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A SUMMARY CIVIL REMEDY FOR TRADE-NAME INFRINGEMENT: THE NEW YORK EXPERIENCE

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At a time when most legal relief is slow in coming, expensive, and subject to many esoteric considerations, there must be something delightfully refreshing to a layman in an acceptable drumhead proceeding in which he can have his rights vindicated against a malcreant. In 1937, New York supplied just such relief against persons guilty of deceptive trade-name infringement by passage of Section 964 of the Penal Law.¹ In the intervening two and a half decades, the courts of New York, in applying the statute's rather novel provisions, have shed a good deal of light on the nature of the summary remedy. The following discussion is intended not only to summarize the judicial experience, but also to extrapolate from this experience some conclusions about the nature of any similar summary civil remedy.

AN ADJECTIVE ANATOMY OF SECTION 964

Before turning to the complicated substantive provisions of section 964, one must understand its procedural content. It is, after all, the adjective ramifications of the section that have introduced both the novelty and complexity which pervade the substantive part. The language of the statute is quite unpretentious. After providing an apparently atrophied criminal remedy,² it continues, "Whenever there shall be an actual or threatened violation of this section, an application may be made to a court or justice having jurisdiction to issue an injunction, upon notice to the defendant of not less than five days, to enjoin and restrain said actual or threatened violation."³ The quoted language is as much guidance as the legislature thought necessary to enable the courts to establish the procedure for instituting an action under section 964.

While the lower courts were attempting to reconcile the five-day-notice motion with extant provisions of the Civil Practice Act, the Court of Appeals decided one of the few cases it has decided to date on the meaning

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1. N.Y. Penal Law § 964.

2. No reported case of criminal application exists.

3. N.Y. Penal Law § 964.

of the section. In *Julius Restaurant, Inc. v. Lombardi*,⁴ the Court made short shrift of attempted accommodations saying: "The failure of the Legislature to enumerate the detailed procedures is but further indication of an intent to allow the courts sufficient scope to adopt the procedure necessary to accomplish prompt relief. There is nothing to prevent a court from making necessary rules save only as these may be inconsistent with acts of the Legislature"⁵ Having declared the right, they proceeded to exercise it. Consequently, it was decided that (1) a 964 motion can be determined without the institution of a plenary action against the defendant; (2) a notice of motion and verified petition are sufficient for bringing a 964 proceeding; (3) a petitioner need not give notice more than five days before the motion is to be heard.

It follows that if there is a failure to submit reply affidavits within the requisite number of days prior to the hearings, petitioner is entitled to a judgment, assuming only that his petition is proper in form and alleges appropriate facts. Since a number of cases suggest that a sworn affidavit of lack of deceptive intent is insufficient to block a 964 motion,⁶ respondent is apparently required within the five days allotted to find sufficient information to persuade the court of the lack of deceptive intent in whatever similarity exists between his name and the petitioner's.

Rule 21 of the Rules of Civil Practice,⁷ provides that the same rules which govern service of summons also apply to the service of the notice of motion and petition. The rule, apparently, governs 964 petitions.⁸ It may be, that as far as the quoted provision of the statute is concerned, *Julius Restaurant* has accomplished the major required accommodation and that the normal rules of motion practice otherwise apply.⁹

The statute provides that an injunction shall issue "if it shall appear to the satisfaction of the court or justice, that the defendant is in fact assuming, adopting or using such name, or is about to assume, adopt or use such name, and that the assumption, adoption or use of such name may deceive or mislead the public"¹⁰ Since the statute is part of the penal code, there was some question whether "satisfaction," within the meaning of this action, required proof rising to the criminal beyond-a-reasonable-doubt standard. It seems reasonably well settled now, however,

4. 282 N.Y. 126, 25 N.E.2d 874 (1940).

5. *Id.* at 130, 131, 25 N.E.2d at 876.

6. Note 79 *infra* and accompanying text.

7. "The provisions of the rules and statutes relating to the mode of personal service of a summons shall apply to the service of any process or other paper whereby a proceeding is begun in a court. . . ."

8. *International Underwear Corp. v. International Mills, Inc.*, 121 N.Y.S.2d 211 (Sup. Ct. 1953).

9. A motion brought under § 964 is not an action on a contract and consequently may be instituted by a corporation not licensed to do business in New York. *Dunkin' Donuts of America, Inc. v. Dunkin' Donuts, Inc.*, 8 App. Div. 2d 228, 188 N.Y.S.2d 132 (3d Dep't 1959).

10. N.Y. Penal Law § 964.

that undoubtable proof is not required.¹¹ The appropriate characterization of the standard to be born by petitioner would seem to be that his evidence must be "conclusive"¹² or that he is required to make a "clear showing."¹³

Should the petitioner succeed on his motion, "an injunction may be issued by said court or justice, enjoining and restraining such actual or threatened violation"¹⁴ The injunction in question has uniformly been held to be a permanent injunction. Indeed, where petitioner's 964 motion sought a temporary injunction a court concluded that the petition was not being brought for 964 relief because of the inappropriate prayer.¹⁵

An application for 964 relief does not prohibit a later action under state or federal trademark statute or under more general principles of unfair competition. Consequently, a denial of the petitioner's motion in the 964 proceeding does not bar an action in which the petitioner (now plaintiff) seeks again to enjoin the use of the respondent-defendant's right to use the name in question.¹⁶

Indeed, there is danger in attempting to combine 964 proceedings with plenary action. In *Dictograph Products Co. v. Aurafone Corp.*,¹⁷ the court stated that 964 relief cannot be given as an incident of a pending plenary action against the same parties for the same relief.

OUTER LIMITS OF APPLICATION

In rather inclusive language, the statute prohibits the use of any (1) name, (2) designation, (3) style, (4) symbol or (5) address: in a corporate or commercial enterprise or as an assumed name, for advertising purposes or for the purposes of trade or for any other purpose, with intent to deceive or mislead.¹⁸ "Any other purpose," following the terms advertising

11. *Overseas News Agency Inc. v. Overseas Press, Inc.*, 185 Misc. 1010, 58 N.Y.S.2d 540 (Sup. Ct.), aff'd, 270 App. Div. 745, 59 N.Y.S.2d 913 (1st Dep't 1945); *Fainblatt v. Leo Sportswear Co.*, 178 Misc. 760, 36 N.Y.S.2d 695 (Sup. Ct. 1942). *Contra*, *Atlas Corp. v. Atlas Investing Corp.*, 98 N.Y.S.2d 60 (Sup. Ct. 1950).

12. *Miss New Yorker Shops, Inc. v. Kasman*, 139 N.Y.S.2d 229 (Sup. Ct. 1955).

13. *Tornado Indus., Inc. v. Typhoon Indus., Inc.*, 20 Misc. 2d 43, 187 N.Y.S.2d 83 (Sup. Ct. 1959).

14. N.Y. Penal Law § 964.

15. *Philip H. Oswald, Inc. v. Oswald*, 19 Misc. 2d 164, 194 N.Y.S.2d 129 (Sup. Ct. 1959).

16. *Lincoln Restaurant Corp. v. Wolfies Restaurant, Inc.*, 186 F. Supp. 570 (S.D.N.Y. 1960).

17. 20 Misc. 2d 877, 195 N.Y.S.2d 518 (Sup. Ct. 1959).

