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UNFAIR COMPETITION AS AN AID TO EQUITY
IN PATENT, COPYRIGHT AND
TRADE-MARK CASES

Modern procedural rules seek to achieve the ideal of equity — the settling in one controversy of all the claims arising out of a matter as against all persons having an interest in it.

I. JOINDER AS A MEANS

The policy behind the liberal rules of joinder of claims and remedies was stated years ago by the reporter for the Advisory Committee on the Federal Rules of Civil Procedure in this manner: "It is sound social policy that all items of potential irritation between parties be adjusted at one time, so that repose can be achieved and litigation not continued interminably."1

In federal practice, the problem was complicated by the rule which forbade a federal court from taking jurisdiction of a distinct non-federal cause of action when it was joined with a federal cause of action.2 The rigid application of the rule led to the promulgation of the doctrine that when a proper cause of action was stated under federal law, a federal court should not determine the non-federal claim joined with it, although both actions arose out of the same facts.3 The Supreme Court arrived at this conclusion by assuming that jurisdiction depended upon the federal cause of action, so that the power to entertain the pendent cause of

action disappeared when it appeared that the plaintiff was not entitled to recover on the federal claim. Later, the Court retraced its steps, repudiated these cases, and ruled that, although a federal claim was rejected on the merits, the federal court could still determine a non-federal claim, such as unfair competition, which arose out of the same facts. The well-known case in which this ruling was made, quite appropriately for purposes of this article, involved the alleged piracy of a play. Relief was sought upon the ground that the play had been copyrighted, and also that its presentation constituted "unfair business practices and unfair competition." The trial court found that, because the play had been revised and the revision had not been copyrighted, an action for copyright infringement, which is a federal claim, would not lie. It then dismissed the unfair competition claim on the familiar ground that it lost jurisdiction to entertain it. In reversing this ruling, which the court of appeals had affirmed, the Supreme Court of the United States said:

The bill alleges the violation of a single right, namely, the right to protection of the copyrighted play. And it is this violation which constitutes the cause of action. Indeed, the claims of infringement and unfair competition so precisely rests upon identical facts as to be little more than the equivalent of different epithets to characterize the same group of circumstances. The primary relief sought is an injunction to put an end to an essentially single wrong, however differently characterized, not to enjoin distinct wrongs constituting the basis for independent causes of action. . . . Thus tested, the claims of infringement and of unfair competition averred in the present bill of complaint are not separate causes of action. . . .

Presumably because some of the courts were giving a nar-

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5 Hum v. Oursler, 61 F.2d 1031 (2d Cir. 1932).
row interpretation to this ruling, Congress, in revising the Judicial Code in 1948, provided specifically that a federal district court shall have "... original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark law." It is the writer's conviction that the doctrine of unfair competition or unfair practices enables courts in these and other fields to achieve equitable justice when restrictive legal principles stand in the way. The present study is an attempt to justify this conviction.

II. On Dirty Tricks

Some years ago, Professor Zechariah Chafee, Jr., began an article on unfair competition with a story:

Several years ago when Edward S. Rogers, one of the leading American writers and practitioners in the field, was lecturing on Unfair Competition, he asked a student: "What is your idea of this subject?" He got the answer: "Well, it seems to me that the courts try to stop people from playing dirty tricks." Mr. Rogers comments, "One might spend weeks reading cases and find many definitions less satisfactory than this." Chafee sought to show that there were "many dirty tricks in business which the courts do not stop." However, if the development of the concept of unfair competition is studied, it is apparent that the constant aim has been to redress what Mr. Chief Justice Fuller in a noted case called "deceitful representation or perfidious dealing."

From the very beginning of this branch of the law, emphasis has been placed upon the unfairness of certain

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7 See Musher Foundation, Inc. v. Alba Trading Co., 127 F.2d 299 (2d Cir. 1942).
9 Chafee, Unfair Competition, 53 Harv. L. Rev. 1289 (1940).
10 Ibid.
acts in commercial dealing. Therefore, the courts actually condemn unfair practices.\textsuperscript{12} Lord Chancellor Eldon was the first to stress the distinction between fair and unfair competition, stating in an 1803 English decision:\textsuperscript{13}

In this case, protesting against the argument, that a man is not at liberty to do anything, which can affect the sale of another work of this kind, and that, because the sale is affected, therefore there is an inquiry (for if there is a \textit{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 \textit{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. . .

I have considerable difficulty as to the false colours under which the original publication appears. Though this is very usual, I cannot represent it to my mind otherwise than as something excessively like a \textit{fraud on the public}. (Emphasis added.)

In other early English cases, fraud on another by giving the erroneous impression that the product is \textit{his}, and consequent fraud on the public, are emphasized. So, in \textit{Morison v. Moat},\textsuperscript{14} the owner of a medical formula, not the subject of a patent, was protected against sale of the formula by another, who had acquired it by a breach of trust and confidence. The Vice Chancellor gave these grounds for the holding:

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 upon trust or confidence, meaning, as I conceive, that the Court fastens


\textsuperscript{14} 9 Hare 241, 68 Eng. Rep. 492 (1851).
the obligation on the conscience of the party, and en-
forces it against him in the same manner as it enforces
against a party to whom a benefit is given the obligation
of performing a promise on the faith of which the benefit
has been conferred; but, upon whatever grounds the
jurisdiction is founded, the authorities leave no doubt as
to the exercise of it.\textsuperscript{15}

In neither of the cases quoted from did the plaintiff have
a \textit{legally-protected} right. In the first case\textsuperscript{16} there was no
copyright of the publication involved; in the second,\textsuperscript{17} the
court plainly stated that the formula there involved was
not patentable. Yet the courts gave protection against fraud
through the application of the principle of unfair practice.

In a more modern English case,\textsuperscript{18} a person had used the
phrase "Stone Ale" as a trade name. Although the court
was of the view that this geographical name (after the
Staffordshire town of Stone) could not be registered as a
trade-mark under English law, nevertheless its use by
the defendant was enjoined. The situation was summed up
in this manner in the Chancery Division:

\ldots He does not use the words "Stone Ale" for any
honest purpose whatever, but according to the evidence
with a distinctly fraudulent purpose.

Is there any reason, then, why the Court should not
deal with him accordingly, and prevent him from carry-
ing out such intention by restraining him from using the
words which he will only use for that purpose?\textsuperscript{19}

On appeal to the House of Lords, the perpetual injunction
granted by the Court of Appeals was affirmed; Lord Mac-
naghten used this significant language:

\begin{quote}
It would have been impossible for him (the infringer)
to have called his ales "Stone Ales," and to have dis-
tinguished his ales from those of the plaintiff. Any
\end{quote}

\begin{flushright}
\textsuperscript{15} \textit{Id.} at 498.
\textsuperscript{16} See note 13 \textit{supra}.
\textsuperscript{17} See note 14 \textit{supra}.
\textsuperscript{18} Thompson v. Montgomery, 41 Ch. D. 35 (1889).
\textsuperscript{19} \textit{Id.} at 51.
\end{flushright}
attempt to distinguish the two, even if honestly meant, would have been perfectly idle. Thirsty folk want beer, not explanations. If the public get the thing they want, or something near it, and get it under the old name — the name with which they are familiar — they are likely to be supremely indifferent to the character and conduct of the brewer, and the equitable rights of rival traders.  

