

TRADE-MARKS ANTE PORTAS

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THE present Federal Trade-Mark Act,¹ passed almost forty years ago, no longer reflects developments in the law of trade-marks and unfair competition. When the Act was passed in 1905, the prevailing theory was that any federal registration statute had to be limited to mere procedural provisions which would in no material way enlarge or impair existing common law rights. Because the United States Supreme Court had ruled in the *Trade-Mark Cases*² that Congressional authority to legislate on the subject of trade-marks had to be found in the commerce clause of the Constitution, it did not seem possible to vest a registered trade-mark with any legal benefits which might conflict with the common law prevailing in the various states. It was, therefore, provided in the Act that nothing therein should "prevent, lessen, impeach or avoid any remedy at law or in equity which any party aggrieved by any wrongful use of any trade mark might have had if the provisions of . . . [the act] had not been passed."³ Thus the common law doctrine of priority of adoption and use as the sole foundation for the acquisition and scope of substantive rights in trade-marks was left intact; and any thought of granting the owner of a common law trade-mark substantive statutory rights independent of his common law rights was discarded. The Supreme Court and other courts have repeatedly enunciated the doctrine that registration under the Act of 1905 is but a procedural record of a claim of ownership previously acquired by adoption and use. And the Supreme Court has observed on at least three different occasions that Congress has not been given power to legislate on the substantive law of trade-marks.⁴

Today, with the tremendous development in modern methods of selling and advertising, trade-mark protection has become a matter of national concern affecting interstate commerce even where a trade-mark may be used predominantly within the boundaries of only a few states, and security of business and commerce demand the establishment of more effective statutory safeguards and protection. Moreover, the common law principles of trade-mark protection and unfair competition have progressed rapidly, while the Act of 1905 has remained stagnate within its narrow constitutional frame affording a maximum statutory protection far less effective than that conferred by the modern principles which the courts

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1. 33 STAT. 724 (1905), 15 U. S. C. §§ 81-109 (1940).

2. 100 U. S. 82 (1879).

3. 33 STAT. 724 (1905), 15 U. S. C. § 103 (1940).

4. See *American Trading Company v. H. E. Heacock Co.*, 285 U. S. 247, 256 (1932); *American Steel Foundries v. Robertson*, 269 U. S. 372, 381 (1926); *Beckwith v. Commissioner of Patents*, 252 U. S. 538, 543 (1920).

have developed.⁵ In view of these changes, then, it is not surprising that during the last twenty years efforts have been made to obtain new legislation which would take into account modern trends and broaden the basis and scope of trade-mark registration. After many years of preliminary work and Congressional hearings it appeared likely in 1940 that the Seventy-Sixth Congress would finally pass a new trade-mark act, commonly called the "Lanham Bill," which attempted to grant substantive rights to the owner of a federally registered trade-mark and sought to bring the statute into harmony with the more liberal and flexible principles of the common law.⁶ However, after the Lanham Bill⁷ passed the House and the Senate, a motion for reconsideration was made in the Senate,⁸ and the bill died with the passing of the Seventy-Sixth Congress.

In the Seventy-Seventh Congress the Bill was reintroduced by Congressman Lanham⁹ and by Senator Bone.¹⁰ The Senate passed the Bill on September 17, 1941;¹¹ and on September 24, 1942, the Bill passed the House¹² with numerous amendments. It was then referred back to the Senate Committee on Patents. A subcommittee was appointed, held hearings on the Bill as amended and subsequently proposed its passage.¹³ But the Senate did not accept the subcommittee's report. Upon motion of the minority leader, Senator McNary, the matter was referred back to the Senate Committee for further consideration, and the Bill died a few days later upon adjournment of the Seventy-Seventh Congress.¹⁴

5. See H. R. REP. NO. 603, 78th Cong., 1st Sess. (1943) 4: ". . . ideas concerning trade-mark protection have changed in the last 30 years and the statutes have not kept pace with the commercial development."

