They say, "The only thing I want registration in this country for is so I can register it abroad; the South American countries now will not register a mark unless it is registered in this country. They come up to this country, and you ought to register it simply to allow me to register it down there." But we would not do it under the present statute, and the same thing would apply to marks applied for under this bill—if they are not registerable here, we can not give them any relief.

Mr. BABKA. But after this law is passed you can?

Mr. NEWTON. No, sir; that particular class of things I do not believe can be registered.

Mr. BABKA. Not even after the passage of this act?

Mr. NEWTON. No, sir; not even after the passage of this act.

Mr. MACCRATE. Will not this give the privilege of registering in every other bureau but the United States, where priority of registration really gives the value? For instance, the man who took this American trade-mark name and registered it in a South American country, if, under this convention he would have registered it, not only would he have gained the privilege and the benefit in the country to which $100,000 worth of goods were being shipped, but in every other country where no shipments were being contemplated?

Mr. NEWTON. In that case he had a technical trade-mark. You see, it was registerable in this country. What he ought to have done was to have registered it in this country and then registered it abroad, and no trouble would have occurred.

Mr. MACCRATE. But, assuming he has a nonregisterable mark now in this country?

Mr. NEWTON. Yes.

Mr. MACCRATE. What is to prevent one of these pirates from going to the central bureau and registering that—Jersey Zinc, for instance—and gaining all the benefits from that in every country outside of the United States?

Mr. NEWTON. There is not anything.

The CHAIRMAN. Why should we object to him doing it? He can do it now in every one of those countries that does not require it to be first registered in the United States?

Mr. MACCRATE. It simply facilitates his doing it. That is, you might say a burglar will go in one house, but he can't at one crack go into 10 houses.

The CHAIRMAN. Why should we put any circumstances in his road if he has that right in the other countries to-day? We say here, "You can not get that protection, because it is either descriptive of the article or descriptive of some geographical countries." Now, we do not ask these other countries to hew the line, even in this legislation, and to deny the right in those countries that we deny here. The only thing it does is to facilitate, and as a business proposition we are gainers. Now, if Jersey Zinc can go into all those countries and build up a business, it is furthering our foreign trade. And now if we won't permit him to get any benefits in our domestic trade, we certainly ought not to object to his getting some advantage in the foreign trade.

Mr. MACCRATE. Here is the thing: New Jersey Zinc can not now be registered in our office.

Mr. MACCRATE. And some pirate in South America can take that name, Jersey Zince and preclude the New Jersey Zinc Co. from going into those countries under this bill.

Mr. NEWTON. He can do it without this bill.

The CHAIRMAN. Yes.

The CHAIRMAN. He can not only do it now with perhaps nonregisterable trade-marks, but he can do it with registerable trade-marks to-day.

Mr. MACCRATE. But you facilitate his operations now by making one crack at it open every safe in South America?

Mr. NEWTON. That is correct.

Mr. CARTER. On the other hand, you facilitate our opportunity to prevent that sort of thing; that is to say, we won't improve the facility of foreigners to get marks in Latin-American countries which are not registerable here, but we will prevent that sort of thing as far as marks are registerable here. In other words, it is a give and take right through.

Mr. MACCRATE. What I am wondering is whether a provision can not be inserted whereby you can prevent nonregisterable American marks being registered in other countries?

Mr. CARTER. I do not believe you can ever do that.

Mr. NEWTON. In foreign countries?

Mr. MACCRATE. In foreign countries after the adoption of this legislation?

Mr. NEWTON. I do not believe so.

The CHAIRMAN. Let me call attention to one fact, however, in connection with our trade-mark laws: You can register a trade-mark in Washington here that is good in the State of New York, but might not be good in the State of Pennsylvania if you do not make use of it. That is a recent decision.

Mr. NEWTON. That is correct.

