Indiana Law Journal

Volume 13 | Issue 3 Article 10

2-1938

Unfair Competition-Functional and Nonfunctional Parts

UNFAIR COMPETITION—FUNCTIONAL AND NONFUNCTIONAL PARTS—Plaintiff filed a complaint asking for a preliminary and permanent injunction enjoining defendant from manufacturing or selling its electric shaver with its present

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[8] Borden v. Jenks (1886), 140 Mass. 562, 5 N. E. 623, 54 Am. Rep. 507: "A pecuniary legacy to the testator's widow accepted by her, must be paid not only in preference to general legacies, but if the abatement of those proves insufficient in preference, first to specific bequests, and second to specific devises."

[9] 34 A. L. R. Note p. 1288; Pomeroy, J. N., Eq. Juris. 4th Ed., Vol. 3, Sec. 1142: "A general legacy given for a valuable consideration . . . does not abate with the other legacies, provided the dower right or the debt still exists at the testator's death."

[10] Duncan v. Franklin Twp. (1887), 43 N. J. Eq. 143, 10 A. 546; but in Matthew v. Targorna (1906), 104 Md. 442, 65 A. 60, 10 Am. Cas. 153, it was held, "that a legacy to one whose right to recover for the death of the testator is barred by the Statute of Limitations is entitled to priority on the theory that the legatee is a purchaser."

[11] 34 A. L. R. Note p. 1285; Reynolds v. Reynolds (1906), 27 R. I. 520, 63 A. 804.

[12] Pope et al. v. Pope et al. (1911), 209 Mass. 432, 95 N. E. 864.

[13] Wedmore v. Wedmore (1907), 2 Ch. (Engl.) 277, 2 B. R. C. 502; Re Rispin (1914), 35 Ont. L. Rep. 385, 27 D. L. R. 574; 34 A. L. R. Note p. 1285.

[14] 34 A. L. R Note p. 1276; Lord v. Lord (1854), 23 Conn. 327; Pope v. Pope et al. Note 14 supra; Elmery v. Batchor (1886), 78 Me. 233, 2 A. 733 (dictum).

[15] Note 9, supra.

[16] Note 13, supra.

[17] Note 8, supra.

[18] First National Bank Exr. v. Hessong (1925), 83 Ind. App. 531, 149 N. E. 190 (dictum). The court in this case stated the general rule but held it did not apply, since the testator's intent was that all general legacies should abate pro rata.

round head. Plaintiff had been making and advertising its shaver, featuring its "round shaving head" for about eighteen months before defendant started making one with a similar head. Plaintiff alleges that the round head has become associated with plaintiff and its product in the mind of the public. Held, for plaintiff, injunction granted. A manufacturer has a right to make any unpatented article embodying necessary functional parts so that the whole will function; but he cannot incorporate what is merely ornamental or peculiar to another's product. The sole question is whether nonfunctional elements have been embodied with a misleading of the public. Here defendant had unnecessarily imitated the plaintiff's shaver head in nonfunctional features.[1]

Unfair competition ordinarily consists in simulation by one person, for the purpose of deceiving the public, of the name, symbols, form, or devices employed by a business rival, or the substitution of the goods and wares of one person for those of another, thus inducing the purchase of his wares.[2] The doctrine of unfair competition is based on the proposition that no one shall by imitation or unfair device induce the public to believe that the goods he offers for sale are the goods of another, and thus appropriate to himself the value of the reputation which the other has acquired for his own product and merchandise.[3] An exclusive proprietary interest such as a trade mark or copyright is not essential to maintenance of a suit for injunction or recovery of damages, but an interest in the good will is sufficient, because it is the property in the good will and reputation which is protected, and that property right will be protected the same as any other property right.[4]

Unfair competition is to be tested by whether trade is being unfairly interfered with and the public cheated into buying something which it in fact is not getting.[5] When the resemblance between the two products is such that the ordinary buyer, under the ordinary conditions which prevail in the conduct of the particular traffic to which the controversy relates, is deceived, or might be deceived, the courts will interfere to protect the plaintiff and the public.[6] It is not necessary to show that any particular person was actually deceived by

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1 Electro-Shave Corp. v. General Shaver Corp. (1937), 19 F. Supp. 843.

2 Hartzler v. Goshen Churn & Ladder Co. (1914), 55 Ind. App. 455, 104 N. E. 34; Rocky Mountain Bell Tel. Co. v. Utah Independent Tel. Co. (1906), 31 Utah 377, 88 P. 26; Ralston Purina Co. v. Checker Food Products Co. (Mo., 1935), 80 S. W. (2d) 717; Avnet v. Texas Centennial Central Exposition (Texas, 1936), 96 S. W. (2d) 685.