6. In reporting H. R. 82, 78th Cong., 1st Sess. (1943) (hereinafter cited as the Lanham Bill), out on June 25, 1943, Congressman Lanham clearly stated the object of the Bill: "The purpose of this bill is to place all matters relating to trade-marks in one statute and to eliminate judicial obscurity, to simplify registration and to make it stronger and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple and inexpensive, and relief against infringement prompt and effective. This bill effects this necessary codification and coordination." H. R. REP. NO. 603, *supra* note 5, at 2. The report also states the change in theory behind the proposed Bill: ". . . trade is no longer local, but is national. . . . It would seem as if national legislation along national lines securing to the owners of trade-marks in interstate commerce definite rights should be enacted and should be enacted now." *Id.* at 5.

7. H. R. 6618, 76th Cong., 1st Sess. (1939); see 84 CONG. REC. 9302-07 (1939).

8. 86 CONG. REC. 8988-93 (1940).

9. H. R. 102, 77th Cong., 1st Sess. (1941).

10. S. 895, 77th Cong., 1st Sess. (1941).

11. 87 CONG. REC. 7445-50 (1941).

12. 88 CONG. REC. 7431-37 (1942).

13. The subcommittee was appointed December 11, 1942. The motion for passage of the Bill was made December 15, 1942.

14. For a more detailed history of these developments, see *The Lanham Bill again before the Senate Committee on Patents* (1942) 32 T. M. REP. (Pt. I) 122; *The Lanham Bill, S. 895* (1943) 33 T. M. REP. (Pt. I) 10. The discussions on the floor of the Senate in December, 1942, appear in 88 Cong. Rec., Dec. 15, 1943, at 9893-95.

The Seventy-Eighth Congress now in session has not yet taken final action on the Bill, which was reintroduced by Congressman Lanham on January 6, 1943,¹⁵ passed the House in June 1943, and is at present before the Senate Committee.

In the light of these disappointing Congressional developments it is not unnatural that trade-mark owners and lawyers have sought "judicial legislation." And the impressive line of leading Supreme Court decisions in the past undoubtedly served as an incentive to the trade-mark profession to submit important moot problems to the Supreme Court.¹⁶ Unfortunately, trade-mark owners have fared no better with "judicial legislation" in the last two or three years than they did in their efforts to secure Congressional action. The Supreme Court has indicated a certain degree of indifference toward trade-mark problems and has left this branch of the law in a state of incongruity and uncertainty which has been pungently described as "fog and fiction."¹⁷

A glance through recent decisions of the Court reveals that—apart from one per curiam decision on an issue of proper pleading of local law in a trade-mark infringement suit¹⁸—the Court has granted certiorari in only one trade-mark case, which involved the proper measure of damages and profits for trade-mark infringement and unfair competition.¹⁹ In all other instances, of which there have been a substantial number, the doors of the Court have remained closed to a review of basic questions of trade-mark law. Not since the Court's decisions in the *Shredded Wheat* case²⁰ and the *Nu-Enamel* case²¹ in 1938, has the trade-mark profession had the benefit of an authoritative determination by the Supreme Court of any of the many controversial issues which have vexed trade-mark owners and trade-mark lawyers ever since the passage of the Act of 1905.

It would be merely conjectural and serve no useful purpose to inquire into the reasons for the Supreme Court's denial of certiorari in all but one

15. A subcommittee held hearings on the Bill April 7 and April 8, 1943, in order to consider additional amendments.

16. Mr. Justice Holmes clearly recognized the peculiar needs of trade-mark owners in 1923: "It [the trade-mark monopoly] deals with a delicate matter that may be of great value but that is easily destroyed, and, therefore, should be protected with corresponding care." *Bourjois v. Katzel*, 260 U. S. 689, 692 (1923).

17. *Schechter, Fog and Fiction in Trade-Mark Protection* (1936) 36 COL. L. REV. 69.

