

1937

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Recommended Citation

Grover C. Grismore, *TRADE - MARKS AND TRADE NAMES - EFFECT OF WORD - MARK ACQUIRING A DESCRIPTIVE CONNOTATION*, 35 MICH. L. REV. 989 (1937).

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TRADE-MARKS AND TRADE NAMES — EFFECT OF WORD-MARK ACQUIRING A DESCRIPTIVE CONNOTATION — One of the principal stumbling blocks in the way of the development of a consistent and satisfactory theory of trade-mark protection has been the anomalous distinction that has always been made between the so-called technical or common-law trade-mark, and the non-technical mark or trade-name. This distinction, as has been pointed out previously in this *Review*,¹ grew somewhat accidentally out of the supposed limitations

be exercised to give advantage to one class of citizens, and that the courts will look behind any declared intent to relieve against oppression where the statute's primary purpose is not the protection of public health or morals.

⁴⁸ So said the court in *People v. Marx*, 99 N. Y. 377, 2 N. E. 29 (1885); in the dissent in *Powell v. Pennsylvania*, mentioned note 26, *supra*, and in *Carolene Products Co. v. Thomson*, 276 Mich. 172, 267 N. W. 608 (1936).

⁴⁴ *Carolene Products Co. v. Thomson*, 276 Mich. 172 at 184, 267 N. W. 608 (1936).

¹ Grismore, "Fraudulent Intent in Trade Mark Cases," 27 MICH. L. REV. 857 (1929).

on the jurisdiction of equity. Some of the earliest trade-mark cases proceeded on the theory that to justify the intervention of a court of equity, when the defendant was not shown to have been guilty of any fraudulent purpose in his simulation of the mark, it was necessary to show that the trade-mark user's property was being infringed upon. The necessary property interest was found in his ownership of the mark itself, rather than in the good-will which the mark symbolized and on which the mark was but a convenient means of capitalizing. If the mark was not of a kind to be capable of ownership, no redress could be had in the absence of fraud in fact. The result has been that we have developed one law for the case in which a man's legitimate expectation of custom is interfered with through the abuse of an invented mark from which it is assumed the first user may exclude all others because, due to the character of the mark, there is no justification for another's using it; and we have developed another law for the case in which that custom is taken away by the abuse of a mark, such as a descriptive word, a personal name, or a geographic term which has acquired a secondary significance, but from the use of which, in its primary sense, no one could legitimately be excluded, and which is therefore not capable of ownership. Unfortunately this distinction was further perpetuated by being written into the federal trade-mark statutes. The act of 1905² permits the registration, generally speaking, of only those marks which are recognized as technical trade-marks by the general law. On the other hand, the act of 1920³ provides for a different form of registration for non-technical marks.

Evidences are, however, accumulating that the importance of this distinction is gradually being minimized by the courts. They are more and more approaching the view that the real justification for trade-mark protection, in any case, is to be found not in the ownership of the mark as a thing in itself, but rather as it represents established expectation of custom and serves as a means for the control of that custom.⁴ Thus it has come to be held that even the user of a technical trade-mark is, in general, entitled to protection only in the territory in which he has used the mark,⁵ and that even here he is entitled to protection only in relation to goods like or similar to those which might be assumed by the public to emanate from him.⁶ So also he cannot effective-

² 15 U. S. C., § 81 et seq.

³ 15 U. S. C., §§ 121-128.

⁴ See generally, Handler and Pickett, "Trade Marks and Trade Names—An Analysis and Synthesis," 30 COL. L. REV. 168, 759 (1930).

⁵ *United Drug Co. v. Theodore Rectanus*, 248 U. S. 90, 39 S. Ct. 48 (1918). Additional cases are collected in 36 A. L. R. 922 (1925); Goble, "Where and What a Trade-Mark Protects," 22 ILL. L. REV. 379 (1927).

⁶ See Goble, "Where and What a Trade-Mark Protects," 22 ILL. L. REV. 379

ly assign a mark to one who cannot use it without deceiving the public.⁷ In fact in the case of *Prestonettes, Inc. v. Coty*,⁸ the Supreme Court held that the user of a trade-mark cannot prevent another from using it as part of the description of the goods under which he puts them on the market so long as the description used is not deceptive. In so holding, the Court in effect said that a trade-mark as such is in no case the subject of ownership; that there is no such thing as the right to exclude others from its use, but rather a right to prevent deception to one's hurt. Thus Justice Holmes, who wrote the opinion, said,

"It [a trade-mark] does not confer a right to prohibit the use of the word or words. It is not a copyright. The argument drawn from the Trade Mark Act does not seem to us to need discussion. A trade mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his. . . . When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth."⁹

Those who believe that this development is desirable, since it tends to unify the law of trade-mark protection with the general law of unfair competition, which is growing with an ever accelerating pace,¹⁰ will approve the recent decision in the case of *Du Pont Cellophane Co., Inc. v. Waxed Products Co., Inc.*¹¹ From the finding of facts made by the court it appears that the invented word, Cellophane, was originally adopted by a Frenchman as a trade-mark for a certain type of transparent cellulose films. He and his successors introduced the product in this country and eventually the Du Pont Company took an assignment of their rights. During all this time the name, cellophane, was used in part as a trade-mark and in part as a generic term to designate the product. The result was that to a large part of the public the word became descriptive or designative of the product itself rather than of a particular brand of cellulose films. The Du Pont Company, however, continued to use it as a trade-mark, and apparently, in more recent years at any rate, made strenuous efforts, in its advertising and in other ways, to educate the public to the point of recogniz-

(1927); Lukens, "The Application of the Principles of Unfair Competition to Cases of Dissimilar Products," 75 UNIV. PA. L. REV. 197 (1927).

