right should be reimbursed, as far as giving him the costs of the suit can reimburse him. But there is another object which the Court keeps constantly in view, and which tends to modify the application of this principle, namely, to repress unnecessary litigation, and to keep litigation within those bounds which are essential to enable the parties to vindicate and establish their rights. The case before us affords a good illustration of what are considered by the Court sufficient grounds for admitting this modifying principle. The circumstances which were material as affecting the question of costs were the following:—It appeared that an agent of the plaintiffs' had, on the 28th of July, applied to one of the defendants to ascertain whether his firm had been in the habit of using the plaintiffs' trade mark, and to know what their intention in future was; that he had received an evasive answer, or one, at all events, which would justify the plaintiffs in filing their bill. But on the 2nd of August the defendants wrote to the plaintiffs to disclaim any intention of fraud upon them, stating at the

same time that they had given up the use of the mark, and offering to refer the question of compensation for any loss which might have been occasioned to the plaintiffs' trade, to arbitration. By some accident, however, this letter did not reach the plaintiffs till the 9th of August, two days after the bill had been filed, and the very day upon which the injunction *ex parte* was applied for and obtained. Now, it was clear that on receiving this letter the plaintiffs had got a promise of everything which they were entitled to, and they ought to have been content with this. Instead of that, they prosecuted the suit to a hearing for the sake of the account prayed for by the bill, though, when the cause came on, their counsel was obliged to abandon that part of the prayer. Thus, the whole of the plaintiffs proceedings subsequently to the receipt of the letter of the 2nd of August had been needless and vexatious, and on this ground the Court, while granting a perpetual injunction, thought that in refusing the plaintiffs the costs of the cause it was only doing what was within its discretion for the purpose of repressing useless litigation.

So also, when any part of the plaintiff's proceedings are, in the opinion of the Court, unnecessary, as in *Pierce* v. *Franks*, 10 Jur. 25, where the bill contained an allegation to the effect that certain marks used by the defendant were private marks of the plaintiff; but it appeared that these were generally used by the trade as marks of quality. It was indeed contended that the whole suit was vexatious, on the ground that the plaintiff, before filing his bill, ought to have applied to the defendant to obtain the recognition of his right in an amicable manner. But it was held that the plaintiff was entitled to found and establish his right by a suit, the general costs of which were allowed him, excepting such extra costs, if any, as might have been occasioned by the insertion of the allegation which was not true.

There would seem to be some conflict of opinion, on comparing these two decisions, for it is clear from the former, that in Lord Cottenham's opinion, if the plaintiffs in that case had received the letter from Messrs. Fox before the filing of their bill, there would have been no necessity for a suit at all, and it is to be presumed costs would have been refused. The Vice-Chancellor, on the other hand, considered that a plaintiff was entitled to his suit and to the protection afforded by an injunction, irrespectively of any concession which might have been made by a defendant. It seems, from this and other cases, a fair conclusion to draw, that the plaintiff is in all cases entitled to the costs of his injunction in the first instance, and that if upon that the defendant submits and agrees to pay all costs up to that time, the plaintiff then has obtained all he can desire, and will be liable himself to the costs of any subsequent proceedings. On the other hand, if the defendant refuses any of those terms to which the plaintiff is entitled, the cause may fairly be brought to a hearing, and the plaintiff will have his costs. Thus, in *Burgess* v. *Hill*, although the defendant was ignorant of the plaintiffs' rights up to the time of the service of the bill, and upon receiving that notice he at once removed the labels, the use of which was complained of, and gave an undertaking not to sell any more of the bottles so labelled, yet upon being served with the injunction and applying to the plaintiffs to stay proceedings he refused to agree to their terms, which were, at first, that he should pay £50, the estimated costs of the proceedings, and afterwards that he should pay taxed costs. In the end, the plaintiffs not being able to arrange any terms, gave notice of motion for a decree. It was held by the Master of the Rolls that the plaintiffs were entitled to apply for and obtain their injunction, and to the costs of all proceedings up to that point; that the defendant,

