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COMPARATIVE TRADE-MARK RIGHTS IN COMMON LAW AND CIVIL LAW

MILTON CONOVER*

PROGRESS in both research and the teaching of Comparative Law after World War I resulted in a multiplicity of scholastic dividends for both the practicing attorney and the academic jurist. These were especially conspicuous where the comparative studies comprehended problems involving both the Common Law and the Civil Law. In Trade-mark Law these values proclaimed possibilities of a more adequate substantive law, of keener interpretative refinements in the application of substantive law in the different levels of the judicial hierarchy; and of a more subtle appreciation of the similarity in the results of various tests of trade-mark rights in the two species of jurisprudence.

These values have a utilitarian interest for the independent practicing attorney in the smaller rural hamlet and for the international lawyer in the commercial world metropolis. The use of trade-marks for separate crops of farmers in remote, agricultural areas; for small business enterprises in provincial localities; and, for urban corporations in world market centers has increased trade-mark legal service in state, national and international politics. In the United States the use of trade-marks in business has increased quite steadily ever since 1870, when the first annual registration of trade-marks in the U.S. Patent Office totaled 121 specimens. In 1951, there were 17,869 new trade-marks registered besides 3,437 renewals and 1,589 republications. These 17,869 new registrations composed the greatest number of trade-marks ever registered in any year in the United States, and it reflected an increase of 9% over the preceding year. It brought the total trade-mark registration in United States history to nearly 500,000 besides registration for slogans and other forms of advertising that have become so integral a constituent of the television age. For adjudication in 1951, the patent office entertained 1375 cases.¹

Considering the global distribution of many thousands of American trade-marked commodities into the remote localities under many flags, one may contemplate the world significance

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1. Annual Report of the Commissioner of Patents, 1951, pp. 5, 8.

of the individual rights involved in the simplest trade-mark, the need for the protection of their rights, and the rights of the public against trade-mark imitation. These rights establish the *raison d'être* of trade-mark law, and the responsibility of lawyers.

World history promises no surcease in the growth of trade-mark law. Indeed, trade-marks were an integral factor in social living long before Aristotle expostulated the obvious fact that man is a social animal. That trade-marks existed three millenniums prior to written history—as early as 6000 B.C.—is evident from ancient relics. The Oriental Institute of the University of Chicago maintains abundant evidences that Confucius had some grounds for saying that “Signs and symbols rule the world—not words nor laws” alone. Signs and symbols speak to those who cannot read words nor hear laws when they are read. Thus trade-marks.

Although in early England, trade-mark regulation was not regarded as the law of antiquity in the same sense as those laws that were noted in the mediaeval Year Books, in Bracton and in Glanvil—yet trade-marks were regulated in England by the Guilds prior to the first trade-mark case at law in 1452. Thereafter the common law and equity served progressively in trade-mark usage.

In the United States, the common law as amplified by the Commerce Clause of the Constitution and by subsequent Congressional statutes pursuant thereto culminating in the Lanham Act of 1946 furnished the legal foundations for American trade-mark adjudication. Synchronomously with increased trade-mark registration in the United States, legislative adjustments on state, national and international levels were contemplated by experienced publicists and jurists. State statutes were attentive to local registration of trade-marks. Uniform State Laws were essayed by the sagacious Edward S. Rogers and published posthumously in *Law and Contemporary Problems* in 1948 nearly a half-century after he had interested Hugo Munsterberg in the psychology of marketing and after his own study of *The Unwary Purchaser* had appeared in the *Michigan Law Review* in 1910. The Lanham Act of July 5, 1946,² apparently rendered less formidable the “brooding omnipresence” of the Supreme Court decision in *Erie R.R. v. Tompkins*³ with its implicit deference to state

2. 60 Stat. 427 (1946).

3. 304 U.S. 64 (1938).

law, and set the national perspective for wider ranges of congressional action in trade-mark regulation.⁴ An International Uniform Trade-mark Law was considered probable by the *Trade-Mark Reporter* in May, 1952, while the International Trade-Mark Office at Geneva, Switzerland, served twenty countries. So, P. O. Hereward's *Handbook on Trade-Mark Laws Throughout the World*, 1951, was a welcome addition to similar works by Singer Berthold, S. P. Ladas, and John H. Rueger.