As an indication of the continuity of judicial thought on this problem, the Supreme Court of the United States over a half-century later stressed that because the American consumer is often motivated to purchase particular goods through an attraction by a symbol, the law will protect the owner of a “congenial symbol” and the “commercial magnetism” of the symbol he has created. Prior to this decision, the same Court, in referring to an English case previously cited, gave recognition to the right of our judicial bodies to protect a news agency against a pilferer, although the Court determined that such a right was destroyed by the publication of the news. The Court said:

20 Montgomery v. Thompson [1891] A.C. 217, 225. By contrast, if the use of a geographical name is not attended by any fraudulent representation, any subsequent user has the same right as the first one. “It must then be considered as sound doctrine that no one can apply the name of a district of [sic] country to a well-known article of commerce, and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district, from truthfully using the same designation. It is only when the adoption or imitation of what is claimed to be a trade-mark amounts to a false representation, express or implied, designed or incidental, that there is any title to relief against it. True it may be that the use by a second producer, in describing truthfully his product, of a name or a combination of words already in use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth.” Canal Co. v. Clark, 80 U.S. (13 Wall.) 311, 327 (1871) (Emphasis added.)


22 See note 14 supra.
Regarding the news, therefore, as but the material out of which both parties are seeking to make profits at the same time and in the same field, we hardly can fail to recognize that for this purpose, and as between them, it must be regarded as \textit{quasi} property, irrespective of the rights of either as against the public.

In order to sustain the jurisdiction of equity over the controversy, we need not affirm any general and absolute property in the news as such. The rule that a court of equity concerns itself only in the protection of property rights treats any civil right of a pecuniary nature as a property right ... and the right to acquire property by honest labor or the conduct of a lawful business is as much entitled to protection as the right to guard property already acquired. ... It is this right that furnishes the basis of the jurisdiction in the ordinary case of unfair competition.\footnote{International News Service v. Associated Press, 248 U.S. 215, 236-237 (1918). The doctrine of \textit{quasi} property promulgated by the Supreme Court in this case has not been applied by the lower courts to other fields of non-existing or expired rights. See \textit{G. Ricordi} & Co. v. Haendler, 194 F.2d 914, 916 (2d Cir. 1952); Millinery Creators Guild, Inc. v. FTC, 109 F.2d 175, 177 (2d Cir. 1940); \textit{RCA Mfg. Co. v. Whiteman}, 114 F.2d 86 (2d Cir. 1940); Cheney Bros. v. Doris Silk Corp., 35 F.2d 279, 280 (2d Cir. 1929). The Ricordi case involved the photographic reproduction, with interpolations, and sale of an Italian libretto based on Shakespeare's "Falstaff" and the vocal and piano score of Verdi's music on which the copyright had expired. Finding no \textit{simulation}, \textit{imitation or other element of deceptive representation}, the Court of Appeals for the Second Circuit sustained a ruling which declined to grant relief on the ground of unfair competition. In so doing, the court recognized that in certain circumstances the appropriation and sale of a literary work on which the copyright had expired might constitute unfair competition: "We do not mean that the defendant could under no circumstances be guilty of 'unfair competition' in his use of the 'work'; but it would have to be by some conduct other than copying it." \textit{G. Ricordi} & Co. v. Haendler, \textit{supra} at 916. A more recent decision of the same court raises the question whether the decision just cited would be followed rigidly. \textit{Hartford Charga-Plate Associates v. Youth Centre-Cinderella Stores, Inc.}, 215 F.2d 668, 672 (2d Cir. 1954).}

The above statement demonstrates in broad view the basic idea underlying the concept of unfair competition, namely, the equitable right to protect a person against appropriation by another of something which he has produced, although he has no real legal right to such protection. This idea is in accord with the true spirit of equity. The very breadth of its formulation allows the application
of the norm to a great diversity of instances of "deceitful representation and perfidious dealing."\textsuperscript{24}

III. CONFUSION OF SOURCE

Because concepts of ethics and decency in business are constantly changing and the limits of human perfidy do not admit of strict delineation, it has been difficult for the courts to find a single principle to encompass all the situations involving wrongful appropriation of the creation of another. All attempts in that direction, interesting though they may be, are speculative at best.\textsuperscript{25} In truth, the courts use one equitable principle or another as the demands of a particular case require, constantly bearing in mind the ultimate aim of preventing "dirty tricks."\textsuperscript{26}

The fruitful systematization of unfair competition in the

\textsuperscript{24} See note 11 supra.

\textsuperscript{25} See note 9 supra. See also 1 CAllMANN, UNFAIR COMPETITION AND TRADEMARKS, 68-143 (2d ed. 1950); 1 NiMs, UNFAIR COMPETITION AND TRADEMARKS, 1-72. (4th ed. 1947).

\textsuperscript{26} See note 9 supra. The fact, which so annoys Chafee, that many "dirty tricks" are still allowed is traceable to the philosophy expressed in Katz v. Kapper, 7 Cal. App. 2d 1, 44 P.2d 1060 (1935) at 1062:

"The fact that the methods used were ruthless, or unfair, in a moral sense, does not stamp them as illegal. It has never been regarded as the duty or province of the courts to regulate practices in the business world beyond the point of applying legal or equitable remedies in cases involving acts of oppression or deceit which are unlawful. Any extension of this jurisdiction must come through legislative action." (Emphasis added.)

This principle received the formal approval of the Supreme Court of California in C. S. Smith Metropolitan Market Co. v. Lyons, 16 Cal. 2d 389, 106 P.2d 414, 419 (1940). By contrast, the equitable principle of fair dealing has been defined in this manner:

"Rival manufacturers may lawfully compete for the patronage of the public in the quality and price of their goods, in the beauty and tastefulness of their enclosing packages, in the extent of their advertising, and in the employment of agents, but they have no right, by imitative devices, to beguile the public into buying their wares under the impression they are buying those of their rivals." Coats v. Merrick Thread Co., 149 U.S. 562, 566 (1893).

Because such a high degree of ingenuity has been developed regarding the similarity of products and processes, the courts may, at times, be slow in responding to the higher ethical standards of business decency which call for their condemnation. See Pattishall, Trade-Marks and the Monopoly Phobia, 50 Mich. L. Rev. 967 (1952).
Restatement of Torts epitomized the ground on which relief will be granted against unfair practices in a phrase which now has become almost trite — "confusion of source." The object was to adopt a terminology which would govern both misrepresentation and what is called strictly "... passing off one's goods as those of another..." The efficacy of the formulation is evidenced not only by the general use which the courts make of it in determining cases of unfair competition regardless of the field in which they arise, but also by the fact that Congress adopted the concept in the Lanham Trade-Mark Act of 1946, defining infringement, among other acts, as any use in commerce of a registered trade-mark which "... is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services. ..." This provision effects a partial fusion of infringement and unfair competition by making confusion of source of origin an element of both violations. The added result is the creation of a federal law of unfair competition so far as the law of trade-marks is concerned, thus strengthening the power of the Federal Trade Commission to prevent unfair methods of competition.

