evidence were put on the record. It all goes to nought apparently because Commission counsel lacked sufficient clairvoyance to anticipate that this Court would hold that the July judgment rather than the one in September was final. Rules of practice and procedure should be used to promote the ends of justice, not to defeat them.[6]

Mr. Justice DOUGLAS, dissenting.

While I do not believe the merits of the case are as clear as Mr. Justice BLACK indicates, I join in the parts of his opinion which deal with the question whether the petition for certiorari was timely under 28 U.S.C. § 2101(c), 28 U.S.C.A. § 2101(c).

344 U.S. 280

STEELE et al. v. BULOVA WATCH CO., Inc.

No. 38.

Argued Nov. 10, 1952.

Decided Dec. 22, 1952.

Suit by an American watch company to enjoin United States citizen residing in Texas from using company's trade-mark, registered under United States law, in Mexico on watches assembled in that country from parts purchased in Switzerland and the United States. The United States Court of Appeals for the Fifth Circuit, Rives, Circuit Judge, 194 F.2d 567, reversed judgment adverse to plaintiff rendered in the United States District Court for the Western District of Texas, and certiorari was granted by the United States Supreme Court. The Supreme Court, Mr. Justice Clark, held that the District Court had jurisdiction of the suit.

Affirmed.

Mr. Justice Reed and Mr. Justice Douglas dissented.

1. International Law ⇐8

In prescribing standards of conduct for American citizens, Congress may project the impact of its laws beyond the territorial boundaries of the United States.

2. Trade-Marks and Trade-Names and Unfair Competition ⇐90

Federal District Court in Texas had jurisdiction of suit by an American watch company to enjoin United States citizen residing in Texas from using company's trade-mark, registered under United States law, in Mexico on watches made in that country from parts purchased in Switzerland and the United States. Lanham Trade-Mark Act of 1946, §§ 1 et seq., 32(1), 34–36, 38, 39, 45, 15 U.S.C.A. §§ 1051 et seq., 1114 (1), 1116–1118, 1120, 1121, 1127.

3. International Law ⇐7

Legislation of Congress will not extend beyond the boundaries of the United States unless a contrary legislative intent appears.

4. International Law ⇐8

The United States is not debarred by any rule of international law from governing the conduct of its own citizens upon the high seas or even in foreign countries when the rights of other nations or their nationals are not infringed, and with respect to such an exercise of authority there is no question of international law, but solely of purport of municipal law which establishes duty of citizen in relation to his own government.

5. Trade-Marks and Trade-Names and Unfair Competition ⇐68(1.2)

Congress has power to prevent unfair trade practices in foreign commerce by citizens of United States, although some of the acts are done outside the territorial limits of United States.

6. Trade-Marks and Trade-Names and Unfair Competition ⇐90

Lanham Trade-Mark Act does not constrict prior law or deprive courts of jurisdiction previously exercised. Lanham

6. Hormel v. Helvering, 312 U.S. 552, 557, 61 S.Ct. 719, 721, 85 L.Ed. 1037. See also Maty v. Grasselli Chemical Co., 303 U.S. 197, 200–201, 58 S.Ct. 507, 509, 82 L.Ed. 745. Cf. Hazel-Atlas Glass Co. v. Hartford-Empire Co., 322 U.S. 238, 64 S.Ct. 997, 88 L.Ed. 1250.

Trade-Mark Act of 1946, § 1 et seq., 15 U. S.C.A. § 1051 et seq.

7. Trade-Marks and Trade-Names and Unfair Competition ⇐68(1)

Trade practices which radiate unlawful consequences in United States are not given blanket immunity merely because they were initiated or consummated outside the territorial limits of United States.

8. Equity ⇐36

Where there can be no interference with the sovereignty of another nation, the Federal District Court in exercising its equity powers may command persons properly before it to cease or perform acts outside its territorial jurisdiction.

Mr. Wilbur L. Matthews, San Antonio, Tex., for petitioners.

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Marx Leva, Washington, D. C. (Alexander B. Hawes, A. Lloyd Symington, Washington, D. C., Sanford H. Cohen, George Cohen, New York City, Isidor Ostroff, Washington, D. C., and Maury Maverick, San Antonio, Tex., on the brief), for respondent.

Mr. Justice CLARK delivered the opinion of the Court.