18. *Pecheur Lozenge Co. v. National Candy Co.*, 315 U. S. 666 (1942); *cf. Arrow Distilleries, Inc. v. Arrow Distilleries, Inc.*, 117 F. (2d) 636 (C. C. A. 7th, 1941), *cert. denied*, 314 U. S. 633 (1941). The decision in this case dealt with the extent of review by the federal courts of a master's report and findings. While the master's report concerned an issue of trade-mark infringement, no question of trade-mark law was submitted to the Supreme Court.

19. *Mishawaka Rubber & Woolen Co. v. Kresge Co.*, 316 U. S. 203 (1942).

20. *Kellogg v. National Biscuit Co.*, 305 U. S. 111 (1938).

21. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315 (1938).

of these recent trade-mark cases.²² Possibly, the Court was guided by the consideration that the controversies did not involve issues of sufficient general public interest to justify final review in times of war and economic emergency. Disputes between two trade-mark applicants or owners concerning their respective rights to protection or registration do not, at first blush, seem to present substantial federal questions even though millions of dollars may be involved. Upon closer scrutiny, however, it becomes apparent that most of the cases involve important principles of statutory interpretation and common law rights which well deserve and demand final determination in order to aid the business world in building up and preserving commercial goodwill. A final review would also contribute towards speedier enactment of new legislation by clarifying some decades-old controversial issues which until now have blocked, or at least impaired, the passage of new federal trade-mark legislation. The following illustrative cases upon which the Supreme Court refused to pass in 1942 and 1943 bring to the fore the manifold ambiguities and dangers which threaten trade-marks from the time of their adoption until their often involuntary and unexpected loss.

I.

About a year ago, the Supreme Court refused to review the question, involved in the *Dixi-Cola* case,²³ of whether a trade-mark or a part thereof may be lost merely through public acclaim or public usage despite "a vigorous fight" by the owner to preserve his right.²⁴ By invalidating the

22. *Mishawaka Rubber & Woolen Co. v. Kresge Co.*, 316 U. S. 203 (1942).

23. *Dixi-Cola Labs. v. Coca-Cola Co.*, 117 F. (2d) 352 (C. C. A. 4th, 1941), *cert. denied*, 314 U. S. 629 (1941).

24. The immediate result of the Court's denial of certiorari has been a prolonged and still unsettled controversy over section 33(b) (4) of the Lanham Bill. The recent hearings of April 7-8, 1943, were devoted almost exclusively to this question. Section 33(b) (4) makes it a defense to incontestability to prove "that the use by the defendant of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the defendant's individual name in his own business, or of the individual name of anyone in privity with the defendant, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of the defendant, or their geographic origin. . . ." (italics added). Those opposed to the passage of the Bill in its present form pointed out at the hearings that the language of this section covers descriptive terms only and not names which have become generic. The suggestion was made that the section be worded: "That the use by the defendant of the name, term, or device charged to be an infringement is a commercially fair use, made in a manner not calculated to confuse the public of the defendant's individual name in his own business, or of the individual name or anyone in privity with the defendant who uses his own name in his own business, or of a descriptive, generic, or geographical term or device." *Hearings before the House Committee on Patents on H. R. 82*, 78th Cong., 1st Sess. (1943) 22. The sponsors of the Bill took the position that section 45, the abandonment section of the act, dealt with this matter which provides that there shall be no

Shredded Wheat²⁵ trade-mark and by refusing to review the *Cellophane* case,²⁶ in which the word "cellophane" was declared *publici juris* by a court of appeals, the Supreme Court had previously indicated that a trade-mark once valid may be lost upon becoming a generic term. But these cases did not decide whether a trade-mark may be lost *solely* because of public acclaim in the absence of any fault on the part of its owner; for in both cases the trade-mark owners had contributed to, if not actually encouraged, a generic use by the public and the trade of the terms involved. As a result of the denial of certiorari in the *Dixi-Cola* case, trade-mark owners will have to be cautioned against popularizing their marks to such an extent that—to paraphrase Mr. Justice Brandeis' opinion in the *Shredded Wheat* case—their primary significance to the public is not the producer but the product itself. May too much success and too much popularity alone lead to sudden and unexpected loss of a trade-mark's distinctiveness and—as a result—of the trade-mark itself? We will not know the answer until the Supreme Court reviews a case in which a mark or a part thereof is declared forfeited to the public solely because of a gradual transition of an initially valid trade-mark into the public domain and into the realm of free "generic" terms.

