

United States Supreme Court
AMERICAN STEEL FOUNDRIES v. ROBERTSON, (1926)
No. 156

Argued: Decided: January 4, 1926

[269 U.S. 372, 373] Mr. George L. Wilkinson, of Chicago, Ill., for American Steel foundries.

Messrs. Nathan Heard and Frederick A. Tennant, both of Boston, Mass., for Simplex Electric Heating Co.

[269 U.S. 372, 377]

Mr. Justice SUTHERLAND delivered the opinion of the Court.

Plaintiff and its predecessor, and Simplex Railway Appliance Company, have used the trade-mark 'Simplex'[269 U.S. 372, 378] on railway car bolsters since 1897, and on car couplers since 1907; the former being registered in the Patent Office in 1911, the latter in 1909. In 1917 plaintiff adopted and thereafter used the same trade-mark on brake rigging, brake heads, brake beams, brake shoes, brake hangers, and clasp brakes. Application was made in 1917 to register the trade-mark for the last-named uses, but the Commissioner of Patents refused the registration, on the ground that the trade-mark consisted merely in the name of a corporation, viz. the Simplex Electric Heating Company, defendant herein. The Commissioner's ruling was affirmed by the Court of Appeals of the District of Columbia. In re American Steel Foundries, 49 App. D. C. 16, 258 F. 160. The case came to this court on certiorari, but was dismissed for want of jurisdiction, sub nom. American Steel Foundries v. Whitehead, Commissioner of Patents, 256 U.S. 40, 41 S. Ct. 407.

Thereupon this suit in equity was brought in the federal District Court for the Northern District of Illinois, under section 4915, R. S. being Comp. St. 9460 (American Foundries v. Robertson, 262 U.S. 209, 43 S. Ct. 541), to which the Commissioner of Patents voluntarily appeared. That court dismissed the bill, and an appeal to the Court of Appeals followed.

The defendant company was organized as a corporation in 1902. Its predecessors in business had adopted in 1886, and thereafter had used, the trade-mark 'Simplex' on insulating or protected conducting wire, the same being registered in 1890. In 1906, the company registered trade-marks comprising the word 'Simplex' as applied to a large variety of other goods.

The word 'Simplex' has comprised the whole or a part of trade-marks registered in the Patent Office in approximately 60 registrations by nearly as many different parties, and as applied to many classes of merchandise. There are other corporations in the country, which now have or have had names which embody the word 'Sim- [269 U.S. 372, 379] plex.' Neither the defendant company nor its predecessors ever have been engaged in the manufacture or sale of any of the devices upon which plaintiff has used the trade-mark as hereinbefore specified.

Upon these facts the court below has certified the following questions upon which it desires instruction:

- '1. Does the clause of section 5 of the Trade-Mark Act of February 20, 1905, 'Provided, that no mark which consists merely in the name of an individual, firm, corporation, or association not written, printed, impressed, or woven in some particular or distinctive manner, or in association with a portrait of an individual ... shall be registered under the terms of this act,' prohibit registration as a trade-mark under said act of the word 'Simplex' by the plaintiff under the recited facts?
- '2. Does the said clause quoted of section 5 prohibit registration under the Act of February 20, 1905, of a trade-mark consisting solely of a single word, otherwise registrable under the said act, if that word is the salient feature of the name of a corporation, not the applicant for registration?
- '3. Does the above-quoted clause of section 5 of the Trade-Mark Act of February 20, 1905, prohibit the registration under said act of a common-law trade-mark which is the name, or part of the name, of

another than the applicant, whose business relates exclusively to goods in a different and noncompeting class from the goods on which the trade-mark is used by the applicant?'

For the purposes of discussion, these three questions may be resolved shortly into one: Upon the facts, is the word 'Simplex' merely the name of the Simplex Electric Heating Company within the meaning of the quoted proviso? The answer to this question will be simplified if we approach it by first considering certain principles of the substantive law of trade-marks and unfair competition, in the light of which the legislation under review must be examined.