18. No person, firm or corporation shall with intent to deceive or mislead the public, assume, adopt or use as, or as part of, a corporate, assumed or trade name, for advertising purposes, or for the purposes of trade, or for any other purpose, any name, designation or style, or any symbol or simulation thereof, or any part of any name, designation or style, or any symbol or simulation thereof, which may deceive or mislead the public as to the identity of such person, firm or corporation with any other person, firm or corporation; nor shall any person, firm or corporation, with like intent, adopt or use as, or as part of, a corporate, firm or trade name, for advertising purposes, or for the purposes of trade, or for any other purpose, any address or designation of location in

purposes or purposes of trade in the statute, appears in the course of interpretation, to have been significantly confined, presumably by the principle of an *ejusdem generis*, to commercial purposes. Only six reported cases have considered the application of section 964 to the misleading use of a name or designation in a non-commercial setting;¹⁹ in only one was plaintiff successful. In *Matter of Pignatelli*,²⁰ the petitioner claimed the right to use the title Prince Pignatelli as a result of foreign ascension to that rank. It was his claim that the respondent's use of Princess Pignatelli was deceptive, the user not having been officially enobled. In the opinion of the court, section 964 was an inappropriate vehicle for the testing of defendant's title. Equally short shrift was given in *New York League of Locality Mayors, Inc. v. The Locality Mayors of New York, Inc.*,²¹ to petitioner, a charitable organization, which claimed an exclusive right to use its name for its charitable work. When the Free Gift Baptist Church, Inc. brought action against its allegedly removed minister to enjoin his continued use of the church name, the court again held for the respondent.²² It is not so clear in the last case, however, that respondent's success depended on a reading of commercial purposes as a necessary prerequisite to the application of the statute. In the opinion, the court explained its ruling on grounds that the petition failed to eliminate "serious questions of fact with respect to the respondent's status in the petitioner-church and his attempt to deceive and mislead the public."²³

Political names have also been the subject of requested injunctions. The right to use the name Hungarian Freedom Fighters, Inc. was bitterly contested.²⁴ The court denied the motion. The right to use the name Trades Union Party was the subject of another action.²⁵ In the latter case the petition was denied expressly on the grounds that the statute was not designed to bring relief in political cases. In only one reported case have the courts given relief despite the non-commercial nature of the applicant.²⁶

the community which may deceive or mislead the public as to the true address and location of such person, firm or corporation. NY. Penal Law § 964.

19. *Hungarian Freedom Fighters Fed'n, Inc. v. Samson*, 30 Misc. 2d 354, 219 N.Y.S.2d 348 (Sup. Ct. 1961); *Free Gift Baptist Church, Inc. v. McCray*, 11 Misc. 2d 865, 172 N.Y.S.2d 1011 (Sup. Ct. 1958); *New York League of Locality Mayors, Inc. v. Locality Mayors of New York, Inc.*, 12 Misc. 2d 361, 173 N.Y.S.2d 629 (Sup. Ct. 1958); *Wm. J. Sheldrick Ass'n, Inc. v. Robert E. Blaikie Regular Democratic Organization, Inc.*, 134 N.Y.S.2d 218 (Sup. Ct. 1954); *Brennan v. Mahoney*, 165 Misc. 276, 300 N.Y. Supp. 1295 (Sup. Ct.), *aff'd*, 252 App. Div. 741, 299 N.Y. Supp. 750 (1st Dep't 1937); *Matter of Pignatelli*, 175 Misc. 139, 22 N.Y.S.2d 348 (Sup. Ct. 1940).

20. 175 Misc. 139, 22 N.Y.S.2d 348 (Sup. Ct. 1940).

21. 12 Misc. 2d 361, 173 N.Y.S.2d 629 (Sup. Ct. 1958).

22. *Free Gift Baptist Church, Inc. v. McCray*, 11 Misc. 2d 865, 172 N.Y.S.2d 1011 (Sup. Ct. 1958).

23. *Id.* at 866, 172 N.Y.S.2d at 1012.

24. *Hungarian Freedom Fighters Fed'n, Inc. v. Samson*, 30 Misc. 2d 354, 219 N.Y.S.2d 348 (Sup. Ct. 1961).

25. *Brennan v. Mahoney*, 165 Misc. 276, 300 N.Y. Supp. 1295 (Sup. Ct.), *aff'd*, 252 App. Div. 741, 299 N.Y. Supp. 750 (1st Dep't 1937).

26. *William J. Sheldrick Ass'n, Inc. v. Robert E. Blaikie Regular Democratic Organ-*

The petitioner in that case proved successful in his attempt to prevent the use of the words "regular" and "democratic" by a candidate who had been defeated in the regular democratic primary. Facing the issue of the non-economic nature of the activities sought to be enjoined, the court held that section 964 applied as well where the reference ran to political as opposed to commercial identification. It would seem, both as a matter of statutory interpretation and the interpretation of the meager case authority, that only commercial deceit is included in the interdiction of section 964 and that, probably, the *Sheldrick* case²⁷ is incorrect.²⁸ It should be noted, however, that the commercial enterprise may be a non-profit organization.²⁹

Another problem peripheral to the application of section 964 relates to the applicability of the section to the use of a name for a commercial purpose that the petitioner is affiliated with, but not identical to, the respondent. The problem was recently dramatically presented in *Application of National Sand & Gravel Association*.³⁰ In that case, petitioner's name was used on respondent's letterhead to indicate that respondent was "cooperating" with the petitioner. Both petitioner and respondent were trade associations having many common purposes and, indeed, "cooperating" in some sense. It appears, however, that use of petitioner's name was unauthorized. The court refused relief on the theory that respondent had not used petitioner's name as a trade name and consequently, the section was inapplicable. It is submitted that in light of the language of section 964 relating to the use of a trade name for "advertising purposes," such a ruling is unsupportable. The result, however, would seem correct because of a later section of the act which qualifies the applicability of the aforementioned section with: "which may deceive or mislead the public as to the identity of such person . . . with any other person . . ."³¹ Since identity is neither claimed nor likely to result from reading of the letterhead claiming "cooperation" it would seem that the requisite deception was improbable in the principal case. In fact, the use of respondent's name on the stationery together with the qualification that he was cooperating with petitioner, would seem to make it evident to even a casual reader that two associations existed and that their identities were separate.

ization, Inc., 134 N.Y.S.2d 218 (Sup. Ct. 1954). See the opinion of the state comptroller that a volunteer fire company could enjoin the use of a similar name by another company. The comptroller, however, qualified his opinion by stating that it might be necessary to bring the action under provisions other than § 964. 5 Ops. St. Comptr. 476 (1949).

27. *Ibid.*

28. Of the enumerated purposes which bring violations within the act, only "other purposes" does not have a commercial qualifier. That term is, of course, limited by the application of the principle of *eiusdem generis*, to the reasons which are similar to those more specifically enumerated. See *Bristor v. Smith*, 158 N.Y. 157, 53 N.E. 42 (1899).

29. *Association of Contracting Plumbers v. Plumbers Ass'n*, 302 N.Y. 495, 99 N.E.2d 542 (1951).

30. 225 N.Y.S.2d 444 (Sup. Ct. 1962).

31. N.Y. Penal Law § 964.

In a case similar with respect to the use of the name,³² the court ruled for the petitioner. In that case, the respondent had used the American Automobile Club's AAA insignia on his truck without authority from AAA. Petitioner, who had a right to use an encircled AAA sign on his truck, by virtue of contractual arrangement with the Automobile Club, sought an injunction against what he claimed to be deceptive use. In this case, as well as the one preceding it, the advertised name was not used as a trade name. It could indeed be argued that since the name of the truck owner was displayed on his vehicle as his trade name, there was, as in the previous case, no suggestion of identity with another party. In this case, however, it would seem within the purpose of the section to suggest that the identity intended is satisfied by a false claim of authorized association. The "identity" ran, arguably, to the entire group of authorized AAA service trucks. The major distinction between the cases lies in the result to the unauthorized use of the name. In the former case, there appears to be no attempt to solicit patronage on the basis of reliance on the petitioner's backing. In the latter, the AAA symbol was, in all likelihood, the major point of identification of all service men in petitioner's situation. Consequently, the use of the symbol was more likely to be identification than the name of the respondent and the resultant identification was, of course, deceptive.

Another difficult problem arises when section 964 is invoked to enjoin the use of a trade name by a party who once had a right to that name. The problem is probably most difficult in those cases in which the name has become associated with the respondent rather than the petitioner at a time when the petitioner had the superior legal right to its use. One of the most illustrative cases is *Chapron v. Bunkenburg*.³³ In that case, respondent procured climbing strawberry plants from the petitioner who claimed to have developed them. When the voluntary arrangement between the parties ceased, respondent continued to use the name Mt. Everest Climbing Strawberries which had become associated with the strawberries he purchased. Respondent defended, when a 964 proceeding was brought, that since petitioner was a French corporation which had never sold at retail, the public identified the plants with respondent rather than with their French developer. Without grappling with difficult problems of statutory interpretation, the court found that the situation created a "question of fact" and, on that basis, ruled for respondent. In two other cases³⁴ respondent, who had previously had a right to a trade name, sold the name to petitioner with a covenant not to compete, and then resumed business

32. *Automobile Club of New York, Inc. v. Karnell*, 19 Misc. 2d 57, 191 N.Y.S.2d 649 (Sup. Ct. 1959).