The decision of the Supreme Court in *Erie Railroad v. Tompkins* makes it axiomatic that unfair competition unrelated to a federal patent, copyright, or trade-mark is

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27 Restatement, Torts §§ 711-743 (1938).
33 304 U.S. 64 (1938).
governed by state law.\textsuperscript{34} The specific inclusion of the fundamental concept of unfair competition in the federal law of trade-marks has created a new federal cause of action on that ground, thereby giving promise of achieving uniformity of adjudication in cases arising under it.\textsuperscript{35} Differences between federal and state decisions in cases concerning unfair competition are primarily differences of degree. At all times, the aim of the courts has been to enforce "... increasingly higher standards of fairness or commercial morality in trade."\textsuperscript{36}

Commenting on this expressed aim, the Court of Appeals for the Third Circuit has stated:

In any situation where the law is in the growing stage it is not to be expected that the advance in all courts will be simultaneous. Furthermore, when the final outcome on a given set of facts may vary, not with the legal concepts involved, but their application to particular states of fact, the pattern is inevitably less clear than in cases where a definite rule is to be applied. (Emphasis added.\textsuperscript{37})

Additional cases will demonstrate the application of the principles to situations in which, without resort to the concept of unfair practices, redress against apparent in-

\textsuperscript{34} Pecheur Lozenge Co. v. National Candy Co., 315 U.S. 666 (1942); Fashion Originators' Guild Inc. v. FTC, 312 U.S. 457, 468 (1941); Steele v. Bulova Watch Co., supra note 33 at 288; Bunn, op. cit. supra note 32. See also Sunbeam Furniture Corp. v. Sunbeam Corp., 191 F.2d 141, 145 (6th Cir. 1951).

\textsuperscript{35} 60 Stat. 440-41 (1946), 15 U.S.C. §§ 1121, 1125, 1126 (b), (g), (h), and (i) (1952); Bucky v. Sebo, 208 F.2d 304, 306-07 (2d Cir. 1953); Pagliero v. Wallace China Co., 198 F.2d 339, 341 (9th Cir. 1952). See note, Trade-Marks, Unfair Competition, and the Courts: Some Unsettled Aspects of the Lanham Act, 66 Harv. L. Rev. 1094, 1101 (1953); note, Federal Jurisdiction over Unfair Competition, 37 Minn. L. Rev. 268, 278 (1953). The benefits of the act have been questioned in view of the failure of the courts to agree as to its meaning.

\textsuperscript{36} RESTATEMENT, TORTS, Introductory Note, p. 540 (1938). In applying the concept of unfair competition, the courts have condemned unfair dealing, even though they found no fraud, because the absence of fraud "... does not undermine the finding of unfair competition." Champion Spark Plug Co. v. Sanders, 331 U.S. 125, 130 (1947).

justice could not have been granted.

IV. VARIETY IN DECEIT

The author of an unsuccessful play was allowed to recover substantial damages because of the unauthorized use of its title by another, despite the failure of the play and the court's postulate that there could be no proprietary right in the title to a dramatic production. The court said:

An author of a play has no inherent right in the title to his production. . . .

There is no initial property right in household semantics or words which are merely descriptive, fanciful or geographic in nature. . . . However, if words have been used by an author or manufacturer in such a manner that the public has learned to associate them with the product, book or play, they acquire a "secondary meaning." This principle, which was first applied in trade-mark cases, renders the words or symbols protectible and transferable because of that association. A play may become known to the public by its title, which thereby acquires a secondary meaning and attains a protectible status.

This decision was made under California law. However, similar rulings have been made under federal law, the courts holding that protection would be afforded although the title claimed had not been copyrighted or was not capable of being copyrighted. In two of these cases, the titles consisted of a combination of ordinary words — "Slightly Scandalous" in the second circuit Majestic Pictures case, and "Gold Diggers" in the seventh circuit Loew's case.

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40 Becker v. Loew's, Inc., 133 F.2d 889, 891 (7th Cir. 1943); Warner Bros. Pictures Inc. v. Majestic Pictures Corp., 70 F.2d 310 (2d Cir. 1934).
These words had become associated with the particular production in the mind of the public rather narrowly in the first case but more extensively in the second case. Therefore, the first user was held to have acquired a right which the law protected against the unfair practice of another. The Court of Appeals for the Second Circuit stated: “It is true that they [the words of the title] are words of general description and ordinarily would not be subject to pre-emption by any one, but they may not be used by a competitor to deceive a public which has long attributed them to complainant's moving pictures.”

In a case in my court involving a trade-mark, relief was granted for unfair competition, although the trade-mark “Looz” was held not fanciful. The plaintiff, a comparatively small concern, had used the word as a trade-mark and corporate name for many years prior to its adoption by the defendant. The defendant had extensively advertised its product, a weight-reducer, in the West under the same name, at the expenditure of hundreds of thousands of dollars. It could not be denied that by its exploitation it had enhanced the value of plaintiff's trade name. Nevertheless, the plaintiff was not deprived of full protection by apportioning the territory between the two:

When the first-comer in the field has had a distinct word as its corporate name, has used it as a trade name, has had a trade-mark under that name, and has marketed under it products for a period of years, the later appropriator is not entitled to the protection of equity at the expense of public confusion.

The decision was under California law. However, many decisions prior to Erie R.R. v. Tompkins also support this
proposition, forbidding the appropriation of a substantial part of a trade name under the law of unfair competition where the similarity was likely to lead to confusion of source or sponsorship.\(^{45}\)

Some of these cases turned on the validity of the trademark. In the others, however, courts enjoined the latecomer in the field despite the fact that the word appropriated was not valid as a trade-mark. Later cases which have arisen under the Lanham Trade-Mark Act have applied the same concept where the name has been associated with such a product as "Desedrine."\(^{46}\)

The principle just discussed also has been applied in the law of patents. A name identified with a patented article will be protected unless it has become a generic name, in which event the right to use it passes to the public at the expiration of the patent. In this latter class are words such as "Singer," for the description of a type of sewing ma-

\(^{45}\) This principle was followed even though the appropriated word was an ordinary English word. For illustrative cases, see Fashion Park, Inc. v. The Fair, 49 F.2d 830 (C.C.P.A. 1931) ("Fashion Row" as applied to both men's and women's apparel as against "Fashion Park" similarly applied); Queen Mfg. Co. v. Isaac Ginsberg & Bros., 25 F.2d 284 (8th Cir. 1928) ("Queen Brand" as applied to women's apparel in favor of prior user of "Queen Make"); Photoplay Pub. Co. v. La-Verne Pub. Co., 269 Fed. 730 (3d Cir. 1921) ("Photoplay Journal" for magazine devoted to motion picture productions in favor of prior user of "Photoplay" for magazine of similar character); Florence Mfg. Co. v. J. C. Dowd & Co., 178 Fed. 73 (2d Cir. 1910) ("Sta-Kleen" for tooth brush against prior user of word "Keep-clean"); Gannert v. Rupert, 127 Fed. 962 (2d Cir. 1904) ("Home Comfort" as title for magazine in favor of first user who had applied word "Comfort" to a publication).