The CHAIRMAN. In other words, in California a man can register his trade-mark with the Commissioner of Patents, and the Commissioner of Patents says it is not descriptive of the article—it does not interfere with the trade-mark law; but if he did not make use of that generally throughout the United States, he only gets a valid protection in that section of the country where he does make use of it. And it is the alertness on the part of those who are looking for protection under our trade-mark law that will mean something to them, or their ability to take advantage of the law or to make connections with other people to have a right to use it. So that we have a very peculiar trade-mark law in this country, and it is restricted by law and by decisions of the courts. I think that is right?

Mr. NEWTON. That is correct.

Gentlemen, Mr. Carter, who represented the Department of Commerce when this bill was before Congress before, but who has left the employ of the Government, and now represents quite a large importing firm, has a word to say to the committee.

## STATEMENT OF MR. CHAUNCEY P. CARTER, WASHINGTON, D. C.

Mr. CARTER. Commissioner Newton and Dr. McGuire have covered the field pretty well, and particularly if their testimony is taken along with the testimony that was given by all of us and others at the

two hearings last year, one before the Senate Committee on Commerce and the other before this committee. But I think some reference should be made to those hearings in this one, and also the debatable points we considered and thrashed out at those hearings.

The point that Congressman MacCrate has just brought up is a very interesting one; that is, the fact if the New Jersey Zinc can not register their mark in this country, a man in one of the other countries might register that mark and come up here and get it on the register in this country. But as I understand it, the mere putting of that mark on the register would do the New Jersey Zinc Co. no harm; in other words, when it came to the consideration of their rights in this country, that would be decided in our courts on the basis of our trade-mark legislation. In other words, the mere fact a foreigner has been able to get the mark on this register we are establishing under this act, would not prejudice the right in this country of the New Jersey Zinc Co. in any way whatsoever. In fact, it might even be possible for them to have that mark canceled, I believe, under this act; but anyway it could do no harm.

Mr. MACCRATE. Except the expense.

Mr. CARTER. There would be no expense. This does not even give a prima facie right, and the New Jersey Zinc Co. could just sit back and do nothing.

Mr. MACCRATE. In section 2 of the bill it says:

> That whenever any person shall deem himself injured by the inclusion of a trade-mark on this register, he may at any time apply to the Commissioner of Patents to cancel the registration thereof.

Mr. CARTER. As I say, he could apply for cancelation; but, if he did not, it would do no harm whatsoever. He could just let that mark remain on the register and then, if that man came up here and tried to use it, he could prosecute him the same as he could prosecute any infringer.

Mr. MCGUIRE. He could appeal to article 9 of the convention, which is very clear on the point of annulment.

Mr. MACCRATE. I know; but your legislation will govern this country after the convention; it will supersede the convention so far as the laws of this country are concerned.

Mr. CARTER. Exactly.

Mr. MACCRATE. And where, for instance, a man registers a patent in the South American countries of New Jersey Zinc, for instance, that is immediately transferred to your register.

Mr. CARTER. Yes, sir.

Mr. MACCRATE. Without any action of this country at all.

Mr. NEWTON. Correct.

Mr. CARTER. Exactly.

Mr. MACCRATE. So that the New Jersey Zinc Co. will never know that that has been registered until there is an overt act of some kind.

Mr. CARTER. Oh, yes; they will know that it has been registered; this is going to be a public register.

Mr. MACCRATE. Suppose, now, they produce the article in South America and label it New Jersey zinc, and it is shipped to this country with that label?

Mr. CARTER. Then it becomes simply a matter of infringement. To-day he could make zinc in the Argentine and label it New Jersey

zinc and ship it up here, but the New Jersey Zinc Co. could prosecute him before he could do anything. They could eventually play the dickens with him, but they can not stop him from making that shipment very well. This bill is not going to make it any more difficult: it is going to leave him in exactly the same position, and then, in addition, they can cancel that mark by the payment of $50 and proper proceedings. But if they left it on the register it would do no harm and they would not be in any worse position than they are to-day.

Another point about the effect in other countries was not brought out; and that is, in almost the majority of the Latin American countries, the New Jersey Zinc Co. could register their mark. They do not have to present proof of registration in this country except, I think, in a few of the other countries, and there is no doubt they could get their marks registered in several Latin American countries now, even though they have not their mark registered here. And when it came to those countries, this pirate down south would be denied the benefits of registration because New Jersey Zinc would have had their mark registered before he could do it.

