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Thomas K. Fisher
University of Michigan Law School

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TRADE MARKS AND TRADE NAMES — DESCRIPTIVE TERMS —
“SHREDDED WHEAT” NOT CAPABLE OF EXCLUSIVE APPROPRIATION
AS TRADE NAME — In a recent case¹ decided by the United States
Supreme Court the following facts appeared. In 1893 a pillow-shaped
shredded wheat biscuit was introduced into the highly competitive
breakfast food market, and patent rights for the product and its manu-
facture were secured by the Shredded Wheat Company. Though the
basic patent expired in 1912, more than seventeen million dollars were
expended in popularizing this particular product. Plaintiff acquired the
business and good will of the Shredded Wheat Company in 1930, and
continued the extensive advertising of “Shredded Wheat” biscuit. The

¹ Kellogg Co. v. National Biscuit Co., 305 U. S. 111, 59 S. Ct. 109 (1938).

present suit was begun in 1932 by the National Biscuit Company to enjoin the Kellogg Company from using the name "Shredded Wheat," and from producing its biscuits in the form² made popular by plaintiff and its predecessors. After protracted litigation, the Court held that "Shredded Wheat" was a descriptive phrase and hence not capable of exclusive appropriation; that, while the term, through long usage, had come to signify the product of the plaintiff in the minds of many consumers, the defendant had used reasonable means to distinguish its product from that of the plaintiff; that the form of the biscuit adopted by plaintiff, which had passed into the public domain upon the expiration of the patent rights, was functional, and therefore incapable of exclusive appropriation.

The theoretical distinction between technical trade marks and trade names has become well established; but as is so often the case, difficulty is encountered in applying the distinction to concrete facts. By an etymological criterion the courts determine under which of the two classes of word-marks a given term falls.³ Arbitrary, fanciful, unique, distinctive, non-descriptive terms are technical trade marks.⁴ If such a mark is substantially copied, an injunction will issue against its use even though distinguishing features accompanying it guard against leading "the ignorant, the unthinking and the credulous" purchaser to believe the goods to which the simulated mark is affixed are those of the plaintiff.⁵ The protection afforded a technical trade mark is absolute; its use in any modified form is forbidden. But words which are descriptive of qualities or attributes, and generic in nature, are incapable of being classed as technical trade marks; rather, they fall under the general designation of "trade names."⁶

Though a descriptive word may be protected while the product to which it is affixed is manufactured under patent rights, it has long been recognized that upon the expiration of the patent, there passes to the public not only the right to make the article, but also the right to use

² Though the form was the same as that of plaintiff's biscuits, defendant's biscuits were about two-thirds the size of plaintiff's. The Kellogg Co. carton contained fifteen biscuits while the National Biscuit Co. carton contained twelve.

³ Handler and Pickett, "Trade Marks and Trade Names—An Analysis and Synthesis," 30 *COL. L. REV.* 168 at 169 (1930).

⁴ *Northwestern Knitting Co. v. Garon*, 112 *Minn.* 321, 128 *N. W.* 288 (1910); *American Brewing Co. v. Bienville Brewery*, (C. C. Ala. 1906) 153 *F.* 615 at 616.

⁵ Handler and Pickett, "Trade Marks and Trade Names—An Analysis and Synthesis," 30 *COL. L. REV.* 168 at 169 (1930); and see discussion of broad protection given to trade marks, by Schechter, "The Rational Basis of Trademark Protection," 40 *HARV. L. REV.* 813 at 828 (1927).

