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TRADE MARKS AND TRADE NAMES — ASSIGNMENT OF WHOLESALER'S MARK TO ONE WHO WILL CONTINUE TO SELL THE IDENTICAL GOODS —
In cross suits for infringement of trade mark between the C Distilling Company and the P Brewing Company over the use of the trade mark "Century Club" on liquor and beer respectively, a collateral question arose, whether the assignment under which the distilling company claimed a right to the name was valid. The assignor of the trade mark was a wholesaler of several different brands of liquor that were produced by different distillers. The particular brand "Century Club" was manufactured by the C Distilling Co. The wholesaler assigned its right to use the name "Century Club" to the C Distilling Company,
retaining, however, its entire sales organization and the right to continue selling its other brands. *Held,* the assignment was good without a transfer of the wholesale business, because the *C* Distilling Company was going to sell the same goods that the wholesaler had been selling. *Ph. Schneider Brewing Co. v. Century Distilling Co.*, (C. C. A. 10th, 1939) 107 F. (2d) 699.

The decision in the principal case is not surprising, for the Maryland Court of Appeals as far back as 1875 upheld the assignment of a trade mark by a middleman to the manufacturer of the goods to which the mark was attached.¹ But the rationale of this holding is extremely interesting in view of the difficulty that attends the efforts of judges to adapt outworn trade mark concepts to the solution of present day problems. The reasoning in the Maryland case is fairly typical of the approach taken in the older assignment cases. The opinion in that case begins with the assumption that the function of a trade mark is to designate the manufacture of an article by a particular person, or at a particular place, and then reasons therefrom that where a trade mark is assigned to the person who manufactured the article to which the mark is affixed, there is no false representation to the public, because the article is still manufactured at the same place and by the same person. In the present case the court repeats the old rule that generally a trade mark may not be assigned “in gross,”² and then it goes on to say that here an exception is to be made because the assignee is going to sell the same goods. Apparently this is but another way of stating the argument in the Maryland case. While the decision in the principal case may be in accord with modern principles, unfortunately the court failed to take the opportunity here presented to help clarify judicial thinking on this subject. Thus in the Maryland case the decision was grounded on the premise that the function of a trade mark is to indicate the origin and ownership of goods, and nothing more. The court in the principal case does not make plain that it is proceeding on a different theory. While once the primary function of a trade mark may have been to indicate origin and ownership, today it is generally recognized that a trade mark is capable of serving a number of other legitimate functions depending on the source of the good which the mark identifies.³ Briefly stated, the modern view of the assignment of a trade mark is: (1) that a trade mark is not separable from the good will which it identifies, and that the right to use a mark will pass with the transfer of that good will although the general business in connection with which it has been used is retained by the seller; and (2) that the court

¹ Witthaus v. Braun, 44 Md. 303 (1875).
² See Grismore, “The Assignment of Trade Marks and Trade Names,” 30 Mich. L. Rev. 489 at 491 et seq. (1932), where it is clearly pointed out that the term has no essential meaning and that its constant reiteration in judicial opinion can serve no purpose but to confuse.
³ Schechter, THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE MARKS (1925). Mr. Schechter's classic study demonstrates the modern trend away from the “origin and ownership” theory, but it does not purport to classify the various functions that a trade mark may legitimately serve in the present day. In a recent article Professor Isaacs has undertaken to analyze the function of a trade mark and to enumerate some of its more common meanings. See Isaacs, “Traffic in Trade-Symbols,” 44 Harv. L. Rev. 1210 (1931).
must determine on the facts of each case the source of the good will represented by the trade mark in order to assure that the public will not be deceived by an assignment thereof. Thus it is conceivable that the good will of a trader may be so dependent on his personal favor with the public that even a transfer of the physical plant with the means of producing goods identical with those sold by the assignor would, failing notice of the successorship, amount to deception of the public. In the present case it was not made to appear how prominently the personal name of the wholesaler figured in sales of "Century Club" liquor to retail storekeepers and to the consumer. If the fact was simply that the trade mark was of a general impersonal nature, indicating only that the goods sold under it were of uniformly good quality, then the decision in the present case was no doubt correct.

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Such a case was Alaska Packers' Assn. v. Alaska Imp. Co., (C. C. Cal. 1894) 60 F. 103. For other decisions in point see authorities referred to in the Alaska Packers' case.