33. 212 N.Y.S.2d 133 (Sup. Ct. 1961).

34. *Schenne v. Benson*, 178 Misc. 301, 33 N.Y.S.2d 931 (Sup. Ct. 1942); *Agash Refining Corp. v. Gash*, 182 Misc. 305, 50 N.Y.S.2d 927 (Sup. Ct. 1943).

under a name approximating the prior name. The courts denied the application in both cases though the reasoning in each differed. In one case³⁵ the holding seems to depend primarily on the lack of proximity (and consequently, lack of confusion). In the other³⁶ the court explained its conclusion by stating that the remedy under section 964 was of necessity reserved for cases which were free from doubt. A similar problem arose in *Fisher Spring Co. v. E. M. Fisher Spring Co.*³⁷ In that case two brothers who had operated under petitioner's name severed their business connection. Petitioner continued to operate the previously joint business while respondent set up his own company still using the family name. Again the court ruled for respondent though it is not clear whether it did so because of respondent's asserted right to use his family name, because the customers of both petitioner and respondent were apparently well informed and consequently unlikely to be deceived, or for still other reasons.

In *Nagle v. Abrams*³⁸ petitioner urged respondent whose middle name, Nagle, was the same as petitioner's surname, to adopt Nagle as his trade name. When the two Nagles ceased working together, the court granted petitioner's motion and enjoined the use of the name by respondent. Again the rationale is somewhat obscured. Respondent had notified the trade that he was no longer associated with petitioner. Under the arrangement which had been suggested by petitioner, the trade knew respondent by the trade name Nagle without knowing the name was not his own. Nonetheless, the prior "Nagle" became, by judicial fiat, the only Nagle.

Aside from the variance in rationale, above suggested, there is also some variation in result. In *Darling Willis Avenues, Inc. v. Darling Disc. Market, Inc.*,³⁹ petitioner successfully enjoined the use of the word "Darling" on a line of items of juvenile furniture. Respondent who had purchased the stock of a defunct company at auction continued to use the name which that company has acquired by franchise from the petitioner. While it is not clear how petitioner had conditioned the right to use his name (a right for which it received \$25 a week) it seems the agreement did not require the purchase of any product from respondent and could appropriately be used on any merchandise that the prior store chose to sell. The respondent, not a party to the contract, did not continue the \$25 weekly payments but did continue the use of the name until enjoined by the court. It is again not clear from the opinion whether the court enforced petitioner's right to charge for the use of its name or whether there is some other basis for the decision.

35. *Schenne v. Benson*, supra note 34.

36. *Agash Refining Corp. v. Gash*, supra note 34.

37. 3 App. Div. 2d 475, 162 N.Y.S.2d 240 (1st Dep't 1957).

38. 133 N.Y.S.2d 595 (Sup. Ct. 1954).

39. 192 N.Y.S.2d 527 (Sup. Ct. 1959).

After wading through the vagaries of rationale and result in the above cases, it is refreshing to read *American White Cross Laboratories v. Gotham Aseptic Laboratories Co.*⁴⁰ The court there held section 964 inapplicable where the challenged name was enjoined only after a resolution of contractual provisions between the parties, suggesting that if the action were in the nature of breach of an agreement, the appropriate remedy would be a suit on the contract rather than invocation of an anti-deception statute. Since the statute requires deception as to the *identity* of the respondent⁴¹ and since a clear and convincing showing is required for an injunction to issue, it would seem that in most cases in which the name has been associated with both respondent and petitioner, a 964 injunction should be denied. It is difficult to understand how persons dealing with a man who has always called himself Nagle will be misled as to his identity when he changes his employment. A person acquiring similar merchandise at a Darling discount store would seem no more confused if \$25 payments were being made to another than if those payments were discontinued. One is even led to wonder whether under facts such as those in the *Chapron Case*,⁴² the American strawberry plant distributor might not enjoin the use of the name by the person claiming to be its rightful originator. In short, the right to use the name would seem rather irrelevant to the public association of identity. Consequently, unless petitioner could demonstrate by some unusual fact that respondent's name had been forgotten and petitioner was the only person with whom it was associated, the application should be denied. This discussion should not suggest, of course, that there cannot be a clear showing that, despite the fact that two parties were once authorized to use a common name, the name remains associated with respondent. For example, in *Fiat Societa per Asioni v. Vaughn*⁴³ the well-known automobile company using the Fiat name authorized respondent to use its name in the sale of parts. It well may be assumed the public was not led to believe that Fiat and the respondent had a greater identity than that of franchised dealer and manufacturer both because of the recognition of the name and the established custom in auto parts supply. Consequently, when the relationship terminated, the court had little difficulty in enjoining the continued use of the Fiat trademark, by the then disfranchised respondent. It seems unlikely, however, that many cases will arise in which the public can be assumed to have found so little identification between the respondent and the name which he had been using for trade purposes.

It should, finally, be noted that the statute only interdicts deceiving

40. 81 N.Y.S.2d 548 (Sup. Ct. 1948).

41. See note 30 *supra* and accompanying text.

42. *Chapron v. Bonkenberg*, 212 N.Y.S.2d 133 (Sup. Ct. 1961).

43. 7 Misc. 2d 4, 166 N.Y.S.2d 39 (Sup. Ct. 1957), mod. on other grounds, 5 App. Div. 2d 821, 170 N.Y.S.2d 627 (1st Dep't 1958).

consumers as to the identity of persons. Consequently, a deceptive similarity in book titles, for example, is not within the act.⁴⁴

PETITIONER'S PROOF IN SECTION 964 PROCEEDINGS

One of the first considerations, in evaluating the proof which must be presented by the petitioner, is the extent to which he is obligated to demonstrate public identification of his name as a prerequisite to enjoining respondent's use of it. While such identification is, unquestionably, a consideration in many cases in which the issue is not discussed in the opinion, none of the reported cases even suggest a necessity for proof of identification unless the name in question is descriptive of someone or something other than the respondent. This solicitude for the petitioners can be traced to the principles of trademark law which allow a senior user of a trademark of certain sorts to enjoin a junior user without proof of identification of the mark with the senior user.⁴⁵ However appealing such a correspondence between the principles of law may seem, it should be noted that the trademark law serves a function differing somewhat from the function of section 964. In part, at least, trademark law is designed to protect a property right in the mark. It is not as clear that the anti-deception language of section 964 will equally support a property right.

At any rate the problem is more dramatically presented when the name in question is descriptive of the product of service that it identifies. Under trademark law before a user may exclusively appropriate a descriptive name he must establish secondary meaning,⁴⁶ since the law seeks to prevent awarding the first user the competitive advantage of appropriating the common name of the product for his exclusive use. It is, regrettably, not clear that secondary meaning must be established in a 964 proceeding. Indeed the cases on this question are in considerable disagreement. There are, of course, those which in a straightforward manner suggest that the junior use of a common descriptive name is enjoinable only on proof of secondary meaning.⁴⁷ The same reasoning is fairly implicit in other cases, though secondary meaning is not mentioned.⁴⁸ In other cases the courts have apparently been willing to enjoin the use of a descriptive name when respondent has used that name to palm off his product as that of the petitioner.⁴⁹ While for trademark purposes there

44. *Litwin v. Maddux*, 7 Misc. 2d 750, 164 N.Y.S.2d 489 (Sup. Ct. 1957).

45. *Kathreiner's Malzkaffee Fabriken Mit Beschraenkter Haftung v. Pastor Kneipp Medicine Co.*, 82 Fed. 321 (7th Cir. 1897).

46. See *Keller Prods. v. Rubber Lining Corp.*, 213 F.2d 382 (7th Cir. 1954).

47. *Precision Apparatus Co. v. Precision Meters Co.*, 5 Misc. 2d 817, 165 N.Y.S.2d 853 (Sup. Ct. 1956) (user of Precision Apparatus Co. enjoined user of Precision Meters Co.); *Seltzer v. Flanagan*, 99 N.Y.S.2d 649 (Sup. Ct. 1950) (Roller Derby); *Bill's Gay Nineties v. Fisher*, 180 Misc. 721, 41 N.Y.S.2d 234 (Sup. Ct. 1943) (Gay Nineties).

