SR 1496
Calendar No. 1553

71st CONGRESS 3d Session

SENATE REPORT No. 1496PROTECTION OF TRADE--MARKS USED IN COMMERCE

JANUARY 26 (calendar day, FEBRUARY 7), 1931.----Ordered to be printed

Mr. WATERMAN, from the Committee on Patents, submitted the following

REPORT
[To accompany H. R. 2828]
The Committee on Patents, to which was referred the bill (H. R. 2828) to protect trade--marks used in commerce, to authorize the registration of such trade--marks, and for other purposes, having had the same under consideration, now reports the bill back to the Senate with certain amendments, and with the recommendation that the same, as so amended, do pass.
The amendments adopted by the committee are as follows:
Page 3, line 25, at the end of the line, strike out "a surname" and insert in lieu thereof the words "the name of an individual."
Page 13, strike out subsection B and insert in lieu thereof the following:
Every owner of a trade--mark, being domiciled in any country which is a party to the international convention entered into at Paris March 20, 1883, revised at Brussels December 14, 1900, at Washington June 2, 1911, and at The Hague November 6, 1925, and the General Inter--American Convention for Trade--Mark and Commercial Protection entered into at Washington February 20, 1929, shall enjoy with respect to the registration of said trade--mark, and while such registration remains in force, all the rights and benefits concerning trade--marks and unfair competition conferred by said conventions, and registration may be
secured in conformity with the terms of said conventions. Rights of priority under such registrations shall be determined as provided in said conventions.
Page 16, line 3, strike out the word "section" and insert "sections 4911 or".
Page 16, line 4, after the word "Statutes", insert "as amended by the act of March 2, 1927. (U. S. C. title 35, pars, 59 and 63.)"
Page 21, line 14, strike out the period and insert in lieu thereof a colon and add the following:
Provided, however. That the foregoing requirement as to notice shall be deemed fulfilled in respect to goods of foreign origin if the marks thereon which are registered in the United States carry the words or indications of registration legally used or required to be used in the country of origin of the goods.

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Page 27, line 2, strike out the word "section" and insert "section 4911 and", and, after the word "Statutes", insert "as amended by the act of March 2, 1927 (U. S. C. title 35, pars. 59 and 63)".
Page 42, line 10, after the word "enactment", change the period to a comma and insert the following:

except as to section 5 hereof which shall be in force and take effect on January 1, 1932, but it shall not affect appeals then pending in the Court of Customs and Patent Appeals, or any pending suit in equity brought under sections 4911 and 4915 of the Revised Statutes as amended by the act of March 2, 1927 (U.S.C. title 35, pars. 59 and 63), and that in all cases in which the time for appeal from a decision of the Commissioner of Patents had not expired at the time this act takes effect, appeals, and other proceedings, including bills in equity under sections 4911 and 4915 of the Revised Statutes as amended by the act of March 2, 1927 (U.S.C. title 35, pars. 59 and 63), may be taken under the statutes in force at the time of approval of this act as if such statutes had not been amended, repealed, or declared inapplicable in trade--mark cases.

Page 44, line 2, strike out the figures "1930" and insert in lieu thereof the figures "1931".

Page 44, line 6, strike out the figures "1930" and insert in lieu thereof the figures "1931".

This bill which has been pending before congress for seven years has been known as the American Bar Association bill, since it was originally framed by a committee of that association. A similar bill passed the House in the Sixty--ninth and Seventieth Congresses as well as in the present Congress. It also received a favorable report of the Senate Committee on Patents (but failed because of the general filibuster).

The bill follows in general the trade mark act of 1905, which, notwithstanding certain defects, has operated on the whole quite satisfactorily for a quarter of a century. It is the aim of the bill to retain all that is good in the present laws, while improving their language and the procedure thereunder.

The bill also consolidates in one act what now is scattered through six separate statutes.

The bill retains in force all existing trade--mark registrations so that there will be no necessity for the reregistration of any trade--mark already registered.

As in the act of 1905, the bill does not permit registration of marks if used only in intrastate commerce, but permits registration of marks used in interstate commerce.

The bill also takes care of our treaty obligations and more particularly of the inter--American trade--mark treaty signed in Washington, D. C., on February 20, 1929, and ratified by the Senate on December 16, 1930.

While the bill does not provide for the registration of marks used solely within a State, for the first time it permits the "entry" of marks for a very small fee so that the Patent Office may have as large a collection as possible of marks which are in use, thus permitting manufacturers to have a search made in the Patent Office to make certain that they will not adopt a mark which is in use by another.

The bill also provides for the registration of union labels, collective marks, and marks of associations, as well as trade names and devices used in relation to specific goods or service, something the present law does not permit.

