Opinion No. 2.

Trade-Marks and Trade-Names—Secretary of State, Recording Trade-Names—Fictitious Names, Filing of—County Clerk.

HELD: 1. Trade-names may be recorded with the Secretary of State under the provisions of Sections 4286-4292, R. C. M. 1935.

2. The Secretary of State should accept and record a trade-name offered in a proper application unless the trade-name offered is obviously improper.

3. The recording of the name of a business as a trade-name is not a compliance with the provisions of Sections 8019-8024, R. C. M. 1935, which require the filing of a certificate of a fictitious name of a business with the county clerk.

December 1, 1936.

Hon. Sam W. Mitchell
Secretary of State
The Capitol

Dear Mr. Mitchell:

You have requested my opinion on the following matter:

> "Your opinion is respectfully requested as to whether the name "MODERN UTILITIES RETAIL," application for the registration of which under the trade mark law is attached for your examination, may be registered under the provisions of Section 4286 of the Montana Code."

The application is submitted on the regular printed form, "Application for Registration of Trade-Mark." The most significant feature of the application submitted to your office is the fact that in every place where the phrase "trade-mark" appears, except in the title of the form, the applicant has marked out the word "mark" and has written in the word "name." The name of the applicant is "Modern Utilities Company." The name sought to be registered as a trade name is "Modern Utilities Retail." The application states that "the class of merchandise upon which the same has been used and upon which the same will be used is radios, washing machines, electric irons, electric ironers; electric toasters, grills, stoves, and other electircal and mechanical appliances, and a particular description of the goods comprised in such class is as above." It is clear that applicant desires to record a trade-name for the business of dealing in electrical and mechanical appliances of a general household nature.

Registration of trade-marks is provided for in sections 4286-4292, R. C. M. 1935. Trade-marks are defined:

> "The phrase 'trade-mark' as used in this chapter, includes every description of word, letter, device, emblem, stamp, imprint, brand, printed ticket, label, or wrapper usually affixed by any mechanic, manufacturer, druggist, merchant, or tradesman, to denote any goods to be goods imported, manufactured, produced, compounded, or sold by him, other than any name, word, or expression generally denoting any goods to be of some particular class or description, or the designation or name for any mill, hotel, factory, or other business. (4286.)

Trade-mark is defined in the Penal Code in identical language excepting only that the last phrase, "or the designation or name for any mill, hotel, factory, or other business" is omitted. (Sec. 11202, R. C. M. 1935.)

Section 4287 prescribes the procedure in recording a "trade-mark or name." Section 4288 provides that the Secretary of State shall keep a record of "trade-marks or names" filed. Trade-marks or names are personal property and may be transferred as such. (Sections 6812 and 4289, R. C. M. 1935.) They may be protected by actions at law and by suits in equity (Sections 4289 and 11207). Unlawful use, forgery and counterfeiting of "trade marks or names" is made a penal offense. (Sections 11199-11205.)

The first question to be considered is: May trade-names, as distinguished from trade-marks, be recorded under the provisions of Sections 4286 to 4292, R. C. M. 1935?

Section 3196, California Political Code, from which our statute was copied, defines trade-mark in identical terms excepting that it does not contain the last phrase "or the designation or name for any mill, hotel, factory, or other business." In order to arrive at some reasonable conclusion as to the purpose for which the legislature included that phrase, it seems advisable to examine the early Territorial law. Registration and protection of trade-marks was first provided for by the Territorial Legislature, so far as we have determined, in 1874, when the following law was enacted:

> "That any person, partnership, firm or private corporation, desiring to secure within this territory the exclusive use of any name, mark, brand,

print, **designation,** or description, for any article of manufacture or trade, **or for any mill, hotel, factory,** machine shop, or **other business,** shall deliver to the recorder of brands for the Territory of Montana, or cause to be delivered to him, a particular description or fac-simile of such brand, mark, name, print, designation or description, as he may desire to use." (Section 1 of Act of Feb. 2, 1874, page 90, Laws of 1874; Codified as Section 114, Revised Statutes of 1879, re-enacted as Section 176, Fifth Division, General Laws, Compiled Statutes of 1887.)