48. E.g., *Hebrew Nat'l Kosher Sausage Co. v. Hebrew Kosher Co.*, 143 N.Y.S.2d 306 (Sup. Ct. 1955) (both parties used the names which entitled the action).

49. E.g., *Old Forge Recreation, Inc. v. Enchanted Kingdom, Inc.*, 9 Misc. 2d 150, 168 N.Y.S.2d 982 (Sup. Ct. 1957) (*Enchanted Forest v. Enchanted Kingdom*).

is a vast difference between enjoining the use of a descriptive name which has acquired secondary meaning and preventing palming off by means of an injunction against the use of the name, no reason suggests itself why a similar distinction should lie in section 964 cases. Since section 964 requires that the petitioner prove respondent's deceptive intention in all cases,⁵⁰ the missing element in unfair competition cases seems necessarily supplied. Of course, the precise nature of the deception may differ in section 964 cases, thereby perhaps altering the desirable outcome of the case. In *Consumer Profit Sharing Co. v. Original Green Stamp Co.*,⁵¹ the respondent was awarded judgment in petitioner's 964 action which sought to enjoin respondent's use of the words "Original Green Stamp" in soliciting petitioner's trading stamp customers. The court ruled that the absence of proof of palming off was sufficient to defeat the application. Since, however, the respondent was the junior user of the Green Stamp name and the word "Original," taken literally, was deceptive, it may be argued that respondent was not assuming the deceptive identity of the first purveyor of green stamps within the meaning of the act.

Other courts enjoin the use of a descriptive name by a junior user irrespective of the lack of secondary meaning acquired.⁵² In still other cases, such a rationale is reasonably implicit.⁵³ The Court of Appeals has had several chances to establish or deny a secondary meaning requirement but has apparently not chosen to adopt either course with sufficient clarity to convince the lower courts. In *Playland Holding Corp. v. Playland Center, Inc.*⁵⁴ the court appeared to rely on secondary meaning to defeat the respondent's claim that the name "Playland" was descriptive and not subject to exclusive appropriation. In *Lykens Hosiery Mills, Inc. v. Elder Hosiery Mills, Inc.*,⁵⁵ however, the court summarily reinstated a trial court injunction which had been dissolved by the appellate division on the grounds that petitioner had not clearly established secondary meaning for the use of the words "thermal" or "thermol" on socks.⁵⁶ In the Court of Appeals decision, there is no discussion of the secondary meaning argument, the Court finding it sufficient to decide that a clear showing had been made by petitioner in the trial court. In light of the explicit language of the appellate division's opinion, the cryptic reinstatement of the injunction does little to settle the diverse opinions of the lower courts.

50. ". . . with intent to deceive or mislead the public . . ." N.Y. Penal Law § 964.

51. 30 Misc. 2d 354, 210 N.Y.S.2d 415 (Sup. Ct. 1960).

52. *Dunkin' Donuts of America, Inc. v. Dunkin' Donuts, Inc.*, 8 App. Div. 2d 228, 188 N.Y.S.2d 132 (3d Dep't 1959).

53. *Industrial Plants Corp. v. Industrial Liquidating Co.*, 286 App. Div. 568, 146 N.Y.S.2d 2 (1st Dep't 1955).

54. 1 N.Y.2d 300, 135 N.E.2d 202 (1957).

55. 9 N.Y.2d 1002, 176 N.E.2d 518 (1961).

56. *Ibid.* *Lykens Hosiery Mills, Inc. v. Elder Hosiery Mills, Inc.*, 11 App. Div. 2d 664, 201 N.Y.S.2d 956 (1st Dep't 1960).

At least one court has arrived at a requirement which approximates secondary meaning. In *Tornado Industries, Inc. v. Typhoon Industries*,⁵⁷ the court denied an injunction against the use of the name "typhoon fence" by the user of "tornado fence." Reasoning that if the relief were granted, similar relief should be made available to the Cyclone and Hurricane companies which also make fences, the court characterized the application as having been made with unclean hands. It is, of course, not clear whether the analysis of the Tornado case would be applicable to a case in which there was an absence of use by others with a greater right to the name.

There appears to be only one square holding that secondary meaning must be established in any kind of a case; even in that decision the holding is one of three reasons given for denying the application. In *Hylan Homes v. Hylan Terrace*,⁵⁸ the court refused to enjoin the use of the Hylan name. The opinion does not state the occupation of the parties or how the name was being used, though the title of the case strongly suggests that home construction was at issue. If Hylan had geographic significance other than the identification of the petitioner's property, the court seems to have appropriately preserved a geographic name from exclusive appropriation by one inhabitant.

With basic uncertainty pervading the entire secondary-meaning issue, it is not surprising that subtler points are obscured. In two cases, the name in question was apparently being used in a non-denominative sense. In *3 Hour Laundry & Dry Cleaning Stores, Inc. v. Swan Cleaners Syracuse Corp.*⁵⁹ the court denied an injunction against the use of a sign reading "3 Hour Shirt Laundry" which was in the window with the "Swan" sign which the respondent apparently regarded as his trade name. In *Barnes v. Fuchs*⁶⁰ another petitioner was defeated in his attempt to have a competitor directed to remove a sign reading "Colonial Furniture" in a store located near his "Colonial Furniture Shop." The latter respondent also used his trade name in large letters in juxtaposition to the words challenged.⁶¹ The courts, in both cases, indicated that the descriptive use was not within the language of section 964, and that a question of fact was raised by the denial of intent to deceive. It would seem that, as in the *National Sand & Gravel* case,⁶² a good argument could be made that deception as to identity was improbable.

57. 20 Misc. 2d 43, 187 N.Y.S.2d 83 (Sup. Ct. 1959).

58. 11 App. Div. 2d 1047, 206 N.Y.S.2d 475 (2d Dep't 1960).

59. 25 Misc. 2d 597, 206 N.Y.S.2d 69 (Sup. Ct. 1960).

60. 7 Misc. 2d 456, 164 N.Y.S.2d 74 (Sup. Ct. 1957).

61. Cf. *Speedry Chemical Products, Inc. v. Aurora Plastics Corp.*, 23 Misc. 2d 106, 200 N.Y.S.2d 180 (1960) (the use of Speed-Dry by respondent for toys and paint could not be enjoined by petitioner who used Speedry for similar products since defendant negated deception by prominently placing his own corporate name on his label).

62. Application of National Sand & Gravel Ass'n, N.Y.S.2d 444 (Sup. Ct. 1962). See note 30 supra and accompanying text.

Whatever the policy with respect to non-descriptive names, there appears to be good reason to require proof of secondary meaning in the descriptive name cases. In the first place, there is probably no good reason for allowing the appropriation of a common name such as, for example, "Pizzeria" by one establishment. At very least, such protection should not begin until the name has risen to an identification of the respondent rather than the food he serves. The first reason suggests the second. Until the name is more likely to identify the owner than the product, there cannot be a clear showing of deception, as required by the statute.⁶³ Finally, until the identification of the name runs to the petitioner, even if the public is deceived, it is not deceived as to the identity of the petitioner.⁶⁴ Indeed, it seems that the Court of Appeals, even if it has not been definitive on the issue, leans strongly in the direction of the suggested requirement.⁶⁵ To say that petitioner must establish secondary meaning does not, of course, suggest the quantum of proof required.⁶⁶

A closely related issue is the necessity of respondent's competition with petitioner. It is the usual trademark principle that the owner of a trademark may only enjoin its use in the hands of a person who competes both geographically and in product with the plaintiff.⁶⁷ Under New York trademark law, however, the dilution of a trademark is a sufficient ground for injunctive relief.⁶⁸ Consequently, it is perfectly proper in this state, in an appropriate trademark action, to enjoin the use of a similar name although plaintiff's product and defendant's would in all likelihood not cause extensive customer confusion.⁶⁹ The cases under section 964 seem to adopt the no-competition-required viewpoint of the dilution theory. In *Albro Metal Products Corp. v. Alper*,⁷⁰ the court granted an injunction to petitioner despite the lack of competition between him and the respondent.⁷¹ Two courts, however, seem to have denied the view that

63. See note 33 supra and accompanying text.

64. See note 30 supra and accompanying text.

65. See note 53 supra and accompanying text.

66. It is regrettably also rather unclear from the reported decisions how courts which find secondary meaning an important part in petitioner's proof satisfy themselves of that issue in a § 964 proceeding. The only case which appears to have directly considered that precise question is *Industrial Lithograph Co. v. Miller*, 203 Misc. 299, 117 N.Y.S.2d 507 (Sup. Ct. 1952). In *Industrial Lithograph*, the court refused to grant an injunction in part because the single affidavit filed by petitioner in which he asserted the name in question to have become widely associated with him was held insufficient proof of that issue.