The CHAIRMAN. In other words, the situation Dr. McGuire decribed there a while ago would not happen, because while the man was on his way to South America to get those orders they could register for all of the Central and South American countries?

Mr. CARTER. Not for all of them, but they could register in a great majority of them.

The CHAIRMAN. In those——

Mr. CARTER. That did not depend on the United States registry.

The CHAIRMAN. Although they would not be entitled to the benefits of this legislation?

Mr. CARTER. Exactly.

Mr. MACCRATE. But under this legislation, if it is passed, it gives the power to any pirate in South America or in any other countries covered by the convention to look over the American field to-day and see the trade-marks that are nonregistrable in our Patent Office, that are not operating now in South America, but which by the turn in affairs and development in events may be valuable in South American countries, and he can go to South America or the southern registry office and file that trade-mark and then forever preclude Americans from operating in those countries.

Mr. CARTER. No; I do not think that is quite a true statement.

Mr. NEWTON. He might do that, but he can do that now.

Mr. CARTER. You do not give him the power by this legislation, because he has the power to-day to do that very thing.

Mr. MACCRATE. But this is facilitating his doing it by one operation.

Mr. CARTER. It will facilitate it slightly because it will cost a little less, but there is this point: Suppose the man you speak of is in Paraguay, for instance, which I believe adhered to this convention, and it was New Jersey zinc. The makers of New Jersey zinc have either already registered the trade-mark in Paraguay or they can do it to-day, because they do not have to present to Paraguay any proof of registry here. And if they got it registered, then nobody in Paraguay could take any advantage of that, because they

could never register in Paraguay, and, consequently, they could not extend the registry. And it is limited to a very few countries and to a very few people; but it would enable people to commit this piracy at a little less expense than it would ordinarily cost them.

Mr. MACCRATE. That is true. But assuming there are products in America with trade names where up to the present time they have not seen any reason for going into the South American countries, because the demand for their products has not been of a sufficient size to warrant it.

Mr. CARTER. Then that is shortsightedness, because the patent attorneys and the trade associations and Mr. Newton and everybody is telling manufacturers not to wait. I am with a company which is not doing any export business at the present time, but we have had our mark registered, as far as we could register it, in foreign countries for years. And I will say we are in an unfortunate position in that two of those countries where the trade-mark was registered—Argentine and Chile—which have not adhered to this convention; but if they ever do, it will be helpful to us in getting the marks back.

The CHAIRMAN. Is it not reasonable to assume if this legislation is passed and the Patent Commissioner had the right, that is, there would not be any question about his right then to take these fees and these applications—is it not reasonable to assume that any concern in this country that had any kind of a trade-mark that they considered worth while, they would immediately take advantage of the privilege of getting the benefit of this act for the small amount of money involved?

Mr. CARTER. Exactly, and that is the way I feel about it to-day.

Mr. ROBINSON. If it is registerable here?

Mr. MACCRATE. Perhaps the commissioner can answer this: If this bill goes into effect, will the nonregisterable trade names be registerable in this country?

Mr. NEWTON. No, sir.

Mr. CARTER. You mean from what country?

Mr. MACCRATE. Of this country. Why could you not permit them to be registered in this country and give that registration credit in all those other countries and still not credit it here under our law? That is, wherever registration counts in South American countries, why should not these nonregisterable names be registered in this country so that they could have the benefit of the laws in those countries?

Mr. NEWTON. That is a very pertinent question, Mr. MacCrate. I do not know why it should not be, and it would benefit those people very greatly.

Mr. MACCRATE. It seems to me to be the only fair thing.

Mr. NEWTON. There are a great many people now who say we ought to register everything that is sent to us.

Mr. MACCRATE. But not give any effect in this country; just give effect in those countries where prior registration does count.

Mr. NEWTON. You are quite right about that; but this bill does not do that.

