

UNRAVELLING UNFAIR COMPETITION LAW'S MISUNDERSTOOD DEVELOPMENT

*Christine Haight Farley**

ABSTRACT

Tracing the development of U.S. unfair competition law reveals a sequence of events some of which we seem to have forgotten. First, we learn that unfair competition law has always been baffling. The accepted metaphor that trademark law is a species of the genus of unfair competition law distorts both the actual history and the relationship between the two. Second, this back-story suggests that a particularly innovative treaty--incorporated by reference into the Lanham Act--was meant to be the vehicle for unfair competition protection. The misunderstanding of this history has put pressure on trademark claims causing them to expand into unfair competition claims. The result is maximum flexibility in trademark law and an absence of constraints in unfair competition law.

The development of these rules now defined as 'Unfair Competition,' is one of the romances of legal history.

~Harry D. Nims, Unfair Competition and Trademarks¹

Can the tort of unfair competition be defined? The honest answer is no—not in the abstract. It is no easier and no more productive of practical results to define generally the exact limits of unfair competition than it is to define the exact limits of what is a 'tort' or a 'civil wrong.'

~J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition²

* Professor, American University Washington College of Law. I am grateful for the excellent research assistance provided by Meredith Beyer, Ben Kessler, and Sherwet Witherington.

¹ Harry D. Nims, UNFAIR COMPETITION AND TRADEMARKS 2 (3d ed. 1929).

² J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 1:8 (5th Ed. 2019).

Table of Contents

Introduction.....	2
I. What is Unfair Competition?	9
A. The Former Constraints on Trademark Law.....	12
B. The Growth of Unfair Competition Law	15
II. The Singular Contributions of Edward Rogers	23
A. The Father of the Lanham Act.....	23
B. The General Inter-American Convention for Trade Mark and Commercial Protection of 1929.....	27
III. The 1929 Convention.....	28
A. Unfair Competition in the Inter-American Convention	33
B. The Inter-American Convention Today	38
IV. The Death of the Common Law and Unfair Competition Protection	40
V. The 1946 Lanham Act	45
A. Section 44 of the Lanham Act	47
B. The Drafting Choice Made by Rogers	55
C. The Ever Expanding Section 43(a)	59
VI. Different Path, Same Destination?	63
Conclusion	67

INTRODUCTION

In 2016, a case appealed to the Court of Appeals for the Fourth Circuit posed questions so fundamental to trademark and unfair competition law that it is difficult to conceive they did not have ready answers.³ The owner of a Mexican trademark wanted to stop the use of that mark in the United States by

³ *Belmora LLC v. Bayer Consumer Care AG*, 819 F.3d 697, 706 (4th Cir. 2016).

another party.⁴ Significantly, the Mexican trademark owner had not used or registered the trademark in the U.S.⁵ It also had not advertised the mark, used it on any other product, or even used similar packaging in the U.S. even though it did substantial business in the U.S. selling similar products under other trademarks.⁶ In fact, it had no present or even future intention to use that mark in the U.S.

The question in *Belmora, LLC. v. Bayer Consumer Care AG*⁷ was, essentially, does the Mexican trademark owner have any claim under U.S. law that would enable it to enjoin the use? That this basic question was so confounding is evidenced in the oral arguments. For instance, the lawyer for Bayer, the Mexican mark owner, began his remarks by stating that “the question is, does the law permit Bayer to stop this deception.”⁸ Later the court asked, “are we able to give you relief under 43(a)?”⁹ Then the government stated the question in the case as “whether there is a cognizable passing off claim.”¹⁰ And finally, when the appellee emphasized that Bayer had no protectable mark, the court asked, “What’s that got to do with a passing off case?”¹¹ The case hinged on what unfair competition law protects against and what it requires. Listening to the oral arguments, one would conclude that no one quite knew for sure.

The parties and the court were on unsteady ground. The uncertainty, however, did not stem from a novel fact pattern. The basic dispute is one that has been complained of by the trademark bar for over 100 years: A party in country X adopts the mark of a party in country Y because the mark has a

⁴ Bayer Consumer Care (“Bayer”) owned the mark FLANAX in Mexico for pharmaceutical products, analgesics, and anti-inflammatories. [cite case] *Belmora*, a Virginia-based company, began using FLANAX as a trademark in the U.S. in early 2004 for “orally ingestible tablets of Naproxen Sodium for use as an analgesic.” FLANAX, Reg. No. 2,924,440.

⁵ Bayer itself admitted in the course of litigation that it “does not own, or have any interest in, any federal or state trademark registration for the mark FLANAX in the United States.” Brief for Petitioner at 2, *Belmora LLC v. Bayer Consumer Care AG*, 137 S.Ct. 1202 (2017) (No. 16-548), 2016 WL 6156565, at *2 (citing Bayer’s Answer to Compl. and Countercl., D.Ct. Dkt. #35, at ¶ 30).

⁶ *Belmora*, 819 F.3d at 702. Bayer sells a similar pain reliever product in the U.S. under the name ALEVE.

⁷ 819 F.3d 697 (4th Cir. 2016).

⁸ [cite oral argument]

⁹ *Id.* at X. The district court, which dismissed Bayer’s Complaint, had distilled the question this way: “Does the Lanham Act allow the owner of a foreign mark that is not registered in the United States and further has never used the mark in United States commerce to assert priority rights over a mark that is registered in the United States by another party and used in United States commerce?” *Belmora LLC v. Bayer Consumer Care AG*, 84 F. Supp 3d 490, 495-96 (E.D. Va. 2015), *vacated & remanded*, 819 F.3d 697 (4th Cir. 2016), *cert. denied*, 137 S.Ct. 1202 (2017) (mem.) (dismissing Bayer’s false designation of origin claim, its false advertising claim, and its various state law claims).

¹⁰ *Id.* at X.

¹¹ *Id.* at X.

reputation in country X, and the party in country Y has done nothing to protect the mark in country X.¹² Since the scenario was foreseeable, the question is, why do we not know for certain whether or not U.S. law provides a remedy?

Likely because there was no certain remedy, the Mexican trademark owner did not oppose the trademark application when it was published for opposition,¹³ but waited almost three years after the application was filed to finally petition to cancel the registration.¹⁴ Notice also that it did not bring suit even then even though the registrant had been using the mark for three years. In its cancellation proceeding, the Mexican trademark owner struggled to find a claim that would stick. Reading its two amended “complaints,” following two successive dismissals,¹⁵ one is left with the impression of a claimant flailing in desperation to land on a cognizable claim. For instance, the Mexican trademark owner asserted claims under three international treaties¹⁶—unusual in itself in such proceedings—two of which were treaties that Mexico had not even ratified.¹⁷

The frustration of the Mexican trademark owner may also have been felt by the judges in this case. Although the law appeared to be on the side of the U.S. registrant, the facts were not. The litigation revealed that it had copied the packaging the Mexican trademark owner used in Mexico exactly,¹⁸ suggested a connection to the Mexican trademark owner through its distributors and telemarketers,¹⁹ and even manufactured evidence for trial.²⁰ Although competition may have been lacking, the case certainly reeked of unfairness.

¹² See, e.g., _____ (1916)(Edward S. Rogers complaining that the U.S. owner of the BIG BEN mark was powerless to stop a Mexican party who had been the first to adopt it there.); Rogers, Ann. Rep. ABA (1920).

¹³ Belmora’s U.S. trademark application was published for opposition on August 3, 2004. FLANAX, Reg. No. 2,924,440.

¹⁴ The USPTO issued Belmora’s FLANAX trademark registration on February 1, 2005. Bayer filed a Petition to Cancel Belmora’s registration with the USPTO’s Trademark Trial and Appeal Board (TTAB) on June 29, 2007. *Prosecution History*, USPTO, http://tsdr.uspto.gov/?caseSearchType=US_APPLICATION&searchType=DEFAULT#caseNumber=78310029&caseSearchType=US_APPLICATION&caseType=SERIAL_NO&searchType=statusSearch [https://perma.cc/WF2K-88XP] (last visited Jun. 10, 2017).

¹⁵

¹⁶

¹⁷

¹⁸ Belmora’s initial packaging was almost identical to Bayer’s.

¹⁹ Belmora circulated brochures to distributors suggesting that its FLANAX brand was the same product that had been sold in Mexico for years and it provided telemarketers with scripts containing similar statements.

²⁰ The CEO of Belmora falsified evidence by requesting—in the course of litigation—that its graphic designer create a display showing how Belmora evolved the apocryphal phrase “Further Lasting Analgesia Naproxen” into the name “Flanax.”

That the court ruled for the Mexican trademark owner makes this case notable without more, but the particular manner in which the Fourth Circuit reached its result makes it a watershed case in U.S. unfair competition law. First, the court distinguishing this case as an unfair competition case and not a trademark case.²¹ Next, the court ruled that no trademark rights in the United States were needed to maintain a claim of unfair competition.²² This decoupling of unfair completion law from trademark law will have the effect of enlarging the reach of unfair competition law exponentially. As such, the *Belmora* decision caused quite a stir.²³

The *Belmora* case illustrates the considerable uncertainty that exists today over U.S. unfair competition law. The arguments made in the case, and the commentary about the case demonstrate the lack of clarity about the scope of unfair competition protection.

What is unfair competition law? Ask ten trademark lawyers to explain the protections offered by unfair competition law and you will be lucky to get

²¹

²² The Fourth Circuit held that “the plain language of § 43(a) does not require that a plaintiff possess or have used a trademark in U.S. commerce as an element of the cause of action.” *Belmora*, 819 F.3d at 706.

²³ Barton Beebe, *What Trademark Law is Learning from Right of Publicity*, 42 COLUM. J.L. & ARTS 389, 394 (2019) (“The Fourth Circuit Court of Appeal’s recent opinion in *Belmora LLC v. Bayer Consumer Care AG* further suggests that the language of section 43(a) refers to any entity in the world, regardless of whether it is actually using a trademark within the territorial borders of the United States. In sum, what is conventionally recognized as one of the fundamental distinctions between trademark law and right of publicity law—that the former requires a showing of consumer confusion while the latter does not—has arguably become a distinction without a difference.”); Mark P. McKenna; Shelby Niemann, *2016 Trademark Year in Review*, 92 NOTRE DAME L. REV. ONLINE 112, 122 (2016) (“But what is especially notable about *Belmora* is its failure to recognize the implications of its decision for the territoriality of trademark rights. Few concepts are more fundamental in trademark law than the notion that rights are territorial in nature.”); Christine Haight Farley, *No Trademark, No Problem*, 23 BOSTON U. J. OF SCI. & TECH. L. 304 (2017); Bill Donahue, *The Top 10 Trademark Rulings of 2016*, LAW360 (Dec. 20, 2016, 6:05 PM), <http://ptslaw.com/wp-content/uploads/2016/12/The-Top-10-Trademark-Rulings-Of-2016-Law360.pdf> (landing the number two spot on the list of top trademark decisions in 2016) [<https://perma.cc/TY5T-NCG8>]; *Standing to Enforce Foreign Trademark Rights After Belmora v. Bayer Certiorari Denial*, JONES DAY (Mar. 7, 2017), <http://www.jonesday.com/standing-to-enforce-foreign-trademark-rights-after-ibelmora-v-bayer-certiorarii-denial-03-07-2017/> [<https://perma.cc/N3VS-48XX>]; Alex MacKay, *Unfair Competition is Such a Headache*, STTTES & HARBISON, PLLC: TRADEMARKOLOGY (Mar. 25, 2016), <http://www.trademarkologist.com/2016/03/unfair-competition-is-such-a-headache/> [<https://perma.cc/V6DP-643Q>]. Even the amicus brief of the International Trademark Association (“INTA”) in support of the Petition for Certiorari to the Supreme Court notes that “[t]he inconsistent rulings of the Courts of Appeals have also led to, and will continue to cause, forum shopping, inconsistent outcomes, and consumer confusion.” (Page 3) and “The Fourth Circuit’s decision in *Belmora*...adds another variation to the already confusing array of holdings.” (Page 5) [cite brief].

ten different answers. More likely, you will get a shrug from half of the respondents. What's more: this has always been the case in the United States. The contours of U.S. unfair competition law have never been clear. Almost no notable precedent exists, and no well-advised client would rely on this law. Perversely, however, unfair competition law is ever-present. In almost all trademark litigation, complaints include supplementary claims of unfair completion.²⁴ Unfair competition law, however, does not do any real work; it only provides a frame for trademark claims.

This article challenges conventional beliefs about the relationship between trademark law and unfair competition law by tracing the erratic development of unfair competition from the late 1800s to the present. A sequence of events—some of which have been forgotten—explains the state of the law today.

The first common law protection for trademarks was extremely limited. These protections developed into a formalized rules protecting “technical trademarks,” those that could eventually be registered. What later became known as “unfair competition,” was the protection of a limited set of unregistered marks referred to as “trade names.”²⁵ This new area of unfair competition was highly constrained.²⁶ The central tenet of the law today—that any device that serves as a source indicator will be protected where another's use will cause consumer confusion—was simply not a cognizable claim then under either trademark or unfair competition law.²⁷

²⁴ Complaints usually include multiple unfair competition claims, some under federal law, and some under state law. For example, in the only two trademarks cases on the Supreme Court's docket this year, both have supplementary claims of unfair competition. *See* *Marcel Fashions Group, Inc. v. Lucky Brand Dungarees, Inc.*, 779 F.3d 102, 104 (2d Cir. 2015), remanded to No. 11CV5523-LTS, 2016 WL 7413510, at *1 (S.D.N.Y. Dec. 22, 2016), vacated, 898 F.3d 232 (2d Cir. 2018), cert. granted, 139 S. Ct. 2777 (2019) (stating that the plaintiff, Marcel, brought suit based on claims of trademark infringement, false designation of origin, and unfair competition under 15 U.S.C. §§ 1114, 1116, and 1125, as well as common law trademark infringement and unfair competition under Florida state law); *Romag Fasteners, Inc. v. Fossil, Inc.*, 29 F. Supp. 3d 85 (D. Conn. 2014), aff'd, 817 F.3d 782 (Fed. Cir. 2017), cert. granted, 137 S. Ct. 1373 (2017) (holding that the defendant, Fossil, Inc., was liable for trademark infringement, false designation of origin, state common law unfair competition, and violation of the Connecticut Unfair Trade Practices Act); Brief for Plaintiff at 3, *Romag Fasteners, Inc. v. Fossil, Inc.*, 29 F. Supp. 3d 85 (D. Conn. 2014) (arguing the defendant is liable for trademark infringement and unfair competition under Federal Law and Connecticut Common law). This is an example of how unfair competition law serves more as backdrop to trademark protection.

²⁵ *See* *infra* Section X.

²⁶ *See* *infra* Section X.

²⁷ This quote from an earlier English case exemplifies the then prevailing view of U.S. courts: “The fraud upon the public is no ground for the Plaintiff's coming into this Court.” *Webster v. Webster*, 36 Eng. Rep. 949, 949 (1791).

This area of law underwent significant common law expansion in the decades before the depression reaching a highpoint in protection in *Int'l News Serv. v. AP* in 1918.²⁸ The timing of the Supreme Court's decision in *Erie v. Tompkins*,²⁹ which purported to overturn all of the federal common law, just after that period was therefore momentous. At that point, almost all of unfair competition law had been developed by the federal courts. At this same moment in time, bills that would ultimately become the Lanham Act³⁰—the federal trademark act still in place today—were being debated in Congress. Given this timeline, it is then perplexing that those bills did not address federal unfair competition directly. This article will demonstrate that they did, however, contain somewhat inscrutable provisions that were meant to address unfair competition indirectly.

The legislative history of the Lanham Act includes some discussion of unfair competition protection, and reveals concern about creating a federal unfair competition cause of action.³¹ This legislative history offers the first clue, as of yet unexamined, as to how certain statutory provisions could afford expanded unfair competition protection. This article will expose the potential of those provisions and explain how we have come to overlook them.

Edward S. Rogers played a substantial role in the development of unfair competition law. Rogers is the person who is generally credited with drafting the Lanham Act, and at whose insistence these curious provisions were included. A few items on Rogers's resume shed new light on the text of the Lanham Act. Rogers is credited with developing the first draft of our current trademark act in 1921, and he was the force behind the evolution of that draft into the 1946 act. He served as a U.S. delegate to what became the 1929 General Inter-American Convention for Trademarks and Commercial Protection ("Inter-American Convention"),³² a treaty still in force, but largely forgotten.³³ Rogers was no ordinary delegate; it would be impossible to overstate his contributions. There is

²⁸ 248 U.S. 215 (1918). HARRY D. NIMS, UNFAIR COMPETITION AND TRADE-MARKS VIII (2d ed. 1917) ("[Unfair competition law] is still in its infancy.").

²⁹ 304 U.S. 64 (1938).

³⁰ 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. § 1051 *et seq.*).

³¹ *Hearings on H.R. 9041 Before the Subcomm. of Trade-Marks of the House Comm. on Patents*, 75th Cong. 53 (1938).

³² General Inter-American Convention for Trade-mark and Commercial Protection, signed at Washington, Feb. 20, 1929, entered into force Apr. 2, 1930; for the United States Feb. 17, 1931. TS 833; 2 Bevans 751; 46 Stat. 2907; 124 L.N.T.S. 357 (hereinafter Inter-American Convention). The convention is referred to as both the "Inter-American Convention" and the "Pan American Convention" in this country, and the "Washington Convention" in Latin America.

³³ See Christine Haight Farley, *The Protection of Geographical Indications in the Inter-American Convention on Trademarks*, 6 WIPO J. 68 (2014); Christine Haight Farley, *The Pan-American Trademark Convention of 1929: A Bold Vision of Extraterritorial Meets Current Realities*, in TRADEMARK PROTECTION AND TERRITORIALITY: CHALLENGES IN THE GLOBAL ECONOMY (Irene Calboli & Edward Lee eds., 2014).

reason to believe that he is one of the a few people responsible for the treaty's text. Not only does the treaty contain a detailed chapter on unfair competition,³⁴ but it is the first treaty to give this subject such comprehensive treatment.³⁵ The treaty was intended to be self-executing and eleven years after its effective date, Rogers himself argued and won a Supreme Court case declaring it to be self-executing.³⁶ Congress passed the Lanham Act based on Rogers's draft text just six year after this ruling.³⁷ With this timeline in mind, one can read the provisions on unfair competition in the Lanham Act with newfound perspicuity.

It would be an understatement to say that the Inter-American Convention is neglected in the literature on U.S. unfair competition law. In fact, no commentator has even mentioned it. This back-story not only affords greater clarity on U.S. unfair competition law, but it also offers a new perspective on the relationship between unfair competition law and trademark law. Most importantly, however, it helps to explain the particular flexibility of U.S. trademark law today.

Part I traces unfair competition law from the late 1800s to the 1946 Lanham Act. This section demonstrates that unfair competition cropped up as a means to fill the gap between trademark's perceived protection of property rights and the need to protect against the tort of fraud. Part II introduces Edward S. Rogers and his contributions to the international and domestic development of unfair competition law. This section traces Roger's participation in the General Inter-American Trademark Convention. Part III explains the protection of unfair competition protection offered by the Convention, which were more expansive and detailed than ever encountered. Part IV discusses how the emergence of the Erie Doctrine in the late 1930s threatened to create a void because state laws for trademark and unfair competition were wildly underdeveloped. Part V interrogates the history of Section 44 of the Lanham Act, which was meant to incorporate by reference the unfair competition provisions from Inter-American Conventions. This section describes how the robust unfair competition protection enabled through Section 44 continues to lie dormant because Section 43(a) became the conventional vehicle for unfair competition claims. Finally, Part VI argues that because Section 43(a), rather than Section 44, has been the real workhorse for unfair competition, it has been pushed to its outer limits. Because that section is grounded in trademark concepts, trademark law as a whole has been expanded, while unfair competition law, as a distinct area,

³⁴ See Inter-American Convention, *supra* note X.

³⁵ See Walter J. Halliday, *Inter-American Conventions for Protection of Trade-marks*, 32 J. PAT. OFF. SOC'Y 661, 665-666 (1950) (mentioning Rogers and how the Convention was said to surpass the achievements of the Paris Convention by not only binding each country with respect to trademarks, but also to the repression of unfair competition).

³⁶ *Bacardi Corp. v. Domenech*, 311 U.S. 150 (1940).

³⁷ The Lanham Act passed July 5, 1946. 15 U.S.C. §§1051-1127 (1946).

is underdeveloped and therefore incapable of containing innovative claims today.

I. WHAT IS UNFAIR COMPETITION?

It is often restated that trademark law “is but a part of the broader law of unfair competition.”³⁸ Likewise, the statement that trademark law is a species of the genus that is unfair competition is also repeated.³⁹ But these aphorisms obfuscate the uneasy relationship between the two⁴⁰ as well as the cloudy provenance of unfair competition. They suggest the law of unfair competition is the more established and longstanding body of law from which trademark rights have developed. This article demonstrates that the history of unfair competition law in the U.S., however, is of fairly recent origin⁴¹ and was not so systematically formed as to spin off another set of common law rights. Unfair competition protection did not precede trademark rights.⁴² Quite the reverse. The idea of unfair competition being the genus or larger category within which we find the specific law of trademarks, suggests that there is a defined category of protections that is more expansive than trademark law. But this category has never been defined in U.S. law. Its boundaries have never been demarcated and its location has never been fixed.

³⁸*Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916) (“the common law of trademarks is but a part of the broader law of unfair competition.”); *United Drug Co. v. Rectanus Co.*, 248 U.S. 90, 97 (1918). [collect cites]

³⁹ See McCarthy, *supra* note X, at X (citing S.R. 1333, 79th Cong. 2d Sess. (1946) (“There is no essential difference between trademark infringement and what is loosely called unfair competition. Unfair competition is the genus of which trademark infringement is one of the species; All trademark cases are cases of unfair competition and involve the same legal wrong.”)). [collect cites]

⁴⁰ The genus-species metaphor is problematic here. It implies an essential feature of unfair competition. Genus and species are taxonomic ranks in biological classification. Each subsumes less general categories in the hierarchy. For example, horses, donkeys, and zebras are all species in the equus genus, which categorizes odd-toed ungulates with slender legs, long heads, relatively long necks, manes, and long tails. [cite] The metaphor therefore should beg the question: What is the basis of the legal wrong in unfair competition? Moreover, the genus equus is in the family of equidae. *Id.* What is the family of unfair competition? Would it be torts? It was categorized in the Restatement of Torts in 1938, but removed in 1977 and addressed in its own Restatement. See RESTATEMENT ON THE LAW OF TORTS (1977). It would definitely not be in the family of property, although early trademark law was thought to be within property law.