II.

The Supreme Court's decision in the *Nu-Enamel* case²⁷ in 1938 authoritatively defined the rights of the owner of a trade-mark registered under the Act of 1920 and stated the full implications of the "secondary meaning" doctrine. The essence of the doctrine is that an originally defective trade-mark loses its infirmity and becomes entitled to protection as a trade-mark when it acquires a primary trade-mark significance. Since the defendant in the *Nu-Enamel* case conceded that the mark "Nu-Enamel" had acquired a secondary meaning, the Court was not asked to determine by how large a part of the general public a name must come to be associated with the owner's business before it will deserve trade-mark protection at common law.²⁸

But this precise question had been squarely presented to the Court by the petition for certiorari in the *Brake Block* case²⁹ which was denied in 1942. The Second Circuit of Appeals had observed:

loss of a trade-mark without some fault (act of "comission" or "omission") on the owner's part.

25. *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111 (1938).

26. *E. T. DuPont de Nemours & Co. v. Waxed Products Co.*, 299 U. S. 601 (1936), *decision rendered*, 85 F. (2d) 75 (C. C. A. 2d, 1936).

27. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315 (1938).

28. *Id.* at 320-21.

29. *American Brake Shoe & Foundry Co. v. Alltex Products Corp.*, 117 F. (2d) 983 (C. C. A. 2d, 1941), *cert. denied*, 314 U. S. 631 (1941).

"At times courts have indeed seemed to assume that the owner of a secondary [meaning] mark loses if he fails to show that substantially everybody supposes the mark to mean not only what it describes but that he, or some single maker or seller, is the source of the goods; but we need not go so far. Arguendo we will assume that if to a substantial part of the trade, though not by any means to all of it, a descriptive term has acquired a secondary meaning, competitors may be required to distinguish their wares in some way that will not impose upon them a disproportionately heavy burden. It is proper enough to protect a business though only a part of it is hurt; that accords with the principle which constitutes the whole law of the subject."³⁰

The court had held, however, that even if a secondary meaning for the words "Brake Block" had been established, the plaintiff would not have been entitled to injunctive relief because not the defendant himself but those who bought from him used the infringing name "National Brake Block" for purposes of substitution. The defendant's goods were marketed through dealers who substituted his linings when they knew that car owners wanted the plaintiff's, and there was evidence that the defendant's salesmen advised his dealers to make these substitutions. Under established principles of contributory trade-mark infringement, this showing should have served as a sufficient basis for enjoining the defendant from using any direct or indirect means which made such a fraud possible, including the use of the confusingly similar trade-mark "National Brake Block." But the court had reasoned that the defendant's customers—repair shops and service stations—and not the defendant deceived the car owners who expected to get the plaintiff's lining when they asked for "Brake Block," and had concluded:

"The use of the name can injure the plaintiff only in so far as it results in mistaken buying by the last buyer who accepts the goods because of their name, and the owner is not such a buyer. To succeed, the plaintiff was therefore bound to show that repair shops or service stations were deceived, and that it failed to do."³¹

In his petition for certiorari the plaintiff stressed the fact that this holding appears to be in conflict with the Supreme Court's decision in the *Warner* case that "one who induces another to commit a fraud, and furnishes the means of consummating it, is equally guilty and liable for the injury."³²

30. *Id.* at 984.

31. *Id.* at 984-85.

32. *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U. S. 526, 530-31 (1924). See also *Royal Baking Powder Co. v. Royal*, 122 Fed. 337, 344-45 (C. C. A. 6th, 1903); *N. K. Fairbank Co. v. Luckel, King & Cake Soap Co.*, 102 Fed. 327, 330-31 (C. C. A. 9th, 1900); *N. K. Fairbank Co. v. R. W. Bell Mfg. Co.*, 77 Fed. 869, 878 (C. C. A.