Mr. CARTER. That is a matter I have been giving a lot of consideration in the last two or three years. I myself drew up a little bill—I

think I showed it to Mr. Newton one day—to bring about that very thing, to have a separate registration of trade-marks for our own people, merely to facilitate their getting their marks registered in other countries. When you go to a great many foreign countries—Cuba, for instance—to register you trade-mark you must show proof of our registration; and if you have not got it you can not register, even though the Cuban Government would be glad to accept it and put it on their registry. And we are not the only people who have been considering that. Great Britain is in exactly the same position, and their board of trade, which has to do with trade-marks over there, has drawn up a bill to cover that very thing, to establish a separate registry, and I think eventually we are going to come to it.

But I really do not think it ought to be brought up in this legislation, because this legislation does not alter the situation so far as that is concerned at all, except, perhaps, the little greater facility it gives, to which you referred, by making it a little easier for the other fellow to pirate marks in other countries. But that is another matter, and I think should be considered entirely separately, because it has so many ramifications that it has to be drawn up very carefully and considered very carefully before it is put through, whereas this is a separate measure to accomplish an entirely different thing.

Mr. MACCRATE. What would prevent the insertion of a single paragraph to cover that very situation, whereby you would provide that nonregistrable names in American may be registered under this convention, to have effect in the countries where registration is the thing that counts?

Mr. CARTER. You can not do that without you permit those names to be registered here; in other words, you can not make a law that will change this convention.

Mr. MACCRATE. We are not making a law that will change this convention.

Mr. CARTER. You are, if you say nonregisterable names can be registered.

Mr. MACCRATE. That is, up to the present time, nonregisterable. But we do not give any legal value to it in America.

Mr. CARTER. That would require a separate law, which would have to be carefully drawn. You could not do it in a paragraph, because we have a very elaborate trade-mark law which gives a certain effect to certain registrations, and each paragraph of that law has been subject to interpretation by the courts, every word of it, you might say; and if you go to work to draw a single paragraph to modify that law by the addition of a single paragraph in this bill Mr. Newton, I know, would go wild inside of a month. In the first place, he would have in the first month 5,000 applications for the registration of nonregisterable marks, which he has refused, and then he would be asked to certify to the registration in the United States. And it would be very foolish, indeed, to bring that thing into this piece of legislation, although I think you have made a very good point and one that needs consideration at some future time.

Mr. MCGUIRE. The convention will deal only with marks duly registered in any of the signatory States. The article reads:

Any mark duly registered in one of the signatory States shall be considered as registered also in the other States of the Union, without prejudice to the

rights of third persons and to the provisions of the laws of each State governing the same. In order to enjoy the benefit of the foregoing, the manufacturer or merchant interested in the registry of the mark must pay, in addition to the fees or charges fixed by the laws of the State in which application for registration is first made, the sum of $50 gold.

And so on. In other words, if you discriminte between marks duly registered within the United States for domestic purposes and marks given some sort of recognition for nondomestic purposes then the point might be made that the convention actually excluded your second group.

The CHAIRMAN. The point also might be made that if it was sauce for the goose it would be sauce for the gander, and if you are going to ask other countries to recognize a registrant who registers in your Patent Office a mark not registerable under our law, then they might ask you to accept their nonregisterable marks, too.

Mr. CARTER. Exactly. It would be taking advantage of them.

The CHAIRMAN. I think a lot of consideration ought to be given to that end of it. For the benefit of the country so far as trade is concerned, I think it will be a good idea, but I do not know how far it will reach or where it will lead you to. The man in this country who has a nonregisterable mark, there is nothing to prevent him, under this law, going down to one of those other countries—not Cuba, but where they do not require the mark to be registered in this country—and filing his application there, and he covers that whole field.

Mr. ROBINSON. Can he, unless he registers here?

The CHAIRMAN. I say if he goes down there and registers; if he has that right to go down there, I do not see what is to prevent him, except in the case of Cuba and a few others, which do not permit it unless it is registerable here. But he can go into some of those other countries now and get protection in the individual countries. In other words, where their law does not require it not to be descriptive and where they do not have the restrictions fixed by our law, he has the right to register there to-day, notwithstanding the fact he can not get protection in this country.

