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cause the legal title gave him constructive possession.⁴³ An influencing consideration in the waiver was the inability of the plaintiff to maintain an action of ejectment because of the non-fulfillment of the statutory requirement that such action be brought against one who "unlawfully keeps him out of possession".⁴⁴

The Wyoming law on severance as established in this case follows the general pattern set by the mineral producing states, with the exception of the holding that an action to quiet title may be maintained by one not in possession of the real property in controversy. The majority rule is that a statutory requirement of possession in a quiet title action may be satisfied only by actual possession or possession in fact as distinguished from constructive possession simply by virtue of legal title and that one having the legal title and in constructive possession only cannot maintain the action.⁴⁵ However, the holding of the court seems much better adapted to the requirements of the mineral industry of Wyoming than the majority rule would have been. The standard procedure adopted by oil and gas producers in the state for the procurement, exploration, and development of new production areas does not always entail an immediate possession in fact of the mineral fee. Frequently the early exploration is of a geophysical nature; and, whether the torsion balance or the seismic method is employed, no actual possession is taken of the potential producing strata. If test wells are drilled to obtain paleontologic information, possession in fact may have been taken of the mineral fee underlying the particular surface estate selected for the location; but, there has been no taking of possession of other non-contiguous mineral estates included within the boundaries of the deformational or stratigraphic trap. In view of these practices, an application of the strict majority rule, requiring the owner have actual possession of the mineral fee before an action to quiet title can be maintained, acts to deprive the holder of a valid title of a remedy against an interloper who seeks to cast a cloud upon the validity of the title by adverse possession of the surface estate.

JAMES R. LEARNED.

UNFAIR COMPETITION FROM NON-COMPETING GOODS

"Unfair competition" has been treated by the courts for the last two centuries.¹ The original concept was that it consisted of the substitution of goods or wares of one person for those of another, thus inducing the purchase under the false impression as to their origin. To obtain relief two factors were necessary, a "palming off", and actual competition between the two parties.² The deception

43. *Mitchell v. Titus*, 33 Colo. 385, 80 Pac. 1042 (1905).

44. Wyo. Comp. Stat. 1945 sec. 3-7003.

45. See 51 C. J. 188.

1. *Handler, Unfair Competition*, 21 Iowa L. Rev. 175, 179 (1936).

2. *Delaware & H. Canal Co. v. Clark*, 13 Wall. 311, 20 L. Ed. 581 (1872); *Goodyear's Rubber Mfg. Co. v. Goodyear Rubber Co.*, 128 U. S. 598, 9 Sup. Ct. 166, 32 L. Ed. 537 (1888); *Brown Chemical Co. v. Meyer*, 139 U. S. 540, 11 Sup. Ct. 625, 35 L. Ed. 247 (1891).

of the public was no concern of the courts in an action of this type if the rights of the original proprietor were in no wise interfered with.³ Nor were the courts concerned if fraudulent intent on the part of the defendant was apparent.⁴

As the history of the important trademark litigations began to show that the use of similar marks on non-competing goods was perhaps the normal rather than the exceptional case,⁵ the view of the courts expanded to a point where actual competition has become more or less immaterial. The emphasis has shifted from "competition" to "unfair".⁶

A step toward the development of the modern law of unfair competition was to give relief if the goods were in the same general class although not of the same species.⁷ The Trade Mark Act of 1905 provided that, "Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trademark and affix the same to merchandise of substantially the same descriptive properties as those set forth in such registration . . . shall be liable to an action for damages therefor . . ."⁸ This language has been strictly construed in actions for trademark infringement.⁹ Similarly, in the early cases where the complainant relied upon unfair competition as grounds for relief, the courts did not take a liberal view as to what constituted goods of the same class.¹⁰