In France the "Marques de fabriques obligatoires" also were a mediaeval institution—a case of imitation arising as early as 1564. During the nationalizing tendencies of the Napoleonic period, a general tort liability for unfair competition in trade-mark usage was assured the future by the Civil Code of 1804, which states that "Any act by which a person causes damage to another makes the person by whose fault the damage occurred liable to make reparation for such damage." The Act of July 24, 1824, "Concerning the Alteration of Names of Manufactured Goods" provided penalties for misbranding, but the Act of June 23, 1857, "Concerning Trade-Marks" established property rights in trade-marks, and the basic provisions for current adjudication, although it has been supplemented by subsequent detailed legislation and administrative decrees—e.g. the Regulatory Decision No. 200 of March 1, 1944, issued by the *Comite general d'organisation du commerce* providing minute details in the general area of unfair competition of which trade-mark infringement is a species; and the Decree of June 12, 1946 which applies specifically to "the national mark of quality."⁵

In mediaeval Germany, the "Produktionsmark Zeichen" was recognized, and the Trade-Mark on iron and steel was an industrial phenomenon by 1571—three hundred years before the German unification under Chancellor Bismarck rendered inevitable the German Civil Code of 1896, effective January 1, 1900. This included the famous sections 138 and 826, which have been much cited since the World Wars. Section 138 provides that "Transactions which are *contra bonos mores* shall be null and void."

4. See Lunford, *Trademarks and Unfair Competition—The Demise of Erie v. Tompkins?*, 40 *Trade-Mark Reporter* 169-183 (1950); Giles, *Unfair Competition and the Over-extension of the Erie Doctrine*, 41 *Trade-Mark Reporter* 1056-1059 (1951).

5. Unless otherwise indicated, all of the codes, statutes and cases quoted in this essay are from a sixteen-volume mimeograph compilation of material including translation from the French and German into English, along with commentaries, prepared by Messrs. Jervey, Deak, Wolf and Chait "for the confidential use of students in Comparative Law at the Columbia University School of Law" and released by them in 1949 under the Caption "Cases on Legal Controls on Competitive Practices in England, France, Germany and the United States."

Section 826 provides that "Any person who wilfully causes damages to another in a manner *contra bonos mores* shall be liable for damages." The Code of Commerce followed in 1897, the Unfair Competition Statute in 1909, and the comprehensive German Trademark Statute in 1936. The Unfair Competition Statute of June 7, 1909, further implemented the Civil Code caution regarding transactions *contra bonos mores*, and suggested the confusion test in trade-mark adjudication in that Section 16 of the Statute stipulated that "An action for injunction shall be against any person who in the course of business uses the name, firm-name or other distinctive designation of a business or publication in a manner calculated to cause confusion with a name, firm-name or other distinctive designation lawfully used by another," and added that "An action for damages shall lie if such person knew or should have known that the unlawful use was calculated to create confusion."

The German Trademark Statute of May 5, 1936, is cited in many cases as WZG, meaning the *Warenzeichengesetz*. This statute is comparable to the French Statute of 1857 and the American Lanham Act of 1946. It permits the confusion test to be carried into a deception test in that Section 4 of the *Warenzeichengesetz* provides that "Registration shall be denied to marks which cause danger of deception," etc. Accordingly, Section 11 stipulates that "A third person may move for cancellation of a trade mark," if it should "cause danger of deception."

In the legal foundations of the United States, England and the civil law countries, there is detected a basic distinction in trade-mark rights. In the United States the right to register a trade-mark is based on a prior usage of it. In England, the registration itself assures that right. In the civil law of France and Germany, the trade-mark itself is considered as a property right. Also, in the United States under the Lanham Act, a trade-mark may be considered as abandoned after two years of disuse. In civil law Germany, the trade-mark may be held in reserve as a "defensive mark" or a "contingent mark" for many years as a property right whether used or not. With this caveat in mind however, the trade-mark laws of those countries afford ready comparison—with some contrasts—in their basic dynamics and in their several adjudications.

In the judicial administration of the trade-mark laws in the several countries there may be detected valuable comparisons of substantial realities on each level of the judicial hier-

archy, with their shadings of interpretation to fit the neat distinction of fact in trade-mark problems in protection of the rights of the owner of the trade-mark and of the rights of the consumer public. The appeal procedure under the civil law of France and Germany is much as that in the United States, where trade-mark cases may proceed from the U.S. Patent Office to the Circuit Court of Appeals of the District of Columbia, to the Federal District Courts or the Circuit Courts of Appeal; and thence to the Supreme Court of the United States. In France and Germany, the adjudication machinery in 1951 remained about as it was in 1936 when it was described by Professor Francis Deak and Professor Max Rheinstein in their study of *The Machinery of Law Administration in France and Germany*.⁶ In France, trademark affairs might proceed from the *conseils des prud' hommes* to the *tribunal civil*, thence to appeal to the *cour d' appel*, thence on review to the *cour de cassation*—where formerly they would have review in the *chambres des requetes*, since abolished. In Germany the procedure is similar, trade-mark matters proceeding from the *Amtgericht* to the *Landgericht*, thence on appeal to the *Oberlandesgericht* and on review to the *Reichsgericht*, which, however, seems not to have met between May 5, 1945, and 1952.

6. 84 U. of Pa. L. Rev. 846-876 (1936).