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Security Title Insurance Agency v. Security Title Insurance Company : Reply to Petition for Rehearing

Utah Supreme Court

Allen H. Tibbals; Earl P. Staten; Attorneys for Plaintiffs-Respondents;
McKay & Burton; Macoy A. McMurray; Attorneys for Defendant-Appellant;

IN THE SUPREME COURT
of the
STATE OF UTAH

SECURITY TITLE INSURANCE AGENCY, now known as SECURITY TITLE GUARANTY COMPANY, and SECURITY TITLE COMPANY, Utah Corporations,
Plaintiffs & Respondents,
vs.
SECURITY TITLE INSURANCE COMPANY, a California Corporation,
Defendant & Appellant.

Case No. 9925

PLAINTIFFS' & RESPDONDENTS' REPLY TO DEFENDANT & APPELLANT'S PETITION FOR REHEARING AND SUPPORTING BRIEF.

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INTRODUCTION

On the 31st day of December, 1963, this Court filed its unanimous opinion affirming the decision of the lower Court enjoining appellant from use of the words "Security Title" as a part of its name in doing business in Utah. The appellant has petitioned this Court for rehearing and filed a brief in support thereof. Respondents believe the appellant's petition to be without merit and, therefore, make the following reply thereto.

ARGUMENT

APPELLANT'S PETITION FOR REHEARING STATES NO NEW FACTS OR GROUNDS FOR A REVERSAL OF THE JUDGMENT OF THE LOWER COURT AND IS MAINLY A RE-ARGUMENT OF THE CASE. THE PETITION FOR REHEARING SHOULD BE DENIED.

Appellant sets out two points upon which it bases its claim of entitlement to rehearing. Both mark a change in emphasis in the appellant's position. Neither sets out anything new. The continual shifting of position by appellant throughout the course of this trial and appeal is reminiscent of the child's toy which, when pushed down in one place, pops up in another. In appellant's original brief to this Court, appellant centered its appeal on alleged errors in the lower Court's findings. The three points argued by appellant in the original brief were based entirely on alleged errors in the findings. Respondent answered the appellant's brief. This occasioned a reply by appellant in which no mention is made of erroneous findings. The Reply Brief of appellant is based upon the premise that an essential element of the repondent's entitlement to relief is a showing that defendant-appellant, by the use of the word "Security Title", created confusion resulting in damage to the respondent. This argument was fully answered by the Court's decision of December 31st. Nothing daunted, the appellant tries again, this time on still another tack; namely, that respondents are not en-

titled to relief because respondents use of the words "Security Title" is not exclusive. Appellant also urges that to grant to respondents the protection sought, is giving them a monopoly on the use of these words "Security Title". Fortunately, all of these arguments were made to the lower Court, and included with changing emphasis, as above pointed out, in the argument on appeal before this court.

Point number 1 of the appellant's argument on the petition for rehearing was included in point number 1 of the Reply Brief, and particularly at pages 5 and 6 thereof where the Fisk case was discussed at length and it was urged by appellant upon the Court that, "In short, the plaintiffs, at the trial would have had to demonstrate that the words 'Security Title' have been used exclusively." The fact that respondents had affiliated corporations using the words "Security Title" in Utah was not only pointed out to this Court, but in the opinion filed, this Court took official cognizance of this fact. It was not "overlooked" as the appellant stated in its point number 1 of the brief for rehearing. We cite the Court's opinion,

> "Former employees and associates of respondents are now doing land title examinations, abstracting and acting as agents for title insurance companies in various counties within this state as affiliates of respondents and have been given the right by respondents to use the words 'Security Title' in their names."

The Fisk case, 3 F2d 7, was argued fully to the Court in appellant's Reply Brief and in the oral argument before this Court. It and the cases cited with it by appellant do not stand for the proposition contended for by appellant, as has been previously argued at length to this Court, and nothing new is here presented by appellant for the Court's consideration.

Appellant's second point in the brief for rehearing is nothing but a rehash of the exact point argued as the second sub-point of point number 1 of the appellant's Reply Brief. We direct the Court's attention to the similarity of the language in which the two points are set out. In the Reply Brief at page 5, the appellant says,

> "2. Even if a secondary meaning had attached to the words 'Security Title' in favor of the plaintiffs or either of them (assuming such could occur) the plaintiffs would not thereby have an exclusive monopolistic right to the use of such words, but would merely have a right to complain of an unfair use thereof by another."

In the instant brief for rehearing, the point is set forth by appellant in this language,

> "Contrary to well established law, which would only entitle the plaintiffs to a right to have a subsequent user of the words distinguish itself, this court in affirming the decision of the trial court has inadvertently granted the plaintiffs an unwarranted monopolistic right to the use of the words 'Security Title'."

We submit that nothing new is placed before the Court for consideration in this point.