⁴¹ See Nims, *supra* note 6, at X; Bartholomew, *supra* note X, at X.

⁴² See, e.g., John M. Fietkiewicz, *Section 14 of the Lanham Act—FTC Authority to Challenge Generic Trademarks*, 49 FORDHAM L. REV. 437, 440 (1981) (incorrectly stating that “[t]rademark protection evolved from the common law of unfair competition.”).

Being a backdrop to trademark law, does not mean that unfair competition law predates trademark law. Trademark law did not grow out of unfair completion law as a preexisting body of common law. It is actually the reverse.⁴³ Although U.S. trademark law dates back to the mid-19th century,⁴⁴ unfair completion law developed slightly later out of the gaps in protection in trademark law.

A century ago, trademark rights were much more constrained than they are today. Initially, only “technical trademarks” were protected by trademark law.⁴⁵ Technical trademarks were those marks that were registrable, and distinct from un-registrable “trade names.”⁴⁶ As they were not registrable,⁴⁷ trade names were not considered “trade-marks.” Trade names included descriptive words, geographical names, and surnames.⁴⁸ At that time, trade names were protected under unfair competition law and this was the full extent of unfair competition protection.⁴⁹ The fact of registration was then a means of demarcating the subject matter of trademark and unfair competition law. Technical trademark cases involved a property right protected by trademark law, whereas in unfair competition cases the complainant had no property interest in what was imitated.⁵⁰

⁴³ See Schechter, HISTORICAL FOUNDATIONS, *supra* note X, at 4 (“when we remember that out of the so-called law of technical trademarks has grown the law of unfair competition”).

⁴⁴ It was not until the end of the industrial revolution that trademark law began to flourish. See Frank I Schechter, THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS (1925).

⁴⁵ The 1881 Trademark Act—the nation’s first federal trademark act—only addressed registration and the rights that flow from it. The 1870 Trademark Act was found unconstitutional by the Supreme Court. The Trade-Mark Cases, 100 U.S. 82 (1879).

⁴⁶ See, e.g., *H. Becker & Co. v. C.A. Gambrill Mfg. Co.*, 38 App. D.C. 535, 537 (holding that “Orange Grove” is geographical and “not subject to registration as a technical trademark”); *In re Wright*, 33 App. D.C. 510, 512 (1909) (refusing registration of a trademark because it was clearly not a “technical trademark”). See also Milton Handler, *Unfair Competition*, 21 IOWA L. REV. 175, 182 (1936) (“The legal remedy for the protection of trademarks is known as trademark infringement. ‘Unfair competition’ is the remedy for trade names.”).

⁴⁷ The Trademark Act of 1905, ch. 592, 33 Stat. 724. Only marks that had been exclusively used for a period of ten years before the enactment of the statute were registrable under the 1905 Act.

⁴⁸ See William Henry Browne, TRADE-MARKS § 91 (2d ed. 1885); Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 T.M.R. 305, 316 (1979). Trade names were essentially the equivalent of today’s marks that require secondary meaning for protection. Today we use the distinction of inherently distinctive marks and marks with acquired distinctiveness or secondary meaning. Today, however, both are considered trademarks. See 15 U.S.C. § 1127 (2012).

⁴⁹ MCCARTHY, *supra* note 2, at § 1:15 (“Unfair Competition” was the name of th[e] part of the law which gave protection to ‘trade names’—designations that did not qualify as ‘technical trademarks’ but had acquired a secondary meaning as a mark.”).

⁵⁰ See Nims, *supra* note 6, at 24; Edward S. Rogers, *Unfair Competition*, 35 TRADE-MARK REP. 126, 126-27 (1945) (“The notion that there is ‘property’ in trade-marks as a separate thing was

Although this is a simplified tidying up of much less clear common law jurisprudence, it shows that trade name protection was an add-on to trademark protection. It was not the platform from which trademark law launched. Rather, it was a developed extension of trademark rights. But it was a distinctly limited extension. It contained effective constraints such as competition, intent to deceive, and diverted sales. Perhaps because the claim was not based on certain ground, such as property, courts were reluctant to ease up on these preconditions.

One reason that early 20th century courts may have restricted trademark rights more than courts do today was because of their abiding fear of monopolistic powers. There is ample evidence that early trademark and unfair competition law engendered fears of monopolies much more than it does today.⁵¹ The monopoly rights created in patents and copyright were tolerable because they were necessary to achieve a greater public good. Trademarks, which were neglected by the constitution, were seen to be unworthy of the cost.⁵² Mere “traders” should not receive legal treatment comparable to authors and inventors.⁵³

once quite generally entertained and for a while it served well enough, but it was very soon perceived that a trader's customers might be diverted by the imitations of things which were not trade-marks and in which property rights could not be maintained.”).

⁵¹ Commentators, judges and lawyers made frequent references to monopolies while discussing trademark policy. See generally Beverly W. Pattishall, *Trademarks and the Monopoly Phobia*, 50 Mich. L. Rev. 967 (1952) (providing a history of trademark protection and the ongoing fear of monopolies).

⁵² *Loughran v. Quaker City Chocolate & Confectionery Co.*, 286 F. 694, 697 (E.D. Pa. 1923) (“Patents, copyrights, and trade-marks excite two deeply seated feelings. One is the feeling of any one who has originated anything of his right to claim an exclusive property in it and to the trade growing out of it. The other is a hatred of monopoly. The latter feeling gives way to the former so far as to grant limited monopolies through patents and copyrights. This is a concession made for the general good aptly expressed in the constitutional phrase. The purchasing public regards this as the concession of a privilege; inventors and authors look upon it as a right limited only as the price exacted for the aid of the law in enforcing it. Mere dealers in commodities are prone to think themselves entitled to a like monopoly unlimited in time. This is a mistake. The only right they have is their right to sell their goods as such as to protection against the goods of another being palmed off upon their customers as theirs. To aid them in the assertion of this right they are permitted to mark their goods so as to identify and designate them and to name them as their own.”).

⁵³ *Chadwick v. Covell*, 151 Mass. 190, 193-94 (1889) (Holmes, J.) (“Undoubtedly, the exclusive right to use a certain collocation of words or signs to designate a certain class of goods may have a considerable money value as an advertisement, but the fact that a right would have a money value, if it existed, is not a conclusive reason for recognizing the right. The exclusive right to particular combinations of words or figures, after they have been published, for purposes not less useful than advertising, -- for poetry, or the communication of truths discovered for the first time by the writer, -- for art or mechanical design, -- now at least is a creature of statute, and is narrowly limited in time. When the common law developed the doctrine of trade-marks and trade names, it was not creating a property in advertisements more absolute than it would

A. The Former Constraints on Trademark Law

There were several features of early U.S. trademark law that served to constrain the rights of trademark owners so that they would not resemble monopoly rights. The most significant amongst them was the limitation of actions to those in which the defendant's goods were the same as the plaintiff's.⁵⁴ Under the statutory law prior to the Lanham Act, a cause of action for trademark infringement existed only where a colorable imitation of a registered mark was used in connection with the sale of "merchandise of substantially the same descriptive properties" as those set forth in the registration.⁵⁵ Not until the 1946 Lanham Act, was this stringent standard discarded in favor of the looser likelihood of consumer confusion standard.⁵⁶ Under the prior standard, one did not have the right to exclude others from adopting the same mark for even slightly

Draft

have allowed the author of *Paradise Lost*; but the meaning was to prevent one man from palming off his goods as another's, from getting another's business or injuring his reputation by unfair means, and, perhaps, from defrauding the public.").

⁵⁴ See MCCARTHY, *supra* note 2, at §1:15 (stating that early trademark law protection was granted "solely to shield the mark owner from having its customers confused and diverted away by a confusingly similar mark used by a direct rival"). Thus, a trademark could not be infringed by another's use on the good or services if they were not in direct competition with another. *Id.*

⁵⁵ See Trademark Act of 1920, ch. 104, 41 Stat. 533; Trademark: Act of Feb. 20, 1905, ch. 592, 33 Stat. 724; Trademark Act of 1881, ch. 138, 21 Stat. 502, 728; *Philco Corp. v. F. & B. Mfg. Co.*, 170 F.2d 958, 959 (7th Cir. 1948) (*citing* § 16, 33 Stat. 728); see also Mark Bartholomew, *Trademark Law and the Power of Historical Myth*, 5 ("This language was derived from common law cases holding that infringement could only occur when the defendant used the mark on the same class of goods as the plaintiff" (*citing* James Love Hopkins, *THE LAW OF TRADEMARKS, TRADE-NAMES, AND UNFAIR COMPETITION* 307 (3d ed. 1917)) .

⁵⁶ Under the Lanham Act, whether the parties' goods are of similar character is no longer determinative. Instead, the presence or lack of such similarity became fact relevant to the issue of whether the use is likely to cause confusion as to the source of origin. 15 U.S.C. § 1114(1)(a) (1946).

dissimilar goods.⁵⁷ For instance, trademark rights in BASS for ale did not give the owner the right to enjoin the use by a competitor of BASS for lager.⁵⁸

Other common law doctrinal constraints limited trademark actions considerably. For instance, trademark owners were powerless to enjoin the use of their mark on the same goods when the defendants' commerce was intrastate rather than interstate.⁵⁹ A trademark owner could not enjoin the use of the same mark on the same goods if the mark was legitimately the surname of the defendant.⁶⁰ Furthermore, a plaintiff was not likely to be successful in the cases involving descriptive terms. For example, in *American Washboard Co. v. Saginaw Manufacturing Co.*,⁶¹ the court refused to enjoin a washboard manufacturer who sold washboards that copied the plaintiff's habit of marking them "Aluminum" even though they were in fact made of zinc. The court reasoned that because there was no private right of action based on fraud, a claim of deception of the public must be based on "the property rights of [the] complainant."⁶² Another significant limitation on trademark rights was the requirement that the use of the mark by the defendant must be calculated to mislead the public with respect to the source of origin of the defendant's goods.⁶³ Finally, trademark owners had no

⁵⁷ E.g. *Beech-Nut Packing Co. v. P. Lorillard Co.*, 7 F.2d 967 (3d Cir. 1925), *aff'd*, 273 U.S. 629 (1927) (stating trademark for food products not infringed use of same mark on tobacco products); E.g. *American Steel Foundries v. Robertson*, 269 U.S. 372, 380 (1926) ("the mere fact that one person ha[d] adopted and used a trade-mark on his goods d[id] not prevent the adoption and use of the same trade-mark by others on articles of different description"); *Walgreen Drug Stores, Inc. v. Obeir-Nester Glass Co.*, 113 F.2d 956 (8th Cir. 1940), *cert. denied*, 311 U.S. 708 (1940) (holding that a trademark, "Pyrex," used for "heat-resistant" glass did not infringe use of a similar mark, "Rex," on glass products used for prescription medical bottles); *Certain-Teed Prod's Corp. v. Philadelphia & Suburban Mortg. Guarantee Co.*, 49 F.2d 114, 115 (3d Cir. 1931) (refusing to "restrain the use of a coined word which is part of a corporate name, where the use complained of is a noncompeting and totally unrelated [mortgage] business, and is merely part of an advertising slogan"); *Nieman v. Plough Chemical Co.*, 22 F.2d 73 (6th Cir. 1927), *cert. denied*, 277 U.S. 603 (1928) (finding a trademark "Black and White" as applied to medicines and toilet preparations had not infringed the same trademark for a series of literary pamphlets); *Peninsular Chemical Co. v. Levinson*, 247 F. 658 (6th Cir. 1917) (denying relief for a trade-mark registered for "chemicals, medicines and pharmaceutical preparations" against the mark's use on cigars).

⁵⁸ See Bartholomew, *Trademark Law and the Power of Historical Myth*, *supra* note X, at 5 (citing *Bass, Ratcliff & Gretton v. Henry Zeltner Brew Co.*, 87 Fed. 468 (C.C.S.D.N.Y. 1898)).

⁵⁹ See also *United States Printing & Lithograph Co. v. Griggs, Cooper & Co.*, 279 U.S. 156 (1929); *Pure Oil Co. v. Puritan Oil Co.*, 127 F.2d 6 (2d Cir. 1942).

⁶⁰ See *Thaddeus Davids Co. v. Davids*, 233 U.S. 461 (1914) (refusing to enjoin defendant from using his surname even though plaintiff had registered it).

⁶¹ 103 F. 281 (6th Cir. 1900).

⁶² *Id.* at 285.

⁶³ As the Supreme Court made clear in *Canal Co. v. Clark*, "in all cases where rights to the exclusive use of a trade-mark are invaded, it is invariably held that the essence of the wrong consists in the sale of the goods of one manufacturer or vendor as those of another; and that it is only

rights in any territory where they were not using the mark. In the landmark case of *Hanover Star Milling Co. v. Metcalf*,⁶⁴ in which the defendant used the same mark on the same goods just 250 miles south of where the plaintiff conducted his business, the Supreme Court ruled that rights attach only to the goodwill possessed by the trader and plaintiff's goodwill did not extend to the defendant's area.⁶⁵

While the above doctrines served to limit the scope of a trademark owner's rights, the range of indicia of source that could qualify as a trademark was also curtailed. The subject matter of trademarks was narrowly construed to exclude what we would refer to as "trade dress" today. A 1898 treatise author recorded examples of indicia of source ruled not subject to appropriation as a trademark:

There is no valid trade-mark in a piece of tin as a tag for tobacco, regardless of its color, shape, or inscription... There is no right to the use of material substances on which a word, figures, or emblems, may be impressed or engraved....Nor can there be a trade-mark in a peculiar method of arranging soap....Nor for chewing-gum for *form* of sticks, or the shape or decoration of boxes...⁶⁶

That litany of aspects of certain goods' presentation was taken from cases in which each had been purposefully copied to appropriate another's goodwill and deceive consumers. In none of those cases, however, did the law did permit a remedy.

The sweet spot for trademark infringement then involved a defendant using a colorable imitation of the plaintiff's registered mark in connection with the sale of similar goods. Pre-Lanham Act, falling outside of this zone could doom a plaintiff's case because there was no stable legal right apart from the severely curtailed rights found in trademark law. For example, in 1885 case in which the defendant used deception "to obtain unfair advantage," the judge nonetheless denied relief, albeit with "with extreme reluctance," because of the absence at that time of a legal right to enjoin unfair competition.⁶⁷ Some courts,

when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief." 248 U.S. 90, 97 (1918).

⁶⁴ 240 U.S. 403 (1916) (superseded by statute).

⁶⁵ *Id.* at 420.

⁶⁶ William Henry Browne, A TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS, (FIRM-NAMES, BUSINESS-SIGNS, GOOD-WILL, LABELS, ETC.) 15 (2d. ed. 1898) (hereinafter Trademarks and Analogous Subjects) (emphasis in original).

⁶⁷ *Lehigh Valley Coal Co. v. Hamblen*, 23 F. 225 (N.D. Ill. 1885) ("The object of the defendants in causing an Illinois corporation to be created, bearing the same name as the complainant com-

however, gave in to the frustration engendered by the gaps in protection. In a case at around the same time in which the defendant deceived consumers by simulating the appearance of the plaintiff's goods, but had not copied the plaintiff's trademark,⁶⁸ the Kentucky Court of Appeals nevertheless overturned the trial court's ruling that there was no infringement. It believed such deviousness could not be countenanced by the law. It was unfair competition, though no legal doctrine by this name then existed.

B. The Growth of Unfair Competition Law

Both trademark law and unfair competition law developed rapidly at the turn of the century. Schechter reports that "in 1870 only one hundred and twenty-one trade-marks were registered...while in 1923 almost fifteen thousand were registered."⁶⁹ As Robert Bone has explained, this turn of the century growth resulted from three contributing events: the creation of nation-wide markets spawning the need for consumers to familiarize themselves with brands rather than manufacturers; the diversification of product lines enabling manufacturers to extend its existing goodwill to new products; and the emergence of psychological advertising causing firms to invest their marks with emotional

pany, is obvious. They hope, by this means, to secure the benefit of part, at least, of the patronage which the complainant has acquired. Unwilling to engage in open, manly competition with the complainant and others carrying on the same business, the defendants, resort to a trick or scheme whereby they hope to deceive the public, and obtain an unfair advantage of the complainant. Such conduct might be fairly characterized more harshly; and it is with extreme reluctance that I deny the complainant the relief prayed for.").

⁶⁸ Although the defendant deceived consumers by simulating the appearance of the plaintiff's goods, he had not copied the plaintiff's trademark, so the trial court found no infringement. The Kentucky Court of Appeals, however, believed such deviousness could not be countenanced by the law. It was unfair competition, but no legal doctrine by this name then existed. *Avery & Sons v. Meikle & Co*, 4 Ky. L. Rep. 759, 81 Ky. 73 (1883) ("When a workman or manufacturer . . . adopts and uses [a mark to indicate origin], and his reputation is thereby built up, it is to him the most valuable of property rights. Sound policy, which dictates the protection of the public from imposition, the security of the fruits of labor to the laborer, the encouragement of skillful industry, and, above everything, the inculcation of truth and honor in the conduct of trade and commerce . . . demands that such a reputation so gained should be free from the grasp of piracy . . .").

⁶⁹ Schechter, *supra* note X, at 134.

messages.⁷⁰ Even though the first reported federal trademark case was not decided until 1844⁷¹ and there was no effective trademark act until 1881,⁷² by 1885 William Henry Browne, the first U.S. treatise author on the subject—who was already publishing a second edition—observed that “no other branch of legal science has had a more rapid growth during the [past] twelve years” than trademark law.⁷³

Unfair competition law, in contrast, was only then making its first appearance. In 1898—after a half century of reported U.S. trademark cases—Browne published a revised edition of his treatise in which he announced that unfair competition was then “generally been adopted by the courts.”⁷⁴ Still, only one chapter of the treatise is devoted to the topic, titled “Rights Analogous to Those of Trade-Marks.”⁷⁵ Presumably, the chapter was not titled “Unfair Competition Law” because that phrase would not have been intelligible in 1898. In this chapter, Browne includes “multifarious cases that are not strictly trade-mark matters, and are beyond recognized technical rules, but which are deemed worthy of protection.”⁷⁶ Contesting conventional understanding today, this treatment suggests that unfair competition law developed out the shortcomings of trademark law, rather than providing the foundation for trademark law to spring forth. Permitting a cause of action in cases absent an actual trademark, unfair competition thus developed as a shadow around trademark law.⁷⁷

⁷⁰ See Bone, *supra* note X, at 576-82.

⁷¹ *Taylor v. Carpenter*, 3 Story 458 (U.S. Cir. Ct., D. Mass. 1844). The first trademark cases decided by a state was decided in 1837. *Thompson v. Winchester*, 19 Pick. 214 (Sup. Ct. Mass 1837). See Schechter, *supra* note X, at 134 (“Up to 1870 only sixty-two trade-mark cases in all were decided by American courts.”).

⁷² The first act of 1870 was found unconstitutional by the Supreme Court in 1879. The Trade-Mark Cases, 100 U.S. 82 (1879) (finding the Trademark Act of 1870 unconstitutional by the Supreme Court in 1879 because the federal government had no constitutional authority to regulate trademarks under the Arts and Sciences Clause).

⁷³ See William Henry Browne, TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS (2d ed. 1885). Browne’s first treatise was published in 1878. See William Henry Browne, TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS (1873). He published a new version of the second edition “revised and enlarged with supplement” in 1898. See Browne, TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS, *supra* note X (2d ed. 1898). The first English trademark treatise was not published until 1873, just five years preceding the first American edition. See Bently, *supra* note 48 at 969.

⁷⁴ See BROWNE, TRADE-MARKS and Analogous Subjects, *supra* note 48, at § 719.

⁷⁵ See Browne, TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS (2d ed. 1898). Rogers notes that “Law writers did not know where to classify these cases. Digest compilers put them under an added paragraph heading ‘Cases analogous to trade-mark cases.’” Edward S. Rogers, *Unfair Competition*, 35 TRADE-MARK REP. 126, 127 (1945).

⁷⁶ See BROWNE, Trade-marks and Analogous Subjects, *supra* note X, at § 719.

⁷⁷ Edward S. Rogers, *Unfair Competition*, 35 TRADE-MARK REP. 126, 126-27 (1945) (“The notion that there is ‘property’ in trade-marks as a separate thing was once quite generally entertained

The expansion of trademark rights over time has been enabled, in part, by the absence of clarity about its basis; it was never anchored to one set principle. From the start, the rationale of trademark law has been a mix of consumer protection, commercial morality, and property rights.⁷⁸ In his 1925 book on trademark law's historical foundations, Frank Schechter reports that some courts resisted the proposition that trademark rights are based in property.⁷⁹ This resistance to property contributed to the equivocality over the nature of these rights.

Presenting perhaps a misleadingly tidy organization, a 1906 treatise on tort law suggests that trademark rights were “conceived as an invasion of property,” while an action in unfair competition “cannot be placed on the plane of invasion of property right,” but instead is a “tort [that] is strictly one of fraud.”⁸⁰ If courts were resistant to conceiving of trademark rights as property,⁸¹ actions

and for a while it served well enough, but it was very soon perceived that a trader's customers might be diverted by the imitations of things which were not trade-marks and in which property rights could not be maintained, such as simulation of packages, the misuse of personal names, descriptive words and the like.”)