⁷ See Grismore, "The Assignment of Trade-Marks and Trade-Names," 30 MICH. L. REV. 489 (1932).

⁸ 264 U. S. 359, 44 S. Ct. 350 (1924).

⁹ 264 U. S. 359 at 368, 44 S. Ct. 350 (1924).

¹⁰ See generally, Grismore, "Are Unfair Methods of Competition Actionable at the Suit of a Competitor?" 33 MICH. L. REV. 321 (1935).

¹¹ (C. C. A. 2d, 1936) 85 F. (2d) 75, certiorari denied by the United States Supreme Court, November 23, 1936, 57 S. Ct. 194.

ing this distinction. In this it was not successful. In the meantime the defendant and others began selling an identical product to consumers who requested cellophane without indicating that it was not made by Du Pont. In no case, apparently, did they use the word as a trade-mark affixed to their product. The Du Pont Company thereupon brought the present suit to enjoin this practice. The district court held that since the word had once been a valid technical trade-mark the right to its exclusive use could be lost only by abandonment, which involves an intent to abandon. As the court could find no evidence of intent to abandon, it granted the relief requested.¹² The circuit court of appeals, while agreeing with the district court on the question of the original character of the mark and on the question of abandonment, held that these points did not conclude the case; that if in the minds of the members of the public the mark had become designative of a certain type of cellulose films rather than of a brand of films of that type, it was proper for the defendant or anyone else to use the name to describe or designate the type of films to which it was understood to refer, since to that extent his use was not deceptive.¹³ Moreover, the court held that this was so whether the name had come to have this generic meaning because of the carelessness of the user of the trade-mark or in spite of the fact that he had used every possible means to prevent it. Neither did it make any difference whether the product on which the mark was used was originally protected by a patent or not. In holding that "the District Court erred in concluding that 'the trade-mark cellophane does not depend upon what was in the customer's mind' and in deciding the case on the theory that the public understanding as to the meaning of the word was immaterial,"¹⁴ the circuit court of appeals said,

¹² (D. C. N. Y. 1934) 6 F. Supp. 859.

¹³ The court said (85 F. (2d) 75 at 82): "The defendant should be allowed to use the word cellophane unconditionally in dealing with those to whom it means no more than the product and should be able to fill orders for cellophane received from such persons either with the Sylvania cellophane or any other cellophane. But as the complainant's use of the word 'cellophane' has had a wide publicity, there may be some persons who desire Du Pont cellophane. Accordingly, it seems to us in the interest of justice, that when filling orders for cellophane, the defendant should state that the product sold is Sylvania cellophane or the cellophane of whomsoever may be the maker, and need state nothing more. The defendant may likewise use the word cellophane in its advertisements provided it shall prefix the maker's name as a possessive."

¹⁴ (C. C. A. 2d, 1936) 85 F. (2d) 75 at 81. The district court refused to consider the evidence offered in regard to what the members of the public understood by the word cellophane on the ground that since the plaintiff had not been responsible for that understanding it could have no bearing on the question as to the extent of plaintiff's right to exclude others from the use of the word. See 6 F. Supp. 859 at 885.

"Such a theory is out of accord with the established law of trade-marks. The rights of the complainant must be based upon a wrong which the defendant has done to it by misleading customers as to the origin of the goods sold and thus taking away its trade. Such rights are not founded on a bare title to a word or symbol but on a cause of action to prevent deception. It, therefore, makes no difference what efforts or money the Du Pont Company expended in order to persuade the public that 'cellophane' means an article of Du Pont manufacture. So far as it did not succeed in actually converting the world to its gospel it can have no relief."¹⁵

Heretofore it had usually been assumed that the originator of a technical trade-mark was entitled to exclude others from using the mark, even in a descriptive sense, so long as he had not abandoned it; that this was so even though the mark had acquired a dual meaning, provided no patent monopoly existed at the time the mark was first used on the goods.¹⁶ If the goods were protected by a patent when the mark was first used on them, it was admitted that the mark became public property on the expiration of the patent in so far as it had become descriptive of the product itself rather than of a brand of the product. This result was justified, in the case of the patented product, on the ground that any other rule would make it too easy for the patentee to perpetuate the patent monopoly, beyond the statutory period, by adopting an invented name for the thing and seeing to it that it became descriptive of the product, in the public mind, during the period in which all competition was excluded.¹⁷ Where no patent protection existed to give the trade-mark user an advantage, it was assumed that any monopoly that resulted from the word becoming descriptive of the product was one that the trade-mark user was entitled to retain, since it was acquired without artificial aids. The *Aspirin* case¹⁸ first threw doubt upon these assumptions, although that case is probably distinguishable. The evidence there showed that the trade-mark user had, more or less deliberately, permitted the word to acquire a descriptive connotation by tacitly encouraging his licensees to use the mark in a descriptive sense in dealing with the public. As a matter of fact, it is doubtful whether these assumptions were ever

¹⁵ 85 F. (2d) 75 at 81.

