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American Bar Association

TRADE-MARK REGISTRATION

A PAPER READ BY

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AT THE

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AT

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BY

J. NOTA McGILL,

OF WASHINGTON, D. C.

(Delivered at the meeting of the Section of Patent and Trade-Mark Law of the American Bar Association, at Milwaukee, Wis., August, 1912)

The Trade-Mark Act of 1905 differed from that of 1881 in two important particulars: First, in providing for the registration of marks used on goods in interstate commerce, as well as in commerce with foreign nations and Indian tribes, and, secondly, in reducing the fee from twenty-five dollars to ten dollars.

Doubtless to these changes in the law is due the large increase in the number of registrations. In the first seven years of operation under this act, 42,945 certificates were issued. This is but 1413 short of the total registrations in the preceding thirty-five years under the Acts of 1870 and 1881, and 6,777 greater than the registrations granted in twenty-four years under the Act of 1881. In other words, under the Act of 1870—the first federal trade-mark registration law—8190 certificates were issued; under the Act of 1881, 36,168, and under the Act of 1905, 42,945. In the first seven years under the present law there were nearly 65,000 applications for registration; 1200 oppositions and 218 cancellation proceedings, representing in round figures nearly seven hundred thousand dollars paid to the government by owners of trade-marks.

Oppositions are fomented by the activities of certain agencies by which all marks laid out for publication are closely scanned and notices sent to all who might by any possibility, however remote, be led to apprehend possible conflict, or recognize a plausible ground for a contest. It is not uncommon, in consequence, for the owner of a mark used unmolested for many years, and in the exploitation of which thousands of dollars have been expended, to find himself confronted by another, often from a

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remote region, and until the present time each ignorant of the use by the other, or at least with no thought of conflict until prompted to the belief that a contest may prove remunerative. It is not possible to estimate the expense of defending opposition proceedings, or the amount paid to buy off conflicting interests.

While opposition proceedings impose a heavy burden, the latter is small in comparison with the number and variety of interferences, involving, in most cases, a large expenditure of time and money in taking proofs to establish or defend one's title. These interference cases are especially vexatious, frequently embracing marks having but little in common either as to symbol or classes of goods. Owners of marks long registered are forced to defend their title even when all the parties to the cause are agreed that there is no actual conflict, either in the marks or the goods to which the respective marks are applied. They are powerless to terminate the proceedings without a concession or judgment.

But a matter of still greater moment is the existing practice of analytically considering all marks and rejecting them on technical grounds, often on the theory that if a single feature of the mark has been previously used it is not entitled to registration. Adverse rulings invite encroachment, materially impairing the value of the mark upon which frequently a large and profitable business may depend. The rejections are more frequent than otherwise and on grounds which would have no weight were they raised in opposing a suit for infringement.

It is not believed that the Congress ever intended to make it difficult to obtain registration. The public interests do not require that it should be. The public parts with nothing; it gives to the owner of the trade-mark practically nothing he did not already possess. The value of the mark as such remains the same whether it be registered or not.

And after contemplating the risk that is run and the expenditure incurred by owners of trade-marks in seeking, obtaining, opposing and defending registrations, the question arises: What advantage ensues from registration? Wherein are the interests of owners better conserved than if they had not registered? What

right have they been enabled to enforce after registering that could not be recognized before?

The only instance in which registration may be truly essential is where registration abroad is a necessity and registration here is a condition precedent to foreign registration. Aside from this, the only advantage flowing from registering is the creation of a public record tending to show time of adoption and use.

It is true that by registering suits may be brought in the federal courts against infringers in the state where the owner is domiciled. But is this a substantial advantage? Are not the state courts equally qualified to mete out justice and to decide questions involving conflicting marks? It is also true that there is a certain moral advantage, if I may use that term, since it is claimed that greater respect is accorded a mark registered by the federal government.

But granting that this also is a substantial advantage, as well as that of creating a public record of ownership, could not the same end be accomplished by a law less complicated and the administration of which would be freed from the highly technical, frequently absurd, method of treating applications for registration? If the law allowed the owners of marks to obtain registration by simply lodging properly prepared applications—abolishing opposition and interference proceedings—the public interests would be equally as well conserved as they are now, and this without imposing upon manufacturers the great expense now being incurred, and at the same time free the government officials and the Court of Appeals from ruling on matters frequently of no public importance and settling no proposition of law of any value as precedents save on ministerial questions. All this could be avoided and money saved by allowing registration to all comers, leaving the question of validity to the courts to decide should the occasion arise. Not only will owners of trade-marks be saved a large proportion of the money now expended but they will be spared the possibility of injury arising from adverse rulings as to title and legality of marks. If this were done the registration of trade-marks might with propriety be assigned to the Department of Commerce and Labor to which it logically belongs.

Compliments of the Writer