The issue is whether a United States District Court has jurisdiction to award relief to an American corporation against acts of trade-mark infringement and unfair competition consummated in a foreign country by a citizen and resident of the United States. Bulova Watch Company, Inc., a New York corporation, sued Steele,[1] petitioner here, in the United States District Court for the Western District of Texas. The gist of its complaint charged that "Bulova," a trade-mark properly registered under the laws of the United States, had long designated the watches produced and nationally advertised and sold by the Bulova Watch Company; and that petitioner, a United States citizen residing in San Antonio, Texas, conducted a watch business in Mexico City where, without Bulova's authorization and with the purpose of deceiving the buying public, he stamped the name "Bulova" on watches there assembled and sold. Basing its prayer on these asserted violations of the trade-mark laws of the United States,[2] Bulova requested injunctive and monetary

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relief. Personally served with process in San Antonio, petitioner answered by challenging the court's jurisdiction over the subject matter of the suit and by interposing several defenses, including his due registration in Mexico of the mark "Bulova" and the pendency of Mexican legal proceedings thereon, to the merits of Bulova's claim. The trial judge, having initially reserved disposition of the jurisdictional issue until a hearing on the merits, interrupted the presentation of evidence and dismissed the complaint "with prejudice," on the ground that the court lacked jurisdiction over the cause. This decision rested on the court's findings that petitioner had committed no illegal acts within the United States.[3] With one judge dissenting, the Court of Appeals reversed; it held that the pleadings and evidence disclosed a cause of action within the reach of the Lanham Trade-Mark Act of 1946, 15 U.S.C. 1051 et seq., 15 U.S.C.A. § 1051 et seq.[4] The dissenting judge thought that "since the conduct complained of substantially related solely to acts done and trade

1. Joined as parties defendant were S. Steele y Cia., S. A., a Mexican corporation to whose rights Steele had succeeded, and Steele's wife Sofia who possessed a community interest under Texas law.

2. While the record shows that plaintiff fully relied on his asserted cause of action "arising under" the Lanham Act, diversity of citizenship and the jurisdictional amount were also averred. As we are concerned solely with the District Court's jurisdiction over the subject matter of this suit, we do not stop to consider the significance, if any, of those averments. Cf. Pecheur Lozenge Co. v. National Candy Co., 1942, 315 U.S. 666, 62 S.Ct. 853, 86 L.Ed. 1103, decided prior to passage of the Lanham Act. See also note 6, infra.

3. The District Court's unreported findings of fact and conclusions of law, as amended, appear at R. 246–248. Cf. R. 232, 237.

4. 5 Cir., 1952, 194 F.2d 567.

carried on under full authority of Mexican law, and were confined to and affected only that Nation's internal commerce, [the District Court] was without jurisdiction to enjoin such conduct."[5] We granted certiorari, 343 U.S. 962, 72 S.Ct. 1060.

[1] Petitioner concedes, as he must, that Congress in prescribing standards of conduct for American citizens may project the impact of its laws beyond the territorial boundaries of the United States. Cf. Foley Bros., Inc. v. Filardo, 1949, 336 U.S. 281, 284–285, 69 S.Ct. 575, 577, 93 L.Ed. 680; Blackmer v. United States, 1932, 284 U.S. 421, 436–437, 52 S.Ct. 252, 254, 76 L.Ed. 375; Branch v. Federal Trade Commission, 7 Cir., 1944, 141 F.2d 31. Resolution of the jurisdictional issue in this case therefore depends

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on construction of exercised congressional power, not the limitations upon that power itself. And since we do not pass on the merits of Bulova's claim, we need not now explore every facet of this complex[6] and controversial[7] Act.

The Lanham Act, on which Bulova posited its claims to relief, confers broad jurisdictional powers upon the courts of the United States. The statute's expressed intent is "to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such comme[r]ce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered

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into between the United States and foreign nations." § 45, 15 U.S.C. § 1127, 15 U.S.C.A. § 1127. To that end, § 32(1) holds liable in a civil action by a trade-mark registrant "[a]ny person who shall, in commerce," infringe a registered trade-mark in a manner there detailed.[8] "Commerce" is defined as "all commerce which may lawfully be regulated by Congress." § 45, 15 U.S.C. § 1127, 15 U.S.C.A. § 1127. The district courts of the United States are grant-