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3. *American Washboard Co. v. Saginaw Mfg. Co.*, 103 Fed. 281, 50 L. R. A. 609 (S. C. A. 6th 1900); *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 Fed. 510 (C. C. A. 7th 1912). The Borden case has been considerably discounted by *Standard Oil Co. of New Mexico v. Standard Oil of California*, 56 F. (2d) 973, 977 (C. C. A. 10th 1932) when the court said "the Borden case is out of harmony with the modern law of unfair competition."
 4. *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 Fed. 510 (C. C. A. 7th 1912).
 5. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813, 825 (1927).
 6. *Philadelphia Storage Battery Co. v. Mindlin*, 163 Misc. 52, 296 N. Y. S. 176 (1937); *Vogue Co. v. Thompson-Hudson Co.*, 300 Fed. 509 (C. C. A. 6th 1924), cert. denied 273 U. S. 706.
 7. *Church & Dwight Co. v. Russ*, 99 Fed. 276 (C. C. D. Ind. 1900).
 8. 33 Stat. 728 (1905), 15 U. S. C. A. Sec. 96.
However, registration did not enlarge the plaintiff's substantive rights. All it did was to confer jurisdiction on a federal court and give the registrant certain procedural advantages. *Emerson Electric Mfg. Co. v. Emerson Radio and Phono. Corp.*, 105 F. (2d) 908 (C. C. A. 2d 1939), cert. denied 308 U. S. 616. "The law of trademarks is but a part of the broader law of unfair competition." *United Drug v. Restamus*, 248 U. S. 90, 97, 39 Sup. Ct. 48, 50, 63 L. Ed. 141 (1918).
 9. *G. & J. Tire Co. v. G. J. G. Motor Car Co.*, 39 App. D. C. 508 (1913) held rubber tires as essentially so different from automobiles that the trademark used to designate the latter may properly be adopted to designate the former. Compare with *Akron-Overland Tire Co. v. Willys Overland Co.*, 273 Fed. 674 (C. C. A. 3rd 1921) decided eight years later holding that automobiles and tires were of the same general class. Also held to be good of a different class were: crackers and ginger snaps, *Virginia Baking Co. v. Southern Biscuit Works*, 111 Va. 227, 68 S. E. 261, 30 L. R. A. (N. S.) 167 (1910); detective stories and moving pictures, *Atlas Mfg. Co. v. Street and Smith*, 204 Fed. 398, 47 L. R. A. (N. S.) 1002 (C. C. A. 8th 1913); straight flour and prepared flour, *France Milling Co. v. Washburn-Crosby Co.*, 7 F. (2d) 304 (C. C. A. 2d 1925), cert. denied 268 U. S. 706.
 10. Held not to be of the same class: milk and ice cream, *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 Fed. 510 (C. C. A. 7th 1912); fire extinguishers and automobiles, *Simplex Automobile Co. v. Kahnweiler*, 162 App. Div. 480, 147 N. Y. S. 617 (1914).

Aunt Jemina Mills Co. v. Rigney decided in 1917 is popularly considered to be the first American case to grant relief against the use of the plaintiff's trade name in the absence of strict palming off and in the absence of actual competition. This was the beginning of the "confusion of source" doctrine and is now cited in almost every modern so-called unfair competition case. The phrase "merchandise of substantially the same descriptive properties" was extended to include goods which were so related that the purchasers were likely to be led to believe the goods were produced by the same concern. The words of the court were: "Syrup and flour are both food products and food products commonly used together. Obviously the public or a large part of it, seeing this trademark on a syrup, would conclude that it was made by the complainant."¹¹

In 1925 the Circuit Court of Appeals in the third circuit using considerable imagination found as much relation between radio tubes and automobiles as the Circuit Court of Appeals in the second circuit did between syrup and pancake flour.

"Electricity is one of the vital elements in automobile and airplane construction, and having built up a trade name and fame in two articles in which electrical appliances are all important factors, what would more naturally come to the mind of a man with a radio tube in his receiving set on which was the name of Rolls-Royce, with nothing more to indicate its origin, than for him to suppose that the Rolls-Royce Company has extended its high grade electrical products to the new electrical use of radio art as well?"¹²

From then on "confusion of source" has been widely used as grounds for relief. Likelihood of confusion was found between tires and automobiles,¹³ tires and meat products,¹⁴ wall board materials and pneumatic pressure systems,¹⁵ spark plugs and internal combustion engines,¹⁶ shirts and pipes,¹⁷ razor blades and fountain pens,¹⁸ malted milk and dog food,¹⁹ razor blades and radios.²⁰ Also

11. 247 Fed. 407, 410, 461 L. R. A. 1918c 1039, 1042 (C. C. A. 2d 1917), cert. denied 245 U. S. 672. The Aunt Jemina case represents the Federal Rule and has been adopted in all but a few of the states. The "palming off" doctrine is held to be the law in Illinois. *LeLong Hook and Eye Co. v. Hump Hairpin Mfg. Co.*, 297 Ill. 359, 130 N. E. 765 (1921); *Soft-Lite Lens Co. v. Ritholz*, 301 Ill. App. 100, 21 N. E. (2d) 835 (1939). Under the law of Massachusetts direct competition is necessary to support a charge of unfair competition. *Hub Dress Mfg. Co. v. Rottenberg*, 237 Mass. 281, 129 N. E. 442 (1921); *John L. Whiting-J. J. Adams Co. v. Adams-White Brush Co.*, 260 Mass. 137, 156 N. E. 880 (1927).