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The New York Patent Law Association in its pamphlet states the following:

On the whole, the Vestal bill, despite some minor defects, will accomplish an important improvement in the Federal law concerning trade--marks. The bill is the work of many men, has received close scrutiny, has survived a torrent of criticism, and while in some respects a compromise, is, broadly speaking, the best piece of legislation concerning trade--marks which has yet been submitted for enactment. It conforms to the exacting conditions required in this country, where each State has or may have its own trade--mark law for intrastate purposes, and where the power of Congress is limited to the regulation of commerce between the States and

with foreign countries, and to commerce within or with our Territories and possessions. It recognizes that trade--marks ordinarily have their origin within the States, or, in infrequent cases, within foreign countries, whereby rights in this country are acquired under treaties. It reconciles the Federal statute to the common law, so that every trade--mark valid at common law, when used in Federal commerce, becomes registrable, and an act which constitutes infringement of a common law trade--mark is equally an infringement of a trademark registered under the act.

The report of the House committee on the antecedent bill (H. R. 13109) contains the following:

The bill also attempts to simplify proceedings, to remove technical obstructions, to make trade--mark property more secure, and to make remedies against infringement more direct and certain; to save time and expensive litigation; to provide an entry system at practically the cost of administering the same, so as to make it possible for manufacturers to learn what marks are being used by competing manufacturers; to speed up the process by which marks of American manufacturers may be registered in foreign countries; and, generally speaking, to obtain whatever benefits registration may give to the greatest possible number of manufacturers.

This bill and the antecedent bills have had numerous hearings before the Senate and House Committees on Patents. From a report of the committee of the American Bar Association the following is copied:

In its present form this bill is the result of a 2--day conference called by the commissioner to reconcile differences of opinion which had arisen over the trademark bill which was before the last session of Congress and which passed the House and was favorably reported by the Senate, Representatives of the American Bar Association: the Boston, Chicago, New York, Cleveland and Michigan Patent Law Associations; New York State Bar Association; The American Grocery Specialties Manufacturers Association; the American Pharmaceutical Association; the National Association of Retail Grocers; United States Trade--Mark Association; and National Confectioners Association took part in this conference. The American Patent Law Association sent a representative as an auditor, but without instructions to participate in framing the bill. Everybody agreed that revision of the trade--mark law was desirable. H. R. 13109 is the result of this meeting and is regarded by those taking part in it as the best practical plan.

There is not a line of this bill which has not received the most painstaking scrutiny.

Referring now to the bill by sections--

Section 1 provides for the filing of an application for registration very similar to present law.

Section 2 contains the usual prohibitions against registering the flag, portraits, and signatures of living individuals without their consent, marks comprising immoral, deceptive, or scandalous matter, etc. This section also provides that registered marks shall constitute prima facie grounds for refusing registration to marks which so resemble registered marks as to cause confusion or deceive purchasers; and also provides for marks which shall be shown by proof beyond a reasonable doubt to have acquired a secondary meaning.

Section 3 provides for registering marks received from an international bureau such as the Inter--American Bureau, paragraphs 1 (a), (b), and (c) being copied directly from the Inter--American treaty ratified by the Senate on December 16, 1930.

Section 4 provides for what might be called "export" marks, to take the place of marks now registered under the act of 1920. Section 4(b) provides for the registration of marks by subsidiaries or representatives of the owners of marks, thus aiding our foreign commerce.

Section 5 provides for a collection of unregistered marks. This section permits the commissioner to enter a mark for the small fee of $2, thus permitting to be made of record in the Patent Office for search purposes only, marks which may be used only within a State and therefore not registrable. The Commissioner of Patents strongly recommends this feature of the bill.
Section 6 relates to marks registered in pursuance of our treaty obligations, paragraph (b) of this section having been drawn particularly in view of the Inter--American Convention signed at Washington, D. C., on February 20, 1929, and ratified by the Senate on December 16, 1930.
Section 7 provides for the examination, publication, and issuance of marks quite similar to that of the present law.
Section 8 provides for the appointment and designation of some person upon whom service may be made in the event that the owner resides abroad.
Section 9 provides for an appeal to the Court of Customs and Patent Appeals, as does the present law, or by relief in equity, under sections 4911 and 4915 of the Revised Statutes.
Section 10 (a) provides for issuing certificates of registration similar to present statute; (b) permits a registration, upon petition of the owner, to be amended or disclaimed in whole or in part; (c) provides for certified copies similar to the present statute; (d) provides for correction of mistakes similar to the present statute; and (e) provides upon payment of a fee for correcting a mistake when the error is made by the registrant.
Section 11 (a) provides that the registration shall remain in force for the same term as in present law, except that there is a new provision permitting the cancellation of the registration at the end of five years due to nonuse; (b) provides for renewals similar to the present law; and (c) provides for renewals of registrations already issued.
Section 12 provides that the registration be constructive notice, etc., and for the manner of marking.
Section 13 provides for opposition, cancellation, and interference proceedings somewhat similar to the present law.
This section contains a new provision in paragraph (h) permitting a certified copy of the Patent Office record to be used in court.
Section 14 provides for the filing of a bill in equity, adding the new feature that a certified copy of the Patent Office record may be used in court in whole or in part subject to further cross--examination of witnesses.
Section 15 provides for assignment of trade--marks registered in the Patent Office similar to the present law.
Section 16 provides for fees.
Section 17 provides for refunding fees paid by mistake as in the present law.

