Case No. 4,213.

DUWELL v. BOHMER.

{2 Flip. 168;[1] 14 O. G. 270; 10 Chi. Leg. News. 356; 3 Cin. Law Bul. 533; Cox, Manual Trade-Mark Cas. 351; 6 Reporter, 262; 24 Int. Rev. Rec. 254.}

Circuit Court, S. D. Ohio. April Term, 1878.

JURISDICTION IN TRADE MARK CASES.

1. The circuit court of the United States has jurisdiction of a suit in equity, to restrain the infringement of a trade mark registered under the act of congress, of July 8, 1870 (16 Stat. c. 230), irrespective of the residence of the parties to the suit.

{Cited in Leidersdorf v. Flint, Case No. 8,219.}

2. The fact that both complainant and respondent are citizens of the same state, does not deprive this court of jurisdiction.

3. The act of July 8, 1870 (16 Stat. c. 230). and of March 3, 1875 (18 Stat. pt. 3, c. 137, § 1), construed with reference to said jurisdiction.

This was a bill in equity filed {by Charles Duwell} to restrain the defendant {H. Bohmer} from the alleged infringement of a trade mark, which the complainant claimed to have registered in accordance with the provisions of the act of congress of July 8, 1870.

W. S. Bates, for respondent, who demurred to the bill of complaint for the reason that the court had no jurisdiction of the case.

The grounds taken by respondent in support of the demurrer, were as follows:

The bill shows that both parties are citizens of the city of Cincinnati, state of Ohio. The question is whether the trade mark statute (title 60, Rev. St. c. 2, p. 963) gives jurisdiction? The only clause in the statute which it is claimed gives jurisdiction, is section 4942, Rev. St., which provides that the party aggrieved shall have his remedy in "any court having jurisdiction over the person" guilty of the wrongful use. It is submitted that the words "jurisdiction over the person," do not confer jurisdiction on the circuit court. The circuit courts have jurisdiction only where it is expressly given by act of congress. In cases of doubt the presumption is against their jurisdiction. See Turner v. Bank of North America, 4 Dall. {4 U. S.} 8; 1 Pet. Cond. R. 206, 207; also, U. S. v. Hudson, 7 Cranch {11 U. S.} 32, 2 Pet Cond. R. 405; also Hepburn v. Ellzey, 2 Cranch {6 U. S.} 445–451, 1 Pet. Cond. R. 441; New Orleans v. Winter, 1 Wheat. {14 U. S.} 91, 3 Pet Cond. R. 499; Ex parte Smith, 94 U. S. 455; Hubbard v. Railroad Co. (Vt. 1853) {Case No. 6,816}; Lockhart v. Horn (Ala. 1871) {Id. 8,445}; Karrahoo v. Adams {Id. 7,614}; Harrison v. Hadley (E. D. Ark. 1873) {Id. 6,137}; U. S. v. Joe (Wash. T.) {Id. 15,478}. From this it appears that the federal courts have jurisdiction of the person of a defendant, only in certain cases specifically set forth in the statute. The case at bar is not one of these. Nor is there an act giving the federal courts jurisdiction over the subject matter of trade marks. What then is the object of the section in question (section 4942, Rev. St.)? By

the common law the right of property in the use of a trade mark accrued only after long use. McAndrew v. Bassett, 10 Jur. (N. S.) 550. "By the common law the owner of a trade mark had his remedy, etc., in any court having jurisdiction over the person guilty of the wrongful use"—Derringer v. Plate (1865) 29 Cal. 292,—i.e., he might sue an infringer in the courts of the state of which the infringer was a citizen. He might sue in the United States circuit court, if he were a citizen of one state and the infringer of another, because in that case the circuit court would have jurisdiction over the person. By section 4942, Rev. St., the owner of any recorded trade mark has his remedy, etc., in any court having jurisdiction over the person, etc. The common law gives a remedy for a mark established by use. The statute provides the same remedy for a mark established by registration. The statute is designed to encourage trade and commerce by facilitating the adoption of trade marks. This is the view adopted by the commissioner of patents. See Case of Dutcher Temple Co., Com'r Dec. 1871, pp. 248, 249. The case should therefore be dismissed for want of jurisdiction.

W. H. Fisher, for complainant, in support of the motion to overrule the demurrer.

Under the organic act of September 24, 1789, § 11 [1 Stat. 78], patentees and authors had the same footing in the circuit courts as other suitors. The limitation as to amount and citizenship was removed from them by the act of February 15, 1819 [3 Stat. 481]. The patent act of July 4, 1836, c. 357 (5 Stat. 117), and the copyright act of February 3, 1831, c. 16 (4 Stat. 436), each respectively repeal all of said act of 1819 that relates to their respective subjects, and both re-enact the aforesaid provisions of the act of 1819. The act of July 8, 1870, c. 230, §§ 55, 106 (Rev. St. p. 111, § 629), provides that the circuit courts shall have jurisdiction as follows: "Ninth. Of all suits at law or in equity arising under the patent or copyright laws of the United States." In the act of July 8, 1870 (16 Stat. c. 230, § 21 et seq.), to revise, consolidate and amend the statutes relating to patents and copyrights, we find the first mention of trade marks, the place and the mode of registry, the nature of the protection granted them when registered, and the remedies for securing such protection. The section relating to trade marks lies between those pertaining to patents and those relating to copyrights, and the sections of the act are numbered consecutively. The heading and interior construction of this act indicate it to be one act. This act interpreted in connection

with the said ninth section of the act (Rev. St. p. 111, § 629), same year, gives the United States circuit court jurisdiction of the present case. The right of congress to legislate concerning trade marks is based upon section 8 of article 1 of the constitution of the United States. The law of trade marks being a part of the copyright laws, the circuit court has jurisdiction. The first section of the act of March 3, 1875, does not repeal the act of 1870 (Rev. St. p. 111, § 629), pertaining to the circuit courts, as no reference is made in the act of 1875 to that of 1870; and only such acts or parts of acts are repealed, as are in conflict with that of 1875. The jurisdiction given the circuit courts by the act of 1870, as to cases arising under the patent and copyright laws, is not in conflict with the act of 1875. In the act of 1870 there are several sections that relate to cases arising under the laws of the United States, and it may be urged that the words "arising under the laws of the United States" in the act of 1875, are intended to take the place of such several sections of the act of 1870; the clause referred to not appearing in the earlier judiciary act. If this fact be admitted it is evident that the act of 1875 gives jurisdiction in patent and copyright cases (which is one class of cases arising under United States laws) only where the amount exceeds, exclusive of costs, $500. Such could not be the intent of this act, as the intendment of legislation has always been to give the circuit courts jurisdiction in patent and copyright cases without regard to the amount in controversy. If this act of 1875 is construed in connection with section 4942 of the patent and copyright law of 1870 (16 Stat. p. 200, § 21, c. 230), it will be apparent that said section 4942 does not take away the jurisdiction of the circuit courts in patent, trade mark and copyright cases conferred by the act of 1875, but does allow the circuit court jurisdiction in an equity suit for injunction, etc., to prevent an infringement of a registered trade mark, without regard to citizenship of the parties or the amount in controversy; the only limitation being that the infringer shall be sued where he can be legally served. The United States circuit and supreme courts have assumed jurisdiction and rendered decisions in a number of suits brought for infringement for trade marks registered under the said act of July 8, 1870. The case of Smith v. Reynolds {Case No. 13,097} is exactly in point, in the present motion, as both complainants and respondents thereof were citizens of the same state. Judge Blatchford assumed jurisdiction and delivered an opinion on the question of infringement. Smith v. Reynolds {supra}. The question of jurisdiction was not raised by counsel. If the United States courts have no jurisdiction, cases brought for infringement of trade marks, registered under the act of 1870, parties being residents of same state, and amount in controversy not being over $500, a class of cases exists where no remedy has been provided, because it is not clear that the said act confers upon the state courts jurisdiction of such suits. Hence the registry of his trade mark as provided by said act would afford the complainant no protection. If the complainant discard the fact of registry, bring his suit in the state courts, (unless he had acquired a property in the mark by use,) he could obtain no

footing there. By the act of 1870 one who invents or appropriates a new trade mark and registers the same is promised protection, irrespective of the question of use of the mark. If he cannot have protection in the United States courts, he cannot have it anywhere, and the act of 1870 becomes a dead letter. He has paid the government a fee of $25, for registry of his trade mark in consideration of protection. The government has received his money and withholds the consideration. It is respectfully submitted that the demurrer should be overruled.

SWING, District Judge. The demurrer is that this court has no jurisdiction of the case. The ground of the demurrer is that the parties are both residents of the state of Ohio, and that there is no act which confers upon the United States courts jurisdiction of the subject matter in such a case. The act of 1870 (Rev. St. p. 111, § 629) gives the circuit court jurisdiction of all suits under the copyright and patent laws. If the trade mark law is in any fair sense a copyright law, the act gives jurisdiction.

The only provision of the constitution which in any wise bears on the power of congress to pass laws respecting trade marks, or to protect them, is the following, viz. (section 8 of article 1 of the constitution of the United States): "The congress shall have power: to promote the progress of science and useful arts, by securing for limited times, to authors and inventors, the exclusive right to their respective writings and discoveries." "Also to make all laws which shall be necessary and proper for carrying into execution the foregoing powers." There is no other clause of the constitution which vests in congress the power to grant to authors an exclusive right to their writings, and congress in legislating on this question undoubtedly drew their power from this section.

The copyright and trade mark laws all come from the same source. So if the trade mark act of 1870 be a copyright law, then the court has jurisdiction without reference to residence or the amount in controversy. The clause or words in section 4942, of the copyright and trade mark law, viz.: "shall be liable to an action on the case for damages for such wrongful use of such trade mark, at the suit of the owner thereof; and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of his trade mark and to recover compensation

therefor in any court having jurisdiction over the person guilty of such wrongful use," does not limit this jurisdiction. But there may he a general extending of the right to sue; that is, where there is a general jurisdiction in the courts of the United States you may go into any state court. This section 4942 may be an enlargement, but is not a limitation of the jurisdiction.

But aside from this act, section 1, c. 137, of the act of March 3, 1875, provides: "That the circuit courts of the United States shall have original cognizance, concurrent with the courts of the several states, of all suits of a civil nature at common law or in equity, where the matter in dispute exceeds, exclusive of costs, the sum or value of five hundred dollars, and arising under the constitution or laws of the United States," etc. The clause granting jurisdiction is without limitation as to residence. It only limits the amount in controversy. The remaining clauses are wholly disjunctive.

The first three clauses are without qualification as to citizenship. Then follows the clause when there shall be controversies of citizens of different states. In the present case the right is derived exclusively from a law of the United States. In this statute no citizenship is requisite, and if, in this case, it is a suit of a civil nature at common law or in equity, the jurisdiction vests in the circuit court, whenever the amount in controversy is over $500. If the suit arises under the constitution or a law of the United States, the jurisdiction is then vested without respect to the amount.

The authorities upon the question at issue are very limited, and not a single case, in which the question has been raised, has been cited by counsel. The point at issue is argued for the first time de novo. It has been ably argued. I have looked into every book and in all reported decisions, and have been unable to find anything in which the question has been determined.

In Bump's Treatise, Law of Patents, Trade Marks, and Copyrights, it seems to be taken for granted that the circuit court has jurisdiction. I find that in the index, under the head of "Circuit Courts," is "Original jurisdiction in patent cases, page 13," "in copyright cases 13," "in trade mark cases 13," "without regard to citizenship, page 13." And he has classed it there without regard to citizenship. Turn to the pages referred to in the index, and we find a copy of the trade mark act. Turn to page 349—where he speaks of the jurisdiction-he simply copies section 4942 of the act.

When we go back to his index and look under the head of "Trade Marks," we find "Remedy in State Courts preserved." See page 250, on which page he quotes section 4945 of the statute of 1870, Rev. St. c. 2. Now, if we examine that section, we find that it provides again: "Nothing in this chapter shall prevent, lessen, impeach, or avoid any remedy at law or in equity, which any party aggrieved by any wrongful use of any trade mark might have had if the provisions of this chapter had not been enacted." So it is clear that he regards the jurisdiction which the circuit court has additional to that possessed by the

state courts, and that the circuit court has jurisdiction without reference to the residence of the parties or the amount in controversy. When we come to look at the trade mark law (Rev. St. tit. 60, p. 953), we find that the title thereof is "Patents, Trade Marks and Copyrights." And then follows, "Chapter One, Patents;" "Chapter Two, Trade Marks;" "Chapter Three, Copyrights;" and the sections are numbered continuously from the beginning of chapter 1, through chapters 2 and 3.

The demurrer is overruled.

See case of Leidersdorf v. Flint {Case No. 8,219}, Dyer, J. (E. D. Wis. Nov., 1878), deciding to the contrary, where Harlan, J., concurred, on the hearing, with the district judge. {Hartell v. Tilghman} 99 U. S. 547, where the court, two judges dissenting, hold to the contrary of the text.

[1] {Reported by William Searcy Flippin, Esq., and here reprinted by permission.}