67. See generally 3 Callmann, *Unfair Competition and Trademarks*, §§ 76.3, 82.2(a), 82.2(c) (2d ed. 1950).

68. *Philadelphia Storage Battery Co. v. Mindlin*, 163 Misc. 52, 296 N.Y. Supp. 176 (Sup. Ct. 1937).

69. *Ibid.*

70. 281 App. Div. 68, 117 N.Y.S.2d 342 (1st Dep't 1952).

71. "Although the parties may not be in competition . . . it is still sufficiently clear upon the facts that confusion is likely and that plaintiff is entitled to the protection of its name against the incursion of defendants." *Id.* at 69, 117 N.Y.S.2d at 343. See also *Masters, Inc. v. Feldschuh*, 15 Misc. 2d 992, 182 N.Y.S.2d 140 (Sup. Ct. 1958).

competition between petitioner and respondent is irrelevant. In *Industrial Lithographic Co. v. Miller*⁷² the court denied relief to the petitioner in part because petitioner had apparently not known of respondent's use of the name for a number of years, the court concluding from this fact that petitioner suffered no significant harm. In *Hylan Homes, Inc. v. Hylan Terrace, Inc.*⁷³ the court also ruled for respondent in part because respondent and petitioner were not in competition.

On this point, as on many others, the statute is not entirely clear. Certainly, the competitive posture of the parties bears some relationship to the likelihood of deception as to the identity of the respondent.⁷⁴ On the other hand, the fact that both "actual" and "threatened" violations are covered, the fact that no proof of actual deception is required⁷⁵ and the fact that, arguably, any person may bring the action without himself being aggrieved by the alleged deception⁷⁶ appear to militate toward the opposite conclusion.

If there is truly an intention by the court to restrict the application of the statute because of its drastic sanction, a purpose often avowed in the opinions,⁷⁷ it would seem that requiring (a) that the party be aggrieved and (b) that there be a threatened competitive loss by the use of the name, would help select the cases most appropriate for summary injunctive relief.

Once petitioner has established the right to enjoin the use of his name by another, the statute would presumably require additional proof of intent to "deceive" or "mislead" the public. The cases, however, suggest rather strongly that the intention to deceive is implicit in the use of the name. An early case⁷⁸ appears to have cleared the path for the later decision by holding that, whatever the word "intent" in section 964 meant, at least insofar as it relates to the civil injunction, it did not mean criminal intent. Later cases seem to have resolved the problem largely by application of a deceptive inference from the use of the name.⁷⁹ Court after court has echoed the conclusion that "no honest reason can be sugges-

72. 203 Misc. 299, 117 N.Y.S.2d 507 (Sup. Ct. 1952).

73. 11 App. Div. 2d 1047, 206 N.Y.S.2d 475 (2d Dep't 1960).

74. See note 30 supra and accompanying text.

75. Petitioner is expressly absolved from proving that "any person has in fact been deceived or misled." N.Y. Penal Law § 964.

76. "Whenever there shall be an actual or threatened violation of this section, an application may be made to the court or justice having jurisdiction to issue an injunction," N.Y. Penal Law § 964.

77. The Court of Appeals has subscribed to this view in strong language. "The very nature of the remedy—a permanent injunction—to be had without a trial on affidavits alone—requires that it be invoked only when the right thereto is established in a clear and convincing manner. Where basic factual allegations of violation are controverted summary relief may be denied." *Association of Contracting Plumbers of City of New York, Inc. v. Contracting Plumbers Ass'n of Brooklyn and Queens, Inc.*, 302 N.Y. 495, 498, 99 N.E.2d 542, 544 (1951).

78. *Fainblatt v. Leo Sportswear Co.*, 178 Misc. 760, 36 N.Y.S.2d 695 (Sup. Ct. 1942).

79. *Hebrew Nat'l Kosher Sausage Co. v. Hebrew Kosher Co.*, 143 N.Y.S.2d 306 (Sup. Ct. 1955) and cases therein cited.

ted . . ." which would have impelled respondent to use petitioner's name.⁸⁰ It is rather evident that at this stage in the proceedings, the courts expect respondent to come forward with some acceptable explanation negating the deceptive inference.⁸¹ Indeed, courts have gone so far as to hold that even absent knowledge on respondent's part of petitioner's use of the same name, an injunction would be appropriate.⁸² Petitioner's case is, of course, strengthened when the reason for respondent's use of the name is weak.⁸³ Equally helpful to petitioner is any fact which would tend to establish knowledge on the part of the respondent of petitioner's prior use.⁸⁴ Finally, it should be noted that some decisions which appear to depend on a finding of lack of intent, are probably more explicable in other terms.⁸⁵

Since the courts apparently have authority to make appropriate procedural rules to accomplish the purpose of section 964⁸⁶ the rule which requires that respondent come forward with an affidavit showing whatever nondeceptive purpose he may have had in adopting the name once the plaintiff had made an appropriate showing appears to be quite practicable. The respondent's reasons for the use of his name appear capable of his proof with considerably greater ease than if the burden were shifted to the petitioner. On the other hand, it must be remembered that respondent has merely five days after receipt of the notice of motion in which to file his responsive affidavits. It may well be that a businessman who does not retain a full-time attorney may be at a disadvantage, even in the presentation of the simplest facts. The petitioner, after all, can choose his own time. Be that as it may, it seems difficult to explain the cases which go beyond requiring defendant to come forward with a showing of nondeceptive intent and essentially read intention out of the statute. How, as a matter of statutory interpretation, a court can enjoin a defendant, admitting *arguendo* that he may have had no knowledge of another's use

80. *Ibid.* *Atlas Corp. v. Atlas Investing Corp.*, 98 N.Y.S.2d 60 (Sup. Ct. 1950).

81. *Scher and Feldman, Inc. v. Jubilee Juniors, Inc.*, 20 Misc. 2d 325, 192 N.Y.S.2d 524 (Sup. Ct. 1957). ("The respondent has failed to offer any acceptable explanation;" petitioner was successful. *Id.* at 326, 192 N.Y.S.2d at 526).

82. "We might even accept defendants' statement that they did not know of plaintiff's name and business at the time they adopted the name . . ."; judgment nonetheless for petitioner. *Albro Metal Products Corp. v. Alper*, 281 App. Div. 68, 69, 117 N.Y.S.2d 342, 343 (1st Dep't 1952).

83. *Long Island Lighting Co. v. Lilco Mfg. Co.*, 3 Misc. 2d 778, 152 N.Y.S.2d 740 (Sup. Ct. 1956), *aff'd*, 3 App. Div. 2d 766, 161 N.Y.S.2d 579 (2d Dep't 1957), in which the court said, "The clearest cases . . . arise when the name assumed by a second user is not a word in the English language, but a contrived or coined word or, if a word in the common vocabulary, one not merely descriptive of the business but patently a trade name." *Id.* at 780, 152 N.Y.S.2d at 742.

84. *Equity Investment Corp. v. Wilkinson*, 188 N.Y.S.2d 1021 (Sup. Ct. 1959) (respondent had once received a commission for work done for petitioner; judgment for respondent).

85. *Heimowitz v. Steri-Clean Diaper Co.*, 11 Misc. 2d 919, 168 N.Y.S.2d 38 (Sup. Ct. 1957) (court denied relief to petitioner asserting doubt as to deceptive intent, but petitioner was seeking to appropriate descriptive name).