Post-Erie cases, in similar fashion, have involved ordinary English words and still reached the same result. General Finance Loan Co. v. General Loan Co., 163 F.2d 709 (8th Cir. 1947) ("General Finance Loan Company" and "General Finance Corporation" as applied to firm engaged in making small business loans in favor of prior user of "General Loan Company" for same type of business); San Francisco Ass'n for the Blind v. Industrial Aid for the Blind, 153 F.2d 532 (8th Cir. 1946) ("Blind-Kraft" as applied to brooms, brushes, mops, and furniture made by blind persons in favor of "Blindcraft" similarly applied); Hygienic Products Co. v. Huntington Laboratories, Inc., 139 F.2d 508 (C.C.P.A. 1943) ("Toilet-San" as applied to porcelain cleaner in favor of prior user of "Sani-Flush").

\(^{46}\) Ross-Whitney Corp. v. Smith Kline & French Lab., 207 F.2d 190 (9th Cir. 1953). See also National Lead Co. v. Wolfe, 223 F.2d 195 (9th Cir. 1955) ("Dutch" applied to paint).
chine;47 "Shredded Wheat," as a description of a breakfast cereal;48 and "Aspirin," for the drug "acetyl-Salicylic acid."49 However, in a recent case in my court of patent infringement where protection under unfair competition was sought to be extended to a color scheme and method of marking cans in which Chinese food products were sold, relief was denied on the ground that the defendant was a prior user, that there was no evidence of confusion, and that likelihood of confusion could not be inferred from the mere fact that the cans were somewhat similar in shape and color scheme. The plaintiff's products were found not to have become identified with him so clearly that anyone buying the defendant's product would think he was buying the plaintiff's.50

Thus, attention is directed to the proposition that before acts which result in confusion are entitled to protection at the suit of a particular litigant, he must show that the customer in whose mind the confusion is created was his customer, either actually or potentially. He can do so only by showing that the name, form, or other distinct characteristic of his product, whether it is a patented device, publication (copyrighted or not), trade-mark or trade name, has become in the minds of the buying public so associated with him that anyone buying it would think it was being purchased from him or that he sponsored it. If they were buying the product as such regardless of name

47 Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169 (1896). See also Saxlehner v. Eisner & Mendelson Co., 179 U.S. 19 (1900) (mineral water known under name of "Henyadi") and Dupont Cellophane Co. v. Waxed Products Co., 35 F.2d 75 (2d Cir. 1936) ("Celophane"). By contrast, although protection will not ordinarily be given to a geographic name Elgin Nat'l Watch Co. v. Illinois Watch Co., 179 U.S. 665 (1901), when such name has been used for a long time to identify a product, it will be protected as a trade-mark or trade name, Baglin v. Cusenier Co., 221 U.S. 580 (1911) ("Chartreuse" for liqueur); Master v. Cribben & Sexton Co., 202 F.2d 779 (1953) ("Sheffield" applied to steel products).


or origin, he has no exclusive right to their actual or prospective patronage. Absent such association, his competitor is not poaching "... upon the commercial magnetism of the symbol. ..." which he had created, and there is no likelihood of confusion of source or sponsorship.

V. LIKELIHOOD OF CONFUSION

A recent case decided in the Second Circuit has been referred to as an unwarranted extension of the doctrines under consideration. But rightly understood, the case makes no departure from the established norm of confusing similarity. It was merely its application to a borderline situation, where, despite the disparity in the prices and qualities of the two articles, there was likelihood of confusion. The action had been instituted by an American manufacturer to secure a declaration that it did not unfairly compete by manufacturing a clock similar in design to a Swiss clock sold by an American importer and distributor. Damages resulting from suits instituted by the importer against the American manufacturer and an injunction against the prosecution of these actions also

52 The cases which precede, footnotes 47-51 supra, have been chosen because, in the view of the writer, they represent an approach to the problem which accords with his own view. There is no consistency in the decisions even in the same circuit, as must be evident, for instance, when one compares the ruling of the Ninth Circuit Court of Appeals in Stork Restaurant, Inc. v. Sahati, 166 F.2d 348 (9th Cir. 1948), and Sunbeam Furniture Corp. v. Sunbeam Corp., 191 F.2d 141 (9th Cir. 1951), insofar as they limit relief to competitive fields. As to the claimed inconsistencies in the rulings in other circuits, see Developments in the Law of Trade-Marks and Unfair Competition, 68 HARV. L. REV. 814, 843-893 (1955); Netterville, California Law of Unfair Competition: Unprivileged Imitation, 28 SO. CALIF. L. REV. 240, 279 (1955).
were sought.

The importer and intervenor counterclaimed, charging unfair competition. The trial judge found in favor of the American manufacturer, chiefly upon the ground that since the Mastercrafters' clocks were plainly marked and advertised as their own, there was failure "... to establish that purchasers have been or are likely to be confused."54

In reversing the decision, it was made plain that there was copying and thus, the likelihood of confusion could be inferred in the absence of definite proof that none existed:

The actionable harm, in a secondary-meaning case, may result either from the likelihood (a) of loss of customers or (b) loss of reputation, or (c) of both. Such loss can result from the customer's belief that the competing article derives from the same source as that of the complainant. . . .

True, a customer examining plaintiff's clock would see from the electric cord, that it was not an 'atmospheric' clock. But, as the judge found, plaintiff copied the design of the Atmos clock because plaintiff intended to, and did, attract purchasers who wanted a 'luxury design' clock. This goes to show at least that some customers would buy plaintiff's cheaper clock for the purpose of acquiring the prestige gained by displaying what many visitors at the customers' homes would regard as a prestigious article. Plaintiff's wrong thus consisted of the fact that such a visitor would be likely to assume that the clock was an Atmos clock. . . .

Plaintiff's intention thus to reap financial benefits from poaching on the reputation of the Atmos clock is of major importance. Of course, where there is no likelihood of confusion — as, e.g., were the alleged infringing article is not in a sufficiently adjacent field — then an alleged infringer's intent become irrelevant, since an intent to do a wrong cannot transmute a lawful into an unlawful act. But where the copying is unlawful, if only there is a likelihood of confusion, then the intent of the copier becomes deecidedly relevant. It gives rise to a powerful inference that confusion is likely, and puts

on the alleged infringer the burden of going forward with proof that it is not. (Emphasis added.)