3 Fuller v. Huff (1900), 104 F. 141; Deister Concentrator Co. v. Deister Machine Co. (1916), 63 Ind. App. 412, 112 N. E. 906.

4 State v. Hagen (1892), 6 Ind. App. 167, 33 N. E. 223; Computing Cheese Cutter Co. v. Dunn (1909), 45 Ind. App. 20, 88 N. E. 93; Hartzler v. Goshen Churn & Ladder Co. (1914), 55 Ind. App. 455, 104 N. E. 34; Howard Dustless Duster Co. v. Carleton (1915), 219 F. 913; Carter Transfer & Storage Co. v. Carter (1921), 106 Neb. 531, 184 N. W. 113; Elgin National Watch Co. v. Illinois Watch Co. (1901), 179 U. S. 665, 21 S. Ct. 270.

5 W. & H. Walker, Inc. v. Walker Bros. Co. (1921), 271 F. 395.

6 Fischer v. Blank (1893), 138 N. Y. 244, 33 N. E. 1040; Lever Bros. Co. v. J. Eavenson & Sons (1935), 283 N. Y. S. 398, 157 Misc. 297; Oakite Products, Inc. v. Boritz (1936), 293 N. Y. S. 399, 161 Misc. 807. In Deister Concentrator Co. v. Deister Machine Co. (1916), 63 Ind. App. 412, 112 N. E. 906, the court stated that the class of persons who buy the particular kind of article manufactured, such as servants or children on the one hand, or persons skilled in a particular trade upon the other, must be considered in determining the question of probable deception.

defendant's conduct and led to buy his goods in the belief they were the goods of the plaintiff; it is sufficient to show that such deception will be the natural and probable result.[7] Thus in the principal case, it was not necessary to show anyone was actually misled, but only that it would be the probable result.

There are three lines of authority as to the necessity that fraudulent intent be present, to the effect: (a) fraudulent intent is a necessary ingredient of unfair competition,[8] (b) circumstances must be made out that will show wrongful intent, or justify that inference from the consequences of the act complained of,[9] (c) fraudulent intent is not necessary, and unfair competition may exist even in the presence of good faith.[10] It would seem that the last rule, followed in Indiana and in the principal case, is much the best, as the property interest to be protected is the same regardless of whether a fraudulent intent is present or not.

In regard to unfair competition as limited to the copying of form or shape, of which the principal case is an example, the courts have started with the assumption that one person has as much of an inherent right to make an unpatented article as any other person may have. However, a person can copy in nonfunctional parts only so long as that nonfunctional part has not become associated in the public mind with its manufacturer or source, this association often being termed "secondary meaning."[11] It is the contention of the plaintiff in the noted case that its round shaver head has gained this secondary meaning. Any person entering a field already occupied does so with a duty to distinguish his article from that of the original manufacturer, where the original has a secondary meaning, so that the ordinary buyer will not be misled.[12]

Mere priority of invention by itself does not entitle any person to a monopoly in that field, nor is the mere copying of a prior design unfair competition.[13]

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[7] Hartzler v. Goshen Churn & Ladder Co. (1914), 55 Ind. App. 455, 104 N. E. 34; Deister Concentrator Co. v. Deister Machine Co. (1916), 63, Ind. App. 412, 112 N. E. 906; Aluminum Cooking Utensil Co. v. National Aluminum Works (1915), 226 F. 815; Miller Rubber Co. v. Behrend (1917), 242 F. 515; P. B. Davis Co. v. Davis (1935), 11 F. Supp. 269.

[8] W. R. Lynn Shoe Co. v. Auburn Shoe Co. (1905), 100 Me. 461, 62 A. 499; Queen Manufacturing Co. v. Isaac Ginsburg & Bros., Inc. (1928), 25 F. (2d) 284; Coca Cola Co. v. Loft, Inc. (1935), 19 Del. Ch. 292, 167 A. 900.

[9] Lawrence Manufacturing Co. v. Tennessee Manufacturing Co. (1890), 138 U. S. 537, 11 S. Ct. 396; Elgin National Watch Co. v. Illinois Watch Co. (1901), 179 U. S. 665, 21 S. Ct. 270.

[10] Hartzler v. Goshen Churn & Ladder Co. (1914), 55 Ind. App. 455, 104 N. E. 34; Deister Concentrator Co. v. Deister Machine Co. (1916), 63 Ind. App. 412, 112 N. E. 906; Boston Shoe Shop v. McBroom Shoe Shop (1916), 196 Ala. 567, 72 So. 102; Nesne v. Sundet (1904), 93 Minn. 299, 101 N. W. 490; Fairyfoot Products Co. v. Federal Trade Commission (1935), 80 F. (2d) 684.