5. Id., 194 F.2d at page 573.

6. For able Court of Appeals discussions of the impact of Erie R. Co. v. Tompkins, 1938, 304 U.S. 64, 58 S.Ct. 817, 82 L.Ed. 1188, on the law prior and subsequent to the Lanham Act, see Dad's Root Beer Co. v. Doc's Beverages, Inc., 2 Cir., 1951, 193 F.2d 77; S. C. Johnson & Son v. Johnson, 2 Cir., 1949, 175 F.2d 176; Campbell Soup Co. v. Armour & Co., 3 Cir., 1949, 175 F.2d 795; Stauffer v. Exley, 9 Cir., 1950, 184 F.2d 962. See also National Fruit Product Co. v. Dwinell-Wright Co., D.C.1942, 47 F.Supp. 499. And see Zlinkoff, Erie v. Tompkins: In Relation to the Law of Trade-Marks and Unfair Competition, 42 Col.L.Rev. 955 (1942); Bunn, The National Law of Unfair Competition, 62 Harv.L.Rev. 987 (1949).

7. See, e. g., Timberg, Trade-Marks, Monopoly, and the Restraints of Competition, 14 Law & Contemp. Probs. 323 (1949); cf. Brown, Advertising and the Public Interest: Legal Protection of Trade Symbols, 57 Yale L.J. 1165 (1948). Compare, e. g., Pattishall, Trade-Marks and The Monopoly Phobia, 50 Mich.L.Rev. 967 (1952); Rogers, The Lanham Act and The Social Function of Trade-Marks, 14 Law & Contemp. Probs. 173 (1949).

8. "Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided in this chapter, * * *." 15 U.S.C. § 1114(1), 15 U.S.C.A. § 1114(1).

ed jurisdiction over all actions "arising under" the Act, § 39, 15 U.S.C. § 1121, 15 U.S.C.A. § 1121, and can award relief which may include injunctions,[9] "according to the principles of equity," to prevent the violation of any registrant's rights. § 34, 15 U.S.C. § 1116, 15 U.S.C.A. § 1116.

The record reveals the following significant facts which for purposes of a dismissal must be taken as true: Bulova Watch Company, one of the largest watch manufacturers in the world, advertised and distributed "Bulova" watches in the United States and foreign countries. Since 1929, its aural and visual advertising, in Spanish and English, has penetrated Mexico. Petitioner, long a resident of San Antonio, first entered the watch business there in 1922, and in 1926 learned of the trade-mark

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"Bulova."

He subsequently transferred his business to Mexico City and, discovering that "Bulova" had not been registered in Mexico, in 1933 procured the Mexican registration of that mark. Assembling Swiss watch movements and dials and cases imported from that country and the United States, petitioner in Mexico City stamped his watches with "Bulova" and sold them as such. As a result of the distribution of spurious "Bulovas," Bulova Watch Company's Texas sales representative received numerous complaints from retail jewelers in the Mexican border area whose customers brought in for repair defective "Bulovas" which upon inspection often turned out not to be products of that company. Moreover, subsequent to our grant of certiorari in this case the prolonged litigation in the courts of Mexico has come to an end. On October 6, 1952, the Supreme Court of Mexico rendered a judgment upholding an administrative ruling which had nullified petitioner's Mexican registration of "Bulova."[10]

[2–6] On the facts in the record we agree with the Court of Appeals that petitioner's activities, when viewed as a whole, fall within the jurisdictional scope of the Lanham Act. This Court has often stated that the legislation of Congress will not extend beyond the boundaries of the United States unless a contrary legislative intent appears. E. g., Blackmer v. United States, 1932, 284 U.S. 421, 437, 52 S.Ct. 252, 254, 76 L.Ed. 375; Foley Bros., Inc. v. Filardo, 1949, 336 U.S. 281, 285, 69 S.Ct. 575, 577, 93 L.Ed. 680. The question thus is "whether Congress intended to make the law applicable" to the facts of this case. Ibid. For "the United States is not debarred by any rule of international law from governing the conduct of its own citizens upon the high seas or even in foreign countries when