It is quite evident that the reference to the impression of "a visitor" in the home where the clock was located is not made the ground of decision. It is merely an illustration of the likelihood of confusion. A visitor, of course, could be a prospective customer against whose confusion the law also protects. It is very significant that the opinion in one of the footnotes refers to two of the court's own recent decisions where mere similarity of design was held not to confer any rights which could be protected as unfair competition. In one of those cases, the court summarized the philosophy which denies relief from what the writers on this branch of the law for many years have called "fair

55 Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc., 221 F.2d 464, 466-67 (2d Cir. 1955). The language into which the doctrine of confusing similarity has been cast has not varied through the years. In this respect, the language just quoted is merely an expansion of similar statements in earlier cases. See, e.g., Celluloid Mfg. Co. v. Cellonite Mfg. Co., 32 Fed. 94, 97 (C.C.N.J. 1887).

56 Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le-Coultre Watches, Inc., supra note 55, n. 4, at 466-67. In Brooks Bros. v. Brooks Clothing Co., 60 F. Supp. 442 (S.D. Cal. 1945), aff'd mem., 158 F.2d 798 (1947), the argument was advanced that because the plaintiff was engaged in selling high-priced clothes, while the defendant was in the low-priced field, unprivileged imitation of a name should be permitted because it was unlikely to injure the plaintiff. As federal judge in that case, the author rejected the contention that price appeal through cheapness to a different stratum of buyers justified an unprivileged imitation.

Although the Brooks case involved imitation of name the Court of Appeals for the Second Circuit seems to have gone no further in the Mastercrafters Clock case in dealing with imitation of form and appearance of product.

57 Hyde Park Clothes v. Hyde Park Fashions, 204 F.2d 223 (2d Cir. 1953); Chas. D. Briddell, Inc. v. Alglobe Trading Corp., 194 F.2d 416 (2d Cir. 1952). In 1954, New York codified the doctrine of "dilution" and made the likelihood of dilution of the "distinctive quality of a trade name or trade-mark" a ground for injunctive relief "notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services." N.Y. Bus. Law § 341 (a) (1954). Under it, federal courts have granted relief for unprivileged imitation in the absence of a showing of a secondary meaning. Noma Lites v. Lawn Spray, 222 F.2d 716 (2d Cir. 1955) "Lawn Spray" used for type of underground lawn sprinkler); Flint v. Oleet Jewelry Mfg. Co., 133 F. Supp. 459 (S.D.N.Y. 1955) ("Mustard Seed Remembrancer" in plastic ball containing mustard seed protected against imitative articles called "Mustard Seed," "Mustard Seed Charm," "Mustard Seed Faith Charm").
The fact that the design of an article is strikingly novel and beautiful, and the fact that its first producer has spent large sums in advertising which has made the article popular with consumers, give that first producer no rights against others who subsequently imitate it and (taking advantage of the consumer-popularity of the article, due to the first producer's advertising) sell it competitively — unless the first producer has a monopoly based upon (1) a patent on the design or (2) a so-called secondary meaning. Absent (1) and (2), the first producer has no legal complaint because the imitators have been enriched by his efforts, have enjoyed what is known as a 'free ride'. For the common law favors competition; and it is of the essence of competition that competitors copy and undersell the product of an originator. The competitors do not lose their favored common-law position merely because some one chooses to call them 'free riders'. To have protection from such competition, the originator must possess some sort of monopoly.58

Whether dealing in the realm of patent or trade-mark law, the courts will not allow a person to turn to his own advantage a symbol which either lacks novelty or uses ordinary words of identification unless the symbol, by form or designation, has become identified with his product. Thus protection was denied to one who sought, both under the trade-mark law and as unfair competition, a monopoly for its trade-mark "Squirrel Brand" as applied to nuts. The court, while sustaining the mark as valid, held that it would not prohibit its use by another in conjunction with a picture of a squirrel and that such use did not constitute unfair competition. It observed rather whimsically: "It may be that the court below found it as difficult as we have to visualize as ubiquitous and peripatetic a creature as a squirrel, inured to the free life of a nomad, being leashed or hemmed in and made the subject of mo-

VI. PROTECTION OF LITERARY RIGHTS

In the preceding discussion, some instances have been cited of protection of literary rights under the law of unfair competition without regard to either the law of copyright or common law rights in literary property. However, resort to this concept in the field of literary and artistic property has been so beneficial that additional comment is justified.

In Europe, continental legislation and judicial interpretation have recognized the moral right of the author, artist, and creator to the integrity of his work (droit moral). This right is derived from the right of personality and is considered individual and not subject to alienation in advance. In essence, it is: "... the right of the creator to create, to present his creation to the public in any desired form or to withhold it, and to demand from every one respect for his personality as creator and for his works." According to Stanislas de Gorguette d'Argoeuves, "Le Droit Moral de l'auteur sur son oeuvre artistique ou litteraire," and Henri Desbois, "La Propriete litteraire et artistique," the moral right of the creator is an important protection against unauthorized use of the creator's work.

Generally, American courts have declined to recognize this right. In 1948, when an attempt was made by four contemporary Russian composers to enjoin a motion picture company from using the composers' music in a motion picture, the Supreme Court of New York denied intervention on the grounds that (a) the music was not copyrighted, (b) its use as a background to the plot's depiction was not protected by copyright, and (c) the moral right was not recognized in American law. See Squirrel Brand Company v. Barnard Nut Co., 224 F.2d 840, 843 (5th Cir. 1955). See also Vargas v. Esquire, 164 F.2d 522, 526 (7th Cir. 1947). See also Katz, "The Doctrine of Moral Right, 2nd American Copyright Law — A Proposal," and Roeder, "The Doctrine of Moral Right: A Study in the Law of Artists, Authors and Creators," 53 Harv. L. Rev. 554, 578 (1940).
of treason could not be enjoined as libel, and (c) assuming that it existed, there was no violation of the "moral right" of the authors. The court, while conceding that distortion of a work might constitute a violation of the author's right, declined to see such violation in the particular case. This narrow view prompted Judge Frank to comment that "... the phase 'moral right' seems to have frightened some of those courts to such an extent that they have unduly narrowed artists' rights."

The case in which this comment was made illustrates the procedure by which the doctrine of unfair competition can be used to achieve, partially at least, the results attained through the promulgation of the "moral right" of the author to the integrity of his work. The court held that one who had acquired by contract the right to sell master phonograph records of orchestra recordings could not sell abbreviated records with a credit line reading "presented by Norman Granz," the producer of the complete recording. While ruling that the sale of such records was a breach of contract, the majority also held that the sale would be unfair competition, saying:

Disregarding for the moment the terms of the contract, we think that the purchaser of the master discs could lawfully use them to produce the abbreviated record and could lawfully sell the same provided he did not describe it as a recording of music presented by the plaintiff. If he did so describe it, he would commit the tort of unfair competition.

Judge Frank based his concurrence strictly on the wording of the contract, stating that resort to unfair competition or to the doctrine of moral right was unnecessary. However, as to the latter, he aroused hopes by stating parenthetically

64 Granz v. Harris, 198 F.2d 585, 590 (2d Cir. 1952).
65 Id. at 588.
that while he based his opinion on other grounds, he did so "without rejecting the doctrine of 'moral right'..."66

Such instances indicate that under common law principles the moral right to protection against distortion of one's work could be recognized. Reasoning from analogy, resort could be had to the many instances in which the law shields the integrity of personality through the law of defamation and privacy and even protects one's property against disparagement.

A case67 from the Tenth Circuit illustrates the ease with which the concept of moral right in the integrity of one's work can be applied to protect disparagement of intangible property. Paramount Motion Picture Company brought action against a company which manufactured and sold posters concerning its pictures to theaters without inserting the legend "Paramount picture" or the names of the movie's star artists. Paramount was contractually required to include the latter in its advertisements. The complaint alleged that the material was cheap, inferior, and grotesque, and contained misleading and deceptive information as to the company's motion pictures. The lower court dismissed the action. The court of appeals reversed and held that, apart from the question of unfair competition, the facts stated an action in tort for disparagement of the plaintiff's product and injury to its good will. The court stated:

A large part of such business consists of intangible property, that is the popularity of its pictures, its good will, and the good will of its stars and featured players, all of which is brought about in large measure by artistic and attractive advertising calculated to present the pictures and the stars and featured players appearing in them in a manner which appeals to the public and induces persons to attend shows where such pictures are exhibited. But a court of equity will extend appropri-

66 Id. at 591.
67 Paramount Pictures v. Leader Press, 106 F.2d 229 (10th Cir. 1939).
ate protection to intangible as well as tangible property which forms a part of a lawful business.

.... One without privilege so to do, has no right to issue and publish an untrue or deceptive statement of the fact which has a disparaging effect upon the quality of another's property, under circumstances which would lead a reasonable person to foresee that it will have such effect. .... And if the statement is understood as one of disparagement and the understanding is a reasonable construction of the language used, it is immaterial that the person making it did not intend it to be understood in that manner.68

In subsequent material, references will be made to other precedent, both English and American, in which, through the use of these concepts of moral right and unfair competition, and especially the latter, disparagement or distortion of one's creative work was prevented.

In 1816, the English poet Byron obtained an injunction against the publication of a group of his poems upon a showing that there was doubt that one of the poems proposed to be included was his, and "... upon the Defendant declining to swear as to his belief that the poem in question was actually the work of Lord Byron."69 In a later case, the author of an English law book was awarded damages because the publisher printed a third edition of the book, edited by a third person without the author's approval and containing many errors. In submitting the case to the jury, the issue was stated as follows: "... The question ... is ... whether the third edition would be understood by those who bought it to be the work of the plaintiff; for, if so, I think the errors are such as would be injurious to the plaintiff's reputation."70

American courts have granted relief under similar conditions. In the famous "Mark Twain" case,71 while

68 Id. at 231.
Samuel Clemens was denied the right to prevent the publication by others of works under his pseudonym (Mark Twain), which had become a part of the public domain, the court recognized the right of an author to prevent the publication of works which he either has not written or not published:

... [N]o person has the right to hold another out to the world as the author of literary matter which he never wrote; and the same rule would undoubtedly apply in favor of a person known to the public under a nom de plume, because no one has the right, either expressly or by implication, falsely or untruly to charge another with the composition or authorship of a literary production which he did not write. Any other rule would permit writers of inferior merit to put their compositions before the public under the names of writers of high standing and authority, thereby perpetrating a fraud not only on the writer whose name is used, but also on the public.\(^72\) (Emphasis added.)

Estes v. Williams\(^73\) enjoined an American publisher's use of the title "Chatterbox," under which an English writer, James Johnston, had published juvenile books of uniform appearance and wide circulation in England and the United States. The court commented on the right of the English publisher:

Johnston had the exclusive right to put his own work, as his own, upon the markets of the world. No one else had the right to represent that other work was his. Not the right to prevent the copying of his, and putting the work upon the markets, but the right to be free from

\(^72\) Id. at 731. See Chamberlain v. Columbia Pictures, Corp., 186 F.2d 923 (9th Cir. 1951). This case held that representing a motion picture as a "story only Mark Twain could tell," Mark Twain's favorite story, "and Mark Twain's tale of a gamble in hearts" did not give rise to a cause of action for unfair competition in favor of the executors of Samuel L. Clemens because they did not have the right to the exclusive use of the name of Mark Twain and because they had no rights in the story alleged to be infringed upon, "The Jumping Frog of Calaveras County," which was in the public domain.

\(^73\) 21 Fed. 189 (C.C.S.D.N.Y. 1884).
untrue representations that this other work was his when put upon the markets. *This gives him nothing but the fair enjoyment of the just reputation of his own work, which fully belongs to him. It deprives others of nothing that belongs to them.*74 (Emphasis added.)

The decisions in these cases were based upon the right of the author not to have attributed to him works which are not his. The word “unfair competition” is not referred to. Nevertheless, in later cases, that concept is given as the basis for the rulings. Typical is the following statement: “... Nor need we say that insofar as radio announcers declare, directly or indirectly, that the broadcast of a Whiteman record is the broadcast of a Whiteman performance, that conduct is a tort which Whiteman could enjoin. That would indeed be ‘unfair competition.’”75

Other decisions have recognized the right of an author to prohibit the exhibition of an elaboration of his work not in keeping with the original story to which defendant had obtained movie rights.76 In *Packard v. Fox Film Corp.*,77 a fiction writer had sold movie rights to a story entitled “The Iron Rider.” Subsequently, the motion picture company released a photoplay under the same name and represented the author as the creator of the story presented in the movie. In reality, the movie story had been written by a third person and had not been taken from the plaintiff’s story. An action was sustained upon the ground that the transfer of the right to use the title did not imply the right to use it for a different story, and that such use was a tort:

The law is well settled that the author of a literary work possesses a property right therein, and that such property right is subject to purchase and sale, the same

74 Id. at 190.
75 RCA Mfg. Co. v. Whiteman, 114 F.2d 86, 90 (2d Cir. 1940).
77 Packard v. Fox Film Corp., supra note 76.
as any other personal property. ... Whatever rights the defendant acquired to use said story and in connection therewith were limited by the terms of the contract, and when defendant exceeded the rights thus acquired, and used plaintiff's name in connection with an entirely different story, defendant was appropriating something which it had not purchased of the plaintiff.\textsuperscript{78} (Emphasis added.)