⁶ *Dry Ice Corp. of America v. Louisiana Dry Ice Corp.*, (D. C. La. 1930) 46 *F.* (2d) 526; Handler and Pickett, *supra*.

the name by which the article was known in its descriptive sense.⁷ Since the famous "Camel Hair" case,⁸ if descriptive generic words have come to stand for a particular manufacturer or his goods, they are said to have acquired a "secondary meaning"⁹ and in such a case it is uniformly held that the manufacturer is entitled to a limited protection. That is, he is entitled to prevent anyone from using the term in its "trade mark" sense, though not in its descriptive sense.¹⁰ A further step is also established: the trade name need not signify the personal identity of the producer.¹¹ It is enough if the trade name indicates that the article to which it is affixed emanates from the same "though anonymous" maker as do certain other articles bearing the same trade name.¹²

The original function of a trade mark, to identify the personal origin or ownership of the goods to which it is affixed,¹³ has undergone much change with today's complex methods of marketing. Its function is now thought of not only in terms of creating good will for the manufacturer,¹⁴ but also to serve as an anonymous "guaranty" to the

⁷ *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S. 169, 16 S. Ct. 1002 (1896); *DERENBERG, TRADE-MARK PROTECTION AND UNFAIR TRADING* 619 et seq. (1936).

⁸ *Reddaway v. Banham*, [1896] A. C. 199, ("Camel Hair," for name of belting made of camel's hair held protected).

⁹ *Le Blume Import Co. v. Coty*, (D. C. N. Y. 1923) 292 F. 264, affd. (C. C. A. 2d, 1923) 293 F. 344; *Coca-Cola Co. v. Koke Co.*, 254 U. S. 143, 41 S. Ct. 113 (1920); *DERENBERG, TRADE-MARK PROTECTION AND UNFAIR TRADING* 325 et seq. (1936).

¹⁰ *Royal Baking Powder Co. v. Royal*, (C. C. A. 6th, 1903) 122 F. 337; *Van Houten v. Hooton Cocoa & Chocolate Co.*, (D. C. N. J. 1904) 130 F. 600; *Handler and Pickett*, "Trade Marks and Trade Names—An Analysis and Synthesis," 30 *COL. L. REV.* 168 at 169 (1930).

¹¹ This is a sound result. Due to the modern marketing methods by which goods are distributed from manufacturer to wholesaler or importer to retailer to consumer, the personal origin of the goods is oftentimes unknown to the consumer. In *Shredded Wheat Co. v. Humphrey Cornell Co.*, (C. C. A. 2nd, 1918) 250 F. 960 at 963, Judge Hand said: "The plaintiff has at least shown that the public has become accustomed to regard its familiar wheat biscuit as emanating, if not from it by name, at least from a single, though anonymous, maker, and the second is as good for these purposes as the first. . . . Though the public may, therefore, buy the biscuit because it has come to like it, the plaintiff still has a stake in that other motive for buying; i. e., that it comes from the accustomed maker." See also *Walter Baker & Co., Ltd. v. Slack*, (C. C. A. 7th, 1904) 130 F. 514 at 518; *Bayer Co. v. United Drug Co.*, (D. C. N. Y. 1921) 272 F. 505 at 509.

¹² See cases cited in note 10 supra; *Schechter*, "The Rational Basis of Trademark Protection," 40 *HARV. L. REV.* 813 at 816 (1927).

¹³ See *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403 at 412, 36 S. Ct. 357 (1916); *Canal Co. v. Clark*, 13 Wall. (80 U. S.) 311 at 324 (1871); *Baglin v. Cusenier Co.*, 221 U. S. 580 at 591, 31 S. Ct. 669 (1911).

¹⁴ *NIMS, UNFAIR COMPETITION AND TRADE-MARKS*, 3d ed., 51 (1929); 35 *MICH. L. REV.* 989 at 990 (1937); *State v. Bishop*, 128 Mo. 373 at 375, 31 S. W.

purchaser that the product is satisfactory, thereby insuring future sales.¹⁵ It is but natural that this development of the trade-mark function has brought it within the principles of the law of unfair trading,¹⁶ for the pirating of a trade mark or trade name affects the good will and selling power of a business equally as much as other recognized acts of unfair trading.¹⁷

It is submitted that in the light of these principles which have become fairly well established, the reasoning of the Court in the principal case and some of the conclusions reached are difficult to justify. The Court, speaking through Justice Brandeis, first answers the contention advanced by plaintiff that it was entitled to the exclusive use of the term "Shredded Wheat," by pointing out the generic, non-distinctive nature of the words, which thereby barred them from exclusive appropriation by plaintiff.¹⁸ This part of the opinion is grounded on orthodox trade-mark law. But following this the Court says, "It is contended that the plaintiff has the exclusive right to the name 'Shredded Wheat,' because those words acquired the 'secondary mean-

9 (1895); *Old Dearborn Distributing Co. v. Seagram-Distillers Corp.*, 299 U. S. 183 at 194, 57 S. Ct. 139 (1936); *Spiegel v. Zuckerman*, (C. C. N. Y. 1910) 175 F. 978 at 984.