86. *Julius Restaurant, Inc. v. Lombardi*, 282 N.Y. 126, 25 N.E.2d 874 (1940).

of the same name, in face of a statutory provision requiring "intent to deceive or mislead the public" is difficult to understand. Even harder to understand is the policy reason for such a decision. If one can justify the drastic summary proceedings authorized under section 964, it must be done on some basis which connects the relief with a clear misdeed of the respondent. Why an equal remedy ought to be afforded against a person who may have innocently trespassed on a property right, is not apparent. It should, of course, be noted that the Court of Appeals has not sanctioned the aforementioned interpretation. In fact, in rather strong language, that court seems to have rejected such an approach to section 964 proceedings.⁸⁷ Where the equities are strongly weighted for the petitioner, the court can protect him, without misapplying section 964, by granting a temporary injunction and setting the case for speedy trial.⁸⁸

DETERMINATIVE FACTORS

As has been previously mentioned, when petitioner has brought himself within the application of the general provisions of section 964, defendant must come forward with evidence justifying his action. A denial in a sworn affidavit is apparently insufficient to constitute a defense.⁸⁹ It is not very much more helpful for the defendant to offer as a defense an improbable theory explaining the use of his name. So when respondent used his last name Alper as the basis of creating the Albro Steele Co. when an Albro Metal Works Co. was previously extant, an injunction issued.⁹⁰ When the president of a company claimed that he had taken his wife's first name, Lillian, plus the word company and created the Lilco Manufacturing Co., which just happened to match the abbreviation of the Long Island Lighting Co. he was also enjoined.⁹¹ An injunction issued against Leo's Sportswear, in competition with Lee Sportswear, despite the claim that the name was the first name of respondent's principal salesman.⁹² Where an auto seat cover manufacturer in competition with the Rayco Co., adopted the name Layco because he was abbreviating "laying covers," because he sold Lako tops and because his first name was Leo (he asserted all three de-

87. "The wrong is in the use with intent . . . The summary relief authorized should be invoked only when there is conclusive evidence of intent 'to deceive and mislead the Public.'" *Association of Contracting Plumbers of City of New York, Inc. v. Contracting Plumbers Ass'n of Brooklyn and Queens, Inc.*, 302 N.Y. 495, 501, 502, 99 N.E.2d 542, 546 (1951).

88. This was done in *Dictograph Prods. Co. v. Brooklyn Auralphone Corp.*, 20 Misc. 2d 877, 195 N.Y.S.2d 518 (Sup. Ct. 1959).

89. *Darling Willis Aves., Inc. v. Darling Disc. Mart, Inc.*, 192 N.Y.S.2d 527 (Sup. Ct. 1959) (affidavit treated as mere denial). *Industrial Plants Corp. v. Industrial Liquidating Co.*, 286 App. Div. 568, 146 N.Y.S.2d 2 (1st Dep't 1955) (dictum).

90. *Albro Metal Products Corp. v. Alper*, 281 App. Div. 68, 117 N.Y.S.2d 342 (1st Dep't 1952).

91. *Long Island Lighting Co. v. Lilco Mfg. Co.*, 3 Misc. 2d 778, 152 N.Y.S.2d 740 (Sup. Ct. 1956), aff'd, 3 App. Div. 2d 766, 161 N.Y.S.2d 579 (2d Dep't 1957).

92. *Fainblatt v. Leo Sportswear Co.*, 178 Misc. 760, 36 N.Y.S.2d 695 (Sup. Ct. 1942).

fenses), he also lost his rights to continued use of the name.⁹³ When Queen slacks were demoted to Duchess slacks in the same block in which Duchess Royal slacks were sold, without apparent reason, an injunction issued.⁹⁴ Similarly, when the HaCha Inn put Ande's Pizzeria-Nicks on its canopy in the same block as Andy's Pizzeria, an injunction issued.⁹⁵ Of course, where there is absolutely no explanation for the adoption of what appears to be a surname, an injunction will issue.⁹⁶ For that matter, use of one's own surname is also not, by itself, a complete defense. Although under trademark law a person's surname is normally given exceptional protection against another's appropriation,⁹⁷ such does not seem to be the case under section 964.⁹⁸ Even a surname which has been long used in respondent's business can apparently violate section 964 where, for example, it is suddenly given new prominence in newspaper advertisements and on delivery trucks.⁹⁹

The geographic proximity of respondent to petitioner appears to be another significant consideration. Other things being equal, close location can be relied on as a factor militating toward enjoining respondent's use of the name.¹⁰⁰ The required proximity cannot, of course, be stated entirely in geographic terms. For example, even within the dense environs of the New York City area, distances varying from 4 to 25 miles were held close enough to enjoin respondent's use of the name of a discount house,¹⁰¹ while in the sparsely populated Adirondacks, the distance of 140

93. Rayco Mfg. Co. v. Layco Auto Seat Cover Center, Inc., 205 Misc. 827, 130 N.Y.S.2d 108 (Sup. Ct. 1954).

94. Hirsch v. Perlman, 51 N.Y.S.2d 10 (Sup. Ct. 1944), aff'd, 268 App. Div. 1035, 52 N.Y.S.2d 691 (1st Dep't 1945).

95. Andy's Pizzeria Successors, Inc. v. Bellini, 11 Misc. 2d 799, 176 N.Y.S.2d 40 (Sup. Ct. 1958).

96. Kleinhans Co. v. Kleinhans Cleaners, Inc., 5 Misc. 2d 1077, 162 N.Y.S.2d 250 (Sup. Ct. 1957).

97. Horlick's Malted Milk Corp. v. Horlick, 143 F.2d 32 (7th Cir. 1944).

98. The use of the respondent's surname was enjoined in: Julius Restaurant, Inc. v. Lombardi, 282 N.Y. 126, 25 N.E.2d 874 (1940); Allen Carpet Cleaning & Rug Weaving Co. v. Martzolf, 29 Misc. 2d 205, 212 N.Y.S.2d 314 (Sup. Ct. 1961); Harvey Mach. Co. v. Harvey Aluminum Corp., 9 Misc. 2d 1078, 175 N.Y.S.2d 288 (Sup. Ct. 1957); Astor v. Watson, 1 Misc. 2d 1026, 71 N.Y.S.2d 332 (Sup. Ct.), aff'd, 272 App. Div. 1052, 75 N.Y.S.2d 291 (1st Dep't 1947). In Astor, respondent claimed to have the right to the use of the familial Astor name; the court, however, remained skeptical, at pages 333, 334, it said: "He has never been known as 'Vincent Astor,' but states that he is a member of the Astor clan. His business experience and success cannot be compared to that of the petitioner. He has been in the main an employee of others." But see Fischer Spring Co. v. Fischer, 3 App. Div. 2d 475, 162 N.Y.S.2d 240 (1st Dep't 1957); Agash Refining Corp. v. Gash, 182 Misc. 309, 50 N.Y.S.2d 927 (Sup. Ct. 1943).

99. Allen Carpet Cleaning & Rug Weaving Co. v. Martzolf, 29 Misc. 2d 205, 212 N.Y.S.2d 314 (Sup. Ct. 1961).

100. Julius Restaurant, Inc. v. Lombardi, 282 N.Y. 126, 25 N.E.2d 874 (1940); Equity Investing Corp. v. Wilkinson, 188 N.Y.S.2d 1021 (Sup. Ct. 1959) (6 or 7 blocks); Composition Corp. v. Mac Composition Service, Inc., 13 Misc. 2d 764, 180 N.Y.S.2d 654 (Sup. Ct. 1958) (across the street); Andy's Pizzeria Successors, Inc. v. Bellini, 11 Misc. 2d 799, 176 N.Y.S.2d 40 (Sup. Ct. 1958) (in the same block); Hirsch v. Perlman, 51 N.Y.S.2d 10 (Sup. Ct. 1944), aff'd, 268 App. Div. 1035, 52 N.Y.S.2d 691 (1st Dep't 1945) (1 block away).

101. Bargain Town U.S.A., Inc. v. Bargain-Time Stores, Inc., 31 Misc. 2d 682, 223

miles was held not too far.¹⁰² A converse application of the rule appears to have been utilized in *Delmonico Hotel Corp. v. Delmonico Delicatessen, Inc.*¹⁰³ in which it was suggested that a location almost vis-à-vis the petitioner was insulated by the heavy traffic on the street, and, consequently, sufficiently distant to avoid deception.¹⁰⁴ No case, including the last one, appears to have exonerated a respondent solely on the basis of the lack of his proximity to the petitioner. The cases which discuss proximity however,¹⁰⁵ seem to suggest that 964 protection has its geographic limitation. It is submitted that such implicit reasoning is entirely consonant with the statute to the extent that the court may find it a proper inference that deception varies with distance. Indeed, when the geographic range is adjusted to accommodate the likely competitive area¹⁰⁶ the geographic limits rule seems an unchallengeable application of the deception standard.