Mr. CARTER. Another point is, there is no reason why we as the Government should go out of our way to protect the man who has, with full knowledge, adopted and used a trade-mark which is not registerable. Every man is presumed to know the law and, therefore, he should know what kind of a trade-mark is registerable; or, if he does not know, he can very easily find out. And if a man goes and adopts the name of a State as a trade-mark, why should we go out of our way and try to protect him in that trade-mark when we, as a Government, have gone on record that such a trade-mark is not registerable?

Mr. BABKA. How many of those South American countries require a trade-mark to be registered here before they will register it down there?

Mr. CARTER. I do not know. I know that Cuba does, Brazil does—I can not say offhand—Uruguay does; Mexico does not, Chile does not, Argentina does not, Paraguay does not, Costa Rica does not.

Mr. BABKA. More do not than do?

Mr. CARTER. I think the majority do not.

Mr. MCGUIRE. Under this convention, of course, all that adhere to the convention will require it.

Mr. BABKA. That would remedy the situation, then, as far as New Jersey zinc is concerned?

Mr. CARTER. There is one thing to be said about this piece of legislation, and that is that the criticism has come from both camps; which is always a sign it is a fairly good piece of legislation. The southern countries are a little dissatisfied with it because they say we get too much, and our people are dissatisfied with it because they say the Latin-American nations get too much. But now, if you will analyze the thing carefully, you will see neither side gets anything more than it is entitled to; although today, because of the preponderance of the trade-mark applications coming from this country, we may get a little more advantage, it is merely on account of the preponderance and not because of an unfair advantage.

In future years I presume the southern countries will grow, and it may be that some day we will be deluged with applications from Argentina and other countries, and they may be sending us more than we send them. But as it is now, when the Latin American gets a mark on this special register, he gets some benefit from it; he does not get as much out of it as we, when we get a mark on his registry. But that is because of the difference in the two laws. The Latin American considers, when he gives registry, he is giving a deed to that trade-mark, just as he would give a deed to a piece of property; but when the Latin American comes up here and registers his trade-mark, he is not given a deed, but merely serves a notice that he has put a claim of ownership of that mark on record. But that claim facilitates that man in a law suit. In other words, he can go into court and say, "Here, I have already registered my claim," and that would put the burden of proof on the other fellow to show that the man making the registry does not own it. When the Latin American comes up here, it will give him a little different registry, and he won't get quite as much, possibly, in damages, but he will have registered his claim to that mark by the mere fact he puts his name on our record, and thereafter if he got into a law suit the court would say, "Well, this man has put his claim on the record and has shown you he thought he owned it, and that in itself was notice to you," and that would put the burden of proof on the other party. So that the Latin American gets just about as much from our registry as he gets from his own registry; but he benefits nothing unless he can show he was the first to use that mark.

And when we go down there, we get just exactly the same; we get a grant of ownership, and when we go down there, if nobody has been granted the ownership before us, he will give it to us.

And that is the only way you can compromise. He is not going to change his law, and we are not going to change our law. And the only way to do is to let him do as we do when he comes here; and when we go down there we do as he does. And it is a give and take. And, as I say, it is criticized on both sides, down there and up here; each side says the other is getting too much. So it is a pretty good compromise.

The CHAIRMAN. Are there any further witnesses, Mr. Commissioner?

Mr. NEWTON. Only one more, Mr. Chairman, Mr. Robinson, representing the American Bar Association. I asked him to come up this morning if he had any objections to this bill or wanted to present any views thereon, and he is here to do so.

## STATEMENT OF MR. THOMAS E. ROBINSON, REPRESENTING THE AMERICAN PATENT LAW ASSOCIATION.

Mr. ROBINSON. I have no objection to offer, Mr. Chairman, with respect to this bill, and I have not heard of any objections other than those set forth by Congressman MacCrate. The only objection I have heard is the one which he has so well set forth.