[11] Rymer v. Anchor Stove & Range Co. (1934), 70 F. (2d) 386; A. C. Gilbert Co. v. Shemitz (1930), 45 F. (2d) 98; Le Mur Co. v. W. G. Shelton Co. (1929), 32 F. (2d) 79; Trico Products Corp. v. Ace Products Corp. (1929), 30 F. (2d) 688; Upjohn Co. v. Wm. S. Merrell Chemical Co. (1920), 269 F. 209; J. A. Scriven Co. v. Morris (1907), 154 F. 914; Crescent Tool Co. v. Kilborn & Bishop Co. (1917), 247 F. 299.

[12] Lever Bros. Co. v. J. Eavenson & Sons (1935), 283 N. Y. S. 398, 157 Misc. 297; Art Metal Works v. Cunningham Products Corp. (1930), 242 N. Y. S. 294, 137 Misc. 429; Moline Plow Co. v. Omaha Iron Store Co. (1916), 235 F. 519.

[13] Champion Spark Plug Co. v. A. R. Mosler & Co. (1916), 233 F. 112.

Functional features not patented, or on which the patent has expired, can be copied, but nonfunctional features such as size, dress, contours, and appearance can not be copied where it will result in misleading the public.[14] In *Marvel v. Pearl*,[15] the court states, "In the absence of protection by patent, no person can monopolize or appropriate to the exclusion of other elements of mechanical construction which are essential to the successful practical operation of a manufacturer, or which primarily serve to promote its efficiency for the purpose to which it is devoted." The other side of the statement given above seems to be that no person can copy nonfunctional parts of another's product when such nonfunctional part has become associated with the source of the product. However, mere similarity of form, dimensions, or general appearance can not establish unfair competition, especially where it results from an effort to comply with the physical requirements essential to commercial success.[16] Nor does simulation amounting to unfair competition reside in identity of single features, but is to be tested by the general impression made by the offending article upon the ordinary purchaser.[17] Thus, in the principal case, if the ordinary purchaser upon seeing defendant's shaver by itself would gain the impression that it was plaintiff's shaver, that was all that was necessary.

There seems to be one exception to the rule forbidding an absolute copying, as it seems to be permissible where both products are a copy of another article. Following this exception, the maker of toy balloons in the likeness of watermelon was allowed to enter the field when it was already occupied.[18] On the same theory, the manufacture of a toy telephone-shaped bottle containing candy was permitted.[19] In such case, the copy is not a copy of the competitor's article, but a copy of the original thing itself, and the courts refuse to give one manufacturer a monopoly merely because he was the first in the field.

Unfair competition has been hard to establish when the article is one of simple form. In the case of *McGhee v. LeSage & Co.*,[20] where plaintiff was losing its drapery hook business to defendant because of aggressive salesmanship, the court said there was no logical reason why plaintiff should not meet defendants on their own ground, by manufacturing and selling a device identical in appearance. The reason may be that in such simple things almost every part is functional, and therefore can be copied.[21]

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[14] Art Metal Works v. Cunningham Products Corp. (1930), 283 N. Y. S. 398, 137 Misc. 429; McGill Manufacturing Co. v. Leviton Manufacturing Co. (1930), 43 F. (2d) 607; Le Mur Co. v. W. G. Shelton Co. (1929), 32 F. (2d) 79; Rushmore v. Badger Brass Manufacturing Co. (1912), 198 F. 379.

[15] Marvel Co. v. Pearl (1904), 133 F. 160.

[16] Kawneer Co. v. McHugh (1931), 51 F. (2d) 560; Rushmore v. Manhattan Screw & Stamping Works (1908), 163 F. 939; Globe-Wernicke Co. v. Fred Macey Co. (1902), 119 F. 696; John H. Rice & Co. v. Redlich Manufacturing Co. (1913), 202 F. 155.

[17] Chesebrough Manufacturing Co. v. Old Gold Chemical Co. (1934), 70 F. (2d) 383.

[18] Miller Rubber Co. v. Behrend (1917), 242 F. 515.

[19] John J. Rice & Co. v. Redlich Manufacturing Co. (1913), 202 F. 155.

[20] McGhee v. LeSage & Co. (1929), 32 F. (2d) 875.

[21] A. C. Gilbert v. Shemitz (1930), 45 F. (2d) 98, in which the court stated that the elements of a fruit juice extractor were so functional that nothing short of a clear danger of confusion would justify modification of the model in any way, is another example of copying of a simple object.

The doctrine of unfair competition is still growing. In Indiana, cases of unfair competition are few, but there is one outstanding case, *Hartzler v. The Goshen Churn & Ladder Co.*,[22] in which the court stated that unfair competition had not been much considered by the Indiana courts, so the court set out the general principles of the law of unfair competition, and the same have never been overruled. R. K. R.

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[22] Hartzler v. Goshen Churn & Ladder Co. (1914), 55 Ind. App. 455, 104 N. E. 34.