

December 18, 1924.

25d.

Memorandum to Mr. Stokes.

From: Division of Commercial Laws.

Subject: John Lucas, Inc. -- Trade Mark ONELISK.

I refer to the attached letter from John Lucas & Company, Inc., of December 12, in which the following question is presented: Can John Lucas & Company continue to use the trade mark ONELISK adopted by them six months ago, for Nitrocellulose Lacquer, after diligent inquiry to ascertain whether this trade mark is being used for the same goods by another manufacturer, and in view of the notice which they now have that the trade mark had been used for several years by the Egyptian Lacquer Manufacturing Company, which company claims ownership of the trade mark.

The situation is an unfortunate one, but I do not see how John Lucas & Company can claim any right to the trade mark under our law. In the United States the ownership of a trade mark is derived from use and, between conflicting users, the prior in time prevails. This rule is also followed in registering trade marks in the United States Patent Office, provided that such use had taken place in interstate or foreign commerce.

The doctrine has been announced by the Supreme Court of the United States that there may be under exceptional circumstances two concurrent users of the same trade mark, both of whom are entitled to ownership thereof. Such a situation may arise where both parties have used the trade mark in separate territories for approximately the same length of time during which period the trade of one party did not extend into the territory where the trade mark of the other party had become known. I do not think, however, that this doctrine can be applied in the present case inasmuch as it is admitted that the Egyptian Lacquer Manufacturing Company has used the trade mark ONELISK for several years, while John Lucas & Company, Inc., has only adopted the mark several months ago.

Because our law does not require registration at any time in order to entitle the user of a trade mark to ownership, the natural consequence is that not all trade marks used in the United States are registered and, therefore, any one wishing to adopt a trade mark must do so at his peril. For, if it develops that there is a prior user of this trade mark for the same class of goods, the subsequent user has no remedy, unless such subsequent use has been carried on for so long a time, without

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objection by the prior user, as to confer an equitable right on the subsequent user to the continued use of the trade mark. Considering the circumstances of the present case, I do not think John Lucas & Company is even equitably entitled to the use of the trade mark OSMLISK.

In reply, therefore, to the first specific question of the inquirer, I would state as my opinion that in as far as the United States is concerned, John Lucas & Company cannot claim ownership of the trade mark OSMLISK and cannot use it except by license of the Egyptian Lacquer Manufacturing Company.

The second question presented is whether this company can protect itself by any method against a recurrence of this difficulty in any selection of a trade mark which it may make in the future.

There is no method within my knowledge that is absolutely safe and accurate in ascertaining whether or not a proposed trade mark has been already adopted or a right to it acquired by a prior user. In this case John Lucas & Company made a search of the Patent Office records and of the records of the National Paint, Oil and Varnish Association. I might suggest that the search for conflicting trade marks in the future be made more extensive and include a survey of trade directories, such as Thomas', Hendricks', etc.

The danger of adopting a trade mark which conflicts with one already owned by another person may be minimized by selecting an arbitrary or unusual word or sign. The practice has been followed by some companies in the past of adopting a word which in itself has no meaning, such as "Kodak", since there is less likelihood that this same or similar mark is already owned by another. Of course even when such a word or sign is selected, a diligent survey of existing trade marks should be made, because the trade mark right of another may be infringed not only through the unauthorized use of an identical mark, but also of one which is confusingly similar.

It may be a wise plan in projecting a new trade mark to use it in a small way at first, fulfilling the requirements of interstate or foreign commerce, and immediately thereafter applying for registration under the Act of 1906. When the application is published, an opposition to the registration of the trade mark may be disposed of promptly. If the registration is granted, the company thereby acquires a presumption of ownership in its favor and the probability of conflict is considerably reduced.

A. J. Wolfe,
Chief, Division of Commercial Laws.

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