⁷⁸ In one of the earliest reported trademark cases, the court weaves the three together as justification for interfering in a competitive relationship:

When we consider the nature of the wrong that is committed when the right of an owner of a trade-mark is invaded, the necessity for the interposition of a court of equity becomes still more apparent. He who affixes to his own goods an imitation of an original trade-mark, by which those of another are distinguished and owned, seeks, by deceiving the public, to divert and appropriate to his own use, the profits to which the superior skill and enterprise of the other had given him a prior an exclusive title. He endeavors, by a false representation, to effect a dishonest purpose; he commits a fraud upon the public, and upon the true owner of the trade-mark. The purchaser has imposed upon him an article that he has never met to buy, and the owner is robbed of the fruits of the reputation that he had successfully labored to earn. In his case there is a fraud coupled with damage, and a court of equity in refusing to restrain the wrongdoer by an injunction, would violate the principles upon which a large portion of its jurisdiction is founded and abjure the exercise of its most important functions, this oppression of fraud and the prevention of the mischief that otherwise may prove to be irreparable.

Amoskeag Mfg. Co. v. Spear, 2 Sand. (N.Y.) Super. 599, 605-06 (1849).

⁷⁹ Schechter, *supra* note X, at 150 (“[t]he main difficulties of the courts and also of text-writers has been not so much with the nature of a trade-mark as with the nature of trade-mark rights and the proper bases for the protection of these rights. The principal obstruction to the development of the law in accordance with the necessities of business has been the uncertainty of those administering or commenting upon the laws to whether or not trade-marks are what they term ‘property.’”); *id.* at 151-52.

⁸⁰ I THOMAS ATKINS STREET, *THE FOUNDATIONS OF LEGAL LIABILITY: THEORY AND PRINCIPLES OF TORT* 421 (1906).

⁸¹ See, e.g., *Hearings on H.R. 9041 Before the Subcomm. on Trademarks of the House Comm. on Patents*, 75th Cong. 53 (1938) (statement of Edward S. Rogers) (“[f]or 50 years there has been a discussion

in unfair competition presented as torts endowed them with added attractiveness. Whether or not a property right exists, the court had jurisdiction over the fraud.⁸²

Where legal doctrine was absent, the tort of unfair competition allowed courts to be guided by morality.⁸³ As one court simply stated: “Unfair Competition’ consists in selling goods by means which shock judicial sensibilities; and the Second Circuit has long been very sensitive.”⁸⁴ Unfair competition law offered courts a vehicle for their desire to offer a remedy not in relation to a violation of a right, but in response to “odious” conduct. Where courts saw a wrong, they found a remedy in unfair competition.⁸⁵

The legal basis of unfair competition in tort law resulted in a doctrine that was adaptable to new forms of deception for which there was no legal precedent. It was argued that this adaptability was necessary to the law to effectively keep up with the inevitable “schemers.”⁸⁶

in the cases whether a trade-mark is property, or not, and whether its infringement is a violation of a property right, or merely an actionable tort.”)

⁸² As one court that eschewed the trademark/property theory noted,

[w]e are of opinion that it is not necessary to decide whether the plaintiff's label with the accompanying words and devices constituted a trademark, and as such the exclusive property of the plaintiff, for the reason that it is a fraud on a person who has established a business for his goods, and carries it on under a given name or with a particular mark, for some other person to assume the same name or mark, or the same with a slight alteration, in such a way as to induce persons to deal with him in the belief that they are dealing with a person who has given a reputation to that name or mark.

Pierce v. Guittard, 8 P. 645, 646-47 (Cal. 1885).

⁸³ The Court of Appeals for the Second Circuit in *I.N.S. v. A.P.*, for example, was explicit about reliance on morality to guide it where the law was not clear. It stated: “If the facts are as we have now found them, no party asserts that the acts restrained by the injunction as issued can be justified, either in law or morals;” and “It is immoral, and that is usually unfair to some one.” *Int’l News Serv. v. Assoc. Press.*, 245 F. 244, 247 & 252 (2d Cir. 1917).

⁸⁴ *Margarete Steiff, Inc. v. Bing*, 215 Fed. 204, 206 (S.D.N.Y. 1914).

⁸⁵ One court desirous to find a remedy concluded that

[u]pon this bald statement of facts it cannot be gainsaid that defendant has done the plaintiff wrong, and it is said that for every wrong there is a remedy. These facts certainly indicate a case of unlawful business competition, and courts of equity have ever been ready to declare such things odious. ‘Tis strange if plaintiff may be deprived of the fruits of a long course of honest and fair dealing in business by such wicked contrivances, and upon appeal to the courts for relief should be told there was no relief.

Weinstock, Lubin & Co. v. Marks, 42 P. 142, 145 (Cal. 1895).

⁸⁶ As one court reasoned,

the fact that the question comes to us in an entirely new guise, and that the schemer had concocted a kind of deception heretofore unheard of in legal jurisprudence, is no reason why equity is either unable or unwilling to deal

It was in this context that the theory of “goodwill” took hold. As the Supreme Court explained in *Hanover Star Milling Co.*, under the law, “the trademark is treated as merely a protection for the good will, and not the subject of property except in connection with an existing business.”⁸⁷ That is, the property interest is not the trademark, but the goodwill that the trademark represents.⁸⁸ Edward Rogers, who will be introduced shortly, was one of the chief proponents of this theory.⁸⁹ This theory enabled a blurring of the line between trademark infringement and unfair competition protection as both were based on the same principle: “[e]ach is a trespass upon business good will.”⁹⁰ The implications of this theory were profound for unfair competition law.⁹¹ As Rogers recognized, if the property interest is the goodwill, the chains of trademark fall away because the goodwill of a trader can be embodied in “the numberless ways in which a purchaser is enabled to recognize the particular article he wants.”⁹² Suddenly, all

with him. It has been said by some judge or law-writer that “no fixed rules can be established upon which to deal with fraud, for, were courts of equity to once declare rules prescribing the limitations of their power in dealing with it, the jurisdiction would be perpetually cramped and eluded by new schemes which the fertility of man's invention would contrive.” By *device* defendant is defrauding plaintiff of its business. He is stealing its goodwill, a most valuable property, only secured after years of honest dealing and large expenditures of money; and equity would be impotent, indeed, if it could contrive no remedy for such a wrong.

Weinstock, Lubin & Co., 42 P. at 539 (emphasis added).

⁸⁷ 240 U.S. at 412-13.

⁸⁸ Nims, *supra* note 100, § 15, at 35 (explaining that “[i]t is the good-will . . . and not trademarks or names that the court seeks to protect in unfair competition cases”).

⁸⁹ See, e.g., Edward S. Rogers, *Comments on the Modern Law of Unfair Trade*, 3 ILL. L. REV. 551, 555 (1909).

⁹⁰ *Id.* at 555-58 (“Recently . . . judges have begun to appreciate . . . that this business good will is the property to be protected against invasion.”). According to Professor Bone, “[t]he goodwill-as-property theory” took firm hold in early 20th century and was “used to unify, at the level of general principle, the distinct but closely related torts of trademark infringement and unfair competition.” Bone, *supra* note X, at 572.

⁹¹ See Bone, *Hunting Goodwill*, *supra* note X, at 574 (“the idea of goodwill as property had the potential to unhook trademark law from its traditional anchor in fraud and send it in the direction of protecting seller goodwill without regard to consumer deception. This potential was not obvious as long as liability was limited to direct competition – for then protecting goodwill and preventing consumer confusion produced the same results – but it became more apparent as liability expanded to include noncompetitive uses as well.”).

⁹² Rogers, *Comments on the Modern Law of Unfair Trade*, *supra* note 89, at 555-58 (“From the acceptance of this principle there followed an important step. It was realized that business good will could be and was represented in many other ways than by technical trade marks; by names not trade marks, by labels, by the get-up or dress, by the form of the goods themselves or the style of the enclosing package, in short by the numberless ways in which a purchaser is enabled to recognize the particular article he wants.”).

of these are protected by unfair competition law.⁹³ Another court, in stating the law, indicated its breadth:

Where the goods of a manufacturer have become popular not only because of their intrinsic worth, but also by reason of the ingenious, attractive and persistent manner in which they have been advertised, the good will thus created is entitled to protection.⁹⁴

Unfair competition law was thus extended beyond the boundary of trade-names.⁹⁵ Whereas the category of trademarks was formerly constrained in way unrecognizable to a trademark lawyer today, unfair competition began to embrace the protection of a trader's use of "*any artifice or contrivance* for the purpose of representing his goods."⁹⁶ Writing in 1936, Professor Milton Handler explained that "[t]he concept of unfair competition has not been confined to the infringement of tradenames. It has been extended to the imitation of labels, packages, color, dress, form and appearance of articles."⁹⁷

Thus in *Singer Manufacturing Co. v. Loong*,⁹⁸ where the defendant did not copy a trademark, but instead copied the brass plate used by the plaintiff, the court could still rule for the plaintiff.⁹⁹ In *Hilson Co. v. Foster*, the defendants "used the same means to introduce their cigar that the complainant adopted and although there is not exact identity at any point there is similarity at every point."

⁹³ *Id.* at 555-58 ("And it was realized that it was the good will itself by whatever means evidenced that the court should protect. This is the present state of the law, that every trader has a property in the good will of his business, that he has the right to the exclusive benefit of this good will, that therefore he has the exclusive right to sell his goods as his own and that no one has any right by any means to sell as his other goods than his. In short that no one has any right to sell his goods as the goods of another. This principle is perfectly general and without exception.").

⁹⁴ *Hilson Co. v. Foster*, 80 F. 896, 897-898 (Cir. Ct, S.D.N.Y NY 1897).

⁹⁵ With today's eyes, we might categorize some of these early cases as involving trade dress. *See e.g.*, *Weinstock, Lubin & Co.*, 42 P. 142, 145 (Cal. 1895)(finding that the defendant used not only a similar name, but also copied the plaintiff's distinctive architecture). Although trade dress is not defined in the Lanham Act, it is understood as a subset of trademarks, which are defined extremely broadly. 15 U.S.C. § 1127 ("The term 'trademark' includes any word, name, symbol, or *device*, or any combination thereof...") (emphasis added).

⁹⁶ *Weinstock, Lubin & Co.*, 109 Cal. at 540 (emphasis added)("We think the principle may be broadly stated, that when one tradesman resorts to the *use of any artifice or contrivance* for the purpose of representing his goods or his business as the goods or business of a rival tradesman, thereby deceiving the people by causing them to trade with him when they intended to and would have otherwise traded with his rival, a fraud is committed -- a fraud which a court of equity will not allow to thrive.")

⁹⁷ Handler, *Unfair Competition*, *supra* note 42, at 182.

⁹⁸ L. R., 8 App. Cas. 15, 118 (1882).

⁹⁹ *Id.* (finding that consumers "may be misled and may mistake one class of goods for another, although they do not know the names of the makers of either.").

¹⁰⁰ The defendants copied plaintiff's advertising including diamond-shaped silver and black price cards and red and gold bands. Both parties used "show cards" depicting a banquet scene; plaintiff's scene is in the dining room of the "Hoffman House;" whereas the defendants' is in the dining room of "The Waldorf." In addition, both employed cigar-shaped metal signs, a picture of a man smoking, and a similar colored paper edging the cigar box.¹⁰¹ While no one similarity was worthy of protection, taken together, it was deemed an unfair appropriation. And in *Gruelle v. Molly-'Es Doll Outfitters, Inc.*, where the trademark for "Raggedy Ann" was abandoned for non-use, the plaintiff was still able to successfully advance an unfair competition claim against a competitor who produced and sold "deceptively similar" dolls marked as "Raggedy Ann" and "Raggedy Andy."¹⁰² In these cases, the option of an unfair competition claim provided traders with an evasive maneuver around the strict requirements of trademark law. It is no wonder that one treatise author exclaimed in 1917 that unfair competition law's "possibilities of growth and effectiveness are almost unlimited."¹⁰³ When one recalls that the law had previously not allowed for the protection of a stamped piece of tin as a tag for tobacco, a distinctive arrangement of soap, the shape of sticks of gum, or the shape or decoration of boxes,¹⁰⁴ this uncomplicated extension of unfair competition protection to trade dress is remarkable.

Unfair competition, however, was not without its own constraints. A claim of unfair competition required the plaintiff to show that the defendant committed intentional fraud.¹⁰⁵ Limitations on unfair competition protections are difficult to discern, however, because courts were more likely to describe the tort with an illustration rather than by supplying a definition or legal standard.¹⁰⁶

¹⁰⁰ *Hilson Co. v. Foster*, 80 F. 896, 897-898 (Cir. Ct, S.D. NY 1897).

¹⁰¹ *Id.*

¹⁰² *Gruelle v. Molly-'Es Doll Outfitters, Inc.*, 94 F.2d 172 (1937).

¹⁰³ Harry D. Nims, *UNFAIR COMPETITION AND TRADE-MARKS* VIII (2d ed. 1917).

¹⁰⁴ See BROWNE, *supra* note X, at 37 (Browne, *A TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS*)

¹⁰⁵ Street, *supra* note X, at 421 ("a fraudulent intent or its equivalent is essential to liability."); *Pierce v. Guittard*, 68 Cal. at 72; Handler, *Unfair Competition*, *supra* note 26, at 184 ("A trademark will be protected even against innocent infringement; a tradename, only against fraudulent simulation."); Rogers, *Comments on the Modern Law of Unfair Trade*, *supra* note 89, at 555-58 ("The means by which the end is accomplished do not matter, whether in the particular case it be by the use of a personal, descriptive or geographical name, imitated labels[,] color of label, appearance of package, shape of package, form or peculiarities of the goods themselves, misleading advertising, oral false statements, or silent passing off. Whether any particular contrivance is calculated to result in the sale of one man's goods as those of another is a question of fact in each case.").

¹⁰⁶ Handler, *Unfair Competition*, *supra* note 26, at 175.

Still, fraudulent intent and economic injury¹⁰⁷ are regularly included in these illustrations.¹⁰⁸

In addition to intent and injury, the requirement of a competitive relationship was also necessary,¹⁰⁹ although not always explicitly listed as most unfair competition cases did involve direct competitors. Still, unfair competition law's adaptability to new situations meant that requirements could be swapped out as needed and the "courts gradually jettisoned the competition" requirement.¹¹⁰ One of the most famous examples of this circumvention is the case of *Vogue Co. v. Thompson-Hudson Co.*,¹¹¹ in which the owner of the trademark VOGUE for magazines sued a milliner who was marketing VOGUE hats. The Sixth Circuit, in reversing the district court's dismissal of the unfair competition claim due to lack of competition, declared that "there is no fetish in the word 'competition.'"¹¹² Instead, it found that "[t]he invocation of equity rests more vitally upon

¹⁰⁷ *Id.* at 180 (plaintiff "sued not as a vicarious avenger of the King's peace, but for the injury to his pocketbook in the loss of actual custom..").

¹⁰⁸ *Hilson Co. v. Foster*, 80 F. 896, 897-898 (Cir. Ct, S.D. NY 1897) ("No man has a right to use names, symbols, signs or marks which are intended, or calculated, to represent that his business is that of another. No man should in this way be permitted to appropriate the fruits of another's industry, or impose his goods upon the public by inducing it to believe that they are the goods of some one else. If A. presents his goods in such a way that a customer who is acquainted with the goods of B. and intends to purchase them is induced to take the goods of A. instead, believing them to be the goods of B., A. is guilty of a fraud which deceives the public and injures his competitor.

...

The action is based upon deception, unfairness and fraud and when these are established the court should not hesitate to act. Fraud should be clearly proved; it should not be inferred from remote and trivial similarities. ... Judged by these rules the defendants must be found at fault."); *Goldwyn Pictures Corp. v. Goldwyn*, 296 F. 391, 401 (2d Cir. 1924) ("One who has no valid trade-mark may nevertheless complain of another who attempts to pass off his own goods as the goods of his rival. Fraud is the basis of his complaint in such cases. The court acts to promote honesty and fair dealing, and because no one has a right to sell his own goods as the goods of another. The court seeks to protect the purchasing public from deception and also the property rights of the complainant. It protects the owner of a business from a fraudulent invasion of his business by somebody else. No person has the right through unfairness, artifice, misrepresentation, or fraud to injure the business of another.").

¹⁰⁹ Schechter, *The Rational Basis of Trademark Protection*, supra note X, at 824 ("if there [was] no competition, there [could] be no unfair competition."); Bone, *Hunting Goodwill*, supra note X, at X.

¹¹⁰ Bone, *Hunting Goodwill*, supra note , at . Some contemporary commentators prefer to refer to competition-less unfair competition as "unfair dealing." See I Rudolf Callman, *THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS* § 8 (1945); Handler, *Unfair Competition*, supra note 26, at 179.

¹¹¹ 300 F. 509 (6th Cir. 1924).

¹¹² *Id.* at 512.

the unfairness.”¹¹³ The court concluded that “The injury to A. is present, and the fraud upon the consumer is present; nothing else is needed.”¹¹⁴

II. THE SINGULAR CONTRIBUTIONS OF EDWARD ROGERS

A. *The Father of the Lanham Act*

Edward S. Rogers is not widely known today, but he was one of the foremost experts in both U.S. and international trademark law in the early twentieth century.¹¹⁵ Surprisingly, Rogers is less well known by trademark scholars today than his contemporary Frank Schechter, who is credited with only one set of provisions: anti-dilution rights.¹¹⁶ In contrast, Rogers is credited with almost everything else in the act. His 1914 book on the subject, *Good Will, Trade-Marks and Unfair Trading*,¹¹⁷ remained one of the leading texts in trademark law for decades.¹¹⁸ By the 1920s, Rogers had become known as the “Dean of the Trademark Bar.”¹¹⁹ He was one of a handful of trademark law specialists in the United States prior to World War I.¹²⁰ He even co-founded the first firm to specialize in trademark law in the U.S.¹²¹ The Supreme Court heard around 40 cases involving

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ Zecharia Chafee, Jr., *Unfair Competition*, 53 HARV. L. REV. 1289, 1289 (1940) (“[Rogers was] one of the leading American writers and practitioners in the field” of trademarks and unfair competition law); Bone, *Hunting Goodwill*, *supra* note , at n.119 (“[Rogers was] the most famous and prolific trademark writer in the early twentieth century”); Bently, *supra* note 20, at 969 (“Edward Rogers, probably the most influential American trademark commentator of the first half of the twentieth century”).

¹¹⁶ Frank Schechter is credited with conceiving of the right of anti-dilution. See Frank I Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927). This article remains the most cited article in trademark law. Barton Beebe, *The Suppressed Misappropriation Origins of Trademark Antidilution Law: the Landgericht Elberfeld’s Odol Opinion and Frank Schechter’s The Rational Basis of Trademark Protection*, *Intellectual Property at the Edge: The Contested Contours of IP* (Rochelle Dreyfuss & Jane Ginsburg eds, 2013).

¹¹⁷ Edward S. Rogers, *GOOD-WILL TRADE-MARKS AND UNFAIR TRADING* (Chicago: A.W. Shaw Company, 1914).

¹¹⁸ See William T. Woodson, *A Profile of Edward S. Rogers*, 62 T.M.R. 177, 186 (1972) (stating that Rogers’ book “was and still is often quoted as authority”).

¹¹⁹ Beverly W. Pattishall, *Trade-Marks and the Monopoly Phobia*, 50 MICH. L. REV. 967, 967 (1952); Julius R. Lunsford Jr, *Foreword*, 62 T.M.R. iv (1972).

¹²⁰ Keith M. Stolte, *A Response to Jerome Gilson’s Call for an Overhaul of the Lanham Act*, 94 T.M.R. 1335, 1346–1348 (2004).

¹²¹ William T. Woodson, *A Profile of Edward S. Rogers*, 62 T.M.R. 177 (1972) (stating that in 1900 the firm Reed and Rogers specialized in trademark law).

trademark claims before the Lanham Act was enacted,¹²² and Rogers argued or briefed 12 of them.¹²³ At the time of his death, Rogers was so well regarded in U.S. trademark law that the *Trademark Reporter* devoted an entire (200-page) book to his legacy.¹²⁴ As a result of his knowledge and esteem, he was appointed by the Patent, Trademark, and Copyright Section of the American Bar Association as Chairman of a committee to draft a trademark bill to supplant the Trade Mark Act of 1905.¹²⁵ The bill that he drafted ultimately became the 1946 Lanham Act,¹²⁶ although it was originally known as the “Rogers Bill.”¹²⁷ As a result, he has since been hailed as the “father of the Lanham Act and perhaps the greatest trademark scholar and lawyer in the first half of the 20th century.”¹²⁸

Based on his prolific writing, one could safely say that Rogers was pre-occupied with the topic of unfair competition law. He wrote one book,¹²⁹ eight

¹²² See generally David S. Welkowitz, *The Supreme Court and Trademark Law in the New Millennium*, 30 WM. MITCHELL L. REV. 1659, 1664 (2004) (reviewing trademark cases decided by the Supreme Court in the twentieth century pre-Lanham Act); Wikipedia, List of the United States Supreme Court Trademark Case Law https://en.wikipedia.org/wiki/List_of_United_States_Supreme_Court_trademark_case_law (last visited Oct. 23, 2019).

¹²³ *Bacardi Co. of Am. v. Domenech* 311 U.S. 150, 151 (1940); *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315 (1938); *Kellogg Co. National*, 318 (1938); *Pep Boys, Manny, Moe & Jack of California, Inc. v. Pyroil Sales Co.* 299 U.S. 198, 199 (1936); *American Trading Co. v. H.E. Heacock Co.*, 285 U.S. 247 (1932); *Postum Cereal Co. v. California Fig Nut Co.*, 272 U.S. 693 (1927); *Federal Trade Comm’n v. Am. Tobacco Co.*, 274 U.S. 543 (1927); *Coca-Cola Co. v. Am. of America*, 254 U.S. 143 (1920); *Hart Steel Co. v. R.R. Supply Co.*, 244 U.S. 294 (1917); *R.R. Supply Co. v. Elyria Iron & Steel Co.*, 244 U.S. 285 (1917); *Dr. Miles Med. Co. v. John D. Park & Sons Co.*, 220 U.S. 373 (1911); *United Dictionary Co. v. Merriam Co.*, 208 U.S. 261 (1908); *Kellogg Co. v. Nat. Biscuit Co.*, 305 U.S. 111, 113 (1938); *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143, 143 (1920); *American Trading Company*, 285 U.S. 247 (1932).