Still another variable in considering the likelihood of deception is the degree of sophistication to be expected of the customers. In two cases, the fact that the buyers were known to be knowledgeable was at least partially determinative in a ruling for the respondent.¹⁰⁷

A question concerning deception on which there appears to be a split of authority is whether respondent may avoid unfavorable judgment by notifying his customers that he is not the petitioner. In *Nagle v. Abrams*,¹⁰⁸ the court found Nagle's letter disclaiming continued association with the petitioner insufficient to avoid the injunction. A similar result was reached in *Application of National Sand & Gravel Association*,¹⁰⁹ despite the fact that a prompt retraction was issued. On the other hand, in *Speedry Chemical Products, Inc. v. Aurora Plastics Corp.*,¹¹⁰ the court allowed a similar use of the name where respondent carefully placed his own name prominently on the otherwise similar bottles.

Finally, defendant might allege, if the facts support the allegation, that there is such a disparity in size between his business and the respondent's that customers could not possibly be confused. Whether such a defense is still good is somewhat problematical. In *Alexander's Dep't Stores, Inc.*

N.Y.S.2d 224 (Sup. Ct. 1961), aff'd, 15 App. Div. 2d 784, 224 N.Y.S.2d 408 (2d Dep't 1962). Accord *Playland Holding Corp. v. Playland Center, Inc.*, 1 N.Y.2d 300, 135 N.E.2d 202, 152 N.Y.S.2d 462 (1956) (5 miles).

102. *Old Forge Recreation, Inc. v. Enchanted Kingdom, Inc.*, 9 Misc. 2d 150, 168 N.Y.S.2d 982 (Sup. Ct. 1957).

103. 27 Misc. 2d 378, 210 N.Y.S.2d 49 (Sup. Ct. 1960).

104. See also *Schenne v. Benson*, 178 Misc. 301, 33 N.Y.S.2d 931 (Sup. Ct. 1942) (petitioner not within competitive distance when established business outside the city of Buffalo, while petitioner located in Buffalo).

105. See note 98 supra and accompanying text.

106. See cases cited notes 99 & 100 supra.

107. *Fischer Spring Co. v. Fischer*, 3 App. Div. 2d 475, 162 N.Y.S.2d 240 (1st Dep't 1957); *Overseas News Agency, Inc. v. Overseas Press, Inc.*, 185 Misc. 1010, 58 N.Y.S.2d 540 (Sup. Ct. 1945), aff'd, 270 App. Div. 754, 59 N.Y.S.2d 913 (1st Dep't 1946).

108. 133 N.Y.S.2d 595 (Sup. Ct. 1954).

109. 225 N.Y.S.2d 444 (Sup. Ct. 1962).

110. 23 Misc. 2d 106, 200 N.Y.S.2d 180 (Sup. Ct. 1960).

*v. Cohen*¹¹¹ respondent was allowed to continue the use of the name Alexander's Department Store because respondent's store was drastically smaller than petitioner's. In *Playland Holding Corp. v. Playland Center, Inc.*,¹¹² however, the respondent's "much smaller"¹¹³ amusement park unsuccessfully invoked the same defense. Furthermore, the users of the name Bargain-Time were enjoined by a discount house known as Bargain Town USA despite a disparity of size which appears rather closely to approximate the disparity in the Alexander case.¹¹⁴

A few courts will accept more exotic explanations for the use of a name. Where three members of the LaPlaya Sextet formed a LaPlata Sextet, they were able to convince the court of lack of deceptive intent by demonstrating that the words did not sound alike in Spanish and that they had different translations.¹¹⁵ In *Barnes v. Fuchs*¹¹⁶ the court gave serious consideration to respondent's claim that he was not responsible for the sign displaying the allegedly deceptive name because it had been erected for him by an independent contractor. In *Industrial Lithographic Co. v. Miller*¹¹⁷ the court accepted respondent's assertion that he could not cause harm to the petitioner because he was merely a salesman as opposed to a retailer.

Imaginative defenses are, however, not always rewarded in section 964 cases. It is no defense that respondent had a legitimate competitive grudge against the petitioner.¹¹⁸ One may also not adopt a well-known symbol, for example the enclosed AAA, to indicate to customers that one's service is similar to that offered by those displaying such symbol with authority.¹¹⁹ Indeed, such use may provide sufficient evidence of attempted palming off.

THE RELATIONSHIP OF SECTION 964 TO OTHER STATUTORY PROVISIONS DEALING WITH THE USE OF NAMES

The application of section 964 is significantly affected by action to be taken in accordance with four other provisions, sections 9 and 40 of the General Corporation Law¹²⁰ and sections 440 and 448 of the Penal Law.¹²¹ Section 9 of the General Corporation Law prohibits the Secretary of State from

111. 295 N.Y. 557, 64 N.E.2d 274 (1945).

112. 1 N.Y.2d 300, 135 N.E.2d 202 (1956).

113. *Id.* at 302, 135 N.E.2d at 204.

114. *Bargain Town U.S.A., Inc. v. Bargain-Time Stores, Inc.*, 31 Misc. 2d 682, 223 N.Y.S.2d 224 (Sup. Ct. 1961), *aff'd*, 15 App. Div. 2d 784, 224 N.Y.S.2d 408 (2d Dep't 1962).

115. Playa means beach; plata, silver. *Alicea v. Sanchez*, 10 Misc. 2d 196, 169 N.Y.S.2d 202 (Sup. Ct. 1957).

116. 7 Misc. 2d 456, 164 N.Y.S.2d 74 (Sup. Ct. 1957).

117. 203 Misc. 299, 117 N.Y.S.2d 507 (Sup. Ct. 1952).

118. *Snyder v. Kramer*, 10 Misc. 2d 180, 168 N.Y.S.2d 79 (Sup. Ct. 1957).

119. *Automobile Club of New York, Inc. v. Karnell*, 19 Misc. 2d 857, 191 N.Y.S.2d 649 (Sup. Ct. 1959).

120. N.Y. Corp. Law §§ 9, 40.

121. N.Y. Penal Law §§ 440, 440-a.

filing a certificate of incorporation of a domestic corporation, or recording a statement of designation of a foreign corporation seeking to obtain a certificate of authority to transact business in New York, if the name resembles a corporate name presently in use in the state or so nearly resembles it as to be "calculated to deceive." As a consequence of the application of this section, proposed corporate names are necessarily screened by the Secretary of State prior to their use and, therefore, prior to institution of a 964 proceeding against the company. In at least one case brought under section 964, the prior approval of the Secretary of State was instrumental in procuring judgment for the respondent.¹²² Section 40 of General Corporation Law includes an equivalent provision for change of name. Since the Secretary of State has been authorized to make his determinations primarily on the impact of the name proposed without extensive consideration of collateral mitigating matters suggested by the applicant¹²³ one would suppose an approved name to have been more vigorously tested than possible under section 964.¹²⁴

Section 440 of the Penal Law¹²⁵ provides that any person doing business under an assumed name shall file a certificate to that effect with the county clerk. Where priority of the use of the name becomes a significant issue in a 964 case, the filing date is, apparently, of some help; it has been instrumental in the denial of an application.¹²⁶

Section 440-a of the Penal Law¹²⁷ requires that the assumed name be permanently and legibly displayed on a window or in another conspicuous place at the store. Violation of the section is a misdemeanor; it may also lead to a denial of 964 relief.¹²⁸ Similarly, section 440-a makes it impossible for a court to accept a plea by respondent for a limited use of the petitioner's assumed name or one similar to it.¹²⁹

122. *Laundered Service, Inc. v. Laundered Linens, Inc.*, 136 N.Y.S.2d 68 (Sup. Ct. 1954). Cf. *Association of Contracting Plumbers of the City of New York, Inc. v. Contracting Plumbers Assoc. of Brooklyn & Queens Inc.*, 302 N.Y. 495, 99 N.E.2d 542 (1951) (certificate filed under Membership Corporation Law by Secretary of State held significant in denying an application under § 964).

123. *The Barber Co. v. Dep't of State of State of New York*, 277 N.Y. 55, 12 N.E.2d 790 (1938).