¹⁵ See Schechter, "The Rational Basis of Trademark Protection," 40 HARV. L. REV. 813 at 818-819 (1927); and *Coca-Cola v. Texas*, (Tex. Civ. App. 1920) 225 S. W. 791 at 794, where the modern trade-mark function is happily characterized as "a visible sign of an inward grace." Cf. *Shredded Wheat Co. v. Humphrey Cornell Co.* (C. C. A. 2d, 1918) 250 F. 960 at 963.

¹⁶ The term "unfair trading" is used advisedly rather than the orthodox "unfair competition," for the recent decisions have extended the doctrine of "unfair competition" beyond the necessity of "competition" in the strict sense of the word. See DERENBERG, TRADE-MARK PROTECTION AND UNFAIR TRADING 419 et seq. (1936); *Vogue Co. v. Thompson-Hudson Co.*, (C. C. A. 6th, 1924) 300 F. 509.

¹⁷ 35 MICH. L. REV. 989 at 990 (1937); Glenn, "Pre-emption in Connection With Unfair Trade," 19 COL. L. REV. 29 at 32 (1919); DERENBERG, *supra*, at 421.

¹⁸ It should be pointed out that when the principal case was in the lower federal court, it was found that "Shredded Wheat" was a technical trade-mark. The Court said, "The evidence shows that in reducing the grains of wheat to the product called 'Shredded Wheat' there is no cutting or tearing into small pieces or shreds. . . . These threads of wheat come out or extrude from the rollers just as steel rails do when steel is passed between rollers, and just as copper wire does when copper is passed between the rollers. But it has never been suggested that in making steel rails or copper wire the steel or wire was 'shredded.' Neither can it be said that the wheat is 'shredded' in the plaintiff's process." *National Biscuit Co. v. Kellogg Co.*, (C. C. A. 3d, 1936) 91 F. (2d) 150 at 152. The Court on appeal relied on two grounds in finding the term not within the technical trade mark category: first, plaintiff's predecessor had repeatedly used the term "shredded wheat" as descriptive of its product when applying for patent rights. Second, the federal government had refused registration of the term as a technical trade mark because it found the term to be accurately descriptive of the article of food.

ing' of shredded wheat made at Niagara Falls by the plaintiff's predecessor." The Court admitted that many people associated "the product, and as a consequence the name by which the product is generally known, with the plaintiff's factory at Niagara Falls."¹⁹ Under the established rules this fact would seem to be sufficient to impart a "secondary meaning" to "Shredded Wheat," as that phrase is usually employed, thereby entitling it to the above mentioned qualified equitable protection.²⁰ Yet the opinion continues:

"There is no basis here for applying the doctrine of secondary meaning. . . . to establish a trade name in the term 'shredded wheat' the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term in the minds of the consuming public is not the product, but the producer."²¹

This last statement would seem to be out of place in any discussion of trade names. It properly applies when the question of technical trade marks is before a court.²² The conclusion to be drawn thus far from the opinion is that the plaintiff has no technical trade mark in "Shredded Wheat," and that, by the rules correctly applicable only to technical trade marks, the trade name has acquired no secondary meaning. In the latter part of the opinion we find the following paragraph. "The question remains whether Kellogg Company in exercising its right to use the name 'Shredded Wheat' . . . is doing so fairly. Fairness requires that it be done in a manner which reasonably distinguishes its product from that of plaintiff."²³ The Court then points out that by stamping "Kellogg" before the words "Shredded Wheat," defendant had taken reasonable steps not to mislead the public into believing its product was that of the plaintiff. It is this part of the opinion which leads the writer to believe that the Court, contrary to the implications of the language used, in effect held that the term "Shredded Wheat" had acquired a secondary meaning. For if a term does not have the attributes of a technical trade mark and has not acquired a secondary meaning, its use is free to all who may choose to employ it.²⁴ In such a

¹⁹ *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111 at 118, 59 S. Ct. 109 (1938).