¹²⁴ Woodson, *supra* note 93.

¹²⁵ Woodson, *supra* note 93, at 187.

¹²⁶ See Edward S. Rogers, *The Lanham Act and the Social Function of Trademarks*, 14 LAW & CONTEMP. PROBS. 173, 180 (1949) (recounting how he drafted what was introduced by Congressman Lanham in 1938 as the original bill based on ABA committee meetings).

¹²⁷ William T. Woodson, *A Profile of Edward S. Rogers*, 62 T.M.R. 177, 187 (1972).

¹²⁸ Miles J. Alexander, *100th Anniversary Issue: Reflections of Former Editors-in-Chief*, 101 T.M.R. 9, 9–10 (2011); see also Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 IOWA L. REV. 731, 755 (2003) (calling Rogers the “father of the Lanham Act”).

¹²⁹ Rogers, GOOD-WILL TRADE-MARKS AND UNFAIR TRADING, *supra* note X, at X.

law review articles,¹³⁰ a book review,¹³¹ a book foreword,¹³² and a published speech¹³³ on the subject. He also drafted a “Uniform Code dealing with Unfair Competition,” which was an ambitious effort to not only distil the rules from U.S. common law, but also incorporate international developments into enumerated acts of unfair competition.¹³⁴ According to Ladas, Rogers contributed the concept of “unfair trade” to trademark law, which was understood as encompassing “any act, not necessarily fraudulent, which actually interferes with the normal course of trade to the disadvantage of another.”¹³⁵ According to Professor Derenberg, Rogers “was one of the first to recognize the need for a federal law of unfair competition ... [with a] ‘catchall’ provision against ‘all forms of unfair competition,’ a proposal which had been advocated by Mr. Rogers as far back as 1909.”¹³⁶

Rogers’s promotion of unfair competition law went beyond scholarship. In his practice, Rogers successfully advanced novel claims of unfair competition that extended the law’s reach. Rogers represented corporate clients such as Thomas Edison, Coca-Cola, Standard Oil, General Mills, Singer Sewing Machines, Quaker Oats, Corning Glass, and Life Savers, among others.¹³⁷ [insert section here on Rogers’s unfair competition cases including: *Larson v. Wrigley*,¹³⁸

¹³⁰ Edward S. Rogers, *Comments on the Modern Law of Unfair Trade*, 3 ILL. L. REV. 551 (1909); Edward S. Rogers, *Doctrine of Unfair Trade*, 7 MICH. L. REV. 409 (1909); Edward S. Rogers, *New Concepts of Unfair Competition under the Lanham Act*, 38 T.M.R. 259 (1948); Edward S. Rogers, *Predatory Price Cutting as Unfair Trade*, 27 HARV. L. REV. 139 (1913); Edward S. Rogers, *Unfair Competition*, 17 MICH. L. REV. 490 (1919); Edward S. Rogers, *Business Good-Will and Trade-Marks Nationally and Internationally Considered*, 34 T.M.R. 281 (1939); Edward S. Rogers, *New Directions in the Law of Unfair Competition*, 74 N.Y. L. REV. 317 (1940); Edward S. Rogers, *Unfair Competition*, 35 T.M.R. 126 (1945).

¹³¹ Rogers, *New Concepts of Unfair Competition under the Lanham Act*, *supra* note X, at X.

¹³² Walter J. Derenberg, *TRADE-MARK PROTECTION AND UNFAIR TRADING* (Albany: Matthew Bender and Co, 1936).

¹³³ Edward S. Rogers, *The Legal Side of Fair Trade*, Speech at the Annual Meeting of Association of National Advertisers Inc. (1937).

¹³⁴ [cite.] This work became the basis of the chapter on unfair competition in the Inter-American Convention. *See infra* X.

¹³⁵ Stephen P. Ladas, *PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION* 1702 (Cambridge, MA: Harvard University Press 1975).

¹³⁶ Walter J. Derenberg, *The Contribution of Edward S. Rogers to the Trademark Act of 1946 in Historical Perspective*, 62 T.M.R. 189, 194 (1972) (citing Edward S. Rogers, *Comments on the Modern Law of Unfair Trade*, 3 ILL. L. REV. 551 (1909)).

¹³⁷ Obituary, *E.S. Rogers, Expert on Patent Law: Board of Chairman of Sterling Drug Co. Dies—Sponsored Many Fair-Trade Statutes*, 74, N.Y. Times, May 23, 1949.

¹³⁸ 20 F.2d 830 (7th Cir. 1927).

Premier-Pabst Corp. v. Elm City Brewing Co.,¹³⁹ *Timken Roller Bearing Co. v. Leterstone Sales Co.*,^{140]}

In his cases and in his writing, Rogers advocated that flexible doctrines of unfair competition law were needed to remedy both anticipated unfair acts, but also deviousness that could not be foreseen. He cautioned against accepting a remedy only for the former:

Experience shows that by the time the judicial machinery arrives at a place where the pirate was yesterday, ready to deal with him, that elusive person has moved forward and is still a little ahead—at a place where the courts will not reach until tomorrow—and is there engaged in doing something which will enable him to advantage himself at someone's else expense in some manner hitherto unthought of.¹⁴¹

In his book, “Good Will Trade-Marks and Unfair Trading,” published in 1914, Rogers includes a chapter titled, “How Far Do Trade-Mark Rights Extend?” in which he considers what rights traders might have beyond the constrained trademark rights that then existed.¹⁴² These rights might be categorized as claims of unfair competition, but that category was not then set. For instance, a common dispute at that time involved the use of a mark on unrelated goods. Rogers characterized these cases as “one of the most difficult phases of unfair competition,”¹⁴³ Rogers used examples such as these prompt the question of “where should the line be drawn between what is fair and what is not?”¹⁴⁴ He then endeavors to resolve this “puzzling problem” himself since any attempt to “reconcile the decisions of the courts is hopeless.”¹⁴⁵ He concludes that

The best test which can be arrived at is this. Given a reasonably intelligent purchaser at retail, who knows the plaintiff's mark and is familiar with the goods sold under it, let him in the ordinary course of dealing see the defendant's goods, bearing the mark, the use of which is claimed to infringe; what impression would he be likely to get concerning the commercial origin of the defendant's goods from the use of the mark upon them? If he

¹³⁹ 9 F. Supp. 754 (D. Conn. 1935).

¹⁴⁰ 27 F. Supp. 736 (ND Ill. 1939).

¹⁴¹ Rogers, *New Concepts of Unfair Competition under the Lanham Act*, *supra* note X, at X.

¹⁴² Rogers, GOOD-WILL TRADE-MARKS AND UNFAIR TRADING, *supra* note X, at X.

¹⁴³ Rogers, GOOD-WILL TRADE-MARKS AND UNFAIR TRADING, *supra* note X, at X.

¹⁴⁴ Rogers, GOOD-WILL TRADE-MARKS AND UNFAIR TRADING, *supra* note X, at X.

¹⁴⁵ Rogers, GOOD-WILL TRADE-MARKS AND UNFAIR TRADING, *supra* note, X at X.

would probably assume that they were of the plaintiff's manufacture, then the defendant infringes.¹⁴⁶

Rogers's solution closely resembles today's likelihood of confusion standard.¹⁴⁷ Remarkably, he advanced this approach as early as 1914. It became a tenet from which he would not stray for the entirety of his career. During a formative period in U.S. trademark law, Rogers was the foremost proponent of the consumer confusion standard as a means to protect traders from all known and heretofore unknown forms of trademark infringement and unfair competition.¹⁴⁸

B. The General Inter-American Convention for Trade Mark and Commercial Protection of 1929

Given Rogers's expertise and reputation in the field of trademark law, it was not surprising that he would have been appointed as one of the three U.S. delegates to the 1929 General Inter-American Trademark Convention. At the time, the Paris Convention had recently been revised to include provisions on unfair competition.¹⁴⁹ Extending those protections across South America especially in a plurilateral agreement focused solely on trademark rights would likely have appeared to Rogers as momentous work. The work provided Rogers an opportunity to put his thinking on unfair competition into law.

Apart from the development of trademark doctrine, however, there were other reasons to be excited about the formation of a new Pan-American agreement. The convention was an outgrowth of the several Pan-American conferences. The 1929 convention was but one of the products of a 40-year-long effort to create a Pan-American Union for trade in the Americas. The convention also grew out of the Pan-Americanism movement in the U.S. in the early twentieth century whose objectives included replacing Europe as the dominant power in the region, using institutionalism as alternative to U.S. territorial expansion.

¹⁴⁶ Rogers, GOOD-WILL TRADE-MARKS AND UNFAIR TRADING, *supra* note X, at X.

¹⁴⁷ See Hearings Before the Committee on Patents of the House of Representatives, 72nd Cong., at 39, 41-42 (Feb. 8-9, 1932).

¹⁴⁸ Compare to Schechter's approach.

¹⁴⁹ See International Convention for the Protection of Industrial Property, as modified at The Hague on November 6, 1925, 47 Stat. 1789, 1804-05, T.S. 834 and London on June 2, 1934, 53 Stat. 1748, 1776-78, T.S. 941 (The Paris Convention entered into force as to the United States on May 30, 1887).

sionism and military interventions, and cultivating Latin America as a commercial marketplace for goods manufactured in the U.S.¹⁵⁰ The ambitions of the union even included the creation of a common customs union, railway system and currency, among other things.¹⁵¹

III. THE 1929 CONVENTION

The 1929 convention, in particular, was the culmination of efforts dating back to 1889 to harmonise trademark protection in the Americas. There had been six Pan-American conventions dealing with trademarks that preceded the 1929 convention, but those conventions proved to be substantively deficient and had limited ratifications.¹⁵² The first Pan-American convention was initially negotiated in 1889, which would have put it right in the shadow of the 1883 Paris Convention. Perhaps one reason for the interest in concluding regional

¹⁵⁰ José Martí, the Cuban nationalist, attended the 1889 Congress as a journalist. He reported that the U.S. only invited the other American nations to join a union because it was “glutted with unsaleable merchandise and determined to extend its dominions in America”. José Martí, *On The Pan-American Congress*, LA NACIÓN, December 19–20, 1889, available at <http://www.christusrex.org/www2/jcf/martipanamerican103197.html> [Accessed October 22, 2014]. U.S. exports to Latin America increased by 240 percent between 1901 and the start of WWI, and another 300 percent by 1925. P. 231, Fn10

¹⁵¹ FIFTH INTERNATIONAL CONFERENCE OF AMERICAN STATES, SPECIAL HANDBOOK FOR THE USE OF THE DELEGATES 6 (1922) (“The first International Conference was held at the city of Washington from October 2, 1889 to April 19, 1890. Invitation to this Conference was authorized by an act of the Congress of the United States, promulgated May 24, 1888, directing the President of the United States to invite the Republics of Mexico, Central and South America, Haiti, the Dominican Republic and Empire of Brazil to meet in conference with United States. The same act sets forth the topics which the Conference was called upon to consider, which were as follows:

1. To preserve the peace and promote the prosperity of the American states.
2. Formation of an American customs union.
3. Establishment of regular and frequent communication between the American States.
4. Establishment of a uniform system of customs regulations.
5. Adoption of a uniform system of weights and measures, and laws to protect patents, copyrights, and trade-marks.
6. Adoption of a common silver coin.
7. Agreement upon the recommendation for adoption to their Governments of a definite plan of arbitration.
8. Consideration of other matters relating to the welfare of the several countries, which may be presented at the Conference.”).

¹⁵² The six conventions were ratified in 1889, 1902, 1906, 1910, 1923 and, finally, 1929.

agreements on intellectual property in the Americas was that the large majority of Latin American states were not then members of the Paris Union.¹⁵³

The 1929 convention included 19 signatory countries.¹⁵⁴ Ten states ultimately ratified the convention: Colombia, Cuba, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru and the United States. The convention entered into force on April 2, 1930¹⁵⁵ and remains in force today in every one of the original member states.¹⁵⁶

The 1929 convention was the first of the Pan-American conventions to include specific protections against unfair competition. This fact may not be surprising given the 1925 addition of unfair competition protections in the Paris Convention. The 1929 convention, however, did more than include these protections, it devoted an entire chapter to them. The preamble of the convention even states that the contracting states were “animated by the desire to reconcile the different juridical systems which prevail in the several American Republics” and resolved to negotiate the convention “for the protection of trade marks, trade names, and for the repression of unfair competition and false indications of geographical origin.” The text of the agreement certainly supports this statement and appears to have Rogers’s imprint on it.

I have conducted extensive research to determine the origins of the draft text that ultimately became the final text of the agreement. The origins of this text are intriguing because of the innovative approach the convention takes.

¹⁵³ Only Brazil, Cuba and Mexico became members of the Paris Union by 1929. Brazil was a founding member of the Paris Convention in 1883, and Mexico and Cuba ratified in 1903 and 1904, respectively. The United States ratified the Paris Convention in 1887. A few other Latin American states were original signatories to the Paris Convention only to denounce it shortly after. For instance, the Dominican Republic ratified in 1884, but denounced in 1888. Likewise, Guatemala acceded in 1884, but denounced in 1894. Ecuador acceded in 1884, but denounced the next year. Ladas, *PATENTS, TRADEMARKS, AND RELATED RIGHTS*, at 66, 1745 n.1. During the 1929 Pan American Conference it was stated that Brazil and Cuba intended to withdraw from the Paris Convention. Pan American Trademark Conference, *Minutes of the Plenary Sessions and of the Committees of the Conferences*, February 11–20, 1929, p.5. Brazil, Cuba and Mexico were also members of the Madrid Agreement of 1891. In 1906, Argentina invited the United States Trademark Association (USTA) to comment on its domestic trademark law. Similarly, in 1908, Ecuador asked the USTA to propose a trademark law which was to become the model for other Latin American countries. International Trademark Association, *About INTA History*, available at: www.inta.org/history/pages/history.aspx [Accessed October 22, 2014].

¹⁵⁴ The signatories to the convention were Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the United States, Uruguay, and Venezuela.

¹⁵⁵ The convention became effective in the United States, by Presidential proclamation, on February 27, 1931.

¹⁵⁶ See WIPO, *Contracting Parties/Signatories: General Inter-American Convention for Trade-Mark and Commercial Protection*, available at http://www.wipo.int/wipolex/en/other_treaties/parties.jsp?treaty_id=353&group_id=21 [Accessed October 22, 2014].

Many of the provisions in the convention had not yet been seen either in U.S. or international law.

The final adoption of the Inter-American Convention occurred on February 20, 1929, in Washington, D.C. at the conclusion of a conference there that began on February 11th. In preparation for this conference, a resolution was made at the previous conference held in Havana a year earlier to appoint a special committee of the governing board of the Pan American Union to draft a text for the delegates to consider at the Washington conference.¹⁵⁷ Surprisingly, that committee consisted of three Latin American diplomats, none of whom were trademark experts.¹⁵⁸ The draft text that the committee produced was pre-occupied with creating a registration-based system for the Americas as an alternative to the Madrid Arrangement. This draft did not contain a single provision on unfair competition protection.

That draft text, however, was discarded when the conference ultimately met in Washington.¹⁵⁹ Just prior to the conference, Dr. Stephen P. Ladas published a book titled, “The International Protection of Trade Marks by the American Republics.”¹⁶⁰ Although he was a U.S. practitioner, Ladas, who emigrated from Greece in the mid-1920s, was a scholar of international intellectual property law who went on to publish numerous books and articles and to serve as a U.S. delegate to the Paris Convention.¹⁶¹ Ladas was explicit about his objective in publishing the book. He stated that it was meant to “facilitate the work of the conference of trade mark experts and specialists of the American countries, meeting at Washington, February 11, 1929.”¹⁶² In the book, Ladas sharply criticized the committee’s draft as inadequate and, rather presumptuously, considering he was not a delegate, offered his own draft text. In a footnote in another book he published much later, Ladas referred to “preparatory work” done by

¹⁵⁷ A proposed draft was thus prepared by a committee composed of the Cuban Ambassador to United States and ministers from Ecuador and Uruguay and was submitted to the conference on November 23, 1928. Pan American Trademark Conference, *Preparatory Data for the Pan American Trade Mark Conference: Report of the Committee of the Governing Board of the Pan American Union*, February 11, 1929.

¹⁵⁸ *Id.*

¹⁵⁹ Ladas, PATENTS, TRADEMARKS, AND RELATED RIGHTS, at *supra* note X, at 1754–56 n.40 (suggesting that the draft predominantly reflected the results of “preparatory work” undertaken by New York trademark experts).

¹⁶⁰ Stephen P. Ladas, THE INTERNATIONAL PROTECTION OF TRADE MARKS BY THE AMERICAN REPUBLICS (1929). Ladas had previously published an article titled, *Pan American Conventions on Industrial Property*, 22 AM. J. INT’L L. 803 (1928).

¹⁶¹ Obituary, *Dr. Stephen P. Ladas, Patent Lawyer*, 77, N.Y. Times, Mar. 15, 1976, at 33.

¹⁶² Ladas, THE INTERNATIONAL PROTECTION OF TRADE MARKS BY THE AMERICAN REPUBLICS, *supra*, note 130.

U.S. trademark experts—including him—that seems to have been the basis of the draft text he published.¹⁶³

Ladas's draft treaty was radically different from the committee's version. It marked the first time unfair competition was mentioned in any text associated with the Pan-American efforts. It thus seems clear that the inclusion of unfair competition protection in the 1929 draft text originated with the U.S. experts, and not the Latin American delegates.

Ladas not only included a provision modelled on the then three-year-old article 10*bis* of the Paris Convention,¹⁶⁴ but he also proposed a model law of unfair competition in addition to the draft treaty. Ladas's model law was largely based on a model law previously prepared by Rogers. The Ladas draft therefore was certain to find a receptive audience in at least one of the three U.S. delegates to the Pan American Conference.

However, neither the committee's draft nor Ladas's draft ended up serving as the basis for the conference negotiations in Washington. Instead, on the first day of the meeting, a delegate from Cuba proposed substituting the committee's draft with a completely different draft ostensibly prepared by the Cuban delegation. This delegate made this audacious proposal "[f]or the purpose of expediting the work" of the conference.¹⁶⁵ This new draft was clearly based on Ladas's draft, not the initial committee's draft, given its striking similarity to the former. Without entertaining too much conspiratorial conjecture, it seems implausible that the substitute draft was the work of the Cuban delegates who were not trademark experts. Moreover, the profile of the lead delegate was of a cosmopolitan diplomat who was very friendly with the U.S. government.¹⁶⁶ Further supporting this hypothesis, Ladas later acknowledged that this draft was "prepared with the cooperation of the United States delegation."¹⁶⁷ This author suggests that Ladas may have understated the role of the U.S. delegates. In any

¹⁶³ Ladas, PATENTS, TRADEMARKS, AND RELATED RIGHTS, *supra* note X, at 1754 n.40.

¹⁶⁴ The Paris Convention, art. 10*bis*.

¹⁶⁵ Pan American Trademark Conference, *Minutes of the Plenary Sessions and of the Committees of the Conferences*, 4 (1929).

¹⁶⁶ See Julius Robert Benjamin, THE UNITED STATES AND CUBA: HEGEMONY AND DEPENDENT DEVELOPMENT 1880-1934, at 45-46 (1974). Cuba's ambassador at the time, Dr. Orestes Ferrara, was known to be "a strong advocate of close economic ties between Cuba and the United States." Ferrara was criticized for his "pro-U.S. sympathies" and "could almost be called annexationist" in his willingness to work with the U.S and claim the Nation as paternal and not imperialist; see also Dr. Orestes Ferrara, EL PANAMERICANISMO Y LA OPINION EUROPEA (1930) (defending the Monroe Doctrine and describing U.S intervention in Caribbean affairs as "paternalistic" rather than imperialist).

Rogers later represented Bacardi, which was one of the largest corporations in Cuba. [Cite contemporary news articles about him?]

¹⁶⁷ Ladas, PATENTS, TRADEMARKS, AND RELATED RIGHTS, *supra* note X, at 1755.

event, Rogers was in an excellent position to advocate for the draft without seeming to be pushing his own agenda. After all, the draft appeared to be contributed by another state's delegate and was supported by published book by an outside authority.

After agreeing to accept this new draft text as the basis of negotiations, the conference then agreed to appoint four committees to carry out the necessary work. Remarkably, especially as no previous conference had discussed the topic, one of the four committees was devoted to "Unfair Competition and False Indication of Origin." A second committee was designated as a "drafting committee" and was limited to only four delegates; one representing each of the four languages spoken by the delegates.¹⁶⁸ Rogers found his way onto this committee.¹⁶⁹

This position presented Rogers with a golden opportunity to codify the law of unfair competition on a grand scale. By this time, he had already been at work on a new draft U.S. trademark law.¹⁷⁰ He had a well developed conception of what the law should prohibit and how to best articulate these new standards. Significantly, he also knew that his conception not then a feature of U.S. law. Nevertheless, in a strategy that is still utilized by U.S. intellectual property treaty negotiators today, U.S. law was touted as a model for all jurisdictions in the America's to follow. After the convention was finalised but before it was ratified, the U.S. delegation produced a public relations document titled, "The Advantages Accruing to American Citizens from the General Convention for Trademark and Commercial Protection."¹⁷¹ In it, the U.S. delegation highlights the protections against unfair competition. It states that the convention "extends through Latin America common law principles of honest trading which have been enforced in the United States for forty years under the elastic jurisdiction

¹⁶⁸ Pan American Trade Mark Conference, *Pan American Trade Mark Conference, Washington DC—Pan American Trade Mark Conference Opens Sessions*, February 11, 1929, 2 (press release).

¹⁶⁹ Pan American Trademark Conference, *Minutes of the Plenary Sessions and of the Committees of the Conferences*, p.3 (1929).

¹⁷⁰ Rogers began drafting a new trademark act in 1921 in preparation for the ABA committee meeting, which later proposed and approved Rogers' draft, known as the "Vestal Bill." In 1937, Lanham, who was the Chairman of the House Patent Committee, invited Rogers to share his personal draft that was compiled from the ABA committee's notes on the Vestal Bill. This draft would become the Trademark Act of 1946. *See* The Vestal Bill, H.R. 7118, 72d Cong. 1st Sess. (1931); *see* 1 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 5:4 (5th ed. 2019) (providing a legislative history of the Lanham Act and Rogers' initial involvement); Sondra Levine, *Part One: The Common Law, the States, and Historical perspectives: The Origins of the Lanham Act*, 19 J. CONTEMP. LEGAL ISSUES 22 (2010).