124. Under § 301(a)(2) of the new Business Corporation Law, prior scrutiny may be considerably more stringent since the operative words of this new provision prohibit the use of a name "so similar to any . . . name [presently used by a corporation] as to tend to confuse or deceive." The provision applies to both domestic and foreign corporations. Foreign corporations, however, have special dispensation to use a conflicting name that has been used by the foreign corporation for not less than ten years. N.Y. Bus. Corp. Law § 302(b)(3).

125. N.Y. Penal Law § 440.

126. *Westbury Medical Building, Inc. v. Symons*, 23 Misc. 2d 1087, 204 N.Y.S.2d 367 (Sup. Ct. 1960).

127. N.Y. Penal Law § 440.

128. *Miss New Yorker Shops v. Kasman*, 139 N.Y.S.2d 229 (Sup. Ct. 1955); contra, *Equity Investing Corp. v. Wilkinson*, 188 N.Y.S.2d 1021 (Sup. Ct. 1959).

129. *Consolidated Dairy Products Co. v. Maurino*, 3 Misc. 2d 783, 151 N.Y.S.2d 799 (Sup. Ct. 1956) (petitioner claimed to limit use to checks).

SUMMARY OF THE APPLICATION OF THE SECTION

It is impossible to restate the law evolved by the reported decisions of section 964 cases. They are, as the above discussion illustrates, contrary and confused. In addition, most are memorandum decisions which often list a series of considerations militating toward the result reached without explaining the actual basis of the ruling. Hardly any decisions have attempted an incisive analysis of the statutory language. The following restatement is, then, only in part a statement of what has happened; in part it is a blend of what seems, in retrospect, to have happened with only a foundation of more concrete conclusions.

Procedurally, section 964 is generally consistent with New York motion practice. The section has its own provision, however, (five days) relating to length of notice required prior to the hearing. Also, it is not necessary under section 964 to institute plenary action against the respondent. Service of notice of motion is to be made in the same manner as appropriate for service of process. The only available remedy is a permanent injunction against the respondent. An action under the section, whether successful or not, does not bar a plenary action based on the same facts.

Section 964 apparently has no application to non-commercial deception or to the vindication of property or contractual rights held by the petitioner unless those rights can be vindicated incidentally by an application of the deceptive-identity standard. A petitioner may not enjoin the use of a descriptive name unless he can establish that the name has acquired a secondary meaning as his name. He can only prevent the use of his name by a person or company whose goods are sufficiently similar and whose location is not too distant to allow an inference of likelihood of consumer confusion. Once petitioner has made out a case for protection, and respondent's name is found sufficiently similar to allow an inference of confusion, the respondent is required to come forward with an explanation. Even the use of respondent's surname is not sacrosanct. If the explanation is in any manner plausible, however, respondent is entitled to a plenary trial and the motion must be denied. Anything which proves the respondent's lack of intent to deceive is also sufficient to require that the motion be denied. This is true irrespective of whether customer confusion is otherwise quite obvious. The respondent has three basic alternatives: He may (a) disprove the right of plaintiff to exclusively appropriate the name in question; (b) demonstrate a lack of confusion and deception under the present concurrent use (unless of course he denies use entirely) and (c) disprove his intention to deceive. Successful use of any one of these defenses suffices to defeat the motion.

SOME CONCLUSIONS CONCERNING SUMMARY CIVIL REMEDIES

Some of the described confusion in section 964 cases must be ascribed to the generality of the statutory language which left to the courts the problem of administration. The courts, also, must bear the brunt of some criticism for failure to evolve consistent principles of application in the twenty-five year period since the inception of the statute. Much of the criticism, however, seems properly leveled at the concept of a summary civil remedy for trade-name infringement.

First, the legislative premise that a special summary proceeding is required in the trade-name area may be questioned. The pre-screening of corporate names by the Secretary of State would seem to eliminate some problems. The remedies of temporary and permanent injunctions, which are unaffected by the summary remedy, allow relief to offended companies under the more traditional principles of trademark and unfair competition law. The precedence given to what may, in the final analysis, be merely an alternative form of relief would seem better applied to other areas of law where proceedings are delayed.

It is, of course, possible that summary relief is designed to provide a remedy to an aggrieved competitor without his reliance on expensive legal services. If this was a purpose of section 964, the cases suggest that the purpose was mocked. Indeed, it seems unlikely that a similar provision could be drafted which would eliminate the need for competent legal advice. So long as the proceeding aims at evaluating such intangibles as consumer deception, without trial, it will be necessary to rely on a practiced attorney capable of reducing such problems to acceptably brief affidavits. Unlike pleading under "liberal" rules, which can be tolerated on the theory that certainty will come at the trial, affidavits for summary proceedings must be quite precise.

If, then, the petitioner will be required to retain an attorney, in any event, and if injunctive relief is generally available, there again seems reason to doubt that a special summary remedy is required to prevent deceptive use of trade names. What is worse, the availability of the remedy provides a tempting avenue of litigation. With nothing to lose (a ruling on the motion is not determinative of any later action) and everything to gain (the remedy is invariably a permanent injunction), there may be a natural inclination to try the 964 route as a part of any trade-name litigation.

In fact, a remedy in the form of the present New York statute seems to provide more inducement to harass competitors than to bring relief. A company merely seeking to enjoin the use of a competing name with all possible dispatch would seem well advised to apply for a temporary restraining order, followed by a temporary and then permanent injunction; in this manner they could speedily and permanently remove the competitive threat. The 964 relief, while quickly crystallized in the statutory five-

day period, must await the ultimate decision of the court, since no temporary relief is authorized. For harassment, however, the five-day period is ideal and the delayed decision irrelevant.

Finally, there may be something in the nature of a summary proceeding quickly had, speedily formulated, and permanent in result, which reflects poorly on the concept of orderly justice. It also undoubtedly contributes to the type of oversimplification which is perhaps best characterized by the rationale in *Consolidated Dairy Products v. Maurino*¹³⁰ in which the court said "if the respondents did not and do not intend to deceive or mislead the public, it can do no harm to change the corporate name to another. On the other hand, if the respondents intend to use the name unfairly, they should be compelled to adopt a different name."¹³¹

If a civil summary remedy is applicable, it would seem that every effort should be made at least to clarify the ground rules and to make them as equitable as possible. To begin with, five days from the service of a notice of motion to the time when respondent must have procured and filed affidavits of all the proof he intends to introduce is probably unnecessarily short. At any rate, it would seem that the harshness of such short notice could be mitigated by allowing respondent additional time, should he wish to contest the motion, subject to his assumption of whatever financial detriment petitioner may suffer by further delay. Another alternative would be to provide a temporary injunction, allowing respondent some time to acquire information prior to issuance of a permanent injunction. Finally, the statute probably ought to be reduced, either by draftsmanship or interpretation to reasonably well defined rules. Petitioner should be required to show, as a condition to relief, that he has a right to exclusively appropriate the name to his own use and, if his name is descriptive, that the public has learned to associate it solely with petitioner. Furthermore, petitioner should have the burden of demonstrating that respondent's name infringes petitioner's use of the name diverting customers who are confused into believing that an association exists between the parties. Upon a showing of the type above described, respondent should be required, if he contests the motion, to come forward with justification. Certain types of justification ought, as a matter of right, to entitle him to a favorable ruling. His own innocence in adopting the name would seem to remove him from the class of respondents whose right to use an assumed name ought to be summarily seized; such proof should be an absolute defense. He ought to be allowed to establish, by affidavit, that there is a factual controversy as to any of the conditions which petitioner was required to establish. The issue of the existence of a factual controversy could then be determined on the same basis as is commonly applied to

130. 3 Misc.2d 783, 151 N.Y.S.2d 799 (Sup. Ct. 1956).

131. Id. at 784, 151 N.Y.S.2d at 800.

motions for summary judgment. Finally, he ought to be entitled to succeed by establishing that there is substantial consumer identification of the name as his name. The last defense is suggested to eliminate from summary proceedings cases brought to test covenants not to compete and other contractual rights which do not relate, directly, to consumer deception. It also serves to remove cases which are primarily brought to vindicate alleged non-contractual property rights in trade-names. Finally, it supplies a defense in the nature of laches which requires an injured party to act at a time when the respondent can be presumed to be less dependent on the name he uses and which, as a result, minimizes the harassing potential of a summary proceeding.