On the other hand, I can see one or two advantages, and one of them is this: Our own trade-mark law has a very low fee. It is not intended to make a profit out of registrations; merely intended to pay the expense of registration. The registration fees in some of the South American countries are very high, and it has always seemed to me there is an opportunity to make a profit for those countries out of the trade-mark fees. So that in some of those countries it now costs American registrants several times what it will cost under this new bill. This convention provides for registration in all of those countries in this union, for $50, I believe, in addition to our own registration charges, so there is a decided advantage in enabling the American manufacturer now, who has been fortunate enough to adopt a mark that is registrable in this country, to get registration in those countries by merely paying the $50 and providing the electrotypes and other things provided for in the convention.

The CHAIRMAN. Have you any idea just how much it would cost an American manufacturer who has registered his trade-mark in this country to get registry under present conditions in the countries that would come under the provisions of this law?

Mr. ROBINSON. I do not have it at hand, but I will furnish it to you.

Mr. CARTER. It all depends on who you use to get these registrations for you. The ordinary procedure is for the agent in this country who has a correspondent in each of these other countries to handle it. Some of those agents will not deal direct with the manufacturers, but prefer to deal with the manufacturer's own immediate attorney, and each one has to get a little profit and enough to cover his expenses on top of the fees.

The CHAIRMAN. I had in mind the fees alone.

Mr. CARTER. The fees alone are quite small, with the exception of a few countries where they do get quite a revenue out of patents and trade-marks.

The CHAIRMAN. Would it go much over $50?

Mr. CARTER. A country?

The CHAIRMAN. I mean for all of them.

Mr. CARTER. Oh, it would go over $500.

Mr. ROBINSON. The fees alone in those countries will amount to many more times than the $50 it will cost under this proposed bill.

Now, why do not American manufacturers take advantage at the present time of registering in those foreign countries? The big company would be glad to do it, but the small concern just starting out in this country can not reasonably see where it will get any return for this large amount it has to lay out. It is not only the $500, but all the attorney's fees piled on top, so that it would cost several thousand dollars to register in all of those countries, and the small concern does not see any reason to take advantage of it.

But by the time they get started, why, then somebody in the foreign countries has already taken advantage of the opportunity to register that mark there. So that one of the big advantages to my mind under this new law—I do not mean to me as an attorney, but to my clients—would be by paying this $50 they can register in all those countries adhering to this convention, and the small company would take advantage of it and do it early in the game, so as to get there ahead of the South American competitors.

I have nothing more to say.

The CHAIRMAN. I would just like to ask you one question, Mr. Robinson: What is the fundamental objection to registering a trade-mark that is descriptive of the article? I have never gone into that and I suggest, if we could get an idea of the fundamental objection to it, I would like to have it explained to the committee.

Mr. ROBINSON. Let us take, for example, the word "best." The word "best" is descriptive of the article. You and I may both be manufacturers of shoes, and if you are allowed to take the word "best" for your shoes, then I could not use that word "best." That word is a word in the English language that you and I have an equal opportunity to use and an equal right to use and, therefore, neither one of us should be allowed to get registry of some common word in the English language.

Mr. MACCRATE. Is Fels-Naptha subject to registry in this country?

Mr. NEWTON. I do not think so. I do not think we registered it.

Mr. MACCRATE. That would be descriptive, Naptha soap, because "Naptha" might enter into the other soaps just the same as in Fels-Naptha soap and the other soaps would be precluded from using the word "Naptha."

Mr. NEWTON. Yes.

The CHAIRMAN. I had a case up some time ago and had considerable correspondence, and the commissioner had the chief of the bureau examine the encyclopedia to see whether a certain word was descriptive. It happened to be whether the word "kicks" was descriptive of shoes—"kiddies' kicks." "Kiddies shoes" would not have been registerable, would it, Mr. Commissioner?

Mr. NEWTON. No, sir.

The CHAIRMAN. Although the word "kiddies" is a valuable adjunct there.

Have you any further witnesses, Mr. Commissioner?

Mr. NEWTON. I have no further witnesses.

The CHAIRMAN. The hearings will be closed, if there is nobody in opposition to the bill.

(The committee thereupon went into executive session.)