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the rights of other nations or their nationals are not infringed. With respect to such an exercise of authority there is no question of international law, but solely of the purport of the municipal law which establishes the duty of the citizen in relation to his own government." Skiriotes v. State of Florida, 1941, 313 U.S. 69, 73, 61 S.Ct. 924, 927, 85 L.Ed. 1193.[11] As Mr. Justice Minton, then sitting on the Court of Appeals, applied the principle in a case involving unfair methods of competition: "Congress has the power to prevent unfair trade practices in foreign commerce by citizens of the United States, although some of the acts are done outside the territorial limits of the United States." Branch v. Federal Trade Commission, 7 Cir., 1944, 141 F.2d 31, 35. Nor has this Court in tracing the commerce scope of statutes differentiated between enforcement of legislative policy by the Government itself or by private litigants proceeding under a statutory right. Thomsen v. Cayser, 1917, 243 U.S. 66, 37 S.Ct. 353, 61 L.Ed. 597; Mandeville Island Farms v. American Crys-

9. See also § 35, 15 U.S.C. § 1117, 15 U.S.C.A. § 1117 (profits, damages and costs); § 36, 15 U.S.C. § 1118, 15 U.S.C.A. § 1118 (destruction of infringing articles); § 38, 15 U.S.C. § 1120, 15 U.S.C.A. § 1120 (damages for fraudulent registration).

10. Sidney Steele v. Secretary of the National Economy, decided by the Second Court of the Supreme Court of Mexico. That decision is reprinted, as translated, as Appendix III to respondent's brief.

11. See, e. g., 1 Oppenheim, International Law (6th ed., Lauterpacht, 1947) § 145, p. 297.

tal Sugar Co., 1948, 334 U.S. 219, 68 S.Ct. 996, 92 L.Ed. 1328; cf. Vermilya-Brown Co. v. Connell, 1948, 335 U.S. 377, 69 S.Ct. 140, 93 L.Ed. 76; Foley Bros., Inc., v. Filardo, supra. The public policy subserved is the same in each case. In the light of the broad jurisdictional grant in the Lanham Act, we deem its scope to encompass petitioner's activities here. His operations and their effects were not confined within the territorial limits of a foreign nation. He bought component parts of his wares in the United States, and spurious "Bulovas" filtered through the Mexican border into this country; his competing goods could well reflect adversely on Bulova Watch Company's trade reputation in markets cultivated by advertising here as well as abroad. Under similar factual circumstances, courts of the United States have awarded relief to registered trade-mark

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owners, even prior to the advent of the broadened commerce provisions of the Lanham Act.[12] George W. Luft Co. v. Zande Cosmetic Co., 2 Cir., 1944, 142 F.2d 536; Hecker H-O Co. v. Holland Food Corp., 2 Cir., 1929, 36 F.2d 767; Vacuum Oil Co. v. Eagle Oil Co., C.C.1907, 154 F. 867, affirmed, C.C.1908, 162 F. 671. Cf. Morris v. Altstedter, 93 Misc. 329, 156 N.Y.S. 1103, affirmed, 1916, 173 App.Div. 932, 158 N.Y.S. 1123. Even when most jealously read, that Act's sweeping reach into "all commerce which may lawfully be regulated by Congress" does not constrict prior law or deprive courts of jurisdiction previously exercised. We do not deem material that petitioner affixed the mark "Bulova" in Mexico City rather than here,[13] or that his purchases in the United States when viewed in isolation do not violate any of our laws. They were essential steps in the course of business consummated abroad; acts in themselves legal lose that character when they become part of an unlawful scheme. United States v. Bausch & Lomb Optical Co., 1944, 321 U.S. 707, 720, 64 S.Ct. 805, 812, 88 L.Ed. 1024; United States v. Univis Lens Co., 1942, 316 U.S. 241, 254, 62 S.Ct. 1088, 1095, 86 L.Ed. 1408. "[I]n such a case it is not material that the source of the forbidden effects upon * * commerce arises in one phase or another of that program." Mandeville Island Farms v. American Crystal Sugar Co., 1948, 334 U.S. 219, 237, 68 S.Ct. 996, 1006, 92 L.Ed. 1328. Cf. United States v. Frankfort Distilleries, 1945, 324 U.S. 293, 297–298, 65 S.Ct. 661, 663–664, 89 L.Ed. 951. In sum, we do not think that petitioner by so simple a device can evade the thrust of the laws of the United States in a privileged sanctuary beyond our borders.

