

Trade Mark Protection in China

Infringement of Trade Marks

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THE word "infringement" is difficult to define. For the purpose of this article its broadest meaning, that of the infraction or invasion of another's rights by passing off his goods as the goods of another will be sufficient. An English text writer has thus defined infringement, "Infringement is the use by the defendant, for trading purposes, in connection with goods of the kind for which the plaintiff's right to exclusive use exists, not being the goods of the plaintiff, of a mark identical with the plaintiff's mark, or either comprising some of its essential features or colorably resembling it, so as to be calculated to cause the goods to be taken by ordinary purchasers for the goods of the plaintiff." A learned English judge has stated that if a trade mark contains twenty five parts and the infringer only uses one part he has violated the owners' rights.

Infringement by Copying Get up of Container

It is a fundamental rule that there cannot be a trade mark in color, size or material alone and protection may only be had against such piracies when the imitation goods are calculated to and do deceive ordinary purchasers buying with ordinary caution. This principle together with illustrations is very well set forth by an American writer, "It is a well settled rule that there can be no trademark right in the mere form, size or color of an article used commercially, or the form, size or color of the package containing it. It is also an established principle that there can be no trademark right in the directions, notices or usual advertising matter used upon or in description of merchandise. There has never been a deviation from this rule in the adjudication of the courts of this country. Whenever relief has been granted against an imitator or counterfeiter of either the form, size, color, method of packing, advertising, or directions used by a legitimate dealer, it has been granted upon the broad theory of regulating fraud, and not upon the narrower ground of technical trademark infringement."

'There can be no technical trademark in a well known material substance, such as a tin tag impressed upon plug tobacco; nor in a method of packing merchandise; or a display card, with horizontal lettering, for hooks and eyes; but a fraudulent imitation of another's tin tag has been restrained; and injunctions against the fraudulent use of another's style of package and method of packing are frequent, in the absence of any claim to a technical trademark right in the complainant.'

'The courts have been averse to recognizing a trademark right in anything calculated to be useful, aside from indicating origin or ownership. So, in holding that there was no trademark right in a series of indebtations in plug tobacco, so arranged as to serve as guides in cutting the plug into pieces of one ounce each, Judge Boldgett said: "One of the principles running through the law of trademarks is that there need be no utility attached to the trademark itself—that is, it shall have no useful purpose in connection with the goods further than to show the origin or manufacture."

'There may be combinations of form and color with other things, which will entitle the owner to relief against one duplicating his article. Thus in a case where the defendant duplicated the plaintiff's talking machine records, injunction issued against the "manufacture and sale of disk records, black or nearly black in color, with a red seal center inscribed with decoration and letters in gilt, when such records contain the shop numbers or catalogue numbers of complainant's disk records, or when the sound recording grooves thereon are copies of the grooves on complainant's disk records.'

Judge J. B. McPherson has well said "the superficial details of construction certainly need not be identical in nearly every particular;" and hence enjoined the defendant from imitating the plaintiff's miner's lamp.'

'Finally, it is obvious, that where the resemblance resides in particulars of packages which have become common to the trade, no relief can be granted. A mark, consisting of a brown-colored-paper cigar-band of peculiar shape, has been held to be invalid, Judge McPherson saying: "Certainly the color alone could

not be appropriated by the complainant as a trademark, nor the shape alone, nor the material alone; and even the combination of these three elements could not make a valid trademark, because neither singly nor in combination do they point to the complainant as the source from which the goods are derived.)'

'In a later case, the doctrine of color as trademark was thus aptly expressed by Judge (later Mr. Justice) Lurton: "Color except in connection with some definite, arbitrary design, such as when impressed upon a circle, star, cross, or other figure, or employed in definite association with some characteristics which serve to distinguish the article as made or sold by a particular person, is not the subject of monopoly as a trademark."

'So a metal tag applied to the shell of an oyster as an identification of plaintiff's oysters in the trade, gave the plaintiff no monopoly in the use of such tags.'

Where there is fraud however and the infringer dresses his goods so that an ordinary purchaser buying with ordinary caution is deceived equity will enjoin. The leading case upon this point is that of *Cook & Bernheimer Co. vs. Ross*, by Judge Lacombe in the Circuit Court of the United States for the Southern District of New York. The plaintiff was a corporation and by virtue of long usage had acquired the sole right to bottle "Mount Vernon Rye" whisky which said whisky they put up in bottles of peculiar shape. The facts more fully appear in the opinion of the court a portion of which is as follows: "Complainant, of course, has no exclusive right to the name 'Mount Vernon,' and the labels of defendant are in no sense an imitation of the complainant. Complainant's case rests

solely on the form of package, which it claims has been so imitated as to make out a case of unfair competition.

"Undoubtedly, a large part of the consumption of whisky is in public drinking places, where it is dispensed to the consumer from the opened bottle. It is always desirable, therefore, for a dealer who wishes to push the sale of his own goods on their own merits to devise, if he can, some earmark more permanent than a pasted label to distinguish them. Complainant's predecessors accordingly, in March 1890, adopted a brown glass bottle of a peculiar square shape, unlike any that had theretofore been used for bottling whisky, or, indeed, so far as the evidence shows, for any other purpose. It is a form of package well calculated by its novelty to catch the eye, and be retained in the remembrance of any one who has once seen it. In order to develop and extend the business they expected to control under their agreement with the Hannis Distilling Company, complainant and its predecessors have expended more than \$50,000 in advertising its said bottling. In all these advertisements the peculiar square-shaped bottle is the chief and most prominent feature. It is not surprising, therefore, to find it stated in the moving affidavits that the shape and general appearance of the bottle has become to be principally, if not exclusively, relied on by ordinary purchasers as the means of identifying this bottling of Mount Vernon whisky from all other bottlings, the purity of which is not guaranteed by the distillers, but only by the bottler. Complainant's bottling seems to have acquired a high reputation, large and increasing quantities of it being yearly sold, at a price of excess of that obtained by other bottlers of Mount Vernon whisky.