Under the doctrine of *Erie v. Tompkins*, 304 U. S. 64, 58 Sup. Ct. 817, 82 L. Ed. 1188, 114 A. L. R. 1487 (1938) the substantive rights of the parties concerning a name, not protected by the Trademark Act, even though used in interstate commerce, are restricted to the rights acquired by the laws of the States, where actual use has been made. *Mishawaka Rubber and Woolen Mfg. Co. v. Panther Panco Rubber Co.*, 55 F. Supp. 308 (D. C. Mass. 1944), cert. denied 329 U. S. 722; *Philco Corporation v. Phillips Manufacturing Co.*, 133 F. (2d) 663, 148 A. L. R. 125 (C. C. A. 7th 1943).

12. *Wall v. Rolls Royce of Am. Inc.*, 4 F. (2d) 333, 334 (C. C. A. 3rd 1925).
 13. *Hudson Motor Car Co. v. Hudson Tire Co.*, 21 F. (2d) 453 (D. C. N. J. 1927).
 14. *Armour & Co. v. Master Tire & Rubber Co.*, 34 F. (2d) 201 (D. C. Ohio 1925).
 15. *Duro Pump & Mfg. Co. v. California Cedar Products Co.*, 11 F. (2d) 205 (C. A. D. C. 1926).
 16. *Duro Co. v. Duro Co.*, 27 F. (2d) 339 (C. C. A. 3rd 1928).
 17. *Alfred Dunhill of London v. Dunhill Shirt Shop*, 3 F. Supp. 487 (D. C. N. Y. 1929).
 18. *L. E. Waterman v. Gordon*, 72 F. (2d) 272 (C. C. A. 2d 1934).
 19. *Horlicks Malted Milk Corp. v. Horlick*, 143 F. (2d) 32 (C. C. A. 7th 1944).
 20. *Philadelphia Storage Battery Co. v. Mindlin*, 163 Misc. 52, 296 N. Y. S. 176 (1937).

relief was granted where there was likelihood that the public would assume the defendant's articles of clothing were "sponsored" or "approved" by the complainant's magazine.²¹

Occasionally the courts have gone so far as to protect the complainant in a field which he might be likely to extend into in the future.²² There is, however, conflict on this point. In *Emerson Elec. Mfg. Co. v. Emerson Radio and Phono. Corp.*,²³ the court stated: "If the plaintiff proposed to keep the radio market as an unused preserve, it was bound to protect it against invaders by affirmative action."

The most recently developed grounds for equitable relief has been the dilution²⁴ or "gradual whittling away"²⁵ of the identity of the plaintiff's name. This is now the common basis for relief where the defendant can give no reasonable or logical reason for his adoption of the confusing name except the desire to get a free ride on the reputation of the plaintiff who has built up a name by sound business practices over a period of years and in some cases millions of dollars in advertising. In *Tiffany & Co. v. Tiffany Productions Inc.*,²⁶ the defendant produced and distributed motion pictures under the name Tiffany Productions. In its advertising matter such phrases as "20 Gems from Tiffany" and "Tiffany, It's a Gem" were used. No one by the surname Tiffany had ever been connected with the defendant. An injunction was granted.

Unfair competition now applies to nicknames as well as to corporate names. Two individuals Aronberg and Podolsky engaged in the business of selling new and second hand radios. The name selected for the firm was A & P Radio Stores. A circular insignia with A & P and the word "Radio" within a bar or banner superimposed on the circle was displayed on its store windows and used in connection with the sale of its merchandise. Although there was no credible evidence of confusion of the public mind, the defendants were restrained on the grounds that although the plaintiff's corporate name was "The Great Atlantic and Pacific Tea Company", to the public, A & P means the plaintiff.²⁷

This new doctrine for equitable relief has been applied in direct relation to the degree of uniqueness or distinctiveness of the name involved. In two similar fact situations involving the use of well known beer names on malt syrup,²⁸ one