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[7] American Banana Co. v. United Fruit Co., 1909, 213 U.S. 347, 29 S.Ct. 511, 53 L.Ed. 826, compels nothing to the contrary. This Court there upheld a Court of Appeals' affirmance of the trial court's dismissal of a private damage action predicated on alleged violations of the Sherman Act, 15 U.S.C.A. §§ 1–7, 15 note.[14] The complaint, in substance, charged United Fruit Company with monopolization of the banana import trade between Central America and the United States, and with the instigation of Costa Rican governmental authorities to seize plaintiff's plantation and produce in Panama. The Court of Appeals reasoned that plaintiff had shown no damage from the asserted monopoly and could not found liability on the seizure, a sovereign act of another nation.[15] This Court agreed that a violation of American laws could not be grounded on a foreign nation's sovereign acts. Viewed in its context, the holding in that case was not meant to confer blanket immunity on trade practices

12. Cf. 15 U.S.C. §§ 96, 124, requiring the infringing use to be "in commerce among the several States, or with a foreign nation". United States Printing & Lithograph Co. v. Griggs, Cooper & Co., 1929, 279 U.S. 156, 49 S.Ct. 267, 73 L.Ed. 650; Pure Oil Co. v. Puritan Oil Co., 2 Cir., 1942, 127 F.2d 6.

13. See Vacuum Oil Co. v. Eagle Oil Co., C.C.1907, 154 F. 867.

14. 2 Cir., 1908, 166 F. 261, affirming, C.C., 160 F. 184.

15. 166 F. at pages 264, 266.

which radiate unlawful consequences here, merely because they were initiated or consummated outside the territorial limits of the United States. Unlawful effects in this country, absent in the posture of the Banana case before us, are often decisive; this Court held as much in Thomsen v. Cayser, 1917, 243 U.S. 66, 37 S.Ct. 353, 61 L.Ed. 597, and United States v. Sisal Sales Corp., 1927, 274 U.S. 268, 47 S.Ct. 592, 71 L.Ed. 1042.[16] As in Sisal, the crux of the complaint here is "not merely of something done by another government at the instigation of private parties"; petitioner by his "own deliberate acts, here and elsewhere, * * * brought about forbidden results within the United States." 274 U.S. at page 276, 47 S.Ct. at page 594, 71 L.Ed. 1042. And, unlike the

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Banana case, whatever rights Mexico once conferred on petitioner its courts now have decided to take away.

[8] Nor do we doubt the District Court's jurisdiction to award appropriate injunctive relief if warranted by the facts after trial. 15 U.S.C. §§ 1116, 1121, 15 U.S.C.A. §§ 1116, 1121. Mexico's courts have nullified the Mexican registration of "Bulova"; there is thus no conflict which might afford petitioner a pretext that such relief would impugn foreign law. The question, therefore, whether a valid foreign registration would affect either the power to enjoin or the propriety of its exercise is not before us. Where, as here, there can be no interference with the sovereignty of another nation, the District Court in exercising its equity powers may command persons properly before it to cease or perform acts outside its territorial jurisdiction. State of New Jersey v. City of New York, 1931, 283 U.S. 473, 51 S.Ct. 519, 75 L.Ed. 1176; Massie v. Watts, 1810, 6 Cranch 148, 3 L.Ed. 181; The Salton Sea Cases, 9 Cir., 1909, 172 F. 792; cf. United States v. National Lead Co., 1947, 332 U.S. 319, 351–352, 363, 67 S.Ct. 1634, 1649, 1655, 91 L.Ed. 2077.[17]

Affirmed.

Mr. Justice BLACK took no part in the decision of this case.

Mr. Justice REED, with whom Mr. Justice DOUGLAS joins, dissenting.

The purpose of the Lanham Act is to prevent deceptive and misleading use of trade-marks. § 45, 15 U.S.C. § 1127, 15 U.S.C.A. § 1127. To further that purpose the Act makes liable

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in an action by the registered holder of the trade-mark "any person who shall, in commerce," infringe such trade-mark. § 32(1), 15 U.S.C. § 1114(1), 15 U.S.C.A. § 1114(1). "Commerce" is defined as being "all commerce which may lawfully be regulated by Congress." § 45, 15 U.S.C. § 1127, 15 U.S.C.A. § 1127.