¹⁶ See *Avernarius v. Kornley*, 139 Wis. 247, 121 N. W. 336 (1909); NIMS, UNFAIR COMPETITION AND TRADE MARKS, 3d ed., § 207 (1929); DERENBERG, TRADE MARK PROTECTION AND UNFAIR TRADING, § 54, p. 618, note 49 (1936).

¹⁷ See *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S. 169, 16 S. Ct. 1002 (1895); DERENBERG, TRADE MARK PROTECTION AND UNFAIR TRADING, § 55, p. 619 (1936).

¹⁸ *Bayer Co., Inc. v. United Drug Co.*, (D. C. N. Y. 1921) 272 F. 505.

well founded. The cases relied upon to support them, when properly analyzed, do not seem to involve the question at all, since the only issue litigated in them was whether the later user of the word or mark was entitled to use it in such a way that it would convey a trade-mark connotation.¹⁹ Whether he could use it in a descriptive and non-deceptive sense alone does not appear to have been in issue. It is, of course, clear that so long as the mark has a dual meaning and has not been abandoned, only the one who first used it as a trade-mark should have a right to use it in that sense. The later user has a right to use it only for descriptive purposes, and then only if he makes it clear that he is so using it. This is true, according to the better considered cases, even of a word-mark that was originally descriptive in its significance but which later acquired a secondary, trade-mark connotation.²⁰ In fact, this distinction is clearly brought out in one of the early cases often relied upon to support the contrary assumption. Thus, in *Celluloid Mfg. Co. v. Cellonite Mfg. Co.*,²¹ the court, in dealing with the rights of the inventor of the word, Celluloid, which had come to have a dual meaning as the result of long usage, said,

“As a common appellative, the public has a right to use the word for all purposes of designating the article or product, except one,—it cannot use it as a trade-mark, or in the way that a trade-mark is used, by applying it to and stamping it upon the articles. The complainant alone can do this, and any other person doing it will infringe the complainant’s right. Perhaps the defendant would have a right to advertise that it manufactures celluloid. But this use of the word is very different from using it as a trade-mark stamped upon its goods.”

As an objection to the acceptance of this view, it has been urged that it penalizes the diligent advertiser who has expended vast sums of money in popularizing his product and in making his trade-mark a household word. To a certain extent this will undoubtedly be so. However, it is a penalty which can probably be avoided in most cases if the advertiser is willing to expend more of his money and effort in the endeavor to improve the quality of his product and in making it clear to the public that his mark is a brand name only. The penalty

¹⁹ The following cases are usually relied upon to support the view stated, namely, *Selchow v. Baker*, 93 N. Y. 59 (1883); *Avernarius v. Kornley*, 139 Wis. 247, 121 N. W. 336 (1909); *Burton v. Stratton*, (C. C. Mich. 1882) 12 F. 696; *N. K. Fairbank Co. v. Central Lard Co.*, (C. C. N. Y. 1894) 64 F. 133; *Batcheller v. Thompson*, (C. C. A. 2d, 1899) 93 F. 660.

²⁰ The cases are collected and discussed in *Handler and Pickett*, “Trade Marks and Trade Names,” 30 *Col. L. Rev.* 168 at 181 ff. (1930).

²¹ (C. C. N. J. 1887) 32 F. 94 at 98.

will have to be paid for the most part by that advertiser who is more concerned with gaining a monopoly by leading the consumer to think that his product is the only one of its kind.²² The contrary holding would put a premium on that kind of advertising which would be inconsistent with the accepted view that it is contrary to the public interest to foster monopolies.

Neither does this holding militate against the view that the exclusive right to the trade-mark use of an invented word arises as soon as the mark is actually used in trade, contrary to the rule as regards a non-technical mark. Inasmuch as the invented word has no meaning at all, at the outset, no one but the inventor may make a commercial use of it in the absence of abandonment or its equivalent, unless and until it later acquires a descriptive connotation, and then only with that connotation. In the case of the word that is already in use as a descriptive term at the time it is first used as a trade-mark, the one who first succeeds in giving it a trade-mark connotation is the one entitled to that use of it.

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²² It would seem to be clear that others should not be permitted to use the word even in a descriptive sense unless it has come to be descriptive to such an extent that to deny them that privilege would seriously handicap them in competing for the market for the product in question. This seems to have been the situation in the instant case.

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