The denial of certiorari in the *Brake Block* case has left the application of the "secondary meaning doctrine" unsettled and has cast doubt on the extent to which the doctrine of contributory infringement is applicable in trade-mark cases. A gap in the theory of trade-mark protection has been reopened, which the *Warner* case had ostensibly closed.³³

III.

By refusing to hear *Time, Inc. v. Tiobin Corporation*³⁴ a few months ago, the Supreme Court lost an opportunity to define the extent of a trade-mark owner's preëemptive rights. The basic issue in the case was whether the modern theory of trade-mark protection and unfair competition should be extended to give the owner of the magazine *Life* a cause of action against a cereal manufacturer who used the trade-mark "Life of Wheat" and a color arrangement similar to that used on the magazine. Here was an opportunity for the Court to decide the "nice question" it had intended to determine in the *Beech-Nut* case in 1927.³⁵ The late Mr. Justice

2d, 1896); *Enoch Morgan's Sons Co. v. Whittier-Coburn Co.*, 118 Fed. 657, 661 (C. C. N. D. Cal. 1902); *Von Mumm v. Frash*, 56 Fed. 830 (C. C. E. D. N. Y. 1893). *Contra*: *Coca-Cola Co. v. Nehi Corp.*, 25 A. (2d) 364 (1942) (Ch. Dela. 1942). This case is now pending before the Supreme Court of Delaware. The principle has even been applied in the absence of evidence directly connecting the dishonest dealing with the defendant. In *Enoch Morgan's Sons Co. v. Whittier-Coburn Co.*, 118 Fed. 657, 661 (C. C. N. D. Cal. 1902), it was said: "In the present case the evidence shows that the goods of the defendant have been mistaken by purchasers for those of the complainant, probably by the design of the dealer. And, though there is no evidence connecting such dishonest dealing with the defendant in any way, the fact that it so dresses its goods as to give an easy opportunity to the unscrupulous dealer to delude the consuming purchaser is very persuasive evidence that an intention existed to enter into competition with the manufacturer whose goods were already well established, and to carry on such competition in a manner which courts of equity hold to be unfair."

33. The doctrine of contributory infringement is embodied in section 32(1) of the Lanham Bill: "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 such use as is likely to cause confusion or mistake or to deceive purchasers as to the source or 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, except that under subsection (b) hereof the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers."

34. 128 F. (2d) 860 (C. C. A. 7th, 1942), *cert. denied*, 317 U. S. 673 (1942).

35. *Beech-Nut Packing Co. v. P. Lorillard Co.*, 273 U. S. 629 (1927). The Supreme Court had intended to decide the question whether the owner of the well-known "Beech-

Holmes, obviously to his own disappointment, reached the conclusion that the decision in that case hinged upon an issue of abandonment rather than on the substantive scope of trade-mark protection. Thus the basic question of the trade-mark owner's preëmptive rights was left unanswered by the Supreme Court and has remained so to the present day. Although the Lanham Bill, should it become law, will not settle the question since the issue involved concerns principles of common law protection against infringement and unfair competition rather than statutory rights derived from registration, it should be noted that the test which section 32(1) of the bill provides for the institution of an infringement action is far more liberal than that provided in section 16 of the present Act. Section 16 limits the right of action to an infringing use of a trade-mark on merchandise "of the same descriptive properties." Under section 32 of the proposed Bill an injunction would lie against any use of a trade-mark which might cause confusion or mistake or might deceive purchasers "as to the source or origin" of the goods. If confusion as to source could be established, the owner of a magazine might be entitled to an injunction under section 32 against use of a colorable imitation of his trade-mark by the manufacturer of a cereal product.

IV.