¹⁷¹

of our equity courts.”¹⁷² No doubt such rhetoric was also employed in the negotiating the convention.

A. Unfair Competition in the Inter-American Convention

Chapter IV of the convention is titled “Repression of Unfair Competition” and sets out detailed protections against acts of unfair competition that go well beyond the then existing protection under U.S. common law, the statutory law in any of the member states, and any international convention.¹⁷³ In

¹⁷² *Id.*

¹⁷³ Chapter IV of the Inter-American Convention provides:

Article 20. Every act or deed contrary to commercial good faith or to the normal and honorable development of industrial or business activities shall be considered as unfair competition and, therefore, unjust and prohibited.

Article 21. The following are declared to be acts of unfair competition and unless otherwise effectively dealt with under the domestic laws of the Contracting States shall be repressed under the provisions of this Convention:

(a) Acts calculated directly or indirectly to represent that the goods or business of a manufacturer, industrialist, merchant or agriculturist are the goods or business of another manufacturer, industrialist, merchant or agriculturist of any of the other Contracting States, whether such representation be made by the appropriation or simulation of trade marks, symbols, distinctive names, the imitation of labels, wrappers, containers, commercial names, or other means of identification;

(b) The use of false descriptions of goods, by words, symbols or other means tending to deceive the public in the country where the acts occur, with respect to the nature, quality, or utility of the goods;

(c) The use of false indications of geographical origin or source of goods, by words, symbols, or other means which tend in that respect to deceive the public in the country in which these acts occur;

(d) To sell, or offer for sale to the public an article, product or merchandise of such form or appearance that even though it does not bear directly or indirectly an indication of origin or source, gives or produces, either by pictures, ornaments, or language employed in the text, the impression of being a product, article or commodity originating, manufactured or produced in one of the other Contracting States;

(e) Any other act or deed contrary to good faith in industrial, commercial or agricultural matters which, because of its nature or purpose, may be considered analogous or similar to those above mentioned.

Article 22. The Contracting States which may not yet have enacted legislation repressing the acts of unfair competition mentioned in this chapter, shall apply to such acts the penalties contained in their legislation on trade marks or in any other statutes, and shall grant relief by way of injunction against the continuance of said acts at the request of any party injured; those causing such injury shall also be answerable in damages to the injured party.

addition to the protections in this chapter, trade names—that species of marks addressed in U.S. unfair competition law—are protected in Chapter III, and “false indications of geographical origin or source” are protected in Chapter V. Unfair competition thus pervades the convention. The convention is perhaps the greatest recognition of unfair completion law up to that point or ever since.

The chapter on unfair competition sets out specific acts that are “declared to be acts of unfair competition” and therefore “prohibited” including

Acts calculated directly or indirectly to represent that the goods or business of a manufacturer, industrialist, merchant or agriculturist are the goods or business of another manufacturer, industrialist, merchant or agriculturist of any of the other Contracting States, whether such representation be made by the appropriation or simulation of trade marks, symbols, distinctive names, the imitation of labels, wrappers, containers, commercial names, or other means of identification¹⁷⁴

This prohibition is obviously based on passing off, but is formulated expansively. Although acts must be “calculated,” implying an intent requirement, these acts can misrepresent the origin of goods “indirectly.” The offense need not involve a slavish copy, but merely a “simulation.” There appears to be no requirement of direct competition, economic injury, or even consumer confusion. The protection applies to goods, of course, but also a trader’s “business.” Finally, trade dress, as broadly as we understand it today, would appear to be protected with fewer constraints than exist even under current law. For instance, the only “means of identification” qualified by “distinctive,” is “names.” Presumably, others means of identification could be descriptive and yet still be protected.

The specificity as well as the breadth of the protections against unfair competition contained in the Inter-American Convention distinguish it from other international agreements. The Paris Convention did not provide protection against unfair competition in its original text in 1883. Unfair competition was first included in the convention in 1900,¹⁷⁵ although it was merely stated that such protection should exist. Not until 1925 did the convention attempt to delineate acts unfair competition. The 1925 text proclaimed that “[a]ll acts contrary to honest usage in industrial or commercial matters” and “[a]cts of any kind whatsoever tending in any way to create confusion with the merchandise or

¹⁷⁴ Art. 21(a).

¹⁷⁵ “Those entitled of right under the Convention (art. 2 and 3), shall enjoy, in all the States of the Union, the protection accorded to citizens or subjects against unfair competition.” That provision was revised in 1911 to read: “All the contracting countries agree to assure to the members of the Union an effective protection against unfair competition.”

products of a competitor”¹⁷⁶ constituted unfair competition. Thus, under the 1925 text of the Paris Convention, actionable conduct must be dishonest as per industry practice,¹⁷⁷ between competitors, and cause consumer confusion. Intriguingly, none of these limitations were included in the Inter-American Convention, which came on the heels of the 1925 Paris Convention. Although Article 10*bis* of the Paris Convention was revised in 1934 and 1958, these limitations persist.¹⁷⁸

In addition to providing stronger and more detailed protections against unfair competition than the Paris Convention, the Inter-American Convention also resolved one of the most vexing issues for intellectual property owners by providing them with an effective means of enforcing the rights granted in the treaty. Article 33 of the Inter-American Convention reads: “Each of the Contracting States, in which it does not yet exist, hereby agrees to establish a protective service, for the suppression of unfair competition...”¹⁷⁹ This obligation resembles the approach of other international treaties to enact domestic laws where necessary to ensure that the rights granted by the treaty can be effective. Under this approach, intellectual property owners are at the mercy of member states to fulfill their obligations. The Inter-American Convention, in contrast with these other treaties, anticipates member states’ dereliction. Article 21 proclaims that “unless otherwise effectively dealt with under the domestic laws of

¹⁷⁶ See International Convention for the Protection of Industrial Property, as modified at The Hague on November 6, 1925, 47 Stat. 1789, 1804-05, T.S. 834 and London on June 2, 1934, 53 Stat. 1748, 1776-78, T.S. 941 (The Paris Convention entered into force as to the United States on May 30, 1887). The minutes of the Hague Conference that produced this revision indicate that “any means whatever” should include: “marks, registered or not, commercial names, names of business houses, titles of printed matter, get-up of goods, form of packages, shop signs—briefly, all signs used by a manufacturer or merchant to distinguish his trade and his merchandise from those of his competitors and also allegations relating to the origin of the products or merchandise.” See Ladas, Patents, Trademarks, and Related Rights, *supra* note X, at 1706.

¹⁷⁷ Compare the Paris Convention’s insistence on dishonesty with the Inter-American Convention’s language: “contrary to commercial good faith or to the normal and honorable development of industrial or business activities.” Even though the French phrase “concurrence déloyale” was translated into “unfair competition,” “déloyale” is more accurately translated as “fraudulent” than “unfair.” See Christopher Wadlow, *THE LAW OF PASSING-OFF: UNFAIR COMPETITION BY MISREPRESENTATION* (3d ed. 2004).

¹⁷⁸ G.H.C. Bodenhausen, *GUIDE TO THE APPLICATION OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY: AS REVISED AT STOCKHOLM IN 1967* (1968). Art. 10*bis* presently provides the following example of an act of unfair competition: “all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor.” An attempt to remove the restriction of the protection to competitors was defeated at the 1958 Lisbon Conference. Wadlow, *THE LAW OF PASSING-OFF: UNFAIR COMPETITION BY MISREPRESENTATION*, *supra* note X, at X.

¹⁷⁹ Art. 33.

the Contracting States,” acts of unfair competition “*shall be repressed under the provisions of this Convention.*”¹⁸⁰ Furthermore, Article 22 states that

[t]he Contracting States which may not yet have enacted legislation repressing the acts of unfair competition ..., shall apply to such acts the penalties contained in their legislation on trade marks or in any other statutes, and shall grant relief by way of injunction against the continuance of said acts at the request of any party injured; those causing such injury shall also be answerable in damages to the injured party.¹⁸¹

These provisions establish that, although members are obligated to enact specific legislation to protect against unfair competition, these protections are to be given immediate effect even in the absence of such legislation. The protections against unfair competition are thus self-executing. The prohibited acts are sufficiently described in the convention and the remedies provided in existing trademark legislation shall be available. In addition, the convention includes an “answerable in damages” clause. This provision mandates a civil remedy; something not required by the Paris Convention.¹⁸² The convention was prescient and pragmatic. With the exception of the United States, all of the member states were civil law countries that depend on a code to provide rights.

The convention was thus pioneering beyond articulating new protections against unfair competition. In his book anticipating the 1929 Pan-American Conference, Ladas stated that “[w]hat American manufacturers and traders ... need especially today is not a less expensive and centralized registration of trade marks but a more effective and complete protection...”¹⁸³ The pragmatist response to this modern problem was to generate a new solution rather than to deduce rules from existing abstract principles. Ladas and Rogers later stated that the protections achieved in the Inter-American Convention were superior to those achieved in the Paris Convention.¹⁸⁴ It is not surprising that they would have exceeded the Paris Convention protections. The freedom they had to create new protections in the Inter-American Convention was unparalleled. They were

¹⁸⁰ Art. 21 (emphasis added).

¹⁸¹ Art. 22.

¹⁸² See Bodenhausen, GUIDE TO THE APPLICATION OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY: AS REVISED AT STOCKHOLM IN 1967, *supra* note X, at X; Wadlow, THE LAW OF PASSING-OFF: UNFAIR COMPETITION BY MISREPRESENTATION, *supra* note X, at X.

¹⁸³ Ladas, THE INTERNATIONAL PROTECTION OF TRADE MARKS BY THE AMERICAN REPUBLICS, *supra* note X, at X.

¹⁸⁴ Edward S. Rogers & Stephen P. Ladas, *Proposal for Uniform Trademark Laws*, 40 T.M.R. 8, 14 (1950).

not constrained by the need to reconcile conflicting legal standards across jurisdictions, but instead were working from a blank slate. The other states had no history of unfair competition laws,¹⁸⁵ and in any event were certainly not negotiating from a position of strength.

The treaty provided an unparalleled opportunity for addressing the particular concerns of U.S. trademark owners at the time. By 1929, Rogers had developed an international perspective on trademark protection and had in mind various ways that U.S. trademarks owners were vulnerable.¹⁸⁶ Both because the drafters could not conceive the possibility that it may someday be utilized by trademark owners in the other member states,¹⁸⁷ and because the delegates from the other states were diplomats rather than trademark experts, they were operating without even the normal constraints in a treaty development. In addition, the environment was hospitable to originality. Previous Pan-American Conventions had already served as a creative space for the development of new solutions for trademark owners. [Explain the 1923 convention's novelties.]

The convention thus provided Rogers the freedom to draft his ideal set of rights. Chapter IV of the Inter-American Convention offered broadly stated unfair competition protections rather than technical rules, which could be evaded by crafty parasites, as Rogers was fond of referring to.¹⁸⁸ The text also formulated large areas of rights not previously addressed by U.S. law, such as geographical indications protection.¹⁸⁹

The Inter-American Convention provided Rogers and Ladas with a blank canvas to think big about trademark and unfair competition protections, which contrasted with the legislative environment. There may not, however, been reason to believe in 1929 that the convention would have a major impact on U.S. law. It was unlikely that plaintiffs hailing from member states would utilize the convention in U.S. federal courts, and the legal environment in the 1930s was general inhospitable to the extension of rights.

¹⁸⁵ Rogers & Ladas, *supra* note 155, at X.

¹⁸⁶ He was elected Vice-Chair of the International Committee for the Protection of Industrial Property in 1927 and he served as Chairman of the Committee on International Congress of Comparative Law. [cite] [cite Rogers, *supra* note X, at X (1916)(mentioning his client's attempts to deal with infringement in Mexico.), Sweden]

¹⁸⁷ [cite Ladas comment]

¹⁸⁸ See, e.g., Rogers, New Concepts of Unfair Competition under the Lanham Act ("Suppose that the parasite lets the trade-mark of the established businessman alone but imitates his label in color or arrangement, his container in appearance or design, or the merchandise itself so as to represent his goods as coming from the man whose reputation he would like to steal, or even says by word of mouth, 'My goods are the Goods of A,' and thus by false representation deprives 'A' of custom which otherwise he would get.").

¹⁸⁹ Farley, *The Protection of Geographical Indications*, *supra* note X, at X; Farley, *The Pan-American Trademark Convention*, *supra* note X, at X (discussing the novel approach to dealing with preemptive registration in the convention).

Two unforeseen events at the end of the 1930s, however, would have shifted the outlook on the protections contained in the Inter-American Convention. The first was *Erie*, which wiped out all of the then existing common law of unfair competition in 1938. The second was the Supreme Court's decision in *Bacardi* in 1940, which declared the convention to be self-executing. Although Rogers would have expected the treaty to be self-executing in 1929 because of the then prevailing understanding of self-execution, he was provided with an unexpected opportunity to drive that point home in the form of this dispute and petition for certiorari.

B. The Inter-American Convention Today

Given its undisputed success and its novelty, it is puzzling that most trademark lawyers are unfamiliar with the Inter-American Convention. This is particularly baffling for three reasons. First, the United States has not signed so many multilateral trademark treaties¹⁹⁰ that this convention is getting lost in a crowd. Second, this convention has neither been superseded nor denounced, but remains valid and in force today in the U.S. and in all other original contracting states.¹⁹¹ Third, and most importantly, some of the protections available in the convention are extraordinary. If the Inter-American Convention merely reiterated rights provided in other international agreements, or in the Lanham Act, it would be understandable for it to have fallen into disuse. But this is not the case. In fact, what is most remarkable about the Inter-American Convention is that it provides some fairly radical trademark rights, as well as provisions that set out the strongest trademark protections seen in any international agreement to date. The convention's exceptions to territoriality are inventive and replicated nowhere else.¹⁹² The convention's protections for geographical indications and against unfair competition are the most complete and concrete in any agreement to which the U.S. is a party to date.¹⁹³ Foreign case law, however, suggests that

¹⁹⁰ The U.S. is party to only six substantive multilateral agreements on trademark law.

¹⁹¹ U.S. Dep't of State, *Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on January 1, 2019* 520 (2019). The U.S. did, however, officially renounce the convention's Protocol on the Inter-American Registration of Trade-marks in 194X.. [cite] If anything, this act strengthens, not weakens, the case that this treaty is still in force. The United States has shown that if wanted to abrogate the treaty, it would formally renounce it.

¹⁹² Christine Haight Farley, *The Pan-American Trademark Convention of 1929: A Bold Vision of Extraterritorial Meets Current Realities*, in *TRADEMARK PROTECTION AND TERRITORIALITY: CHALLENGES IN THE GLOBAL ECONOMY* (Irene Calboli & Edward Lee eds. 2014).

¹⁹³ Christine Haight Farley, *The Protection of Geographical Indications in the Inter-American Convention on Trademarks*, 6 *WIPO J.* 68 (2014); Christine Haight Farley, *Looking Beyond the Known Story: How*

the convention has not been forgotten in member states and has therefore played a very different role abroad. In Colombia, Cuba, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay and Peru, the convention is still sporadically, but effectively, invoked on behalf of U.S. trademark owners.¹⁹⁴

The Inter-American Convention may have been forgotten because, over the years, some ambiguity has arisen as to its force. The convention was simply never implemented in the Lanham Act. At first glance, that fact may seem curious since Rogers drafted the Lanham Act and was in the best position to include the convention's provisions. It behooves us then to consider why the convention was not implemented. The unmistakable reason must be that the convention was understood to be self-executing, meaning that the convention's substantive provisions can be given legal effect in U.S. courts without any action taken by the legislature to make the treaty operative.

The case for the convention being self-executing is strong.¹⁹⁵ First, it does not contain language indicating that it is not self-executing, as sometimes treaties do. In fact, in most instances, such as the provisions on unfair competition, the rights are so specific and detailed that legislative implementation is unnecessary.¹⁹⁶ More significantly, however, the Supreme Court has held that the Inter-American Convention is a self-executing. In *Bacardi v. Domench*, the Court stated that "[t]his treaty on ratification became a part of our law. No special legislation in the United States was necessary to make it effective."¹⁹⁷

the Prehistory of GI Protection in the Americas Provides an Alternate Approach, in GEOGRAPHICAL INDICATIONS AT THE CROSSROADS OF TRADE, DEVELOPMENT AND CULTURE IN ASIA-PACIFIC, (Irene Calboli & Loy Wee Loon eds. 2017).

¹⁹⁴ See, e.g., [cite foreign cases.]

¹⁹⁵ The purpose here is not to demonstrate that the treaty is self-executing and would be so recognized by a court today, but instead to demonstrate that Rogers would have been convinced that the treat was self-executing in 1946. Nevertheless, I have argued elsewhere that treaty should be regarded as self-executing by courts today, see Farley, *supra* note, and a number of decisions from the Trademark Trial and Appeal Board have been decided on that basis. See *British-American Tobacco Co. Ltd. v. Philip Morris Inc.*, 55 U.S.P.Q.2d 1585, 2000 WL 1005433 (T.T.A.B. 2000); *Diaz v. Servicios De Franquicia Pardo's S.A.C.*, 83 U.S.P.Q.2d 1320, 2007 WL 549241 (T.T.A.B. 2007); *Corp. Cimex S.A. v. D.M. Enterprises & Distributors Inc.*, 2008 WL 5078739, at. *2. (T.T.A.B. 2008) (not precedential).

¹⁹⁶ There have been a number of cases litigated in U.S. federal courts in which foreign parties attempt to assert rights under the Paris Convention's unfair competition provisions. Almost uniformly, these cases are rejected in part because those provisions are so inexact in the protections they offer. See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002); *Gen. Motors Corp. v. Ignacio Lopez De Arriortua*, 948 F. Supp. 684 (E.D. Mich. 1996). The Inter-American Convention's unfair competition protections cannot so easily be dismissed.

¹⁹⁷ 311 U.S. 150, 162–163 (1940).

It would be difficult to maintain that Rogers's participation in the *Bacardi* case is coincidence. He briefed and argued the case.¹⁹⁸ He represented the petitioner who was ultimately successful in asserting a claim under the Inter-American Convention.¹⁹⁹ If there was ever any doubt in his mind that the convention was not self-executing, the Supreme Court laid it to rest. The timing of the ruling in 1940 meant that when Congress was considering Rogers's draft of the Lanham Act, the convention was already the law of the land. The self-executing status of the treaty may in part explain why its protections were not explicitly included in Rogers's draft.

Today self-executing treaties are anomalous. They fell into disfavor after World War II.²⁰⁰ In 1952, in a case in which a Japanese resident challenged the legality of the Alien Land Law of 1913, the Supreme Court of California ruled that the United Nations Charter was not self-executing.²⁰¹ Contemporaneously, conservative Members of Congress, proposed constitutional amendments to limit the application of the internationalist-based human rights standards in the United Nations Charter. The so-called "Bricker Amendments," named for Senator John Bricker (R-OH) in 1953, included a proposal to require Congressional approval of all self-executing treaties. Although the amendments failed to meet the two-thirds threshold by a single vote, the attitude toward self-executing treaties had changed for good.²⁰²

IV. THE DEATH OF THE COMMON LAW AND UNFAIR COMPETITION PROTECTION

It would be difficult to overstate the importance of the common law to trademark and unfair competition law before the 1946 Lanham Act. Under the 1905 Trademark Act, only the owners of technical trademarks were granted

¹⁹⁸ *Id.*

¹⁹⁹ In the petitioner's brief, he stated: "No special legislation implementing this treaty is necessary in the United States" (p.26).

²⁰⁰ RESTATEMENT, THIRD, FOREIGN RELATIONS LAW OF THE UNITED STATES (REVISED) 56 (1987) ("Self-executing treaties were contemplated by the Constitution and have been common. They avoid delay in carrying out the obligations of the United States. They eliminate the need for participation by the House of Representatives (which the Framers of the Constitution had excluded from the treaty process), and for going to the Senate a second time for implementing legislation after the Senate had already consented to the treaty by two-thirds vote.")

²⁰¹ See *Sei Fujii v. State of California*, 38 Cal. 2d 718, 722 (1952) (The court found that mention of "separate action" made it "clear" that the authors' intent was for the treaty not to be self-executing.).

²⁰² David L. Sloss, *THE DEATH OF TREATY SUPREMACY: AN INVISIBLE CONSTITUTIONAL CHANGE* (2016)(need parenthetical).

rights and these were narrow and highly constrained.²⁰³ Any other federal rights mark owners enjoyed were governed exclusively by common law.²⁰⁴ The Federal Trade-Mark Act of 1920 did not improve the situation of trademark owners.²⁰⁵ Although unfair competition cases could not be heard in federal court unless there was diversity jurisdiction, this was increasingly the case as commerce expanded.²⁰⁶ In both trademark and unfair competition cases heard in federal courts, judges typically paid only “lip-service to the rule that substantive rights in trade-marks rested upon the laws of the several states.”²⁰⁷ As a result, “a great body of federal law was built up with no apparent regard for state precedents.”²⁰⁸ In contrast, “the common law of the states was uncertain and unsatisfactory, largely because of the scarcity of precedents.”²⁰⁹ Consequently, both trademarks and unfair competition were governed almost exclusively by *federal* common law.²¹⁰

As a result of this state of affairs, the landmark decision in 1938 in *Erie v. Tompkins*,²¹¹ had major implications for trademark and unfair competition law. Ruling that “[t]here is no federal general common law,”²¹² the Supreme Court overturned almost a century of federal common law. The impact of *Erie* for trademark and unfair competition law was not merely, as in other areas of law, that several pre-1938 decisions lost their precedential significance. Rather, in trademark law, the *Erie* doctrine left an utter void.²¹³

Coincidentally, less than seven months after issuing the decision in *Erie*, the Supreme Court decided a trademark/unfair competition case: *Kellogg Co. v.*

²⁰³ Act of Feb. 20, 1905, ch. 592, 33 Stat. 724, 728.