[269 U.S. 372, 380] The mere fact that one person has adopted and used a trade-mark on his goods does not prevent the adoption and use of the same trade-mark by others on articles of a different description. There is no property in a trade-mark apart from the business or trade in connection with which it is employed. *United Drug Co. v. Rectanus Co.*, 248 U.S. 90, 97, 39 S. Ct. 48; *Hanover Milling Co. v. Metcalf*, 240 U.S. 403, 413-414, 36 S. Ct. 357, 360 (60 L. Ed. 713). 'The law of trade-marks is but a part of the broader law of unfair competition' (Id.), the general purpose of which is to prevent one person from passing off his goods or his business as the goods or business of another.

Whether the name of a corporation is to be regarded as a trade-mark, a trade-name, or both, is not entirely clear under the decisions. To some extent the two terms overlap, but there is a difference, more or less definitely recognized, which is that, generally speaking, the former is applicable to the vendible commodity to which it is affixed, the latter to a business and its good will. See *Ball v. Broadway Bazaar*, 194 N. Y. 429, 434, 435, 87 N. E. 674. A corporate name seems to fall more appropriately into the latter class. But the precise difference is not often material, since the law affords protection against its appropriation in either view, upon the same fundamental principles. The effect of assuming a corporate name by a corporation under the law of its creation is to exclusively appropriate that name. It is an element of the corporation's existence. *Newby v. Oregon Cent. Ry. Co. et al.*, Deady, 609, 616, 18 Fed. Cas. 38, No. 10,144. And, as Judge Deady said in that case:

'Any act which produces confusion or uncertainty concerning this name is well calculated to injuriously affect the identity and business of a corporation. And as a matter of fact, in some degree, at least, the natural and necessary consequence of the wrongful appropriation of a corporate name, is to injure the business and rights of the corporation by destroying or confusing its identity.'

[269 U.S. 372, 381] The general doctrine is that equity not only will enjoin the appropriation and use of a trade-mark or trade-name, where it is completely identical with the name of the corporation, but will enjoin such appropriation and use where the resemblance is so close as to be likely to produce confusion as to such identity, to the injury of the corporation to which the name belongs. *Cape May Yacht Club v. Cape May Yacht & Country Club*, 81 N. J. Eq. 454, 458, 86 A. 972; *Armington & Sims v. Palmer*, 21 R. I. 109, 115, 42 A. 308, 43 L. R. A. 95, 79 Am. St. Rep. 786. Judicial interference will depend upon the facts proved and found in each case. *Hendriks v. Montagu*, L. R. 17 Ch. Div. 638, 648; *Higgins Co. v. Higgins Soap Co.*, 144 N. Y. 462, 469-471, 39 N. E. 490, 27 L. R. A. 42, 43 Am. St. Rep. 769.

These principles, it must be assumed, were in mind when Congress came to enact the registration statute. And, since that body has been given no power to legislate upon the substantive law of trade-marks, it reasonably may be assumed, also, that to the extent the contrary does not appear from the statute, the intention was to allow the registration of such marks as that law, and the general law of unfair competition of which it is a part, recognized as legitimate. The House committee on patents, in reporting the bill which upon enactment became the registration statute in question, said:

'Section 5 of the proposed bill we believe will permit the registration of all marks which could, under the common law as expounded by the courts, be the subject of a trade-mark and become the exclusive property of the party using the same as his trade-mark.' Report No. 3147, Dec. 19, 1904, H. of R. 58th Cong., 3d Sess.

The provision, therefore, that no mark consisting merely in the name of a corporation shall be registered, is to be construed in harmony with those established principles in respect of the appropriation of corporate names to which we have referred. Where the appropriation of the corporate name is complete, the rule of the statute, by its own [269 U.S. 372, 382] terms, is absolute, and the proposed mark must be denied registration, without more; but, where less than the whole name has been appropriated, the right of registration will turn upon whether it appears that such partial appropriation is of such character and

extent that, under the facts of the particular case, it is calculated to deceive or confuse the public to the injury of the corporation to which the name belongs.

The fact, for example, that the articles upon which the mark is used are not of the same description as those put out by the corporation, is entitled to weight, since the probability of such confusion and injury in that situation obviously is more remote than where the articles are of like kind. The cases, naturally, present varying degrees of difficulty for the application of the rule. Primarily the power and the duty rests with the Commissioner of Patents to determine the question in each case, in the exercise of an instructed judgment upon a consideration of all the pertinent facts.