It now becomes apparent that the phrase had its origin in early territorial law. The legislature must have intended to add to the definition of trade-mark as contained in the California statute which it adopted. Our statute, therefore, has the orthodox definition of trade-mark, as do the California and Field Codes, but in addition it provides: "The phrase 'trade mark' as used in this chapter, includes * * * the designation or name for any mill, hotel, factory or other business." It must have been the intention of the legislature to provide in that section for the recording of trade names for any mill, for any hotel, for any factory, of for any other business.

"Generally speaking, a trade-mark is applicable to the vendible commodity to which it is affixed and a trade-name to a business and its good will, or, as it has been said, a trade-mark represents the good will of the business in the market, and the trade-name proclaims it to those who pass the shop. A trade-name has a broader scope than a trade-mark. Ordinarily a trade-mark relates chiefly to the article sold, while a trade-name involves both the thing sold and the individuality of the seller or maker." (63 C. J. 332.) (See also 26 R. C. L. 830; 24 Cal. Jr. 616.)

A trade mark owes its existence to the fact that it is affixed to a commodity; a trade-name is more properly allied to the good will of a business. (Browne Trade Marks, Paraghaph 91.) Even under the California Law, without the provision added to the law by our legislature, a trade-name may be registered. (Hall v. Holstrom, 289 Pac. 668.) Former Attorney General Foot tacitly recognized the right to record trade-names without directly considering the question. (Vol. 13, p. 178; Vol. 14, p. 35, Official Opinions of Attorney General; see also 63 C. J. 470.)

It is my opinion, therefore, that trade-names may be recorded with the Secretary of State under the provisions of Sections 4286 to 4292, R. C. M. 1935.

The question remaining for consideration is: May the name "Modern Utilities Retail" be registered as a trade-name and so appropriated by the applicant to his exclusive use?

Trade-marks are of common-law origin, and are protected at common-law. Statutes providing for registration merely fortify the common-law right by conferring a statutory title on the owner. (63 C. J. 309.) Exclusive trade-names are protected on the same principles at trade-marks. (Esselstyn v. Holmes, 42 Mont. 507; 63 C. J. 323, note 64.) Registration does not conclusively determine that the name was one entitled to be registered and is not conclusive as to the right of the holder thereof to exclusive use of the mark, nor does it divest courts of their jurisdiction to determine the validity of the claimed right. (63 C. J. 471.)

The applicant secures only prima facie right to the trade-name. His right to the trade-name must be based upon a property right to the name by reason of appropriation, user, exclusive right to user, and such other necessary requisites and characteristicts as are required by law. The applicant is not benefited to the exclusion of another claimant in a case where a purported trade-name is recorded, nor is such other claimant foreclosed from his legal remedy, any more or to any greater extent than if the applicant should attempt to appropriate the trade name and use it without the formality of recording. The true owner, if there be one, must still prove ownership. "Registration of a mark wrongfully procured under a state statute may, in proper proceedings, be cancelled or annulled." (63 C. J. 471.)

Your office is an administrative office. Your duties in relation to recording trade-marks and names are purely ministerial. You are not required to determine, when a trade-mark or trade-name is tendered to you for recording, whether or not it is a mark or name in which the applicant may secure exclusive property rights.

It is my opinion, therefore, that you should accept and record a trade-name offered in a proper application unless the trade-name offered is obviously improper. The highly technical and complicated question of whether the applicant may secure an exclusive property right in the trade-name claimed is one which you may safely leave for the applicant and his attorneys to struggle with.

It is not amiss to point out here that recording of the name of a business as a trade-name is not a compliance with the provisions of Sections 8019-8024, R. C. M. 1935, which require the filing of a certificate of a fictitious name of a business. The two are entirely separate and distinct. The purpose of the statute relating to recording trade-names is to protect the property of the owner in his trade-name. The purpose of the statute requiring filing of a fictitious name is to protect the public in dealings with a business operating under such fictitious name and to give the public notice as to the person or partners with whom it deals.