

United States Supreme Court
PRESTONETTES, INC. v. COTY, (1924)

No. 197

Argued: Decided: April 7, 1924

Messrs. Charles H. Tuttle and Louis Marshall, both of New York City, and Wm. J. Hughes, of Washington, D. C., for petitioner. [[Prestonettes, Inc. v. Coty](#) [264 U.S. 359](#) (1924)]

[[264 U.S. 359, 363](#)] Messrs. Asher Blum, of New York City, Lindley M. Garrison, of Jersey City N. J., F. D. McKenney, of Washington, D. C., and Hugo Mock, of New York City, for respondent.

[[264 U.S. 359, 366](#)]

Mr. Justice HOLMES delivered the opinion of the Court.

This is a bill in equity brought by the respondent, Coty, a citizen of France, against Prestonettes, a New York corporation, having its principal place of business in the Southern District of New York. It seeks to restrain alleged unlawful uses of the Plaintiff's registered trade- marks, 'Coty' and 'L'Origan' upon toilet powders and perfumes. The defendant purchases the genuine powder, subjects it to pressure, adds a binder to give it coherence and sells the compact in a metal case. It buys [[264 U.S. 359, 367](#)] the genuine perfume in bottles and sells it in smaller bottles. We need not mention what labels it used before this suit as the defendant is content to abide by the decree of the District Court. That decree allowed the defendant to put upon the rebottled perfume 'Prestonettes, Inc., not connected with Coty, states that the contents are Coty's [giving the name of the article] independently rebottled in New York.' every word to be in letters of the same size, color, type and general distinctiveness. It allowed the defendant to make compacts from the genuine loose powder of the plaintiff and to sell them with this label on the container, 'Prestonettes, Inc., not connected with Coty, states that the compact of face powder herein was independently compounded by it from Coty's [giving the name] loose powder and its own binder. Loose powder-per cent., Binder- per cent.,' every word to be in letters of the same size, color, type and general distinctiveness. The Circuit Court of Appeals, considering the very delicate and volatile nature of the perfume, its easy deterioration, and the opportunities for adulteration, issued an absolute preliminary injunction against the use of the above marks except on the original packages as marked and sold by the plaintiff, thinking that the defendant could not put upon the plaintiff the burden of keeping a constant watch. 285 Fed. 501, certiorari granted, [260 U.S. 720](#) , 43 Sup. Ct. 250.

The bill does not charge the defendant with adulterating or otherwise deteriorating the plaintiff's product except that it intimates rather than alleges metal containers to be bad, and the Circuit Court of Appeals stated that there were no controverted questions of fact but that the issue was simply one of law. It seemingly assumed that the defendant handled the plaintiff's product without in any way injuring its qualities and made its decree upon that assumption. The decree seems to us to have gone too far. [[264 U.S. 359, 368](#)] The defendant of course by virtue of its ownership had a right to compound or change what it bought, to divide either the original or the modified product, and to sell it so divided. The plaintiff could not prevent or complain of its stating the nature of the component parts and the source from which they were derived if it did not use the trade-mark in doing so. For instance, the defendant could state that a certain percentage of its compound was made at a certain place in Paris, however well known as the plaintiff's factory that place might be. If the compound was worse than the constituent, it might be a misfortune to the plaintiff, but the plaintiff would have no cause of action, as the defendant was exercising the rights of ownership and only telling the truth. The existence of a trademark would have no bearing on the question. Then what new rights does the trade-mark confer? It does not confer a right to prohibit the use of the word or words. It is not a copyright. The argument drawn from the language of the Trade-Mark Act does not seem to us to need discussion. A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his. *United Drug Co. v. Theodore Rectanus Co.*, [248 U.S. 90, 97](#) , 39 S. Sup. Ct. 48. There is nothing to the contrary in *A. Bourjois & Co. v. Katzel*, [260 U.S. 689](#) , 43 Sup. Ct. 244, 26 A. L. R. 567. There the trade-mark protected indicated that the goods came from the plaintiff in the United States, although not made by it, and therefore could

not be put upon other goods of the same make coming from abroad. When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo. *Canal Co. v. Clark*, 13 Wall. 311, 327.

If the name Coty were allowed to be printed in different letters from the rest of the inscription dictated by the District Court a casual purchaser might look no [264 U.S. 359, 369] further and might be deceived. But when it in no way stands out from the statements of facts that unquestionably the defendant has a right to communicate in some form, we see no reason why it should not be used collaterally, not to indicate the goods, but to say that the trade-marked product is a constituent in the article now offered as new and changed. As a general proposition there can be no doubt that the word might be so used. If a man bought a barrel of a certain flour, or a demijohn of Old Crow whisky, he certainly could sell the flour in smaller packages or in former days could have sold the whisky in bottles, and tell what it was, if he stated that he did the dividing up or the bottling. And this would not be because of a license implied from the special facts but on the general ground that we have stated. It seems to us that no new right can be evoked from the fact that the perfume or powder is delicate and likely to be spoiled, or from the omnipresent possibility of fraud. If the defendant's rebottling the plaintiff's perfume deteriorates it and the public is adequately informed who does the rebottling, the public, with or without the plaintiff's assistance, is likely to find it out. And so of the powder in its new form.

This is not a suit for unfair competition. It stands upon the plaintiff's rights as owner of a trade-mark registered under the Act of Congress. The question therefore is not how far the court would go in aid of a plaintiff who showed ground for suspecting the defendant of making a dishonest use of his opportunities, but is whether the plaintiff has the naked right alleged to prohibit the defendant from making even a collateral reference to the plaintiff's mark. We are of opinion that the decree of the Circuit Court of Appeals must be reversed and that that of the District Court must stand.

Decree reversed.

Mr. Justice McREYNOLDS dissents