# PROTECTION OF TRADE-MARKS

# HEARINGS

HELD BEFORE THE

# COMMITTEE ON PATENTS

HOUSE OF REPRESENTATIVES

SIXTY-SIXTH CONGRESS

SECOND SESSION

ON

# H. R. 9023

A BILL TO GIVE EFFECT TO CERTAIN PROVISIONS OF THE CONVENTION FOR THE PROTECTION OF TRADE-MARKS AND COMMERCIAL NAMES, MADE AND SIGNED IN THE CITY OF BUENOS AIRES, IN THE ARGENTINE REPUBLIC, AUGUST 20, 1910, AND FOR OTHER PURPOSES

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FEBRUARY 25, 1920

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# PART 2

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WASHINGTON
GOVERNMENT PRINTING OFFICE
1920

# PROTECTION OF TRADE-MARKS.

COMMITTEE ON PATENTS,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., February 25, 1920.*

The committee this day met, Hon. John I. Nolan (chairman) presiding.

The CHAIRMAN. The Senate has passed the trade-mark convention bill, the bill giving effect——

Mr. MCDUFFIE. That is the one we put through the House?

The CHAIRMAN. Yes. To certain provisions of the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, in Argentine Republic, August 20, 1910, and for other purposes.

The Senate committee passed the bill with several amendments, one amendment being the Merritt bill, that we reported favorably. We reported it favorably with an amendment providing trade-marks have been used on the article in interstate or foreign commerce or with Indian tribes for at least two years. They have reduced that time to one year.

They have also put in an amendment to the trade-mark convention act, H. R. 9023, and at the end of the first section, page 2, line 7 of the old bill, they add the following [reading]:

(*b*) All other marks not registerable under the act of February 20, 1905, as amended, but which have been in bona fide use for not less than two years in interstate or foreign commerce or commerce with the Indian tribes by the proprietor thereof upon or in connection with any goods of such proprietor upon which a fee of $10 has been paid and such formalities as required by the Commissioner of Patents have been complied with.

That first amendment was in section 1, line 4, before the word "all," inserting the letter "(*a*)"—that is, making that section (*a*)—and then at the end of the section putting in the letter "(*b*)" and then this amendment that I have just read.

The next amendment was in section 6, page 4, line 19. Strike out "29" and insert in lieu thereof "28" (as to class (b) marks only).

The next amendment was to insert at the end of the bill a new section. That is the substance of the Merritt bill that we reported out and which is on the calendar over there. It was put on as an amendment and it was done at our suggestion.

Do I understand somewhere that they have reduced the time from two years to one year?

## STATEMENT OF MR. ROBERT F. WHITEHEAD, ASSISTANT COMMISSIONER OF PATENTS.

Mr. WHITEHEAD. Near the top of page 3435 of the Congressional Record for February 21 Mr. Smoot says, "I move to strike out 'two years' and insert 'one year.'"

Mr. VESTAL. Where does that appear in the bill?

The CHAIRMAN. It would strike out two years and insert one.

Mr. BABKA. At the end of the bill.

Mr. VESTAL. In the final paragraph?

The CHAIRMAN. Yes. I should like to have Mr. Whitehead, the Assistant Commissioner of Patents, go over this matter and take it up with us.

Mr. WHITEHEAD. Mr. Newton is in the hospital, having had a serious surgical operation. That is the reason why he is not here this morning.

The CHAIRMAN. Will you just give us your idea of the effect of this amendment of this section (*b*)?

Mr. WHITEHEAD. If I understand it, Mr. Nolan, that was based on the Merritt bill. It was Mr. Newton's idea to have a double register. Personally, I did not know anything about it until last night. I have read Mr. Bright's statement there carefully, at the hearing on the Merritt bill, and his idea was to have a double register; the ordinary register for such marks as we register now, and a second register for the marks that come from South American countries under that convention, and these marks of class (b) simply to put them on there whenever a man used them. I suppose that the provision as to bona fide use was put in there to keep out a man who was a bald infringer, at least, to make him make out a case by his affidavit which the commissioner could require, and then put those marks on the register without any examination at all. My understanding of the discussion is that if a man could have his mark put on the register without any examination at all, simply by complying with the required formalities and paying the fee. That is a distinct register. A geographical mark that can not be registered under the present law could be put on that register there without examination. The whole theory of this class (b) registration is to make a basis for foreign registration. That was Mr. Newton's idea.

