

OPINION
57-215

December 16, 1957 (OPINION)

TRADEMARKS

RE: Registrability

In your letter of November 19, 1957, to this office you requested an opinion of the construction to be given subsection 6, section 2 of the North Dakota Trademarks Law (Chapter 314, Session Laws of 1957) which reads: "REGISTRABILITY. A trademark by which the goods of any applicant for registration may be distinguished from the goods of others shall not be registered if it (6) consists of or comprises a trademark which so resembles a trademark registered in this state or a trademark or trade name previously used in this state by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive." (Emphasis supplied).

The fact situation which gave rise to your request was stated by you as follows: "On April 8, 1957, Truax-Traer Coal Company of Minot, North Dakota, registered the trademark CUSTER (including a picture of the man Custer), to be applied to lignite advertising materials. They renewed this registration December 11, 1956, and it will not expire until April 8, 1967. June 9, 1947, the F.H. Peavey and Company of Minneapolis, Minnesota, registered the trademark Custer to be affixed to elevator products such as grains, seeds, feeds and feed supplements. This trademark included a picture of the man Custer on horseback. This registration was not renewed prior to its expiration date, but now this same company desires to reregister this trademark."

Your problem is to determine in the light of the foregoing facts and law whether the application of the F.H. Peavey Company to register the trademark CUSTER should be accepted.

The present North Dakota Trademark Law is patterned after the Federal Lanham Trademark Act (60 Stat. 427, 15 U.S.C.A. Section 1051) which became law in 1946. The federal act is considered by legal scholars to be very modern and comprehensive and the language it uses may be found almost verbatim in every North Dakota section. The differences in the two acts are based primarily on those which exist between federal and state authority. Since there is no North Dakota case law on the subject it is believed that judicial utterances based on the federal law should be persuasive of the construction to be given the North Dakota law.

The term trademark means a distinctive mark of authenticity through which the products of particular manufacturers or vendible commodities of particular merchants may be distinguished from those of others. (Elgin Nat. Watch Co. v. Illinois Watch Case Co., 179 U.S. 665, 45 L. Ed. 365). The object of a trademark is, first, to protect the party using it from competition with inferior articles and second, to protect the public from imposition; it brands the

goods as genuine, just as the signature to a letter stamps it as authentic. (Kipling v. G. Putnam's Sons, 120 Fed. 631, 65 L.R.A. 873). Registration does not create a trademark and is not essential to its validity. (Armour and Co. v. Louisville Provision Co., 283 Fed. 42). Substantive rights in a trademark are acquired under common law principles, while registration confers only procedural rights; registration is merely a method of recording for the protection of dealers, the public and owners of trademarks. (Griesedieck Western Brewery Co. v. Peoples Brewing Co., 149 F.2d. 1019).

It appears that the CUSTER trademark of the applicant Peavey Company, if not identical, is at least confusingly similar to the CUSTER trademark of Truax-Traer. The federal act differs from the state act in that it makes specific provision for the concurrent registration of the same or similar trademarks in cases where it is determined that confusion, mistake, or deceit of purchasers will not result. (See 15 U.S.C.A. Sec. 1052(d)). While the North Dakota law makes no such specific provision, it is believed that the language of section 2, subsection 6 of the trademark law is sufficiently broad to, by implication, arrive at the same result that is reached by the federal act, i.e., ". . . as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive." It is the opinion of the attorney general that the foregoing quotation should be understood as if it read ". . . as to be likely, when applied to the goods of the applicant, to cause confusion or mistake (of the applicant's goods with the goods of the prior registrant) or to deceive." (Emphasis supplied). In other words, it is not whether the trademarks are confusingly similar, but rather whether the goods with trademark affixed are confusingly similar.

Section 9 of the North Dakota trademark law establishes certain classifications of goods for the convenience of administering the law. Unfortunately, there is no specific category listed for either coal products or grains, seeds, feeds and feed supplements. Apparently these goods could be classified under either category 1, raw or partly prepared materials, or under category 50, merchandise not otherwise classified. In either event, the classifications are of little assistance in determining the problem at hand.

In determining the question of confusing similarity of trademarks, it is proper to recognize differences in goods to which trademarks are applied, notwithstanding that goods have the same descriptive qualities. (See *Younghusband v. Kurlash Col*, 94 F.2d. 230). In this case it might be said that the descriptive quality of the Truax-Traer product is one of lignite fuel while the descriptive quality of the Peavey product is one of animal feed. The mere fact that one has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of different description. That is because there is no property in a trademark apart from the business of trade in connection with which it is employed. (*American Steel Foundaries v. Robertson*, 269 U.S. 372, 70 L. Ed. 317, 320).

There appears to be numerous cases in which nearly identical trademarks have been admitted to registration where the probabilities of confusing the products they marked would be much greater than

here. For instance, CARNATION was admitted to registration where used to mark wines and brandy over the objection of the owner of the same trademark used to mark canned milk. (Carnation Company v. California Growers Wineries, 97 F.2d. 80).

Similarly, GOLD CROSS has been used to describe gin and canned milk. (Mohawk Milk Products Co. v. General Distilleries Corp., 95 F.2d. 334), and CONTINENTAL has been used to describe electric power plants and electric motors. (In re Continental Motors Corp., 135 F.2d. 1017).

The fact that CUSTER feeds and CUSTER lignite are sold in the same territory makes no difference. (See Burstein v. Seven-Up Co., 111 F.2d. 903). The test is not only whether there will be a likelihood of a purchaser confusing the products, but whether confusion in the mind of the purchaser will arise as to the sources from which they come. (See Williams v. Kern and Sons, 47 App. D.C. 441). The test of "confusion of goods" is whether similitude in labels would probably deceive a purchaser exercising ordinary prudence, not whether it would deceive a careless buyer who makes no examination. (Avrick v. Rockmont Envelope Co., 64 F. Supp. 765).

It seems highly improbable that an ordinary prudent purchaser would confuse the CUSTER trademarked goods of Truax-Traer with those CUSTER trademarked goods of F.H. Peavey Co., even as to their source. It is, therefore, the opinion of the Attorney General that the application of the F.H. Peavey Company for registration of the trademark CUSTER to be applied to grains, seeds, feed and feed supplements should be accepted and the trademark registered.

In further answer to the other queries in your letter of the nineteenth, please note that in comparing trademarks for registration purposes, you should compare the entire facsimile. If the goods are of different classes as indicated in section 9 the trademark may be registered. If they are of the same class, then you should apply the test of whether it might tend to confuse the ordinary prudent buyer. There are other technical features to be considered than the foregoing, but except in unusual cases the indicated test should suffice. To constitute abandonment of a trademark there must be an intent to abandon and nonuser. (See Rockowitz Corset and Brassiere Corp., v. Madame X Co., 248 N.Y. 272, 162 N.E. 76). Furthermore, mere disuse even for a considerable period of time will not constitute abandonment unless the trademark has ceased to be distinctive. (Corkran, Hill and Co. v. A.H. Kuhlemann Co., 136 Md. 525, 111 Atl. 471). It is, therefore, obvious that Peavey's failure to timely renew their CUSTER trademark did not constitute abandonment.

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