

TRADE-MARKS: Ownership and right to use trade-mark not to be determined by Secretary of State or this office; Secretary of State not required to make investigation to ascertain whether trade-mark registered will be used solely, and Act does not provide for cancellation of registration.

February 14, 1934.



Hon. Dwight H. Brown,
Secretary of State,
Jefferson City, Missouri.

Dear Sir:

We are acknowledging receipt of your letter in which you inquire as follows:

"We are today in receipt of communication from the Better Business Bureau of St. Louis regarding trade names registered with the Secretary of State under the provisions of the "Trade Marks, Names and Emblem" Act, Sections 14329 to 14337 inclusive, applicable to the sale and distribution of coal and coke. They are asking for an opinion on two matters, which we are quoting below:

I. Coal Company A has been using the term 'Superior' for ten years in the sale of coal, but has never registered this trade name under the Act.

Coal Company B, who has never previously used the trade name 'Superior' in the sale or distribution of coal, decides to register the name under this Act.

Can Company B prevent Company A from continuing the sale of 'Superior' coal despite their ten years priority of usage?

II. Coal Company A registers, under this Act, the word 'Smokeless' as a trade name for coal. Investigation by the Better Business Bureau discloses that the coal which Coal Company A sells under this name is in fact, not smokeless. Is there any way that Coal Company A can be prevented from registering a misleading and untruthful trade name? Or, is there any way that such a company can be compelled to relinquish the right to use this inaccurate trade name? It is our opinion, that, despite the registration of this inaccurate and untruthful

trade name, the company can still be held under the various statutes of obtaining money under false pretenses or false advertising, but it seems incongruous to permit a company selling coal to officially register with the State a trade name which is misleading, untruthful or inaccurate. Will you please furnish us with the information asked for?"

I.

Section 14329, R. S. Mo. 1929, among other things, provides as follows:

"****No label, trade-mark or form of advertisement shall be registered that in any way resembles or would probably be mistaken for a label or trade-mark already registered; and no trade-mark duly registered in the office of the commissioner of patents of the United States shall be registered under this section by any person other than the owner thereof."

Under the foregoing section it is the duty of the Secretary of State to register a trade-mark upon application of any person unless the trade-mark "resembles or would probably be mistaken for a label or trade-mark already registered."

As we interpret the above section, the Secretary of State is required to register the trade-mark unless it resembles one already registered. If the trade-mark presented for registration resembles one already registered, then the Secretary of State may refuse to register the trade-mark. This section does not put upon the Secretary of State the burden of attempting to decide the right of claimants as to the ownership or usage of a trade-mark. We do not believe it would be proper for the Secretary of State to attempt to decide, as among various claimants, who is the owner or who is entitled to the use of a particular trade-mark. Such a decision by the Secretary of State would be of no effect because any claimant might bring an action in a Court of competent jurisdiction to adjudicate the right of the respective claimants as to the ownership and right to use the trade-mark.

The question as to whether Company A or Company B is entitled to register and use the name of "superior" in the selling of their coal is a private matter to be determined by these parties in a Court of competent jurisdiction. This office cannot attempt to pass upon the right of either of these persons so far as the ownership or use of this trade-mark is concerned. If either company makes application in proper form for the registration of this trade-mark and you,

as Secretary of State, find that it does not resemble or would be mistaken for a trade-mark already registered, then the applicant is entitled to have the trade-mark registered. Whether or not the trade-mark sought to be registered by the applicant is owned by another concern is a matter not for this office or your office to pass upon, but is a matter to be determined in a Court of competent jurisdiction by the parties interested.

In answer to your first inquiry, therefore, we cannot attempt to decide an involved question of law affecting the rights of these claimants as to the ownership or right to use the trade-mark "Superior." The right to register this trade-mark is to be determined under Section 14329, quoted above, but the property rights of any claimant in this trade-mark is a matter which will have to be determined by them or other interested parties in a Court of competent jurisdiction.

II.

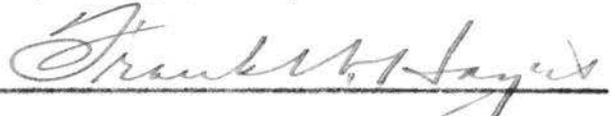
In answer to your second inquiry, we believe that if Coal Company A registers the work "Smokeless" and under that trade-mark sells coal which is not as a matter of fact smokeless coal, such party would be obtaining money under false pretenses and may be prosecuted under the general criminal statute. We find no provision in the statute that requires the Secretary of State to determine whether the person applying for the trade-mark intends to use it honestly or fraudulently. We find no provision that authorizes the striking from the registration list any trade-mark where the owner has used it for a fraudulent purpose. However, we are of the opinion that it might be possible to obtain an injunction where a person uses a trade-mark falsely and for a fraudulent purpose. We are of the further opinion that when a person does register a trade-mark and uses it for a false or fraudulent purpose, that such person loses his right to have the trade-mark protected, and as a practical matter would be the same as losing the effect of registration.

In 38 Cyc. page 798, it is said:

"Plaintiff must come into court with clean hands. Names and marks which are themselves a misrepresentation, or which are wrongfully used by plaintiff, and operate to deceive the public, will not be protected. The illegal use of a name in violation of law will not constitute it a trade-mark entitled to protection as such. False statements in advertisements or labels as to material matters, such as the ingredients of medicines or beverages, will bar relief."

In answer to your second inquiry it is our opinion, therefore, that if a person applies for the registration of a trade-mark the Secretary of State has no right and cannot be compelled to ascertain whether the trade-mark fairly represents the article which will bear its name, or whether the applicant intends to fraudulently or dishonestly sell another article under that name, and that the statute does not provide for the cancellation of the registration but the applicant may be prosecuted for the fraud which he practices.

Very truly yours,



Assistant Attorney General.

APPROVED:

Attorney General.

FWH:S