²⁰⁴ Bartholomew Diggins, *Federal and State Regulation of Trade-Marks*, LAW & CONTEMP. PROB. 200, 202 (1949).

²⁰⁵ Diggins, *supra* note 194, at 202.

²⁰⁶ *Id.*

²⁰⁷ *Id.*

²⁰⁸ *Id.*

²⁰⁹ *Id.* at 201; *see also* Rogers, *New Concepts of Unfair Competition Under the Lanham Act*, *supra* note , at (“It was frequently found that there were no applicable State decisions or that the decisions in the States comprising the same circuit were not uniform.”).

²¹⁰ Sergei S. Zlinkoff, *Erie v. Tompkins: In Relation to the Law of Trade-Marks and Unfair Competition*, 32 T.M.R. 81, 85 (1942) (referring to the federal common law of trademarks and unfair competition as “an unusually large and important body of jurisprudence.”).

²¹¹ 304 U.S. 64 (1938).

²¹² *Id.* at X.

²¹³ *Philco Corporation v. Phillips Mfg. Co.*, 133 F. 2d 663, 666 (C. C. A. 7th 1943) (“there has been a federal general common law and cases have been ‘governed by federal law’ within the meaning of the Erie doctrine, for federal courts have exercised independent judgment as to what ‘the common law’ was in *all* cases in the field.”) (emphasis added); Rogers, *New Concepts of Unfair Competition Under the Lanham Act*, *supra* note , at (“there was chaos”).

National Biscuit Co.,²¹⁴ which is still regarded as a landmark case.²¹⁵ Notably, Justice Brandeis, who authored the majority opinion in *Erie*, also wrote the majority opinion in *Kellogg*. Adding further significance to the cast of characters, Rogers represented Kellogg, the defendant-petitioner in the case.²¹⁶ Surprisingly, the 159 page brief filed in September of 1938 on behalf of Kellogg never mentions *Erie* or attacks the lower court's ruling for relying on federal common law.²¹⁷ Justice Brandeis, however, did address the impact of the Court's ruling in *Erie* in the majority opinion. In the first footnote, the Court states that

[m]ost of the issues in the case involve questions of common law and hence are within the scope of *Erie R. Co. v. Tompkins*, 304 U.S. 64 (1938). But no claim has been made that the local law is any different from the general law on the subject, and both parties have relied almost entirely on federal precedents.²¹⁸

Although it is possible that the period of time between the issuance of the opinion in *Erie* and the deadline for petitioner's brief was so short that no such claim could effectively be made, it seems more likely that there was simply no "local law" in existence to cite as conflicting. In any event, the *Erie* Court's statement that there is no federal common law would appear to have lost some of its thrust within a year.

A mere three weeks after the *Kellogg* decision, the Supreme Court decided yet another trademark/unfair competition case.²¹⁹ Again Rogers was involved, this time representing the plaintiff-respondent. Remarkably, seven and a half months after ruling in *Erie* that federal courts are required to apply the law of the state in which they sit, the Court again reached its decision relying only on federal common law.²²⁰ The Court ruled that the invalidity of a trademark registration does not divest a federal court of its jurisdiction over a claim of unfair competition. The Court reasoned that

[i]f it is not a properly registered trade-mark, the ground is unfair competition at common law. The facts supporting a suit for infringement and one for unfair competition are substantially the

²¹⁴ 305 U. S. 111 (1938).

²¹⁵ The Supreme Court decided *Erie v. Tompkins* on April 25, 1938 and *Kellogg Co. v. National Biscuit Co.* on November 14, 1938.

²¹⁶ [discuss Rogers's reservations in taking the case on the part of the defendant.]

²¹⁷ Brief for Petitioner at 1, *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938).

²¹⁸ 305 U.S. at 113 n.1.

²¹⁹ *Armstrong Paint & Varnish Works v. NuEnamel Corp.*, 305 U. S. 315 (1938) (decided on December 5, 1938).

²²⁰ Diggins, *Federal and State Regulation of Trade-Marks*, *supra* note X, at 204 (stating that the Court failed to "cite a single state decision [or] refer to state law.").

same. They constitute and make plain the wrong complained of, the violation of the right to exclusive use.²²¹

A federal court having jurisdiction over an unfair competition claim, however, does not settle the question of what law controls. The Court went on to articulate the basis of an unfair competition claim relying exclusively on its 1901 decision in *Elgin Nat. Watch Co. v. Illinois Watch Co.*²²² The Court explained that

[t]he remedy for unfair competition is that given by the common law. The right arises not from the trade-mark acts but from the fact that 'Nu-Enamel' has come to indicate that the goods in connection with which it is used are the goods manufactured by the respondent. When a name is endowed with this quality, it becomes a mark, entitled to protection. The essence of the wrong from the violation of this right is the sale of the goods of one manufacturer for those of another.²²³

Such opinions, however, belie the extent to which the law of unfair competition was on unstable ground at that time. For instance, although eight months after *Kellogg*, the Seventh Circuit decided an unfair competition case²²⁴ "without reference to Illinois law ... basing its decision exclusively upon decisions of the federal courts,"²²⁵ two years later, the same court relied on *Erie* and reversed the district's ruling in favor of the plaintiff's unfair competition claim.²²⁶ There the Seventh Circuit criticized the district for

decid[ing] the case upon general Federal law. At any rate, it is certain that the law of unfair competition, as announced by the courts of Illinois, was not applied. We are therefore at the threshold of our consideration met with defendant's contention that under *Erie R. Co. v. Tompkins* ...the law of the state, as announced by its courts, must be given effect... There is little room for argument but that the District Court, as well as this court, must give application to the Illinois law of unfair competition ... the law of unfair competition, as announced in Illinois, must be applied.²²⁷

²²¹ 305 U. S. at 319.

²²² 179 U.S. 665 (1901).

²²³ 305 U. S. at 320 (citing *Elgin Nat. Watch Co. v. Illinois Watch Co.*, 179 U.S. 665 (1901)).

²²⁴ *Sinko v. Snow-Craggs Corporation*, 105 F.2d 450 (7th Cir. 1939).

²²⁵ *Diggins, Federal and State Regulation of Trade-Marks*, *supra* note X, at 204.

²²⁶ *Addressograph-Multigraph Corp. v. American Expansion Bolt & Mfg Co.*, 124 F.2d 706 (7th Cir. 1942).

²²⁷ 124 F.2d at 708.

The court then proceeded to rule that under state law, actionable unfair competition was limited to passing off and that a claim for the misappropriation of a business system could not succeed. Such decisions would have sent shockwaves through the trademark bar. At best, after 1938, trademark and unfair competition cases faced the difficult hurdle maintaining their reliance on the substantive rights offered by federal law. The state of the law at that time was nicely summed up by the Second Circuit:

Until the advent of *Erie R. Co. v. Tompkins*, ... federal law was accepted as controlling issues of both trademark infringement and unfair competition. But since the advent of the energetic doctrine which takes its name from that case the situation has been confused. Some vigorous judicial claims are still heard for a uniform law; but the major view at least nods in the direction of a state rule, usually hazy, before resorting to the more complete and pertinent federal precedents.²²⁸

If trademark owners were required to find their cause of action and remedy under state law alone, they would be left wanting. Post 1938, therefore, there was a strong sense amongst trademark practitioners that both state and federal rights in trademark and unfair competition was “woefully inadequate.”²²⁹ Not only were federal common law rights in flux, but federal trademark legislation had never offered much protection to traders. Rogers’s congressional testimony summed up the sentiment of the trademark bar: “we now have a rather confused situation which is difficult to understand ... it is hard for anyone to find out what the Federal statutory law is, because it is so badly scattered.”²³⁰

Of course one place in which federal trademark rights were scattered, as Rogers well knew, but neglected to include in his list of examples, was the

²²⁸ *Dad’s Root Beer Co. v. Doc’s Beverages, Inc.*, 193 F.2d 77, X (2d Cir. 1951).

²²⁹ Diggins, *Federal and State Regulation of Trade-Marks*, *supra* note X, at 203.

²³⁰ Statement of Edward S. Rogers in Hearings, *supra* note X, at X.

We have had a number of Federal statutes. The first one was the act of 1870. That was declared unconstitutional. It was followed by the act of 1881, which applied to trade-marks used in foreign commerce and commerce with the Indian tribes, and was based on the treaty-making power. That was supplemented or superseded, I should say, by the Act of 1905, which was based on the commerce clause and embraced trade-marks used in interstate commerce. That was supplemented by the Act of 1920, and both acts have been amended from time to time. The result is we now have a rather confused situation which is difficult to understand, because there are 9 or so separate trade-mark acts and you find trade-mark provisions in such unexpected places as the Tariff Act, the Act to Incorporate the Boy Scouts, and the Act to Incorporate the Red Cross, and it is hard for anyone to find out what the Federal statutory law is, because it is so badly scattered.

Inter-American Convention. Given the definite protection against unfair competition it provided, it was a possible source of rights to fill the void. Moreover, the Rules of Decision Act provided an exception to the application of state law in federal court “where the Constitution, treaties, or statutes of the United States otherwise require or provide.”²³¹ It could then have been argued that the Inter-American Convention provided the means to free unfair competition actions from state law. These arguments were not made, however. It had long been the consensus of the trademark bar that the 1920 Trademark Act was overdue for an overhaul.²³²

V. THE 1946 LANHAM ACT

The trademark bar was dissatisfied with 1905 and 1920 Trademark Acts, the trademark acts that preceded the Lanham Act, almost as soon as they were enacted and frustration only increased over the four decades before the passage of the Lanham Act.²³³ At the time, corporate trademark owners were becoming a powerful interest and they were focused on international expansion. The initial push for a revised trademark act was primarily fueled by the belief that U.S. law put U.S. trademark owners at a disadvantage internationally because of the significant hurdles to obtaining a U.S. registration.²³⁴

The origins of the 1946 Lanham Act thus dates as far back as 1920. Rogers actually debuted his first draft as early as 1921.²³⁵ These efforts, however, stalled until 1938 when the first of the bills by Congressman Fritz Lanham for whom the act was named, was introduced.²³⁶ These debates and later redrafting

²³¹ Rev. Stat. §721 (1875).

²³² Diggins, *Federal and State Regulation of Trade-Marks*, *supra* note X, at 210.

²³³ Rogers, Ann. Rep. ABA (1920) (“No one, I think, will dispute the assertion that our present act, like its predecessors, is a slovenly piece of legislation, characterized by awkward phraseology, bad grammar and involved sentences. Its draftsmen had a talent for obscurity amounting to genius.”).

²³⁴ [cite ABA meeting in St. Louis.]

²³⁵ Rogers’s 1924 draft was the first to become a bill. *See* S. 2679, 68th Cong., 1st Sess. (1924). According to Professor Derenberg, however, the 1924 draft was “actually [] the continuation of trademark law revision efforts which began as far back as the year 1920” and “the real origin of much of what was subsequently included in the Act of 1946 derives from a now famous address by Edward S. Rogers before the American Bar Association in 1921.” Walter J. Derenberg, *The Contribution of Edward S. Rogers to the Trademark Act of 1946 in Historical Perspective*, 62 T.M.R. 189, 190 (1972).

²³⁶ H.R. 9041, 75th Cong., 1st Sess. (1938). Activity on the bill, however, was again stalled until after World War II. The Lanham Act was finally passed on July 5, 1946 and became effective one year later. 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 5:4 (5th ed. 2019).

efforts therefore took place at time rather inhospitable to these long pent up desires for more rights.

Rogers was pushing his draft in the shadow of the Legal Realist critiques as well as the fallout of *Erie*. Rogers and others would have been perfectly happy to enact newly invented, sweeping unfair competition protections. The timing of the proposed legislation, however, made that proposition exceedingly difficult. Constraining the creation of new rights was the uncertainty of the state of the common law, and the *Erie* decision brought serious trepidation to a land grab for federal jurisdiction.²³⁷ Also, concerns about monopolies effectively articulated by the Department of Justice, which complemented the realists' concern with the circularity inherent in the goodwill theory.²³⁸ But the timing did open up one extremely inviting avenue to masterminds interested in generating creative solutions: the invocation of treaty rights.

In 1949, in a case handled by Rogers's firm, Judge Learned Hand notes the Lanham Act's success in rectifying the former issues in federal trademark law. Judge Hand declares that the Lanham Act "did indeed put federal trademark law upon a new footing" as "it is no longer open to doubt that the present act created rights uniform throughout the Union."²³⁹ He then, however, rather portentously continued, "[c]learly a change, and a most substantial change, was intended, and the question is what that was."²⁴⁰

As to what Congress did intent to change, one could look to the act itself where it states:

The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-

²³⁷ Notably, the introduction of and first hearings on that bill in just preceded the Supreme Court's decision in *Erie*. Hearings on H.R. 9041, introduced by Fritz Lanham on January 19, 1938 (75th Congress, 3d Session), before the Subcommittee of the House Committee on Patents were held on March 15-18, 1938. *Erie Railroad Co. v. Tompkins* was decided on April 25, 1938.

²³⁸ Felix Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809 (1935).

²³⁹ *S.C. Johnson & Son v. Johnson*, 175 F.2d 176, 178 (2d Cir.), *cert. denied*, 338 U.S. 860 (1949).

²⁴⁰ 175 F.2d at 178.

marks, trade names and unfair competition entered into between the United States and foreign nations.²⁴¹

This language is explicit that Congress intended to offer unfair competition protection and to effectuate treaty rights. This was Rogers's intent as well. Curiously, however, his approach appears to have been to create a federal law of unfair competition indirectly rather than directly.²⁴²

A. Section 44 of the Lanham Act

Today, we are apt to think that unfair competition corresponds to Section 43(a) of the Lanham Act and therefore is comprised of false designation of source and false advertising. That formulation of Section 43(a), however, in fact only dates back to 1988.

Contrary to what trademark scholars today may assume, Section 43(a) was not meant to be the vehicle for federal unfair competition protection in the Lanham Act. The legislative history of the Lanham Act reveals that neither Rogers nor Congress intended for Section 43(a) to offer broad unfair competition protection.²⁴³ Rather, at the time of enactment in 1946, Section 43(a) was intended to be limited to false indications of geographic origin and not to broadly address unfair competition.²⁴⁴

Instead, Section 44(h), and not Section 43(a), was Rogers's brainchild and unfair competition was meant to be addressed there.²⁴⁵ The phrase "unfair competition" appears only twice in the act. In addition to Section 44, it appears in Section 45. In Section 45, Congress states its intent was to "provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations."²⁴⁶ Thus, in both places the phrase appears, it is connected with treaty rights.

Section 44 was ostensibly included in order to incorporate by reference the stipulations of certain provisions of the Paris Convention and the Inter-

²⁴¹ 15 U.S.C. § 1127 (1946).

²⁴² Ladas, PATENTS, TRADEMARKS, AND RELATED RIGHTS, *supra* note X, at 1702.

²⁴³ "shall be liable ... at the suit of any person doing business in the locality falsely indicated as that origin." In the 1939 draft what is now section 43 was then section 44. Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 160 (1939).

²⁴⁴ This understanding was reconfirmed in the legislative history of the 1988 revision. [cite]

²⁴⁵ Was in 1939 draft Section 45.

²⁴⁶ 15 U.S.C. §1127.

American Convention.²⁴⁷ The 1946 text of Section 44 mentioned the Paris Convention and the Inter-American Convention by name.²⁴⁸ Section 44(h) provided that certain foreign nationals²⁴⁹ “shall be entitled to effective protection against unfair competition, and the remedies provided [] for infringement of marks shall be available ... in repressing acts of unfair competition.”²⁵⁰ In addition, Section

²⁴⁷ Ladas, PATENTS, TRADEMARKS, AND RELATED RIGHTS, *supra* note , at 1702 n.119.

²⁴⁸ The language that had made explicit reference to the Inter-American Convention and the Paris Convention was omitted in 1962 when subsection (b) of Section 44 was amended in a housekeeping revision. *See* § 20, 76 Stat. at 774. Nevertheless, the meaning—and the relationship with the Inter-American Convention—remains unchanged. The 1939 draft, which was the first to contain this section, referred to Paris and “any convention between American republics concerning trade-marks and trade names and the repression of unfair competition” probably because the 1929 convention did not supersede any previous convention unless a member state also ratified the 1929 convention. [cite first 1939 bill]. The next draft curiously connected the Paris Convention only to the registration benefits and connected the Inter-American Convention only to the unfair competition protection. The earliest formulation of this treaty language can be found in the 1925 bill. It included a section devoted to the predecessor Pan-American convention referred to in the bill as the “Bueno Aires Convention Marks.” Section 3 stated that treaty beneficiaries “shall enjoy ... all the rights and benefits conferred by articles 2 to 10, inclusive, of said convention, in so far as the same are not contrary to the provisions of this act.” *See* Joint Hearings Before the Comm. on Patents, 68th Congress, 2d Session, S.2679, A Bill to Protect Trade-Marks Used in Commerce, to Authorize the Registration of Such Trade-Marks, and for Other Purposes, Jan. 20-21, 1925. These early drafts of Section 44 also show the evolution of subsection 44(i). Initially, it only extended the priority benefits to U.S. citizens. It was later made broader.

²⁴⁹ *See* Trademark Act of 1946, ch. 540, § 44(b), 60 Stat. 427, 442 (“Persons who are nationals of, domiciled in, or have a bona fide and effective business or commercial establishment in any foreign country, which is a party to (1) the International Convention for the Protection of Industrial Property, signed at Paris on March 20, 1883; or (2) the General Inter-American Convention for Trade Mark and Commercial Protection signed at Washington on February 20, 1929; or (3) any other convention or treaty relating to trade-marks, trade or commercial names, or the repression of unfair competition to which the United States is a party, shall be entitled to the benefits and subject to the provisions of this Act to the extent and under the conditions essential to give effect to any such conventions and treaties so long as the United States shall continue to be a party thereto, except as provided in the following paragraphs of this section.”).

This section now reads: “Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this chapter.”

²⁵⁰ 44 (h) (“Any person designated in paragraph (b) of this section as entitled to the benefits and subject to the provision of this Act shall be entitled to effective protection against unfair competition, and the remedies provided herein for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.”).

44(g) provided that the “trade names” of such foreign nationals “shall be protected without the obligation of filing or registration whether or not they form parts of marks.” Finally, Section 44(i) extends these “same benefits” beyond treaty beneficiaries to “citizens or residents of the United States.”²⁵¹

The legislative history reveals that Rogers’s proposal for the section that became Section 43(a) in fact was initially even more limited than the enacted 1946 text. Its enlargement only resulted from a proposal offered by someone else in a congressional hearing in 1939 in which Rogers testified. The proposed a revision of Section 43(a) was offered as an alternative to Section 44(h), which was characterized as being “dangerously broad.”²⁵² Rogers made a case for keeping Section 44 as is, but accepted the revision of Section 43(a). Thus, in classic legislative fashion, the Lanham Act ended up with both provisions. This legislative compromise is in part responsible for the uncertainty over the location of unfair competition in the Lanham Act.

In that 1939 hearing, three trademark practitioners who appeared as witnesses (Thomson, Byerly, and Luce) expressed concern over the breadth of claims that would be enabled by what became subsection 44(h). Mr. Thomson noted that that subsection “covers a very wide field, and its construction has given jurisdiction to the Federal courts in any case involving unfair competition.”²⁵³ Rogers, also a witness, but seemingly one holding court, replied to this concern by raising our treaty obligations:

By all the conventions we undertake to grant the foreigners effective protection against unfair competition. The foreigner says, ‘What have you given us?’ And the answer usually is, ‘There is the Federal Trade Commission Act.’ Well, what is that? That is only unfair competition that directly affects the public. Then you talk to a foreigner about the common law, and he says, ‘What is that? We haven’t any such thing in our country.’ And then we try to explain that there are 48 varieties of common law in the United States, and he says, ‘Which one is the one that I am entitled to be protected under? There is no Federal statute that helps

Initially, that subsection read, “All acts of unfair competition in commerce are declared to be unlawful and the provisions of section 32 to 35 inclusive shall be applicable (sic) thereto.” Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 163 (1939).

²⁵¹ 44(i) (“Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in paragraph (b) hereof.”).

²⁵² See Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 167 (1939) (Statement by Mr. Byerly).

²⁵³ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 164 (1939) (Statement by Mr. Thomson).

me.’ Now I am not prepared to say what would be the effect of this paragraph (g), but because we haven’t put it in some kind of Federal statute some time, our people are being refused protection abroad because there is no reciprocity.²⁵⁴

What ultimately became Section 43(a) was slightly expanded as a result of push-back against Section 44. Mr. Byerly suggested that Section 32 effectively covered unfair competition because it covered trade names with secondary meaning.²⁵⁵ He then suggested making this coverage more clear in Section 32 rather than adding confusion with “this rather vague section which has been put in later, which apparently does not require you to have registration, and therefore it is difficult to see how you have any Federal law at all.”²⁵⁶ Byerly’s proposal was that Section 32 state a cause of action for passing off available to the registrant. His comments evidence his limited conception of unfair competition, but Rogers did not challenge it. Curiously, Rogers responds by stating that “Mr. Byerly has drafted an admirable definition of unfair competition.”²⁵⁷ But then goes on to say, “unfair competition is what Louis (sic) Carroll used to like to call a ‘port-manteau’ word—it means a lot of things, and it means different things to different people, and the minute you attempt to definite it you limit it.” Byerly later proposes a specific amendment to Section 32 by adding “any person who falsely indicates to the public that any goods or articles are the goods of the registrant” and adds “which covers unfair competition at least in the ordinary sense of the word, which is passing off your goods for those of others.”²⁵⁸ Crystallizing his fundamental conflict with Rogers, he states, “I think we could very plausibly tell our foreign friends that ‘This is what we consider unfair competition.’”²⁵⁹ Possibly disingenuously, Rogers later states that “[s]ome of our conventions are along the exact lines that Mr. Luce refers to. The Inter-American Convention is that kind; that is, it prohibits unfair competition with respect to the marking of goods.”²⁶⁰

Rogers’s defense of Section 44 is two pronged: he argues that it is necessary to fully implement the convention—this was prior to the *Bacardi* decision-

²⁵⁴ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 164 (1939)(Statement by Rogers).