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21. *Vogue Co. v. Thompson-Hudson Co.*, 300 Fed. 509 (C. C. A. 6th 1924), cert. denied 273 U. S. 706; *Triangle Publications Inc. v. Hanson*, 65 F. Supp. 952 (D. C. Mo. 1946).
 22. *L. E. Waterman v. Gordon*, 72 F. (2d) 272 (C. C. A. 2d 1934); *Philadelphia Storage Battery Co. v. Mindlin*, 163 Misc. 52, 296 N. Y. S. 176 (1937).
 23. 105 F. (2d) 908, 911 (C. C. A. 2d 1939), cert. denied 308 U. S. 616.
 24. *Philadelphia Storage Battery Co. v. Mindlin*, 163 Misc. 52, 296 N. Y. S. 176 (1937); *Bulova Watch Co. v. Stolzberg*, 69 F. Supp. 543 (D. C. Mass. 1947).
 25. *Tiffany & Co. v. Tiffany Productions Inc.*, 147 Misc. 679, 264 N. Y. S. 459 (1932); *Lady Esther v. Lady Esther Corset Shoppe*, 317 Ill. App. 451, 46 N. E. (2d) 165, 148 A. L. R. 6 (1943); *Rainbow Shops Inc. v. Rainbow Specialty Shops, Inc.*, 176 Misc. 339, 27 N. Y. S. (2d) 390 (1941).
 26. 147 Misc. 679, 264 N. Y. S. 459 (1932).
 27. *Great Atlantic & Pacific Tea Co. v. A. & P. Radio Stores, Inc.*, 20 F. Supp. 703, 706 (D. C. Penn. 1937).
 28. *Anheuser-Busch v. Budweiser Malt Products Corp.*, 295 Fed. 306 (C. C. A. 2d 1923); *Pabst Brewing Co. v. Decater Brewing Co.*, 284 Fed. 110 (C. C. A. 7th 1922).

defendant was restrained from using "Budweiser" as a name for his product while another was permitted to continue the use of "Blue Ribbon". In *France Milling Co. v. Washburn-Crosby Co.*,²⁹ the court said, "one who takes a phrase which is the common-place of self-praise like 'Blue Ribbon', or 'Gold Medal' must be content with that special field which he labels with so indistinctive a name". In *Arrow Distilleries, Inc. v. Globe Brewing Co.*,³⁰ the court was unwilling to place the mark "Arrow" in the same class with words such as "Gold Medal" and "Blue Ribbon" and held that plaintiff's use of the name "Arrow" on liqueurs and cordials was confusingly similar to the dependant's label using the name "Arrow" for beer.

The general rule as laid down in *Menendez v. Holt*³¹ is that, while acquiescence or delay may be used as a bar to recovery for damages, it does not preclude the granting of injunctive relief. Nevertheless the courts have not permitted a plaintiff to lull a second user into a feeling of false security and then allow him to obtain injunctive relief.³² As stated in *Landers, Frary & Clark v. Universal Cooler Corp.*,³³ "when for eight years one plans one's business on the assumption that one may use a mark, it is a grave dislocation of the business to stop its use."

The Lanham Trade Mark Act³⁴ is an attempt to bring the statutory law up-to-date with the case law. The language of the Trademark Act of 1905 was so restrictive as to prevent registration of marks valid under the common law. Sec. 5 prohibited registration of the name of an individual, firm, or corporation, unless written, printed, impressed or woven in some particular or distinctive manner. Geographical names could not be registered. Names which had acquired a secondary meaning were not registerable unless they had been used for ten years prior to February 20, 1905.³⁵ Even after registration protection was limited to the distinctive manner of display and no rights were recognized in the name alone. Registration could be cancelled at any time.³⁶

The New Act expressly states that nothing shall prevent the registration of a mark which has become distinctive of the applicant's goods in commerce.³⁷ Constructive notice of registration is given by publication in the Official Gazette of the Patent Office and after five years such mark becomes incontestible if all requirements of the Act have been met.³⁸ The Act eliminates reference to "merchandise of the same descriptive properties" and makes likelihood of confusion, mistake or deception the sole test for rejecting an application.³⁹

29. 7 F. (2d) 304, 306 (C. C. A. 2d 1925), cert. denied 268 U. S. 706. Accord, *Co-Ed Originals, Inc. v. Mutual Garment Co.*, 58 F. Supp. 17 (D. C. N. Y. 1944).

30. 30 F. Supp. 270 (D. C. Md. 1939).