By denial of certiorari in the *Philadelphia Inquirer* case,³⁶ the Supreme Court left in doubt the proper construction to be given the words "same descriptive properties" which appear in the Act of 1905 at three different places.³⁷ A controversy has plagued the trade-mark profession since 1905 as to the proper construction of this language, and neither the members of the Court of Customs and Patent Appeals nor the members of the United States Court of Appeals for the District of Columbia have been able to agree upon the question. Consequently, during the past decade there has been an impressive and uninterrupted line of dissenting opinions

Nut" trade-mark could enjoin use of that mark for tobacco despite the fact that the use of the word on tobacco had antedated the first use of the "Beech-Nut" trade-mark by the Beech-Nut Packing Company.

36. *Philadelphia Inquirer Co. v. Coe*, 38 F. Supp. 427 (D. D. C. 1941), *aff'd*, 133 F. (2d) 385 (App. D. C. 1942), *cert. denied*, 318 U. S. 793 (1943).

37. The proviso in section 5 reads:

"*Provided*, That the trade-marks which are identical with a registered or known trade-mark owned and in use by another, and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade-mark owned and in use by another, and appropriated to merchandise of the same descriptive properties, as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers, shall not be registered. . . ." 33 STAT. 724, 725 (1905), 15 U. S. C. § 85(b) (1940).

on this point. It was this phrase to which the Court of Customs and Patent Appeals referred in the *Del Monte* case when it said:

"Thousands of pages have been written by the courts in construing the last-quoted provision and there are but few statutory phrases which have produced so much variance and conflict of judicial opinion."³⁸

It is not, however, the literal meaning of the phrase by itself which has caused unabating difficulty, but rather its significance in the general framework of section 5 of the Act providing for trade-mark registration. The crucial questions are (1) whether registration *must* be denied if two marks are identical and used on merchandise of the same descriptive properties even in the absence of any confusion or likelihood of confusion and, usually more important, (2) whether registration *must* be granted if the identical mark is used on articles having different descriptive properties under the technical classification of the Patent Office even if considerable likelihood of confusion is found to exist despite the different classification? Ever since the Court of Customs and Patent Appeals was vested with jurisdiction over appeals in trade-mark registration proceedings, there has been a sharp difference of opinion among the court's own members in regard to both these questions. The majority in a series of leading cases developed the so-called "confusion test" first clearly defined in the *Hockmeyer*³⁹ and *Del Monte*⁴⁰ cases. This doctrine was thus stated in the latter case:

". . . we think the great weight of authority is to the effect that 'the dominant purpose of that part of the section here involved is the prevention of confusion and deception,' and that in determining the meaning of the phrase 'merchandise of the same descriptive properties,' controlling consideration must be given to the question as to whether or not the goods are similar to the extent that confusion, deception, or mistake will result to the public or to purchasers, and if the goods are sufficiently similar, that the use of an identical trade-mark on the goods of both will result in the goods of one being regarded by the purchaser as the goods of the other, that they are to be regarded as goods of the same descriptive properties."⁴¹

38. *California Packing Co. v. Tillman & Bendel*, 40 F. (2d) 108, 110 (C. C. P. A. 1930). See also the statement of Harry D. Nims in 1929:

"To the lawyer it is the synonym of confusion; to the layman it is meaningless. The attempts of the Patent Office and of the courts to find a rule of thumb by which to classify commodities in this respect has been a complete failure, at least from the layman's standpoint." NIMS, *UNFAIR COMPETITION AND TRADE-MARKS* (3d ed. 1929) 525.

39. *B. F. Goodrich Co. v. Clive E. Hockmeyer*, 40 F. (2d) 99 (C. C. P. A. 1930).

40. *California Packing Co. v. Tillman & Bendel*, 40 F. (2d) 108 (C. C. P. A. 1930).

41. *Id.* at 110.

While the majority found it necessary to restate and modify this doctrine in the *Better Homes* case⁴² in order not to read the words "same descriptive properties" entirely out of the statute; the court reiterated there that in order to determine the meaning of the words for purposes of registration, many important external factors must be considered in conjunction with the application of technical classification tests. Due weight should be given, for example, to whether the goods are commonly sold together and whether they are used for the same purpose and by the same people. In the light of this test the court's decision that cigarettes and cigarette cases or powder and powder boxes are goods of the same descriptive properties⁴³ is easily explained and is clearly justified despite the fact that the articles are technically "unrelated."