²⁵⁵ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 165 (1939)(Statement by Byerly).

²⁵⁶ *Id.*

²⁵⁷ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 164 (1939)(Statement by Rogers).

²⁵⁸ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 165 (1939)(Statement by Byerly).

²⁵⁹ *Id.*

²⁶⁰ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 164 (1939)(Statement by Rogers).

-and he suggests that it only applies to treaty beneficiaries.²⁶¹ But Thomson pointed out that subsection (i) makes clear that it also extends to “natives” so that “every act of unfair competition is illegal and that there shall be a right of action in the Federal courts for it, without in any way defining it or tying it up to registration.”²⁶²

If there were any doubt that the subsections of Section 44 stated a federal cause of action, another provision in the act should have put that doubt to rest. Section 39 of the Lanham Act conferred jurisdiction on the federal courts of “all actions arising under this Act, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.”²⁶³ Federal jurisdiction then depends not on whether the plaintiff’s mark is registered, as had previously been the case, but instead on whether the action “arises under” the Lanham Act.²⁶⁴ That is, a plaintiff need only point to a section of the Lanham Act under which the action arose and this would now constitute an independent ground for federal jurisdiction.

Any action arising under these subsections of Section 44 were then also “under this Act” and therefore within the jurisdiction of the federal courts under Section 39. As one contemporary commentator opined,

[n]ot only do the words of Sections 39 and 44(g), (h) and (i) require this construction, but any other construction would do violence to the intent of Congress stated in Section 45.²⁶⁵

²⁶¹ Possibly the broad unfair competition protections in Section 44(h) were only intended for treaty beneficiaries, and possibly only beneficiaries of the Inter-American Convention member states. The Paris Convention’s unfair competition protections were less extensive and there was not a consensus on its self-executing status, although Ladas thought it was. Ladas, *supra* note X at X (stating the Paris Convention is self-executing.)

²⁶² Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 164 (1939)(Statement by Thomson).

²⁶³ 15 U.S.C. § 1121 (“SEC. 39. The district and territorial courts of the United States shall have original jurisdiction, the circuit courts of appeal of the United States and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction, of all actions arising under this Act, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.”).

²⁶⁴ See *California Apparel Creators v. Wieder of California*, 162 F.2d 893, 900, note 12 (2d Cir.), *cert. denied*, 332 U.S. 816 (1947); Rudolf Callmann, *False Advertising as a Competitive Tort*, 48 COL. L. REV. 876, 885 (1948); Charles Bunn, *The National Law of Unfair Competition*, 62 HARV. L. REV. 987, 998 (1949).

²⁶⁵ Diggins, *Federal and State Regulation of Trade-Marks*, *supra* note X, at 207-208 (“Section 45 states that Congress intended to make ‘actionable the deceptive and misleading use of marks in ... commerce; to protect persons engaged in ... commerce against unfair competition; ... and to provide rights and remedies ... respecting trade-marks, trade names and unfair competition....’ The only place in which such conduct is made actionable and such protection, rights, and remedies are afforded in the case of unfair competition not involving registered marks is in Section

Ladas was in agreement with this interpretation:

Mr. Rogers in his last lecture indicated the significance of subsections (h) and (i) of Section 44 from the point of view of unfair competition law enforceable by the Federal Courts. I fully share his views that the Lanham Act, by virtue of these provisions, has changed the situation created by the *Erie Railroad v. Tompkins* case.²⁶⁶

Rogers's collaborator and trusted advisor Ladas was also in full support of Rogers's position on the direct operability of the Inter-American Convention in federal courts. Ladas argued that

[o]ur constitutional rule is clear that treaties and Acts of Congress ... are equally the supreme law of the land and the Courts are bound to enforce them.... Accordingly, if there is a clear conflict between an earlier treaty and a subsequent statute, it is the statute that prevails. However, the Courts have said that a clear intent of Congress to "abrogate" the treaty is required for the Courts to disregard a treaty stipulation. There is otherwise a presumption against the existence of a conflict between provisions of a statute and stipulations of a treaty. ... Any doubt as to this may now be deemed to have been set at rest by the decision of the Supreme Court in *Bacardi v. Domenesh*.²⁶⁷

The attempt here to replicate of Rogers's views on the source of unfair competition law finds support in his writings. In 1945—a year before the enactment of the Lanham Act, Rogers, published an article simply titled, *Unfair Competition*, in which he directly posed the question, "Have the Industrial Property Treaties Given Us a Code?"²⁶⁸ Unsurprisingly, Rogers answers this question in the affirmative. The article was an opportunity for him to explain to the trademark bar how the treaties—the Paris and the Inter-American conventions—did in fact provide a federal law of unfair competition. In a strikingly similar article published a year after the Lanham Act became effective, Rogers altered the question to read: "Have the Industrial Property Treaties and the New Trade-Mark

44, so that Congress must have intended that such cases should be actions arising under the Lanham Act and within the jurisdiction of the federal courts under Section 39.").

²⁶⁶ Ladas, *Trade-Marks and Foreign Trade*, *supra* note X, at 288; *see also* Daphne Robert, THE NEW TRADE-MARK MANUAL ("It is clearly apparent that an action for unfair competition is an action 'arising under the Act,' and therefore jurisdiction is in the Federal Courts, irrespective of diversity or lack of diversity of citizenship. The new Act makes an action for unfair competition relief a statutory right of action and protection will be granted under the Federal law and not limited to the common law of the States.").

²⁶⁷ Ladas, *Trade-Marks and Foreign Trade*, *supra* note X, at 288-289.

²⁶⁸ Rogers, *Unfair Competition*, *supra* note X, at X.

Act Given Us a National Code of Unfair Competition?”²⁶⁹ Here he unequivocally states his position, as the chief drafter of the Lanham Act, that Section 44 of the Lanham Act is to be read in conjunction with the treaties to provide a federal law of unfair competition.²⁷⁰

It is Congress’s intent, of course, and not Rogers’s that matters.²⁷¹ Still, according to Ladas, “the evidence is overwhelming that the object of Congress was to effectuate the stipulations of the Conventions.”²⁷² The Lanham Act supports Ladas’s claim, in two places. First, the title of the Act explicitly professes that its purpose is, *inter alia*, “to carry out the provisions of certain International Conventions.”²⁷³ Second, the last paragraph of Section 45 states that the “intent” of the act is “to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade-names, and unfair competition entered into between the United States and foreign nations.”²⁷⁴ The legislative history elucidates Congress’ intent to import treaty provisions on unfair competition into U.S. domestic law.

The legislative history of the Lanham Act reveals Rogers’s soliloquies on how Section 44 carried out the nation’s obligations under the Inter-American Convention. In hearings, he made clear the import of Section 44.²⁷⁵ In 1939, Rogers assured Congress that “everything [] we are obligated to do in our [Inter-American] Convention is included in this title.”²⁷⁶ Speaking specifically to what would become subsection (i), Rogers explained that “[w]e have the curious anomaly of the Government giving by treaty and by law with respect to trade-marks and unfair competition to nationals of foreign governments greater rights

²⁶⁹ Rogers, *New Concepts of Unfair Competition Under the Lanham Act*, *supra* note X, at X.

²⁷⁰ This view is supported by a commentator: “we now apparently have a law defining Unfair Competition, in one aspect made in pursuance of a treaty which constitutes the supreme law of the land. Specifically it applies to citizens of the United States as well as to foreign nationals . . . it is urged that by Federal statutory law, applicable to all citizens engaged in commerce within the control of Congress.” Arthur A. March, *Unfair Competition Defined*, 37 T.M.R. 731, 737 (1947).

²⁷¹ See *Johnson & Son v. Johnson*, 175 F.2d 176, 180 (2d Cir.), *cert. denied*, 338 U.S. 860 (1949) (Clark, J. dissenting) (“the [Lanham] Act is rather clearly the expression of . . . views vigorously held by persons and groups who were able to exercise a persuasive influence in the halls of Congress during its long period of germination”).

²⁷² Ladas, *Trade-Marks and Foreign Trade*, *supra* note , at 288-289 (“It was indeed the intention of those who labored on this Act, as well of Congress, to do as complete a job as possible in carrying out the stipulations of the International Convention to which the United States has become a party.”).

²⁷³ 60 Stat. 427.

²⁷⁴ § 45. 60 Stat. 427, at 444.

²⁷⁵ Treatise author, Rudolf Callmann, stated that the legislative history proves that Congress was fully aware of the implication of Section 44. See Rudolf Callmann, *False Advertising as a Competitive Tort*, 49 COL. L. REV. 876 (1948), 38 T.M.R. 1048, 1057-58 (1948) (“need quote”).

²⁷⁶ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 164 (1939).

than it gives to its own citizens This is an attempt to put the citizen on an equality with the foreigner”²⁷⁷ and thereby extend the treaty rights to U.S. parties.

Assuming Rogers was successful in creating a federal code of unfair competition protection through this circuitous route, an intriguing question is what it achieved? A fundamental rule of statutory interpretation is that statutes should be construed “so as to avoid rendering superfluous” any statutory language.²⁷⁸ Therefore, Section 44 must be read in such a way as to give it meaning that is not elsewhere stated in the act. Section 44(b) grants to certain beneficiaries additional treaty rights where those treaty rights are more extensive than the Lanham Act otherwise provides. Thus, any signatories of the Inter-American Convention receive not only all of the rights granted under the Lanham Act, but also any additional rights granted by the convention. As a result of the principle of national treatment contained not only in the Inter-American Convention,²⁷⁹ but also the Paris Convention²⁸⁰ and now the Agreement on Trade-Related Aspects of Intellectual Property Rights,²⁸¹ all beneficiaries included in Section 44(b) would be protected by Section 43(a) and would have access to federal court to sue under this section. In order to determine if Section 44 provides for any additional unfair competition protections, it is necessary to compare Section 43(a) with Chapter IV of the Inter-American Convention. Section 43(a) protections hinge on 1) falsely indicating the origin of another, 2) though use of a symbol that has acquired secondary meaning, 3) in commerce, 4) which does or is likely to cause damage.²⁸² Protection under Section 21(a) of the Inter-American Convention require 1) the appropriation of a means of identification, 2) calculated directly or indirectly to represent that the goods or business of a merchant are the goods or business of another merchant. Significantly, protection under the convention does not require the showing of an injury as is required under Section 43(a).²⁸³ Moreover, a plaintiff may successfully sue a defendant

²⁷⁷ *Id.* Representative Lanham followed this statement by exclaiming, “I dare say we will find no objection to that.” *Id.*

²⁷⁸ *Astoria Federal Savings & Loan Ass’n v. Solimino*, 501 U.S. 104, 112 (1991); *Corley v. U.S.*, 129 S.Ct. 1558 (2009) (“[a] statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant”); *D. Ginsberg & Sons v. Popkin*, 52 S.Ct. 322 (1932) (“The construction contended for would violate the cardinal rule that, if possible, effect shall be given to every clause and part of a statute.”); *TRW Inc. v. Andrews*, 122 S.Ct. 441 (2001) (“It is a cardinal principle of statutory construction that a statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void, or insignificant.”).

²⁷⁹ Article 1.

²⁸⁰ Paris Convention, art. 2.

²⁸¹ TRIPS, art. 3.

²⁸² 15 U.S.C. § 43(a).

²⁸³ 15 U.S.C. § 43(a) (“Any person who shall ... cause such goods or services to enter into commerce...”). *See Stauffer v. Exley*, 184 F.2d 962 (9th Cir. 1950).

who is not using the indication in commerce under the convention. Finally, it may be that a successful action will lie under the convention where the plaintiff cannot prove a likelihood of confusion, but nevertheless has evidence of a calculated misrepresentation.

Under this reading of Section 44, a plaintiff may be successful in evading the requirements of Section 43(a) in an unfair competition claim. Writing just after the passage of the Lanham Act, Ladas may have anticipated such a case. He admonishes,

[i]n considering the position of a foreign trade-mark owner claiming the benefits of the International Convention or the Inter-American Convention, we must always lean to such interpretation of the provisions of the Act which will give effect to the stipulations of the Convention, since the definite object of the Act is to give effect to the Conventions.²⁸⁴

Of course Section 44 was more than just a vehicle to effectuate the rights under the Inter-American Convention. Significantly, it also extended the treaty protections against unfair competition to U.S. citizens.²⁸⁵ In so doing, the Lanham Act returned to the federal courts jurisdiction over unfair completion claims by means of an innovative treaty.

B. *The Drafting Choice Made by Rogers*

Ladas later commented on the legislative drafting choice to overcome *Erie* through this indirect approach. He observed that Sections 44(h) and (i)

have the effect of placing trade-names and unfair competition under Federal control when in commerce within the control of Congress. I submit that this could be done directly insofar as interstate commerce is concerned, and it may be done thus indirectly in a provision extending rights to foreigners and then securing the same benefits to American citizens and residents as to foreigners.²⁸⁶

Ladas later recounted how the peculiar Section 44 came into existence. According to Ladas, it was Rogers's idea to include in the act a special title: "International Conventions." Ladas recounted that

²⁸⁴ Ladas, *Trade-Marks and Foreign Trade*, *supra* note X, at 280.

²⁸⁵ See 15 U.S.C. § 1126(i).

²⁸⁶ Ladas, *Trade-Marks and Foreign Trade*, *supra* note X, at 288; see also Daphne Robert, THE NEW TRADE-MARK MANUAL at X ("Somewhat indirectly, but nevertheless effectively, a Federal Code of unfair competition is thus incorporated into our law.").

[i]n late November, 1937, [Rogers] telephoned me and suggested that it would be a good idea to include in the new Trade-Mark Act a separate chapter on International Conventions. . . . I submitted draft of a chapter that contained Sections A to I. This is what is now Section 44 and my Sections A to I are the subsections of Section 44. Aside from certain changes in literary style to make it conform to the rest of the Act, the present Section 44 is practically the text Mr. Rogers and I prepared in 1937...²⁸⁷

One may wonder why Rogers, who was so preoccupied with unfair competition, would have attempted to provide for a national uniform protection in such an indirect manner. After all, there is no section titled “unfair competition” and there is no definition of unfair competition in the Act. It is not apparent from the text of the act, for instance, what acts constitute the “unfair competition” or which acts are “actionable” and against which it provides “effective protection.” Undoubtedly, Rogers intended to establish robust federal protections against unfair competition. One reason that he may have chosen not to catalog these protections in the Lanham Act was his abiding concern that unfair actors or “parasites,” as he repeatedly called them,²⁸⁸ would always be one step ahead of the law. Rogers was therefore reluctant to crystalize the protection against unfair competition in U.S. law. As he explained,

²⁸⁷ Ladas, *Trade-Marks and Foreign Trade*, *supra* note X, at 278. Rogers, in contrast, sates that the section was drafted by Mr. John A. Dienger, who was the president of the American Group of the International Association for the Protection of Industrial Property. “the American representative at the [Inter-American] convention revision.” Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 164 (1939).

²⁸⁸ See Rogers, GOOD-WILL TRADE-MARKS AND UNFAIR TRADING, *supra* note 89, at 76. (“[i]n the ordinary affairs of life the average business man takes reasonable precautions, but when it comes to adopting a trade-mark . . . upon something which he may own and he may not—which may be his exclusive property and which he may have to share with every conscienceless parasite with more covetousness than decency”). Rogers then goes on to use the term “parasite” eleven more times throughout his book. *Id.* at 82, 125, 135, 137, 158, 161, 203, 229, 264, 275, 281; see also Edward S. Rogers, *Ingenuity of the Infringer and the Courts*, 11 MICH. L. REV. 358, 363 (1913) (“The various methods briefly outlined of stealing a man’s business and good will were very effectively and adequately dealt with by the courts *when they got to them*. . . as the judicial conscience has expanded, the ingenuity of the infringer has been correspondingly stimulated. . . [a]t this point the courts have caught up with the parasite and are dealing with him adequately . . . [u]nless, therefore, unfair trading is a broadly comprehensive term, the business pirate will keep ahead of it”). Rogers also goes on to state that “relief in these cases” cannot be determined by outdated principles of law revolving around contracts, trade-marks, and literary property because “parasitic ingenuity” was much less “highly developed” as it was presently. *Id.* at 375. See, e.g., Edward S. Rogers, *Unfair Competition*, 35 TRADEMARK REP. 126, X (1945) (“As commerce broadened and trade piracy, which is a highly specialized pursuit carried on by ingenious persons, began to develop, it was apparent that if parasites were to be stopped additional means of combating their activities must be found.”); Edward S. Rogers, .

... the specific methods of doing business which are forbidden are not so clearly defined. However, that is as it should be. For the courts are dealing with shrewd and ingenious defendants -- with calculating competitors -- who would like nothing better than to be told this is as far as this court will go. You are safe so long as you refrain from these specific practices.²⁸⁹

Rogers was disinclined to include one definition of unfair competition for fear of limiting actions.²⁹⁰

It is also likely that Rogers thought it unnecessary to codify unfair competition protection in the Lanham Act. He may have assumed that he had already adequately specified these rights in a document that was the supreme law of the land: the Inter-American Convention.²⁹¹ Having drafted the convention, Rogers would already have been confident that it was self-executing. After his victory in the Supreme Court in the *Bacardi* case, however, where the Court ruled that the convention was indeed the supreme law of the land, he may have concluded that to copy those provisions into the Lanham Act would have been superfluous and run the risk of further delaying the act's passage.

Again, evidencing his belief that the Inter-American Convention was self-executing, Rogers testified that "in the case of a foreigner, ... he would sue under the treaty, and that would be a Federal question anyhow."²⁹² Nevertheless, Rogers advocated for having language in the act that a treaty beneficiary could point to in order to sue in federal court for substantive rights provided in the Inter-American Convention. Rogers remonstrated, "I do not want the finger of scorn pointed at us, because they say, 'Here, you have guaranteed to do certain things ... but you have got to do it by statute. Now how do you expect us to protect your citizens down here when you don't do it up there?' Now that is the point and it is a pretty hard question to answer."²⁹³ One answer is, of course, that the convention is self-executing in the United States. It seems clear, however, that Rogers was either using this rhetorical question as a tactical measure

²⁸⁹ Rogers, *New Concepts of Unfair Competition*, *supra* note X, at 269.

²⁹⁰ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 165 (1939) (Statement of Edward S. Rogers). Later, he referred to unfair competition as a "compendious term." *Id.* at 166.

²⁹¹ See Rogers, *New Concepts of Unfair Competition under the Lanham Act*, *supra* note X, at X ("But I submit these conventions are self-operating and that we have in them, substantive rules applicable throughout the United States").

²⁹² Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 169 (1939).

²⁹³ Hearings on H.R. 4744 Before the Subcommittee on Trademarks of the House Committee on Patents, 76th Cong., 1st Sess. 169 (1939).

to get his bill passed, or he was seeking to achieve a strategic advantage diplomatically.

The history of unfair competition law in the U.S. from the late 1800s to the present consists of various periods of acceptance and rejection of its reach. Given its beginnings at the turn of the 19th century and its growth through the 1920s, unfair competition law's development tracks significant changes in legal thought from formalism to Legal Realism and its aftermath.²⁹⁴ Unfair competition had its birth in the era of classical legal thought where rules prevailed and were derived from principles in common law.²⁹⁵ Just when unfair competition law had its greatest opportunity to expand, following *Int'l News Serv. v. AP*,²⁹⁶ however, it came within the crosshairs of legal realism. In fact, Justice Brandeis's dissent in that case was the start of the realist critique of this common law expansion. Among the direct attacks²⁹⁷ was a law review written by Felix Cohen who revealed the circularity of thinking about goodwill as property when it only has the attributes of property that the law has bestowed upon it²⁹⁸

This environment put unfair competition proponents like Rogers in a difficult situation. In some ways, Rogers sounds like a realist.²⁹⁹ Like the realists, he was critical of the common law formulation of legal rules for trademark and unfair competition. He advocated against these rules, which he felt too con-

²⁹⁴ Legal realism reaches pinnacle in 1930s. See AMERICAN LEGAL REALISM (William W. Fisher, Morton J. Horwitz, & Thomas A. Reed, eds. 1993); Grant Gilmore, THE AGES OF AMERICAN LAW 68-111 (1977); G. Edward White, *From Sociological Jurisprudence to Realism: Jurisprudence and Social Change in Early Twentieth-Century America*, 58 VA. L. REV. 999, X (1972).

²⁹⁵ See AMERICAN LEGAL REALISM, *supra* note 124, at xii ("When no prior decision seemed directly applicable, a court often would attempt to extract from the rulings made in a group of loosely related prior cases a general principle (the more abstract and encompassing the better) that could be brought to bear on the case before it.").

²⁹⁶ 248 U.S. 215 (1918). HARRY D. NIMS, UNFAIR COMPETITION AND TRADE-MARKS VIII (2d ed. 1917) ("[Unfair competition law] is still in its infancy.").

²⁹⁷ Other who contributed to the realist attack on trademark and unfair competition law include Milton Handler & Charles Pickett, *Trade-Marks and Trade Names – An Analysis and Synthesis* (pt. 1), 30 COLUM. L. REV. 168 (1930)); Edward Chamberlin, THE THEORY OF MONOPOLISTIC COMPETITION (1933); Zechariah Chafee (Zechariah Chafee, Jr., *Unfair Competition*, 53 HARV. L. REV. 1289 (1940)); Ralph S. Brown (Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165 (1948)). Of course Justice Brandeis's dissent in *INS v. AP* is also a realist attack on unfair competition law. See *Int'l News Serv. v. Assoc. Press*, 248 U.S. 215 (1918) (Brandeis, J., dissenting).

²⁹⁸ Felix Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809 (1935).

²⁹⁹ In fact, Bones classifies him as a realist. See Bone, *supra* note X, at 588. I think he was a pragmatist, but not a realist.

strained unfair competition. Like Holmes, Rogers sought to deliberately modernize the law to deal with the changing nature of society.³⁰⁰ Like the realists, he favored justifying unfair competition protection on a policy basis rather than deduced rules. Rogers parts ways with the realists, however, by relying on morality as a policy justification rather than an informed, empirically grounded policy choice. Unlike the realists, he was a passionate proponent of goodwill as property. As an advocate for expanding rights, Rogers would have tensed at the realists' attempts to confine rights to source confusion.³⁰¹ He praised Justice Pitney's majority opinion in *Int'l News Serv. v. AP*, not Justice Brandeis's realist dissent.³⁰²

Therefore the 1930s, precisely the period when Rogers's bill was being debated, was a particularly difficult time to be arguing for new and expanded rights. However, if the U.S. already agreed to these new unfair competition protections in a self-executing treaty, they were not new. Still, it may have been perceived as a risky strategy to trumpet these treaty rights and argue that we are stuck with them. Opponents would have been able to defeat these treaty protections in the new trademark act under the "last-in-time" rule, which provides that federal statutes may rescind any earlier conflicting treaty provisions.³⁰³ Given this possibility, it would have been prudent to not call undue attention to these treaty rights.

C. *The Ever Expanding Section 43(a)*

After the passage of the Lanham Act in 1946, it must have seemed that trademark owners had a dazzling set of comprehensive protections at their disposal. They had a wider net to catch those who infringed their registered

³⁰⁰ See, e.g., Rogers, 39 Yale L. J. 297, 300 (1930) ("But supposing the evidence shows that the mark which theoretically cannot identify, in fact does so and that its use by the defendant does misrepresent-well, it ought not to, say the courts, and they deny relief or give only a little. Thus does theory often prevail over fact. It is time to sweep into the dust-bin many of the refinements which have been allowed to grow up, and recognize that any mark which in fact enables goods of one trader to be distinguished in trade from those of others is a trade-mark, and to represent by any contrivance as the goods of A those for which he is not responsible is a wrong for which A is entitled to redress, and that both of these questions are questions of fact-not of theory.").

³⁰¹ See Bone, *supra* note X, at 588.

³⁰² [Cite places Rogers mention INS.]

³⁰³ See, e.g., *Breard v. Greene*, 523 U.S. 371 (1998); *The Cherokee Tobacco*, 78 U.S. 616 (1870).

marks,³⁰⁴ a means to register marks that had previously been denied registration,³⁰⁵ an avenue to federal court to enjoin those who infringed their unregistered marks,³⁰⁶ and most importantly, an arsenal of additional protections that went well beyond trademark rights even broadly imagined via the Inter-American Convention. These protections addressed not only the unfair acts that were then known, but offered an avenue to protect against as of yet unforeseen unfair acts.

A few years after the Lanham Act became effective, the Ninth Circuit adopted the Section 44 approach to unfair competition protection. In *Stauffer v. Exley*³⁰⁷ the court ruled in favor of the owner of a trade name used in interstate commerce on a claim of unfair competition. It held that it had jurisdiction under Section 44 to hear the case despite the absence of diversity of citizenship.³⁰⁸ Other courts, however, explicitly and resoundingly rejected this approach.³⁰⁹ At least one court decided that Section 44 created a cause of action for unfair competition only for treaty beneficiaries and U.S. citizens in disputes with treaty beneficiaries.³¹⁰ Other courts looked instead to Section 43(a) for unfair competition

³⁰⁴ [cite 1946 text section and quote language]

³⁰⁵ [cite 1946 text section and quote language]

³⁰⁶ [cite 1946 text section and quote language]

³⁰⁷ 184 F.2d 962 (9th Cir. 1950) (Lanham Act section 44 creates a cause of action for unfair competition and that the federal courts therefore have jurisdiction over such claims as one's arising under a statute of the United States.).

³⁰⁸ *Accord Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 195X) (Section 44 gives jurisdiction to the district court over claims of unfair competition). The C.C.P.A. approved this doctrine *obiter*. In *re Lyndale Farm*, 186 F.2d 723, 38 (C.C.P.A. 1951) (“Section 44(i) of the Act, 15 U.S.C.A. § 1126(i), read in connection with Section 44(g), 15 U.S.C.A. § 1126(g) and Section 44(b), 15 U.S.C.A. § 1126(b) confers upon trade names increased protection from acts of unfair competition.”).

³⁰⁹ *Dad’s Root Beer Co. v. Doc’s Beverages, Inc.*, 193 F.2d 77 (2d Cir. 1951); *L’Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649 (3d Cir. 1954); *Royal Lace Paper Works, Inc. v. Pest-Guard Products, Inc.*, 240 F.2d 814 (5th Cir. 1957); *City Messenger, of Hollywood, Inc. v. City Bonded Messenger Service, Inc.*, 254 F.2d 531 (7th Cir. 1958); *Iowa Farmers Union v. Farmers’ Educ. and Cooperative Union*, 247 F.2d 809 (8th Cir. 1957); *American Rolex Watch Corp. v. Jack Laufer & Jan Voort, Inc.*, 176 F. Supp. 858 (E.D.N.Y. 1959) (“This circuit, and all other circuits that have considered the problem but the ninth, has refused to find in section 44 ‘so sweeping an assertion of Congressional power, adding to the jurisdiction of federal courts all instances of unfair competition with interstate commerce, regardless of the amount involved, or the citizenship of the infringer.’”); *Ross Products v. Newman*, 94 F. Supp. 566 (S.D.N.Y. 19XX) (holding that subsection (i) does not create any additional rights beyond those conferred earlier in the act.); *Old Reading Brewery v. Lebanon Valley Brewing Co.*, 102 F. Supp. 434, X (); *Ronson Art Metal Works v. Gibson Lighter Manufacturing Co.*, 108 F. Supp. 755, X ().

³¹⁰ *AAA v. Spiegel*, 205 F.2d 771 (2d Cir. 1953) (Hand, J.). *See also* *American Rolex Watch Corp. v. Jack Laufer & Jan Voort, Inc.*, 176 F. Supp. 858 (E.D.N.Y. 1959) (discussing AAA and stating: “that case involved a construction of section 44 of the Lanham Act, holding that that section

protection and read that section narrowly, just as was intended by Byerly.³¹¹ Still others rejected the idea that the Lanham Act enacted any unfair protection at all.³¹²

Rogers himself had no opportunity to influence the development of the *Stauffer* approach. From 1947 to 1949, he served as the Chairman of the Board for the Sterling Drug Company, and he died in 1949.³¹³

Trademark law has dramatically expanded since the passage of the Lanham Act, but unfair competition law as Rogers conceived has never materialized. Rogers's death spared him this reality. In the decades following passage of the Lanham Act, unfair competition lay dormant. When it finally did emerge, it sprang not from Section 44, but from Section 43(a).

Unfair competition law's erratic development continued after the passage of the Lanham Act. Just after the Act's passage, there was a period in which unfair competition claims under Section 43(a) received push back from the

afforded remedies to restrain unfair competition only to those who received a right under an international convention or treaty.”).

³¹¹ *Samson Crane Co. v. Union Nat. Sales, Inc.*, 87 F. Supp. 218, 222 (D. Mass. 1949) (“that phrase ‘to protect persons engaged in such commerce against unfair competition’ must in such a context be construed to refer not to any competitive practice which in the broad meaning of the words might be called unfair, but to that ‘unfair competition’ which has been closely associated with the misuse of trade-marks, i.e., the passing off of one's own goods as those of a competitor. It is clear, both from this statement of the intent and from a reading of the Act as a whole, that the primary purpose of the Act was to eliminate deceitful practices in interstate commerce involving the misuse of trade-marks, but along with this it sought to eliminate other forms of misrepresentations which are of the same general character even though they do not involve any use of what can technically be called a trade-mark. The language of Section 43(a) is broad enough to include practices of this latter class. But the section should be construed to include only such false descriptions or representations as are of substantially the same economic nature as those which involve infringement or other improper use of trade-marks. It should not be interpreted so as to bring within its scope any kind of undesirable business practice which involves deception, when such practices are outside the field of the trade-mark laws.”); *Gen. Pool Corp. v. Hallmark Pool Corp.*, 259 F. Supp. 383, 385 (N.D. Ill. 1966) (“Section 43(a) must be read to embrace only those kinds of unfair competition which are analogous to, or associated with, the misuse of trademarks or tradenames, and which produce the same kinds of injuries.”). See also *American Rolex Watch Corp. v. Jack Laufer & Jan Voort, Inc.*, 176 F. Supp. at 860-61 (“legislative history of the Lanham Act, and specifically section 43(a), indicates that Congress did intend to fashion a new federal remedy against a particular kind of unfair competition that the common law had effectively protected.”).

³¹² *Kaz Mfg. Co. v. Chesebrough-Pond's, Inc.*, 211 F. Supp. 815, 824 n. 23 (S.D.N.Y. 1962) (“this Circuit rejects that notion that the Lanham Act itself creates a cause of action for unfair competition. *American Automobile Association v. Spiegel*, 205 F.2d 771, 775 (2d Cir., 1953); see, also *Maternally Yours, Inc. v. Your Maternity Shop*, 234 F.2d 538, 540 n. 1 (2d Cir., 1956); and *Vanity Fair Mills v. T. Eaton Co.*, 234 F.2d 633, 645 n. 16 (2d Cir., 1956).”).

³¹³ Rogers died in 1949. See Obituary, *E.S. Rogers, Expert on Patent Law: Board of Chairman of Sterling Drug Co. Dies—Sponsored Many Fair-Trade Statutes*, 74, N.Y. Times, May 23, 1949.

courts. But just as had occurred in the early 1900s, a period of enlargement followed. Pressure built up and eventually pushed out a broader reading of Section 43(a). [Examples of cases.]

In its original text, Section 43(a) provided a remedy where “a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same” was used on goods in commerce for “any person who believes that he is or is likely to be damaged by the use of any such false description or representation.”³¹⁴ Section 43(a) had thus clearly dispensed with the requirement that the parties’ goods be of the same descriptive character. There also does not appear any requirement that the defendant have acted with a fraudulent intent. Several limitations, however, were included in this section. The defendant must be falsely indicating the plaintiff. To do so requires that the symbol used by the defendant have acquired secondary meaning as a source of origin for the plaintiff. The symbol must be used in the commerce that Congress has the power to regulate. Finally, the plaintiff must show damage or the likelihood of damage. Section 43(a), however, did permit a cause of action for passing off. It did expand the rights of owners by deleting any requirement of willfulness,³¹⁵ and it did elevate a claim not involving a registered mark to a federal claim.

Congress made important amendments to the Lanham Act in 1988. The main thrust of these amendments were to create an intent-to-use system for registration and to include anti-dilution protections.³¹⁶ Along with these changes, Congress also broadened Section 43(a). Congress was explicit that the amendments made to create rights in unregistered marks and to create a false advertising right.³¹⁷ Therefore, neither of these protections were previously included in Section 43(a). The amendments were also intended to codify and ratify the

³¹⁴ 15 U.S.C. § 1125(a). The entire section reads:

SEC. 43. (a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

H.R. 1654 Pub Law 79-489, 60 Stat. 427, 441.

³¹⁵ See Robert, *THE NEW TRADE-MARK MANUAL*, *supra* note X, at 187-88 (1947).

³¹⁶ The anti dilution provisions were not enacted until 1995.

³¹⁷

courts' expansive interpretations of Section 43(a). As Senator DeConcini explained when he spoke in support of the amendments: "S. 1883 amends the language of section 43(a) of the Lanham Act to conform it to the *expanded* scope of protection it has been given by the courts."³¹⁸ The revision replaced the by then archaic 1946 language with wording that reflected the reality of case law interpretation. The Senate Report on the legislation made it clear that the existing case law interpretation of the older version of section 43(a) was codified by the new statutory language. In the *Taco Cabana* case, Justice Stevens agreed that "Congress codified the judicial interpretation of section 43(a), giving its imprimatur to a growing body of case law from the Circuits that had expanded the section beyond its original language."³¹⁹

After this time, Section 43(a) continued to expand even apart from the amendments. Courts have created even more flexibility in interpreting Section 43(a). An example of this expansion is the *Two Pesos, Inc. v. Taco Cabana, Inc.*,³²⁰ where the Supreme Court allowed a claim of copying the décor of a Mexican restaurant.

The extent to which trademark rights eventually grew could not easily have been surmised from the act's 1946 text. One of the most elastic provisions was of course Section 43(a). Professor Handler, reflecting on the impact of the Lanham Act fifty years after its passage, declared that "Section 43(a) has been the fountainhead of a vast body of law, which now constitutes a federal common law of trademarks and unfair competition."³²¹

VI. DIFFERENT PATH, SAME DESTINATION?

Unfair competition under Section 43(a) has now reached its outermost limit (thus far!) with the *Belmora* decision, which has now recently been followed by the Court of Appeals for the District of Columbia Circuit.³²² These cases have engendered both criticism and pleasant surprise by commentators and

³¹⁸ 134 CONG. REC. 5864, at 5869 (1988) (statement of Sen. Dennis DeConcini)(emphasis added).

³¹⁹ J. Thomas McCarthy, *Lanham Act § 43(a): The Sleeping Giant Is Now Wide Awake*, 59 L. & CONTEMP. PROBS. 45, 53 (1996) (quoting *Two Pesos*, 505 U.S. at 783 (Stevens, J., concurring)).

³²⁰ 505 U.S. 763 (1992).

³²¹ Milton Handler, *A Personal Note on Trademark and Unfair Competition Law Before the Lanham Act*, 59 L. & CONTEMP. PROBS. 5, 9 (1996) ("Section 43(a), in my opinion, is the most significant advance wrought by the Lanham Act...").

³²² *Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. de C.V.*, 743 Fed. Appx. 457 (D.C. Cir. 2018).

practitioners. Was the Fourth Circuit off-base in extending unfair competition so far? Yes, but it was close.

In *Lexmark International Inc. v. Static Control Components, Inc.*, the Supreme Court held that courts must consider whether a plaintiff falls “within the class of plaintiffs whom Congress has authorized to sue under” Section 43(a).³²³ The Court held that the Lanham Act extends a cause of action “only to plaintiffs whose interests fall within the zone of interests protected” by the statute, and only “to plaintiffs whose injuries are proximately caused by violations of the statute.”³²⁴ The *Lexmark* test thus has two components: (1) the zone-of interest test; and (2) the proximate causality requirement.³²⁵ The zone of interest test centers on whether “it can be reasonably assumed that Congress authorized that plaintiff to sue.”³²⁶ Since *Lexmark* was also a Section 43(a) case, lower courts will follow its model of determining the zone of interests in unfair competition cases. The Court looked to the intent statement in Section 45.³²⁷ This is where the Fourth Circuit erred. The Fourth Circuit pointed to the first interest in “making actionable the deceptive and misleading use of marks” in commerce. But it failed to fully come to terms with all of its words. That clause addresses the misrepresentation of a mark, not any misrepresentation. The misrepresentation must be of a mark. A mark is defined by the act as being a device used in commerce. Even resort to the definition, the Fourth Circuit’s interpretation falls short. A Mexican mark is a device that meets the demands of Mexican trademark law, but it is not a legal property under U.S. law.

Belmora is precisely the case that was anticipated by Rogers. If instead the case were characterized as one of unfair competition, rather than a Section 43(a) action, the first step of analysis would be the same: the court would look

³²³ *Id.* at 1387.

³²⁴ *Id.* at 1388, 1390.

³²⁵ *Belmora LLC v. Bayer Consumer Care AG*, 84 F. Supp 3d 490, 500 (E.D. Va. 2015).

³²⁶ *Lexmark International Inc. v. Static Control Components, Inc.*, 134 S. Ct. 1377, 1388-90 (2014). Proximate causality requires that the plaintiff’s economic or reputational injuries be tied to defendant’s conduct.

³²⁷ 15 U.S.C. §1127 states:

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.

to the intent clause. It may then point to the last stated intent, which is to “provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition.” Since Mexico is not a member of the Inter-American Convention, Bayer would have no relief.³²⁸ Had the facts been the same except the country was Colombia instead of Mexico, I submit that the plaintiff would have a proper claim under subsection 44(h).

There remains a live question as to how to interpret subsection 44(i). That subsection should, at a minimum, be read to extend protection to all U.S. citizens and residents who have a dispute with a party in a member state. But is possible to interpret subsection 44(i) more broadly, which may be warranted. It could be read to extend protection to all U.S. citizens and residents regardless of who they sue, although I do not believe this was the intent of the drafters. The intent was to put U.S. citizens and residents on an equal footing with treaty beneficiaries. Treaty beneficiaries can sue any party in federal court whether they are a U.S. citizen or a French citizen. In order to have the same protections, the U.S. citizen should not be more restricted in who they can sue.

The implications of this interpretation of Section 44 are significant. This interpretation could lead to a broad unfair competition cause of action. Of course the requirements of defendant’s use in commerce and plaintiff’s proximate harm are still hurdles. Even with these constraints, however, this reading could enable an enable an *Int’l News Serv. v. AP*-style misappropriation claim without the time limitation.

What would have happened if reading would have taken hold in 1947? Presumably, if the Ninth Circuit precedent in *Stauffer* had been followed, subsequent courts would have found a way to develop appropriate additional constraints. One possible avenue would be to develop the jurisprudence on what activity is fair. Perhaps we would have precedent stating that free riding is fair and therefore not an act of unfair competition. Other possibilities are to mine the old common law of unfair competition and re-institute requirements of intent, harm, competition, etc. After sixty years of jurisprudence, we may have been in a steady place on how to contain its reach at this point. Or in the X number of amendments to the Lanham Act since 1946, Congress may have seen fit to address this loophole.³²⁹

Instead, we have only Section 43(a) absorbing all of the push to extend rights. Until the *Belmora* decision, all of this expansion had left trademarks at the center. That is, until now, unfair competition had been tethered to trademarks.

³²⁸ Mexico signed, but did not ratify the Inter-American Convention. [cite]

³²⁹ See McCarthy, *supra* note X, at §5:4 (stating that the Lanham Act has been amended 20 times from 1946 to 1992, and X times since 1992).

As the pressure to expand unfair competition protection mounted, the relief came in the form of the expansion of trademark rights.³³⁰

Trademark practitioners a century ago would be astonished to see what the law has become today.³³¹ The breadth of rights and the ease with which they can be asserted is certainly changed. More significantly, the precepts, rationale, and even footings have shifted. Passing off is not interchangeable with trademark infringement today. Along its development, the law underwent a subtle, but significant adjustment shifting focus from the traders to the consumer. As a result, today's likelihood of confusion—the workhorse of trademark law—is a much looser concept than was passing off.

The failure to approach unfair competition law in the manner that Rogers envisaged has caused certain areas of the law to remain underdeveloped, while other areas have been overdeveloped. Because the unfair competition claims have not been pursued under Section 44 and the Inter-American Convention, unfair competition law developed instead under Section 43(a). As a result, the law developed in a particular manner that is likely different from how it would have progressed under Section 44. Because the language and structure of Section 43(a) is grounded in trademark concepts, to be successful—which they ultimately were—innovative claims had to push the understanding of these concepts to their outer limits. Everything could be protected as a trademark, any conceivable theory of consumer confusion could satisfy, and harm was presumed.

Locating unfair competition claims in Section 43(a), may therefore not have been desirable for trademark policy. Had such growth instead occurred in a separate body of unfair competition law, new constraints could be developed as needed to provide balance for the development of new rights. Such a scheme may have enabled trademark law to maintain its boundaries and not be stretched to the extent we see today.³³² As a result of the path that was taken, today we find unfair competition law does no more than lend trademark law a penumbra; the implication of being related to something greater. It does not itself, have any concrete rights to offer. Meanwhile, trademark law has been the true workhorse.

³³⁰ One might make the same argument about dilution. Had it been federally enacted in 1927, we would be in a different, likely better, situation today. It would like likely have been encumbered with the constraints that it only apply to arbitrary or fanciful marks and only be available in cases of use on non-proximate goods. Not only might it have been more constrained than the 2006 version, but it would have relieved the pressure on likelihood of confusion, which expanded to meet the demand.

³³¹ It has changed radically even excluding trademark's technology-driven adaptations, such as rights in domain names. See 15 U.S.C. § 1125(d) (2012).

³³² See Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1688 (1999) (need parenthetical); Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1721-28 (1999) (need parenthetical); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 371 (1999) (need parenthetical).

It has accommodated every theory of harm and wrongdoing fulfilling Rogers's ultimate objective that the law be flexible enough to deal with deviousness unimaginable by legislators.

CONCLUSION

Based on his path breaking trademark practice, Rogers had a keen sense of what protections major U.S. trademark holders sought both when negotiating the Inter-American Convention and when drafting the Lanham Act. These insights were coupled with a sophisticated understanding, based on his research, of the then existing limitations of U.S. and international trademark law. Roger's direct participation in the drafting of the the Inter-American Convention afforded him a perfect understanding of how the rights established in it would have extended protection beyond then existing U.S. trademark law. It may then be regarded as a mystery as to why the 1946 text of the Lanham Act contained such cryptic and inscrutable treatment of unfair competition, when it could have been explicit and comprehensive.

The absence of similar provisions on unfair competition in the Lanham Act is less of a mystery considering Rogers's direct and undeniable success in making the convention legally operable as self-executing. Rogers likely adopted his circuitous approach to incorporation of the convention's protections against unfair competition given the fraught state of federal common law at that time.

These revelations shed light on how unfair competition protections were intended to operate in U.S. law. Rogers would no doubt be dismayed and frustrated to see how the law developed. A confluence of unanticipated events, including disregard of *Erie*, post-war disfavour of self-executing treaties, and disuse of the convention, has left Roger's lifework in in the dustbin of history.

Today, trademark practitioners and scholars readily accept that Section 43(a) states a federal claim of unfair competition. This research suggests that federal unfair competition protection in the Lanham Act, however, does not end there. In addition to claims related to consumer confusion of source indicators, Section 44 and the Inter-American Convention offer supplementary protections further afield from trademark rights. For lack of understanding, however, these protections have thus far lay dormant.

The alternate and unanticipated development of unfair competition law under Section 43(a) has nevertheless enabled a significant expansion of trademark owners' rights. This path to protection, however, has also engendered a blurring of the line between trademark rights and unfair completion law where the former appears to have few constraints and the latter has little to offer.