In the present case, these facts are: The word 'Simplex' is only a portion of the corporate name; its use by plaintiff is upon articles the like of which has never been manufactured or sold by the defendant corporation; it comprises the whole or a part of about 60 registrations, by nearly as many different parties upon many kinds of merchandise; and it forms part of the names of other corporations in the country. ¹ It is argued that the word in question is the salient feature in the name of the defendant corporation; but that, if conceded, does not [269 U.S. 372, 383] settle the question. There may be, of course, instances where a single word in the corporate name has become so identified with the particular corporation that, whenever used, it designates to the mind of the public that particular corporation. But here it is not shown that, standing, alone, the word 'Simplex' has that effect; that it is any more calculated to denote to the public the defendant corporation than any of the other corporations in the names of which it is likewise embodied; or, indeed, that it signifies the appropriation of some corporate name though incapable of exact identification. In *Simplex Electric Heating Co. v. Ramey Co.*, Decisions Com'r Pat. 1916, pp. 74, 77, 79, 82, 83, the Commissioner of Patents, admitting the same work to registry under like facts, said:

Simplex Arms Manufacturing Company, Denver; Simplex Window Company, San Francisco; Simplex Lubricating Company, Boston; Simplex Wire & Cable Company, Boston; Simplex Auto Specialty Company, Detroit; Simplex Concrete Piling Company, Cincinnati; Simplex Machine Company, Atlanta; Simplex Exercising Company, Philadelphia; Simplex Valve & Meter Company, Philadelphia; Simplex Floor Surfacing Company, Baltimore; Simplex Railway Appliance Company, St. Louis; Simplex Air Brake & Manufacturing Company, Pittsburgh; Simplex Button Works, New York; Simplex Fire Extinguisher Company, New York; Simplex Golf Practice Machine Corporation, New York; Simplex Ink Company, New York; Simplex Letter Opener Company, New York; Simplex Typewriter Company, New York; Simplex Refrigerating Machine Company, Chicago; Simplex Sand Blast Manufacturing Company, Chicago.

'It is a fact that the word 'Simplex' has been in such wide and varied use in this country, not only as a trade-mark, but as part of a firm or corporation name that everybody has heretofore considered something more than the word 'Simplex' necessary to identify a corporation. ...

'The word 'Simplex' does not identify any corporation in particular, for the simple reason that it is equally the name of various corporations. In short, if one referred to 'the company Simplex,' without anything else, it would not be known to what he was referring. ...

'The word involved in this case is one of a large class of words which have for a great many years been much used because of their peculiarly suggestive meaning. For [269 U.S. 372, 384] other examples there are the words 'Acme,' 'Anchor,' 'Champion,' 'Eureka,' 'Excelsior,' 'Ideal,' 'Jewel,' 'Liberty,' 'National,' 'Pride,' 'Premier,' 'Queen,' 'Royal,' 'Star,' 'Sunlight,' 'Triumph,' 'Victor.' It would be a serious matter if the law actually permitted any one who chose to do so to organize a series of corporations with names containing these words, respectively, and thereupon virtually withdraw these words from public use as trade-marks and monopolize them, by preventing their registry as such.'

On appeal to the District Court of Appeals, the decision of the Commissioner was reversed, upon the ground, in part, that the word 'Simplex' was a distinctive part of the name of the corporation (*Simplex Electric Heating Co. v. Ramey Co.*, 46 App. D. C. 400, 406); and this was followed by the same court in the present case. It already is apparent that we agree with the Commissioner, and not with the court.

Under the facts, we are of opinion that it does not appear that the use of the word as a trade-mark upon the goods of the plaintiff will probably confuse or deceive the public, to the injury of the defendant or of any other corporation. It follows that the refusal to allow the registration was erroneous.

Question No. 1, therefore, should be answered in the negative, and, since this will dispose of the case, categorical answers to the other questions are deemed not necessary.

It is so ordered.

Footnotes

[[Footnote 1](#)] The Commissioner of Patents, in a footnote to *Simplex Electric Heating Co. v. Ramey Co.*, *Decisions Com'r Pat.* 1916, pp. 74, 78, gives the following list of corporations, in the names of which the word 'Simplex' occurs: