

argument, and it was difficult at first to conceive what further relief than that embodied in the fourth paragraph of the decree, supra, could be asked for. But inspection of the new style of dressing the goods with the light blue wrapper (shown in the sample attached to appellee's brief), and the ingenious announcement thereon, "Best Quality now with Blue Label," and the words "Baker's Chocolate" still the most prominent feature of the inscription, demonstrates how the letter of the Virginia decree may be followed and its spirit violated.² As was said in the quotation supra, "complainant's goods had become well known as 'Baker's Chocolate,' and when 'Baker's Chocolate' was called for it was understood to be Walter Baker's chocolate that was intended." The public do not go into the minuter refinements of the title or the label. Whether it is described as "Walter Baker's Chocolate," or "William Baker's Chocolate," or "W. H. Baker's Chocolate," or "W. H. Baker's Best Chocolate," so long as the title contains the words which in trade and among consumers have come to be the every-day designation of complainant's goods, the chocolate so labeled will naturally be assumed to be complainant's, unless special care be taken to indicate that it is not. Of course, it would be very easy, under the Virginia decree, to mark the goods "W. H. Baker's Chocolate," and still so dress them up that no one of ordinary intelligence would be deceived as to their identity; but that presupposes a bona fide effort to "accentuate differences,"—such an effort as was made by the designer of the package of "Baker's Chocolate," which is an exhibit in this case. No such effort has yet been made, and it is hardly to be expected that any such effort ever will be made. The complainant is entitled to relief against further use of a title which causes confusion, provided such relief can be granted without depriving W. H. Baker of the right to use his own name in connection with the chocolate business. The measure of such right is tersely expressed by Judge Paul:

"The doctrine is equally well settled that equity will direct how a man shall use his name in his purpose to denote his own individuality. He will

* The following is the label to which the court here refers:

W. H. BAKER'S CHOCOLAT
PREMIUM

IT IS MANUFACTURED OF THE HIGHEST GRADES
COCOA AND GUARANTEED TO BE NOT BETTER
THAN ANY OTHER CHOCOLATE MADE IN THE WORLD.

DIRECTIONS: For a beverage, grate *one ounce* or
an ounce of this chocolate, and add about the same quantity of
sugar, place them in a part of boiling water or milk, prepare
an equal portion each. *Thoroughly stir until dissolved.*
A few minutes boiling will show a great improvement.

W. H. BAKER. Winchester, Va.
Manufacturer of Premium Chocolate, Cocoa, Sweet & Vanilla Chocolate

TRADE MARK. WINCHESTER, VA. NEW YORK.

not be allowed to so use his own name as to work an injury to another having the same name, nor to perpetrate a fraud on the public."

See, also, *Meyer v. Medicine Co.*, 7 C. C. A. 558, 58 Fed. 884; *Landreth v. Landreth*, 22 Fed. 41; *Pillsbury v. Flour Mills Co.*, 12 C. C. A. 432, 64 Fed. 841; *Brinsmead v. Brinsmead*, 12 Times Law, 631, 13 Ad. 3, and [1897] 1 Ch. 46. And this court had occasion to refer to the same doctrine in *Duryea v. Manufacturing Co.* (Dec., 1896) 79 Fed. 651. In that case the defendants placed their goods on the market in packages which prominently displayed the words "Laundry Starch Prepared by Duryea & Co.," and it was contended that the defendants' goods competed unfairly with the starch made by complainant's predecessors, and known as "Duryea's Starch." This court said:

"It cannot be denied that by continuous and rightful use for forty years the name of 'Duryea Starch' had become identified with its 'source of manufacture,' and that an attempt by persons of the name of Duryea, or of any other name, to put upon the market their own product under the name of 'Duryea's Starch' could be suppressed. Inasmuch as defendants have not called their goods by this well-known name," etc., injunction was refused.

This principle of equity indicates quite clearly what relief may be appropriately accorded to complainant here. W. H. Baker's legitimate use of his own name is not interfered with so long as he is allowed to use it in connection with his chocolate goods, setting forth on labels or advertisements that the chocolate is "made by" or "for," or "prepared by" or "for," or "sold by" W. H. Baker, or even that it is made or prepared at W. H. Baker's factory. But he should not be allowed to use his surname, Baker, whether his given name or its initials are prefixed or not, so as to announce upon label or advertisement that the goods he sells are "Baker's Chocolate."

The interlocutory decree of the circuit court, Southern district of New York, now appealed from, is therefore affirmed in all respects, except as to the third paragraph, which should be modified so as to read:

"3. From using in connection with the business of making or selling chocolate, on labels, wrappers, cans, boxes, cakes, molds, signs, letter heads, bill heads, or advertisements, or in any other manner whatsoever, the word 'Baker,' 'Baker's,' or 'Bakers' alone, or the word 'Bakers,' 'Bakers,' or 'Baker's,' (whether the same be or be not coupled with other names or initials) in such a collocation with the word 'chocolate' (whether the same be or be not coupled with some further descriptive word or words) as to indicate that the chocolate so made or sold is a variety of 'Baker's Chocolate.' But defendant may indicate thereon in appropriate language that the chocolate is made or prepared or sold for or by W. H. Baker, of Winchester, Virginia."

Equally appropriate relief would be afforded to complainant by adopting the method used in the *Brinsmead Case*, *supra*. And since it is urged that the expense of making a complete change in all the particulars above enumerated will be extremely heavy, the mandate will, if defendant prefers, direct a modification of the interlocutory decree solely by requiring the affixing upon every package sold, in type as prominent as the title, of the statement that "W. H. Baker is distinct from and has no connection with the old chocolate manufactory of Walter Baker & Company." Unless defendant pre-

fers this change, the mandate will direct modification as above set forth.

The cause is remanded to the circuit court for further proceedings in accordance with this determination. Costs of this appeal to the appellant.

HILSON CO. v. FOSTER et al.

(Circuit Court, S. D. New York. June 4, 1897.)

1. UNFAIR COMPETITION IN BUSINESS—METHODS OF ADVERTISING.

Money invested in advertising is as much a part of a business as if invested in buildings or machinery, and when 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 against unfair competition.

2. SAME.

The adoption of a manufacturer's distinctive means of advertising his goods, by the use, for similar goods, of means which involve nothing original, and, though not identical at any point, are similar at every point, including the use of a picture which, in general design and in the idea conveyed, is so like a picture used to advertise such manufacturer's goods as to be readily mistaken for it by the ordinary purchaser, though differing from it in details of arrangement, constitutes unfair competition.

3. SAME—EVIDENCE—PROOF OF INTENT.

Similarities in the methods of dressing up goods for the market, and of advertising them, which, when considered alone, are immaterial and insignificant, may be important as tending to establish a general design on the part of one dealer to palm off his goods as those of another, and as helping to establish the intent in more flagrant infringements of right.

4. SAME—EQUITABLE RELIEF—FALSE STATEMENTS BY COMPLAINANT.

A manufacturer of cigars placed in each box thereof a printed statement that only the best grades of Havana tobacco were used in the cigars, which were guaranteed to be of choice Havana tobacco. In fact, the cigars contained a considerable proportion of inferior tobacco, not Havana, and in some instances no Havana tobacco at all. *Held*, that this was such a misrepresentation as to disentitle the manufacturer to relief against an imitator of his labels, advertisements, etc., though found clearly guilty of unfair competition.

Rowland Cox, Morris S. Wise, and Wise & Lichtenstein, for complainant.

Esek Cowen and Einstein & Townsend, for defendants.

COXE, District Judge. This is an action to restrain unfair competition in trade. For over 10 years the complainant and its predecessors have been engaged in making and selling a brand of cigars known as the "Hoffman House Boquet." These cigars were made of tobacco selected with great skill and care and they have been introduced to the public by an elaborate and expensive system of advertising until they have become well known and popular, the annual sales amounting to many millions. Perhaps the most prominent person in perfecting and popularizing these cigars was the defendant Foster. For 17 years he had been connected with Edward and Max Hilson under the firm name of Foster, Hilson & Co.

The Hoffman House Boquet cigar originated with Foster; he watched each step of its advancing popularity and to him more than to any other man its success is due. In 1892 the firm of Foster, Hilson & Co. was converted into a corporation under the name of the Foster-Hilson Company. In April, 1893, Foster disposed of his stock in this company, and has since been manufacturing the "Banquet Hall Boquet" cigar, and introducing it to the public by means which the complainant alleges to be unfair and fraudulent.

The law relating to this subject is well understood. 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. 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. The money invested in advertising is as much a part of the business as if invested in buildings, or machinery, and a rival in business has no more right to use the one than the other,—no more right to use the machinery by which the goods are placed on the market than the machinery which originally created them. No one should be permitted to step in at the eleventh hour and appropriate advantages resulting from years of toil on the part of another.

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. Judicial paternalism should be avoided; there should be no officious meddling by the court with the petty details of trade; but, on the other hand, its process should be promptly used to prevent an honest business from being destroyed or invaded by dishonest means. Judged by these rules the defendants must be found at fault.

No one, it is thought, can read the record without being convinced that the defendants started out with the deliberate purpose to cut into the complainant's trade, occupy its territory, beguile its customers and share its profits. The purpose to injure the complainant, if not admitted, is hardly disguised. The defendants have 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. The defendants' advertising proceeds upon lines similar to those adopted by the complainant; every step taken by the latter is met by a similar step by the former. The complainant uses the name "Hoffman," the defendants use the same name though differently spelled. The complainant uses diamond-shaped silver and black price cards and red and gold bands; the defendants

do the same. The complainant's show cards, posters and labels represent a banquet scene in the dining room of the Hoffman House; the defendants produce a similar scene in the dining room of "The Waldorf." In the use of metal signs, in the size and shape of the cigar, in the use of a picture representing a "smoking man," in the color of the paper edging of the cigar box and in many other matters of detail the defendants have trodden closely in the footsteps of the complainant. They have evolved nothing original; the plan of their advertising has been copied directly from the complainant.

It is true that many of these similarities are, when considered alone, immaterial and insignificant. If, for instance, the complainant's right to relief depended upon the color of the bands and box binding, or the size and shape of the cigar, it would be the duty of the court to dismiss the bill as depending upon considerations too trivial and speculative to warrant the interference of a court of equity. The law is not made for the protection of degenerates and paranoiacs, but for the general public composed of men with ordinary common sense and with faculties unimpaired. The task of the court, therefore, will be accomplished if it confines its attention to those similarities which are likely to deceive the ordinary purchaser. Though many of the acts complained of are insufficient to sustain a decree when considered alone, they are all important as tending to establish the general design to poach upon the complainant's preserve at every point and help to establish the intent of the defendants in their more open and flagrant infringements.

Perhaps the most distinctive advertisement of the complainant is one representing a banquet in the Hoffman House dining room attended by a large number of America's most conspicuous citizens,—Major McKinley, Mr. Cleveland, Gen. Harrison and Mr. Depew being among them. The latter is on his feet, presumably in the act of addressing the distinguished company. A box of Hoffman House Boquet cigars is being served to the guests. The idea intended to be conveyed, and which is conveyed, by this picture is that the Hoffman House cigar is a favorite upon such occasions and is patronized by the most eminent statesmen and orators of the land. No matter how much they may differ upon other questions they are agreed upon the proper cigar to smoke when the rivalries of politics are laid aside and they meet on common ground around the convivial board. The idea was striking and original. It impressed the average smoker. A cigar which suits so many prominent individuals must be a good one. True, banquet scenes have been used before as labels for cigar boxes but not this banquet scene, the central idea of which is the partiality displayed by so many well known citizens for this particular cigar. The picture impresses the average American very much as a German would be impressed if he were informed that the cigar offered him is the brand smoked by the Kaiser and Prince Bismarck; or an Englishman, if told that for a moderate price he can cultivate the same taste in tobacco as the Prince of Wales, Lord Salisbury, Mr. Gladstone and Mr. Chamberlain.

This picture the defendants have boldly appropriated. The same distinguished company is assembled; they are drinking the same

wine and are listening to the same orator. The critical observer will note the absence of some of the Hoffman House banqueters and the addition of others made prominent by more recent events. But the central idea is there; the general impression is the same. The ordinary purchaser seeing this picture in a cigar shop would be likely to enter and take the cigar offered him supposing it was the same brand which he had learned to distinguish by this distinctive banquet scene. He would not stop to analyze the picture; he would not notice that Mr. Depew stands opposite to President Cleveland whereas in the earlier picture they are on the same side of the table; he would not notice the differences in background or table decorations. The general effect would remain in his memory and the general effect is unquestionably the same. In order to demonstrate the bold character of the piracy the complainant has pointed out instances where minute details and even mistakes have been copied; but it is unnecessary to consider these, for it seems too plain for discussion that the defendants have taken the complainant's idea and are endeavoring to march into public favor under a flag which they are not entitled to carry.

The foregoing was written under the impression obtained at the argument that the affirmative defense might be disposed of by the maxim, "De minimis non curat lex." But the more the testimony bearing on this defense has been studied, and it has been read several times, the firmer becomes the conviction that the charge of misrepresentation is most serious. The complainant has placed in its boxes of Hoffman House cigars a picture representing a stripping scene in Havana. On the reverse of the picture is the following statement:

"We use only the very best grades of Havana tobacco, and are the only house in our line in this country making a specialty of fine Havana cigars who have their own stripping factory in Cuba, under the personal supervision of our Mr. Edward Hilson. We manufacture only genuine Havana cigars, and represent our goods as they are. Our cigars are guaranteed choice Havana tobacco, not American tobaccos raised from Spanish seed.

"Very respectfully,

The Hilson Company.

"Fact. No. 1, 3rd Dist. N. Y."

It will be observed that this notice is signed by the present complainant, the Hilson Company. The notice could not, therefore, have been used in the business prior to November 29, 1893, when the change in the corporate name took place. The defendants assert that after Foster had retired and the Hilson Company began business under its present management it stated falsely that cigars made wholly and partly of domestic tobacco were genuine Havana cigars. It will be observed that the language used by the complainant is free from all doubt and ambiguity. The card says: "We use only the very best grades of Havana tobacco. * * * We manufacture only genuine Havana cigars. * * * Our cigars are guaranteed choice Havana tobacco, not American tobaccos raised from Spanish seed." The evidence of a special trade meaning for the word "Havana" is very meager and is insufficient to uphold a finding of fact. Even if there were such evidence it is doubtful if it could be considered as these cards are addressed to the consumer, who is not