The Court's opinion bases jurisdiction on the Lanham Act. In the instant case the only alleged acts of infringement occurred in Mexico. The acts complained of were the stamping of the name "Bulova" on watches and the subsequent sale of the watches. There were purchases of assembly material in this country by petitioners. Purchasers from petitioners in Mexico brought the assembled watches into the United States. Assuming that Congress has the power to control acts of our citizens throughout the world, the question presented is one of statutory construction:

16. See also United States v. Aluminum Co. of America, 2 Cir., 1945, 148 F.2d 416, 443–444. Cf. Ford v. United States, 1927, 273 U.S. 593, 620–621, 47 S.Ct. 531, 570, 71 L.Ed. 793; Lamar v. United States, 1916, 240 U.S. 60, 65–66, 36 S.Ct. 255, 256–257, 60 L.Ed. 526; Strassheim v. Daily, 1911, 221 U.S. 280, 284–285, 31 S.Ct. 558, 560, 55 L.Ed. 735.

17. Cf. Cole v. Cunningham, 1890, 133 U.S. 107, 117–119, 10 S.Ct. 269, 272–273, 33 L.Ed. 538; Phelps v. McDonald, 1878, 99 U.S. 298, 307–308, 25 L.Ed. 473; Securities and Exchange Commission v. Minas de Artemisa, S. A., 9 Cir., 1945, 150 F.2d 215; Restatement, Conflict of Laws, §§ 94, 96. And see British Nylon Spinners, Ltd. v. Imperial Chemical Industries, Ltd., [1952] All Eng. 780, 782 (C.A.).

Whether Congress intended the Act to apply to the conduct here exposed.

"The canon of construction which teaches that legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States, Blackmer v. United States, 284 U.S. [421], at 437, 52 S.Ct. [252], at page 254, 76 L.Ed. 375, is a valid approach whereby unexpressed congressional intent may be ascertained." Foley Bros., Inc. v. Filardo, 336 U.S. 281, 285, 69 S.Ct. 575, 577, 93 L.Ed. 680. Utilizing this approach, does such a contrary intent appear in the Lanham Act? If it does, it appears only in broad and general terms, *i. e.*, "to regulate commerce within the control of Congress * * *." § 45, 15 U.S.C. § 1127, 15 U.S.C.A. § 1127. Language of such nonexplicit scope was considered by the Court in construing the Sherman Act in American Banana Co. v. United Fruit Co., 213 U.S. 347, 357, 29 S.Ct. 511, 513, 53 L.Ed. 826. "Words having universal scope, such as 'every contract in restraint of trade,' 'every person who shall monopolize,' etc., will be taken, as a matter of course, to mean only everyone subject to such legislation, not all that the legislator subsequently may be able to catch." The American

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Banana Co. case confined the Sherman Act in its "operation and effect to the territorial limits over which the lawmaker has general and legitimate power." 213 U.S. at page 357, 29 S.Ct. at page 513, 53 L.Ed. 826. This was held to be true as to acts outside the United States, although the parties were all corporate citizens of the United States subject to process of the federal courts.

The generally phrased congressional intent in the Lanham Act is to be compared with the language of the Fair Labor Standards Act, 29 U.S.C.A. § 201 et seq., which we construed in Vermilya-Brown Co. v. Connell, 335 U.S. 377, 69 S.Ct. 140, 93 L.Ed. 76. There we held that by explicitly stating that the Act covered "possessions" of the United States, Congress had intended that the Act was to be in effect in all "possessions" and was not to be applied merely in those areas under the territorial jurisdiction or sovereignty of the United States.

There are, of course, cases in which a statement of specific contrary intent will not be deemed so necessary. Where the case involves the construction of a criminal statute "enacted because of the right of the government to defend itself against obstruction, or fraud * * * committed by its own citizens," it is not necessary for Congress to make specific provisions that the law "shall include the high seas and foreign countries". United States v. Bowman, 260 U.S. 94, 98, 43 S.Ct. 39, 41, 67 L.Ed. 149. This is also true when it is a question of the sovereign power of the United States to require the response of a nonresident citizen. Blackmer v. United States, 284 U.S. 421, 52 S.Ct. 252, 76 L.Ed. 375. A similar situation is met where a statute is applied to acts committed by citizens in areas subject to the laws of no sovereign. See Skiriotes v. State of Florida, 313 U.S. 69, 61 S.Ct. 924, 85 L.Ed. 1193; Old Dominion S. S. Co. v. Gilmore, 207 U.S. 398, 28 S.Ct. 133, 52 L.Ed. 264.