Mr. MERRITT. It does not affect any rights in this country at all.

Mr. WHITEHEAD. I would not say that, because the bill expressly says that sections 15, 17, and 19 of the trade-mark act of 1905 shall apply to these marks. Section 15, for instance, provides that a man may have a remedy in the Federal courts.

Mr. MERRITT. It does not affect his rights in America.

Mr. DAVIS. But it would afford protection in foreign countries against other than American manufacturers, would it not?

Mr. WHITEHEAD. Only in this way. In certain of the foreign countries you can not register unless you have registered in your own country. You can not in many of the South American countries obtain registration based on use in this country. But you can if you have registration here, and the purpose was to allow those people to register abroad whose marks are not registrable under the present law

The CHAIRMAN. Mr. Newton suggested this amendment, the amendment on page 30 of the hearings [reading]:

The CHAIRMAN. Could you not put it on as an additional section?

Mr. NEWTON. No, sir; because the bill you passed yesterday would put these names on the register and not give them any prima facie evidence of ownership.

The CHAIRMAN. Of course, a new section could be attached to it in the Senate.

Mr. NEWTON. Yes. The amendment were propose is this:

"All other marks not registrable under the act of February 20, 1905 (as amended), but which for not less than two years have been bona fide used in interstate or foreign commerce, or commerce with Indian tribes, by the proprietor thereof, upon or in connection with any goods of such proprietor and upon which the fee of $10 has been paid and such formalities as are prescribed by the Commissioner of Patents have been complied with, may be registered."

Anything may be registered. That is an amendment to the bill that was passed yesterday. That bill does not give prime facie validity to the mark that is registered, the bill that passed yesterday, and this amendment does not give it. That is the reason we put this proposed amendment into the bill. But Mr. Merritt's bill wants to give them prima facie evidence of ownership, so we put that under the 1905 statute where it naturally belongs.

The CHAIRMAN. You probably do not get my idea. It seems to me an amendment similar to that could be attached to that particular measure, if you are going to make it of general character instead of confining it to signatories of the trade-mark convention.

Mr. NEWTON. The only reason we did that was that Mr. Merritt's bill wants prima facie protection, which is already given in section 5 of the 1905 statute.

Mr. MERRITT. The chairman is now talking about a general amendment to my bill.

The CHAIRMAN. Figuring that we want to get action on these things with the legislative situation here. The Patents Committee may not be called for a long time again, and unless you are going to get it under suspension of the rules or by unanimous consent, this is likely to fall by the wayside. I am looking at the matter of expediency.

Mr. WHITEHEAD. What he is referring to there is section 16 of the trade-mark act of February, 1905, which provides that "the registration of the trade-mark under the provisions of this act shall be prima facie evidence of ownership." Under this proposed amendment to the South American bill this effect is not given and is not carried in the class (b) mark, because that act does not make section 16 of the trade-mark act applicable to these marks put on that register. They would not have that weight of prima facie evidence of ownership. I take it that this amendment (b) is exactly in accordance with Mr. Newton's idea, though there is a slight difference of wording. The suggested amendment on page 30 of the hearings provides that "all other marks," etc., "may be registered." The amendment to the House bill provides "that the Commissioner of Patents shall keep a registry of (*a*) "all marks communicated to him," etc., and (*b*) "all other marks," etc. The words "shall be registered" are not included in paragraph (*b*). I do not know as it is material, since it carries out the ideas discussed in connection with the Merritt bill.

One or two slight amendments ought, it seems to me, to be made to the bill. The bill as it stands is broad enough to put any mark on the register. Section 5 of the act of February 20, 1905, outlaws—if I may use that expression—two classes of marks—one, scandalous and immoral marks, and the other marks consisting of the flag or coat of arms of the United States, etc., and it seems as if this Senate amendment ought to be amended to exclude those marks