In \textit{Drummond v. Altemus},\textsuperscript{79} a popular lecturer secured an injunction against the publication of a book which, under the guise of publishing a complete set of his "Lowell lectures," gave merely a truncated form:

\begin{quote}
The complainant does not base his claim to relief upon the statute, but upon his right, \textit{quite distinct from any conferred by copyright}, to protection against having any literary matter published as his work which is not actually his creation, and incidentally, to prevent fraud upon purchasers. (Emphasis added.)
\end{quote}

On the ground of unfair competition, the creator of the "Mutt and Jeff" cartoon characters was granted injunctive relief against the publication of cartoons of the same characters drawn by others. According to the Court of Appeals of New York: \textsuperscript{80}

\begin{quote}
The controlling question in all cases where the equitable power of the courts is invoked is whether the acts complained of are fair or unfair. ... The rules stated as to competition in business apply to the publication of books
\end{quote}

\textsuperscript{78} \textit{Id.} at 165-67.
\textsuperscript{80} \textit{Fisher v. Star Co.}, 231 N.Y. 414, 132 N.E. 133, 137 (1921). The seemingly different conclusion reached in the case of the "Vargas" type girl drawings, republished without credit to the author, in \textit{Vargas v. Esquire}, 164 F.2d 522 (7th Cir. 1947), was arrived at, not so much on the rejection of the doctrine of unfair competition, as upon the fact that the artist had conveyed all his rights to his drawings. The court felt that, in the circumstances, there was no unfair competition by the defendant in the manner of their use. This was also the basis for the ruling in \textit{Warner Bros. Pictures v. Columbia Broadcasting System}, 216 F.2d 945 (9th Cir. 1954), involving the use of a character in "The Maltese Falcon," by its author, Dashiell Hammett. The motion picture company which had produced the picture claimed that use by another, even the author, of the character in a radio serial constituted "unfair use and competition." But relief was denied. See Note, \textit{The Protection of Literary Characters}, 68 HARV. L. REV. 349 (1954).
under a particular name. Such a name is the subject of property, and a colorable imitation of the name adopted by one publisher, by another engaged in publishing similar books by which the public may be easily misled into supposing that it was the literary article they desired to obtain, is an act of deception which injures the publisher who first adopted the name and which he may call upon a court of equity to redress. (Emphasis added.)

Similarly, irrespective of copyright law, the courts have offered protection to an author from appropriation of a literary character which has become identified with the person of the author. Where an actor has portrayed a character in such a manner that the character has acquired a personalized being identifiable with the creator of the role, the courts also will extend relief. In such cases, the injury results from a “counterfeiting” of the character or role; the court will guard against deception as to the creator of the character, labeling the appropriation unfair competition.81

Thus, it is evident that in the realm of literary property, the courts have sought to shield certain literary values by a principle of guarding against deception, without regard to the laws of copyright or the common law rights to literary property. Deception exists when the work of an author is (a) represented as that of another, (b) amplified in a manner which is not consonant with the spirit of his work, or (c) truncated so as to give an erroneous impression of the whole. These, under another name, are an

81 Chaplain v. Amador, 93 Cal. App. 358, 269 Pac. 544, 546 (1928), in which an actor was enjoined from imitating Charles Chaplain’s pathetic tramp. The unprivileged imitation of the character “Yukon Jake,” made popular by the author of a poem of that name, was prohibited in Paramore v. Mack Sennett, 9 F.2d 66 (S.D. Cal. 1925), and the use of the name and mannerism of “The Lone Ranger” was banned in Lone Ranger Inc. v. Cox, 124 F.2d 650 (4th Cir. 1942), and in Jones v. Republic Productions, 112 F.2d 672 (9th Cir. 1940). The courts also have found unfair competition in the use of the word “Eerie” when attached to a series of “horror comic” books entitled “Eerie Mysteries,” in an action instituted by a publisher who had the word as a title (“Eerie”), upon a showing that it was used on an imitative cover on a series of similar books. Avon Publishing Co. v. Ziff-Davis Publishing Co. 282 App. Div. 200, 122 N.Y.S.2d 92 (1st Dep’t 1953).
assertion of an author's right to the integrity of his work, protecting him against its distortion—which, in the main, is what the "moral right" of authors means. Therefore, while our courts may hesitate to adopt formally the concept of "moral right," in reality they have used "unfair competition" to achieve many of the beneficial results of the "moral right" doctrine.

Indeed, the spirit of the principle of author's "moral right" may exist under other than unfair competition trappings. For instance the highest Court of New York resorted to the law of libel to compensate a plaintiff, a professional lecturer and writer, for the opprobrium that followed upon attribution to him of ideas in an article falsely published by defendant over the plaintiff's name:

Suppose the defendant had published of the President of the Governor of this state an article purporting to have been written by him, in which his views therein expressed were false and contrary to his avowed principles theretofore made known to the public, and further that it contained statements of fact regarding public finances or prohibition or the tariff, which were grossly inaccurate and absurd and ridiculous in the eyes of those acquainted with governmental matters. Would not such an article be libelous?

82 Ben-Olie v. Press Pub. Co., 251 N.Y. 250, 167 N.E. 432, 434 (1929). We have already given an instance in which protection against disparagement of motion pictures was granted under the theory that the courts will protect property rights, intangible though they be, against wrongful invasion. See note 67 supra.

Since this manuscript was prepared two decisions have been announced which are pertinent to the discussion. In Ettore v. Philco Television Broadcasting Corp., 229 F.2d 481 (3d. Cir. 1956), the Court of Appeals for the Third Circuit has sustained both under invasion of privacy and unfair competition the right of a prize fighter to recover damages for telecasting in Philadelphia and New York old moving pictures without his consent. In the Southern District of New York, a decision was rendered which found no unfair competition in the distribution of pirated phonograph records despite the fact that the records carried the legend, "An A.F.N. Presentation," which would imply that they were original presentations rather than records made from tape recordings, Miller v. Goody, 139 F. Supp. 176 (S.D.N.Y. 1956). This latter opinion would apply rigidly a rule that what once is lost through publication should not be recaptured under unfair competition. Cf. Looz, Inc. v. Ormont, 114 F. Supp. 211 (S.D. Cal. 1953).
Fundamentally, the theory behind this pronouncement is not far removed from the complete assertion of the right of an author to the integrity of his work. The fact that some courts have not always carried this reasoning to its logical conclusion merely shows that courts are human and that specific pragmatic considerations, rather than pure logic, may dictate a particular judgment. What is important is that in the realm of literary property, the courts have used the principles commonly associated with "fair competition" and similar legal norms to achieve an equitable result.

VII. SUMMARY

The law of unfair competition, since its promulgation by judicial fiat in England and the United States, consistently has been used by the courts to enforce a higher sense of ethical dealing and responsibility than obtained at a particular time in the market place.83

Even before the enactment of clause (b) of section 1338 of title 28, U.S.C., the federal courts entertained claims arising from unfair practices when they were related to the determination of other federal rights. However, in 1948, in recodifying the Judicial Code, Congress reasserted the jurisdiction of the federal courts to hear unfair competition claims "... when joined with a substantial and related claim under the copyright, patent or trademark laws."84

The revisers of the code have stated specifically that their object was to achieve in these three realms of federal jurisprudence the equitable ideal of achieving greater social peace by settling in a single suit as many controversies as could arise from a particular situation:

83 See notes 36–41 supra.
Subsection (b) is added and is intended to avoid "piecemeal" litigation to enforce common-law and statutory copyright, patent, and trade-mark rights by specifically permitting such enforcement in a single civil action in the district court. While this is the rule under Federal decisions, this section would enact it as statutory authority.\textsuperscript{85}

The illustrations given in the preceding portions of this study indicate that both before and after the enactment of this subsection, in the field of copyright, patent, and trade-mark law, the concept of unfair competition was used as a means of rectifying wrongful action for which no satisfactory remedies existed at law. The courts have protected, by the application of the ever-expanding principles of this concept, rights which either did not exist under the copyright, patent, or trade-mark law, or, which once having existed, thereafter had expired. The courts adopted the view that equitable rights had come into being which should be protected in order to prevent deception, whether actual or probable.