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Section 18 provides that an infringer is liable to an injunction, profits, damages, etc. Section 19 provides, as in the present law, that clerks of the United States courts shall give notice to the Patent Office of suits.
Section 20 provides for the seizure of infringing trade--marks, etc.
Section 21 provides for jurisdiction of the courts.
Section 22 provides that any injunction which may be granted in accordance with either section 14 or section 18 may be served anywhere in the United States, etc.
Section 23 makes effective our treaty obligations with respect to "collective" marks, and also provides for registration of trade names or devices, including union labels and marks of

association, as well as for marks used in commerce or in relation to specific goods or specific service.
Section 24 provides that nothing in this act shall prevent, lessen, impeach, or avoid any remedy at law or in equity.
Section 25 provides that all applications now on file in the Patent Office shall be given proper attention.
Section 26 provides that one who obtains registration, etc., by false means is subject to damages.
Section 27 provides, as in existing law, that the Commissioner of Patents may make rules and regulations not inconsistent with law.
Section 28, as in existing law, prohibits the importation of goods with infringing marks thereon.
Section 29 relates to goods containing false designation or origin, false description, etc.
Section 30 contains the definition of all the terms used in the act.
Section 31 provides for time of the enactment and repeals previous acts inconsistent with this one.
Section 32 provides that the present acts relating to the National Red Cross and Boy Scouts of America shall not be repealed or affected by this act.
Section 33 provides the authorization of $50,000 to be used by the Patent Office for making this act effective. Section 34 provides that the act shall be known as the trade--mark act of 1931.

INDORSEMENTS
This bill and its antecedent bills have had elaborate hearings before the House committees, including one hearing before a meeting of the joint committee. It has been indorsed by the American Bar Association and most of the patent law associations of the country, as well as commercial organizations. From a letter of Mr. Rogers, of the American Bar Association committee, the following is quoted:
This bill had its origin in the patent, trade--mark, and copyright section of the American Bar Association as far back as 1920, and has been indorsed by the American Bar Association. It has been discussed by most of the patent law associations of the country; it has been the subject of referendum by many of them, and has been considered by a large number of bar associations, export associations, and chambers of commerce, and has been carefully scrutinized by the officials of the Patent Office. The bill has received indorsement which is practically unanimous. This measure is not the work of one man or committee, but is a composite to which may people have contributed. The primary pur-

pose of this bill is to consolidate the seven or more Federal trade--mark acts, to incorporate the provisions of the existing tariff laws relating to trade--marks, to reconcile inconsistencies between these various statutes, and to remedy certain defects which experience has shown that many of them have, and generally to apply the common law of trade--marks to commerce over which Congress has jurisdiction.
There is a present necessity why this bill should become a law. On December 16, 1930, the Senate ratified two conventions dealing with industrial property, including trade--marks. The Hague convention signed in 1925, and the General--Inter--American Convention for Trade--Mark and Commercial Protection signed in Washington in 1929. These conventions greatly benefit American traders in foreign countries by securing to them better protection in industrial property generally, particularly with respect to trade--marks and the marking of goods. In order

to have these conventions fully operative and to carry out their reciprocal provisions it is necessary to make certain changes in the trade--mark laws of the United States. The quicker these changes can be made the better example the United States will set to the other signatories of the conventions when we go to them to ask for a revision of their respective domestic laws to conform to the conventions' obligations.

Now that they have been ratified the bill should become law as promptly as possible.

The committee is of the opinion that it may be fairly said that the pending bill is substantially in phraseology and in legal effect the same as the bill reported out by this committee to the Seventieth Congress. Most of the amendments to the bill proposed by the committee are for the purpose of making the law applicable to the provisions of the Inter--American trade--mark treaty signed in Washington, D. C., on February 20, 1929, and ratified by the Senate on December 16, 1930.

75th Congress, 3d Session

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 1938

Mr. LANHAM (by request) introduced the following bill: which was referred to the Committee on Patents and ordered to be printed

A BILL

To regulate commerce by making unlawful the false and deceptive marking of goods or services, to provide for the registration of trade--marks used in commerce, to carry out the provisions of certain international convendons, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That is shall be unlawful (1) to introduce or deliver for introduction or to receive in commerce any copy, counterfeit, or colorable imitation of any trade--mark registered under this Act, or (2) to use in commerce any such copy, counterfeit, or colorable imitation upon or in connection with the merchandise set forth in the certificate of registration or merchandise of such a character that the use of the copy, counterfeit, or colorable imitation in connection therewith is likely to cause confusion or mistake or to deceive purchasers.

Said acts are each declared to be unlawful and shall be actionable at the suit of any person injured thereby.