by refusing to pay those costs, had placed them in such a position that they had no other course open, but to bring the matter to a hearing, and that consequently the costs of all the proceedings must be paid by him. So also in *Burgess* v. *Hately*, where the circumstances were very similar to those in the preceding case, the Master of the Rolls thought that the plaintiffs were justified in filing a bill for an injunction without any previous application to the defendant; and his Honour considered that the proper course for him to have taken would have been to acknowledge the plaintiffs rights, and offer to pay all reasonable costs. But as he did not do this, and drove them to bring the matter to a hearing on the sole question of costs, he, as he had by this course greatly increased the expenses on either side, and refused to give way in a matter in which he had no right to resist, was adjudged to pay all the costs of the suit. The same course was followed in *The Collins Co.* v. *Walker*, where no interlocutory injunction had been applied for, but the cause came to a hearing solely on the question of costs which the defendant had refused to pay. The Vice-Chancellor held that he ought, as soon as he discovered his error, to have offered not only what he did offer,—to give up the use of the mark—but to submit to the issuing of the injunction, and to pay the trifling costs incurred up to that time; but as he had not done so, he would now have to pay all the costs.

When the plaintiff has been sent to a court of law to establish his title, and has succeeded, costs of all the proceedings will be given him on the cause coming on for further consideration: *Farina* v. *Silverlock*, 4 W. R. 731. The case of *Rodgers* v. *Nowill*, 1 W. R. 122, follows the same general rule, though there is in it one peculiarity which deserves notice. The plaintiffs made no interlocutory application, but went into evidence and examined witnesses to prove the allegations of their bill. The Court

now considered that this course of proceeding was unjustifiable; that they ought to have applied for leave to try the question of partnership which was in issue, and that it might have dismissed the bill on that ground, and on the ground of the hardship inflicted on a tradesman who is called upon to account for what he has been doing for three or four years during the progress of a suit, and who is subjected to the expense of going into evidence, when it is certain after all that the case must be tried at law. Eventually, the plaintiffs succeeded in their action at law, and accordingly a decree was finally made in their favour, with all the costs, excepting those of taking the evidence in equity; which, as I have shown, the Court held to be unnecessary. The common practice, and approved of in this case, is to apply for an injunction *ex parte*, and it is suggested that by this course the plaintiff having got the right to try his action at law should not hesitate to do so at once, unless the title to the use of the trade-mark is so clear as to be absolutely indisputable, in every case in which the defendant does not at once submit.

More recently it is said in *Edelsten* v. *Edelsten*, 11 W. R., 328, the Court will not take notice of negotiations antecedent to a suit unless they amount to a release of the cause of action, or involve a breach of faith. On the other hand when, as in *Young* v. *M'Rae*, a defendant offers to give up the use of a license, each party paying his own costs—this is not to be pressed against him, but rather to be taken as an evidence of *bona fides* on his part.

In ordering a defendant to account for profits, the Court of Equity is not affected by the consideration of fraud. In the judgment of the Lord Chancellor in *Edelsten* v. *Edelsten*, this point is left undecided; but in *Carter* v. *Carlile*, 31 Beav. 292, the Master of the Rolls says: "the liability to account for profits

is incident to the injunction, and the fact of the defendant not knowing to whom the trade-mark he copies belongs does not in the slightest degree affect the right of the owner to an injunction and an account of the profits." This seems to be a natural result from the character of the equitable jurisdiction in such cases, although at law the plaintiff could not have recovered damages without proving the scienter. *Edelsten* v. *Edelsten*, 12 W. R., 1026, is also valuable, as showing the footing on which accounts will be taken in these cases. A defendant cannot be charged with bad debts due to him for supplying the spurious article; on the other hand he is not entitled to credit for the cost of manufacturing the goods in the sale of which such bad debts were incurred.

Exx. J. A. A.