²⁰ See note 11, *supra*.

²¹ *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111 at 118, 59 S. Ct. 109 (1938).

²² *Beech-Nut Packing Co. v. P. Lorillard Co.*, 273 U. S. 629, 47 S. Ct. 481 (1926); *Canal Co. v. Clark*, 13 Wall. (80 U. S.) 311 (1871); *Columbia Mill Co. v. Alcorn*, 150 U. S. 460, 14 S. Ct. 151 (1893).

²³ *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111 at 120, 59 S. Ct. 109 (1938).

²⁴ *Avery & Sons v. Meikle & Co.*, 81 Ky. 73 (1883), 85 Ky. 435, 3 S. W. 609 (1887); *Brennan v. Emery-Bird-Thayer Dry-Goods Co.*, (C. C. A. 8th, 1901) 108 F. 624.

case no care need be taken to distinguish its application to one's product from a similar use by another on his product. Care to distinguish a term is required only when the term has acquired a secondary meaning.²⁵ If this interpretation of the Court's opinion is correct, it is further submitted that the defendant should have been required to distinguish more clearly its product from that of the plaintiff. It was conceded that the public associated "Shredded Wheat" with a factory at Niagara Falls. Would the public not now be led to believe that defendant's factory was located there? Where consumers are led to believe that defendant's product emanates from the source of plaintiff's product, defendant should be enjoined from the use of the misleading trade name unless and until it has clearly indicated that its product comes from a different source than that of the plaintiff.²⁶

The ruling of the Court relative to defendant's adoption of the form of plaintiff's biscuit is supported by precedent and sound economics. With the expiration of a patent, the form of the product also becomes public property.²⁷ Though it is possible for a secondary meaning to attach to the form, thereby entitling it to protection,²⁸ this is rightly denied when the form is functional. If a particular product requires a given form in order to be capable of manufacture at a low cost and high quality, sound economics requires that the form be open to all to prevent monopoly even though some confusion results.

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²⁵ See note 9, *supra*.

²⁶ DERENBERG, TRADE-MARK PROTECTION AND UNFAIR TRADING 775 et seq. (1936). It may be suggested that allowing the relief sought by plaintiff in regard to defendant's use of the term "Shredded Wheat" would operate as a monopoly grant to plaintiff; a monopoly is frowned on in our competitive economic set-up; ergo. . . . This contention is satisfactorily answered by Schechter, "The Rational Basis of Trade-mark Protection," 40 HARV. L. REV. 813 at 833 (1927): "The owner of a distinctive mark or name invoking the protection of equity for it, obtains thereby no monopoly of goods or services; these may be freely sold on their own merits and under their trade symbols. All that plaintiff in such cases asks is the preservation of a valuable, though possibly anonymous link between him and his consumer, that has been created by his ingenuity and the merit of his wares or services. 'All the rest of infinity is open to defendant.' So limited a 'monopoly' as that cannot affect legitimate competition and is of the very essence of any rational system of individual and exclusive trade symbols." For a well presented, but novel, contention that trade marks and trade names should not be sanctioned at all, see CHASE AND SCHLINK, YOUR MONEY'S WORTH (1927).

²⁷ Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169, 16 S. Ct. 1002 (1896).

²⁸ See discussions of protection against defendant's imitating functional and non-functional forms: Harvey Hubbell, Inc. v. General Electric Co., (D. C. N. Y. 1919) 262 F. 155 at 160; McGill Mfg. Co. v. Leviton Mfg. Co., (D. C. N. Y. 1930) 43 F. (2d) 607 at 608; Crescent Tool Co. v. Kilborn & Bishop Co., (C. C. A. 2d, 1917) 247 F. 299; DERENBERG, TRADE-MARK PROTECTION AND UNFAIR TRADING 113 et seq. (1936).