Appellant, throughout the case, has been unable or unwilling to perceive the distinction between trademarks and the property right a corporation has in its corporate name. The cases cited in appellant's brief on rehearing are for the most part trademark cases, some of which are dependent upon application of statutes regulating the use of the trademarks for the decisions reached. They have no pertinency here. The Supreme Court of the United States, in the case of *American Steel Foundries v. Robertson*, 269 U.S. 372, 70 L.Ed. 317, marks the distinction:

> ". . . There is no property in a trademark apart from the business or trade in connection with which it is employed. United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97, 63 L.ed. 141, 145, 39 Sup. Ct. Rep. 48; Hanover Star Mill. Co. v. Metcalf, 240 U.S. 403, 413, 414, 60 L.ed. 713, 718, 719, 36 Sup. Ct. Rep. 357. 'The law of trademarks is but a part of the broader law of unfair competition' (ibid.), the general purpose of which is to prevent one person from passing off his goods or his business as the goods or business of another.
>
> "Whether the name of a corporation is to be regarded as a trademark, a trade name, or both, is not entirely clear under the decisions. To some extent the two terms overlap, but there is a difference more or less definitely recognized, which is, that, generally speaking, the former is applicable to the vendible

commodity to which it is affixed, the latter to a business and its good will. See Ball v. Broadway Bazaar, 194 N.Y. 429, 434, 435, 87 N.E. 674. A corporate name seems to fall more appropriately into the latter class. But the precise difference is not often material, since the law affords protection against its appropriation in either view upon the same fundamental principles. The effect of assuming a corporate name by a corporation under the law of its creation is to exclusively appropriate that name. It is an element of the corporation's existence. Newby v. Oregon C. R. Co., Deady 609, 616, Fed. Cas. No. 10,144. And, as Judge Deady said in that case:

"'Any act which produces confusion or uncertainty concerning this name is well calculated to injuriously affect the identity and business of a corporation. And as a matter of fact, in some degree at least, the natural and necessary consequence of the wrongful appropriation of a corporate name, is to injure the business and rights of the corporation by destroying or confusing its identity.'

"The general doctrine is that equity not only will enjoin the appropriation and use of a trade-mark or trade name where it is completely identical with the name of the corporation, but will enjoin such appropriation and use where the resemblance is so close as to be likely to produce confusion as to such identity, to the injury of the corporation to which the name belongs. Cape May Yacht Club v. Cape May Yacht & Country Club, 81 N. J. Eq. 454, 458, 86 Atl. 972; Armington v. Palmer, 21 R.I. 109, 115, 43 L.R.A. 95, 79 Am. St. Rep. 786, 42 Atl. 308. Judicial inter-

ference will depend upon the facts proved and found in each case. Hendricks v. Mantagu, L. R. 17 Ch. Div. 638, 648—C.A.; Chas. S. Higgins Co. v. Higgins Soap Co., 144 N.Y. 462, 469—471, 471, 27 L.R.A. 42, 43 Am. St. Rep. 769, 39 N.E. 490."

That a corporate name is a valuable property right of the corporation entitled to protection by the courts is recognized by Fletcher Cyclopedia of Corporations, Volume 6, Permanent Edition, Section 2415, at page 7, where the author says,

> "In any case it is regarded, to a certain extent, as a property right and one which cannot be impaired or defeated by subsequent appropriation by another corporation operating in the same field . . ."

This Court, in previously rendered decisions, has decisively declared the basis for a rehearing.

In the case of *Ducheneau v. House*, Sup. Ct. of Utah July 3, 1886, 4 U. 483, 11 P. 618, this court said:

> "The petition for rehearing states no new facts or grounds for a reversal of the judgment of the lower court. It is mainly a re-argument of the case. We have repeatedly called attention to the fact that no rehearing will be granted where nothing new and important is offered for our consideration. We again say that we cannot grant a rehearing unless a strong showing therefor be made. A re-argument, or an argument with the Court upon the points of the decision, with no new light given, is not such a showing. The rehearing is denied."

Again in *Cummings et ux v. Nielson, et al*, 42 U. 157, 129 P. 619.

> "We desire to add a word in conclusion respecting the numerous applications for rehearings in this court. To make an application for a rehearing is a matter of right, and we have no desire to discourage the practice of filing petitions for rehearings in proper cases. When this court, however, has considered and decided all of the material questions involved in a case, a rehearing should not be applied for, unless we have misconstrued or overlooked some material fact or facts, or have overlooked some statute or decision which may affect the result, or that we have based the decision on some wrong principle of law, or have either misapplied or overlooked something which materially affects the result. In this case nothing was done or attempted by counsel, except to re-argue the very propositions we had fully considered and decided. If we should write opinions on all the petitions for rehearings filed, we would have to devote a very large portion of our time in answering counsel's contentions a second time; and, if we should grant rehearings because they are demanded, we should do nothing else save to write and rewrite opinions in a few cases. Let it again be said that it is conceded, as a matter of course that we cannot convince losing counsel that their contentions should not prevail, but in making this concession let it also be remembered that we, and not counsel must ultimately assume all responsibility with respect to whether our conclusions are sound or unsound. Our endeavor is to determine all cases correctly upon

the law and the facts, and, if we fail in this, it is because we are incapable of arriving at just conclusions. As a general rule, therefore, merely to re-argue the grounds originally presented can be of little, if any, aid to us. If there are some reasons, however, such as we have indicated above, or other good reasons, a petition for rehearing should be promptly filed, and if it is meritorious, its form will in no case be scrutinized by the Court.

"There is no merit to the present petition, and it is, therefore, denied."

As we have previously pointed out, in the present petition for rehearing, counsel for appellant, by change of emphasis, seeks to make that which has been extensively argued to the Court before, now appear as new. This is not true and the previously entered decision of this Court is sound, workable law based on recognized precedent, correctly applied to the facts.

CONCLUSION

The petition for rehearing is merely an argument with the Court's decision, and presents no basis upon which a rehearing should be granted. We submit that the petition of appellant for rehearing should be denied.

Respectfully submitted,

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