31. 128 U. S. 514, 9 Sup. Ct. 143, 32 L. Ed. 526 (1888).

32. *Beechnut Packing Co. v. P. Lorrillard Co.*, 273 U. S. 629, 47 Sup. Ct. 481, 71 L. Ed. 810 (1926); *Dwinell-Wright v. White House Milk Co.*, 132 F. (2d) 822 (C. C. A. 2d 1943); *Emerson Elec. Mfg. Co. v. Emerson Radio & Phono. Corp.*, 105 F. (2d) 908 (C. C. A. 2d 1939), cert. denied 308 U. S. 616.

33. 85 F. (2d) 46, 49 (C. C. A. 2d 1936).

34. 60 Stat. 427-443, 15 U. S. C. A. Secs. 1051-1127 (Supp. 1947).

35. 33 Stat. 725 (1905), as amended, 15 U. S. C. A. 85.

36. *Proctor and Gamble Co. v. J. L. Prescott*, 102 F. (2d) 773, (C. C. A. 3rd 1939).

37. 60 Stat. 428, 15 U. S. C. A. Sec. 1052 (Supp. 1946).

38. 60 Stat. 433, 15 U. S. C. A. Sec. 1065 (Supp. 1946).

39. 60 Stat. 428, 15 U. S. C. A. Sec. 1052 (Supp. 1946).

Under the common law, the courts have sanctioned the rights of more than one person to use the same mark where they have become so entitled through concurrent lawful use.⁴⁰ However, under the Act of 1905 registration was denied except to the first user. The New Act allows concurrent registration of the same or similar marks to more than one registrant where they have become entitled to use such marks as a result of the concurrent lawful use.⁴¹

The Act of 1905 required that a trademark be affixed to the article itself.⁴² Under the New Act physical affixation is not required. The use of the mark on displays associated with the goods is sufficient to create rights.⁴³ Thus service marks, advertising slogans, collective marks, certification marks, etc., will come within the Act.

The New Act should go a long way toward clarifying the law by bringing the law of unfair competition and trademark infringement together on the same common ground. It is expressly stated that one of the purposes is to protect persons engaged in "commerce" against unfair competition, commerce being defined as "all commerce which may be lawfully regulated by Congress."⁴⁴ A mark used wholly within the borders of one particular state cannot be registered under the Act and must therefore be protected by the law of that State. However the *Erie v. Tompkins*⁴⁵ doctrine would not apply where a local product was infringing upon a product in interstate commerce.⁴⁶

J. RICHARD PLUMB.

VALIDITY OF CONTRACTS NOT TO COMPETE

Recently, the Wyoming Supreme Court considered the question of the validity of an employment contract in which the employee, a mechanic, agreed not to compete with his employer within the counties of Sheridan, Johnson, and Campbell, for a period of seven years after termination of the contract.¹ The court held that the contract was invalid since the primary purpose of the contract was to prevent the employee from quitting present employment, and not for the purpose of protecting employers trade secrets, and further, that the time and territorial restrictions of the covenant were unreasonable.

This is a case of first impression in Wyoming,² and the decision places the law in this state relative to such covenants in accord with the general law on the matter in other states.

40. *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403, 36 Sup. Ct. 357, 60 L. Ed. 713 (1916).

41. 60 Stat. 428, 15 U. S. C. A. Sec. 1052 (Supp. 1946).

42. 33 Stat. 724 (1905), as amended, 15 U. S. C. A. 81.

43. 60 Stat. 429, 15 U. S. C. A. 1053, 1054 (Supp. 1946).

44. 60 Stat. 443, 15 U. S. C. A. 1127 (Supp. 1946).

45. 304 U. S. 64, 58 Sup. Ct. 817, 82 L. Ed. 1188, 114 A. L. R. 1487 (1938).

46. *Texas and Pacific Ry. v. Abeline Cotton Oil Co.*, 204 U. S. 426, 27 Sup. Ct. 350, 51 L. Ed. 553 (1907); *Postal Telegraph-Cable Co. v. Warren-Godwin Lumber Co.*, 251 U. S. 27, 40 Sup. Ct. 69, 64 L. Ed. 118 (1919).

1. *Ridley v. Krout*, 180 P. (2d) 124 (Wyo. 1947).

2. The court recognized the difference between the instant case and *Dutch Maid Bakeries v. Schleicher*, 58 Wyo. 374, 131 P. (2d) 630 (1941).