As the depth of human deception cannot always be plumbed, so the application of the concept varies from time to time and even from case to case. The courts constantly are finding that "... there are many other ways in which commercial unfairness may be committed."\textsuperscript{86} In the case from which this statement is taken, the right to protect a rather weak symbol was sustained on the ground of possible confusion both under the trade-mark and the unfair competition law. In another recent case, from the same circuit, unfair competition was found in infringement of the word "Dutch" as applied to a type of paint.\textsuperscript{87} One is impressed from the opinion that the weakness of the mark might have prevented full protection had the court

\textsuperscript{86} Mershon Co. v. Pachmayr, 220 F.2d 879, 881 (9th Cir. 1955).
\textsuperscript{87} National Lead Co. v. Wolfe, 223 F.2d 195 (9th Cir. 1955). See Garner, Narrow and Weak Trade-Marks, 22 Geo. Wash. L. Rev. 40 (1953). For comment on inconsistency of decisions, see note 52 supra.
not been in a position to find *likelihood of confusion*. The Lanham Trade-Mark Act makes confusing similarity an element of both infringement and unfair competition in federal trade-mark cases.\(^8^8\) Both before and after the Lanham Act protection has been afforded under the doctrine of unfair competition, although the trade-mark itself was invalid.\(^8^9\) It also has been applied to rights which could not be asserted under patent law.\(^9^0\)

The protection of "intellectual property" has not been very extensive.\(^9^1\) However, the courts have protected the right to the title of a work, its form, and created characters, which might not have been possible under copyright law.\(^9^2\)

The courts have hesitated to recognize the "moral right" of authors to the integrity of their work and against its distortion.\(^9^3\) The legislatures and courts in the English-speaking world seem to have assumed that recognition of the right stems only from contract. Chiefly for this reason, the English Commission for the revision of the copyright law reported in 1952 against the recognition of this right.\(^9^4\) A justifiable extension of the law of unfair competition, which, in many instances, has prevented false representation or disparagement of a rival's property or goods, could lead to the recognition of the right against *all* literary distortion.\(^9^5\)

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\(^8^9\) See note 42 *supra*, and cases cited in note 44 *supra*. See also Speed Products Co. v. Tinnerman Products, 179 F.2d 778 (2d Cir. 1949).

\(^9^0\) See cases cited in notes 46-49 *supra*.


\(^9^2\) See cases cited in notes 38-41, 80-81 *supra*.

\(^9^3\) See notes 61-62 *supra*.


\(^9^5\) See 2 Nims, *Unfair Competition* §§ 255-71, 271(a)-281, at 884-938 (4th ed. 1947). The following excerpts from two decisions many years apart indicate the ease with which courts in particular cases can prevent injury to an-

Continued on page 468
Another advantage of the application of the doctrine of unfair competition is that the courts can avoid the rigid and, at times, mandatory provisions as to damages in patent, copyright, and trade-mark infringement. In unfair competition the remedy may be limited to injunction. Because it belongs to a court of chancery "to examine the conscience," equitable norms may be applied effectively to a society which is in constant flux.

By using the concept of unfair practices, the courts have not sought to evolve absolute formulas. Rather, they have considered each case on its separate facts, and have sought to apply to specific situations flexible principles of equity aimed at fostering higher ethical business practices. Such treatment is desirable, for in a growing and expanding democratic order, changing trade conditions evolve situations that cannot always be anticipated.

Therefore, attempts to formulate a unified theory may be as difficult in this field as in the field of science. Indeed, in science we deal with a physical universe which changes slowly, if at all. In law, we deal with social relations which

other's reputation by enjoining misuse of his intellectual property while asserting a contractually-derived doctrine close to a "moral right":

"... The implied assumption of the contract seems to us to be that the play was to be produced only as a spoken drama, with respect for the author's natural susceptibility concerning a strict adhesion to the text." Manners v. Morosco, 252 U.S. 317, 326 (1920). (Emphasis added.)

"It is patent that the characters of The Maltese Falcon could not fairly be used in such a manner as to cause the Falcon to be materially lessened in its commercial worth by degrading or cheapening them so that the public would not be interested in their capers. They could not be used in such a manner as to deceive the public. . . ." Warner Bros. Pictures v. Columbia Broadcasting System, 216 F.2d 945, 951 (9th Cir. 1954). (Emphasis added.)

are constantly changing. As the aim of law is to satisfy the continuing and expanding need for social control in a complex society, all jural principles must have within them possibilities of growth and development. So it is well that, in applying the concept of unfair competition, the attitude of the courts has been akin to that expressed by Mr. Justice Story, when he stated that because the major clauses of our Constitution are expressed in general terms, it is possible to adapt it to events "... which were locked up in the inscrutable purposes of Providence."\textsuperscript{100}

American business life has in it a pervading, almost feverish dynamism. This has enabled it to mold and adapt itself to the changing demands of a consumer economy, which expert merchandising and intensive and professionally conducted advertising appeals have fed and, at times, created. In the rivalry of modern business, the method of approach is never the same. As it changes, so does the pattern of deception which the concept of unfair competition seeks to redress. It is inevitable, therefore, that the judicial attitude should have been as inconstant as our business ethos itself. For this reason, judges have not always achieved consistency in the application of the doctrine of unfair competition. Judges are human, and ideal consistency is not always humanly attainable, nor desirable. Years ago, Holmes wrote that: "... the law is always approaching, and never reaching, consistency.... It will become entirely consistent only when it ceases to grow."\textsuperscript{101} Applied in this spirit\textsuperscript{102} the concept of unfair competition becomes a valued aid to equity, discouraging a

\textsuperscript{100} Martin v. Hunter's Lessee, 14 U.S. (1 Wheat.) 141, 156 (1816).
\textsuperscript{101} Holmes, The Common Law 36 (1881).
\textsuperscript{102} Judges who administer this and other equitable principles will, it is hoped, at all times remember the admonition of Mr. Justice Cardozo:

"The judge is not to innovate at pleasure. He is not a knight-errant, roaming at will in pursuit of his own ideal of beauty or of goodness. He is to draw his inspiration from consecrated principles. He is not to yield to spasmodic sentiment, to vague and unregulated
competitor’s “free ride”\textsuperscript{103} via unprivileged appropriation of commercial values created by another, or, as Mr. Justice Pitney put it, of “... the harvest of those who have sown.”\textsuperscript{104}

\textit{Leon R. Yankwich}\textsuperscript{*}

\textit{Continued from page 469}

benevolence. He is to exercise a discretion informed by tradition, methodized by analogy, disciplined by system, and subordinated to 'the primordial necessity of order in the social life.' " Cardozo, The Nature of the Judicial Process 141 (1921).

\textsuperscript{103} See note, Unfair Competition, 46 Harv. L. Rev. 1171, 1173 (1933).


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