In the instant case none of these exceptional considerations come into play. Petitioner's buying of unfinished watches in the United States is not an illegal commercial act. Nor can it be said that petitioners were engaging

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in illegal acts in commerce when the finished watches bearing the Mexican trade-mark were purchased from them and brought into the United States by such purchasers, all without collusion between petitioner and the purchaser. The stamping of the Bulova trade-mark, done in Mexico, is not an act "within the control of Congress." It should not be utilized as a basis for action against petitioner. The Lanham Act, like the Sherman Act, should be construed to apply only to acts done within the sovereignty of the United States. While we do not condone the piratic use of trade-marks, neither do we believe that Congress intended to make such use actionable irrespective of the place it occurred. Such extensions of power bring our legislation into conflict with the laws and prac-

tices of other nations, fully capable of punishing infractions of their own laws, and should require specific words to reach acts done within the territorial limits of other sovereignties.

344 U.S. 254
KING et al. v. UNITED STATES et al.
No. 9.

Argued Oct. 15, 1952.

Decided Dec. 22, 1952.

Rehearing Denied Feb. 9, 1953.

See 344 U.S. 936, 73 S.Ct. 503.

Action to set aside Interstate Commerce Commission order requiring Florida railroads to establish intrastate freight rates which would reflect the same increases as the Commission had authorized for comparable interstate traffic. The United States District Court for the Northern District of Florida, DeVane, J., 101 F.Supp. 941, entered judgment dismissing the complaint, and plaintiffs appealed. The United States Supreme Court, Mr. Justice Burton, held, inter alia, that the Interstate Commerce Commission, in prescribing intrastate freight rates for railroads under statute empowering the Commission to fix rates where State regulations resulted in discrimination, could give weight to deficits in passenger revenue.

Affirmed.

Mr. Justice Douglas, Mr. Chief Justice Vinson, and Mr. Justice Black, dissented.

1. Commerce ⇐85(5)

The Interstate Commerce Commission may give weight to passenger revenue deficits in prescribing interstate freight rates to meet overall revenue needs. Transportation Act of 1940, § 1, 49 U.S.C.A. note preceding section 1; 28 U.S.C.A. § 1336; Interstate Commerce Act, §§ 13 (2, 4), 15a(2), 49 U.S.C.A. §§ 13(2, 4), 15a(2).

2. Commerce ⇐95

In action to set aside Interstate Commerce Commission order requiring Florida railroads to establish intrastate rates which would reflect same increases as authorized by the Commission for comparable interstate traffic, evidence was insufficient to show that character of operating conditions in Florida intrastate passenger traffic differed so substantially from that of interstate passenger operations in southern territory generally as to require Commission to treat Florida intrastate rates differently from interstate rates in southern territory. Transportation Act of 1940, § 1, 49 U.S.C.A. note preceding section 1; 28 U.S.C.A. § 1336; Interstate Commerce Act, §§ 13(2, 4), 15a(2), 49 U.S.C.A. §§ 13(2, 4), 15a(2).

3. Commerce ⇐85(6)

The National Transportation Policy applies to statute authorizing Interstate Commerce Commission to fix intrastate rates where state regulations result in discrimination as well as to statute relating to allowance of fair return for carriers. Transportation Act of 1940, § 1, 49 U.S.C.A. note preceding section 1; 28 U.S.C.A. § 1336; Interstate Commerce Act, §§ 13 (2, 4), 15a(2), 49 U.S.C.A. §§ 13(2, 4), 15a(2).

4. Commerce ⇐85(5)

Under either statute authorizing Interstate Commerce Commission to fix rates for carriers, the same economic considerations underlie the relation between freight rates and passenger deficits, whether interstate or intrastate. Transportation Act of 1940, § 1, 49 U.S.C.A. note preceding section 1; 28 U.S.C.A. § 1336; Interstate Commerce Act, §§ 13(2, 4), 15a (2), 49 U.S.C.A. §§ 13(2, 4), 15a(2).

5. Commerce ⇐85(6)

The Interstate Commerce Commission may give weight to deficits in passenger revenue, either interstate or intrastate, when prescribing intrastate freight rates under statute authorizing Commission to fix rates when state regulations result in discrimination. Interstate Commerce Act, § 13(4), 49 U.S.C.A. § 13(4); Transportation Act of 1940, § 1, 49 U.S.C.A. note preceding section 1.