“About December, 1895, defendants, who had been dealing in Mount Vernon whisky for many years, began first to put it up in bottles, which are Chinese copies of the peculiar square-shaped, bulging-necked bottles of the complainant. Of course they aver that this was without any intention ‘to deceive the public, or to palm off defendants’ goods for complainant’s.’ They account for the sudden appearance of their output of Mount Vernon whisky in this form as follows: ‘There was a demand for Mount Vernon whisky along in November last, and defendants sought a convenient and useful package in which to place their product upon the market, purchased a stock of bottles of the square form for that purpose, without making a special design therefor, and in the open market;’ and allege that ‘such bottles can be purchased of reputable bottle manufacturers from molds used for some time last past.’ This last averment may well be true. The industry of defendants’ counsel has marshaled here an array of square-shaped bottles filled with whisky, which shows that for some time imitations of complainant’s bottle have been on the market. But there is not a word of proof to trace back any one of these bottles to a period anterior to the adoption of the square shape by complainant’s predecessor as a distinctive form of package. Despite defendants’ denials,—and they only deny intent to deceive the public, not intent to use a form of package just like complainant’s,—the court can not escape the conviction that they found the square-shaped bottle ‘convenient and useful,’ because it was calculated to increase the sale of their goods; and that such increase, if increase there be, is due to the circumstances that purchasers from defendants have a reasonable expectation that the ultimate consumer, deceived by the shape, will mistake the bottle for one of complainant’s. This is unfair competition within the authorities, and should be restrained. Injunction pendens lite is granted against the further use of the square-shaped, bulging-necked bottle as a package for Mount Vernon whisky.”

The principle applied in this case applies only when the component parts visible upon the exterior of the package as well as the get up is copied. Judge Lowell a learned English Chancellor in a case in which this principle was involved said: “He (the plaintiff) must make out, not that the defendant’s are like his by reason of those features which are common to them and other people, but he must make out that the defendant’s are like his by reason of something peculiar to him, and by reason of the defendant having adopted some mark, or device, or label, or something of that kind, which distinguishes the features common to the trade. Unless the plaintiff can bring his case up to that, he fails.”

“The evidence is very strong that one tin may be mistaken for the other, very likely; but why? Because of the features common to them and common to all.”

“The only question you have then to consider is whether the defendant’s get-up is so like the plaintiff’s as to be calculated to be mistaken for it. But when, as in this case and in the last, what is called the plaintiff’s get up consists of two totally different things combined, namely, a get-up common to the trade, and a distinctive feature affixed or added to the common feature, then what you have to consider is not whether the defendant’s get-up is like the plaintiff’s

as regards the common features, but whether that which specially distinguishes the plaintiff’s has been taken by the defendants.”

Who May Commit an Infringement.

Under the Japanese Law it is necessary to prove intent or mens rea. This is not so under the common law where mens rea or mala mens need not be established. This being so it is seen that many more people may be reached and enjoined by the application of the common law doctrine than by an application of Japanese jurisprudence. Under the common law, “All persons in any way connected with the infringement of a trade mark are responsible to the owner for the injury done to his rights.” By application of this principle engravers and manufacturers of infringing labels have been restrained. This principle was invoked in the case of the Standard Tobacco Co. vs. The Kwang Ming Tobacco Company, et al (Shanghai Mixed Court) where one of the defendants was temporarily enjoined from manufacturing the infringing label pending the trial of the case which had not been finally determined at the time of the writing of this article. Further illustrations of this principle are admirably stated in a commentary on trade marks. “The rule that equity will enjoin one who participates in the production of an infringing mark or label was first established in Guinness vs. Ullmer, in 1847, in which case the plaintiffs were brewers of porter, and the defendants, who were engravers, engraved plates to be used in printing labels in imitation of the plaintiff’s label. This decision was followed in 1855 by a case in which a printer printed and sold labels which were fac-similes of plaintiff’s labels, and the piracy was enjoined; and the rule is now extended to include one who deals in counterfeit labels, though he does not manufacture them.”

“In 1877 a label printer was enjoined by the Superior Court of New York from the manufacture of labels which were colorable imitations of plaintiff’s. In affirming the decision of the lower court the New York Court of Appeals announced that it is not necessary in such a case “to establish a guilty knowledge or fraudulent intent on the part of the wrongdoer.” It is now the settled rule that “the mere act of printing and selling labels in imitation of the complainant’s might be innocent, and, without evidence of an illicit purpose, would not be a violation of the complainant’s rights.” Judge Thayer, however, held that the court would presume fraudulent intent where counterfeit labels were manufactured and sold and advertised for sale by the defendant.

“Where a person induces a manufacturer to make for him goods marked with the trademark of a third person, the manufacturer can hold him liable for all money paid and expense incurred by the manufacturer in compromising a suit brought against him by the owner of the trademark.”

“Where both parties are in a similar business, one will be enjoined from buying up the empty bottles or other packages used by the other.”

“Where a suit against a manufacturer using an infringing carton had been compromised, the plaintiff releasing all claims against the defendant’s customers, a subsequent suit against the manufacturer of the cartons used by the first defendant was dismissed as inequitable.”