A minority of the Court of Customs and Patent Appeals has, however, consistently held that a determination that certain articles technically do or do not have the same descriptive properties ends the matter as far as registration is concerned and that if the descriptive properties are the same, registration should be denied irrespective of the factor of possible confusion. This minority view, surprisingly enough, was adopted by the majority of the Court of Appeals for the District of Columbia in the *Philadelphia Inquirer* case.

The *Philadelphia Inquirer* sought registration of the mark "Everybody's Weekly," a name given to the magazine supplement section of its Sunday newspaper. Registration was opposed and denied because of the existence of the British publication "Everybody's—the Popular Weekly." On the inside page of the British publication appeared the heading "Everybody's Weekly." The examiner as well as the Commissioner of Patents refused registration. In a proceeding to compel the Commissioner of Patents to register the mark, the district court⁴⁴ held that the goods were of the same descriptive properties, that the marks were identical, and that, therefore, external evidence showing complete absence of any actual confusion or likelihood of confusion between the two periodicals was irrelevant under the language of section 5 and not admissible. The Court of Appeals, affirming this ruling, said that the "confusion" test as applied by the majority of the Court of Customs and Patent Appeals ignored "the nicer standards" of the statute. Mr. Justice Stephens in a strong dissenting opinion⁴⁵ pointed out that likelihood of confusion should be the over-all test of registrability and that the words "same descriptive prop-

42. *Meredith Publishing Co. v. O. M. Scott & Sons Co.*, 88 F. (2d) 324 (C. C. P. A. 1937), holding that registration of the words "Better Homes" for lawn grass seed should be permitted over the objection of the owner of the magazine "Better Homes."

43. See *Elgin American Mfg. Co. v. Elizabeth Arden*, 83 F. (2d) 681 (C. C. P. A. 1936).

44. *Philadelphia Inquirer v. Coe*, 38 F. Supp. 427 (D. C. Col. 1941).

45. *Philadelphia Inquirer v. Coe*, 133 F. (2d) 385, 389 (App. D. C. 1942).

erties" provide but one statutory factor for determining the likelihood of confusion. Therefore, he concluded, external evidence intended to show complete absence of any likelihood of confusion should have been admitted.⁴⁶

Trade-mark owners and lawyers alike had hoped that the Supreme Court would be willing to settle the conflict and authoritatively interpret the meaning and scope of the phrase "same descriptive properties." Because of the Court's refusal to review the case, trade-mark attorneys will remain confronted with the task of guiding applicants and registrants through a mass of conflicting and irreconcilable court and Patent Office holdings.

The passage of the Lanham Bill would put an end to this dilemma because section 2(d) expressly provides that no mark shall be registered which is likely, when applied to the goods of the applicant, "to cause confusion or mistake or to deceive purchasers." Thus the Bill has clearly adopted the viewpoint expressed by the majority of the Court of Customs and Patent Appeals and by the dissenting opinion in the *Philadelphia Inquirer* case. Moreover, the phrase "same descriptive properties" is eliminated entirely from the proposed statute; and despite the opportunity afforded by endless hearings and discussions of the proposed new Act, no serious opposition was ever raised to its elimination. This fact indicates that the soundness of the "confusion" test is almost universally recognized and that the reasoning of the majority opinion in the *Philadelphia Inquirer* case, which is out of line with the more progressive modern trend, demanded authoritative review by the Supreme Court.⁴⁷

46. Judge Stephens said: "I find nothing in the statute or in the authorities which requires the conclusion that the court, in determining under the second proviso of Section 5 whether or not items of merchandise possess the same descriptive properties, must limit itself to visual inspection of the goods and inferences to be drawn from such inspection, and ignore likelihood of confusion and the testimony of the trade with respect thereto. I think this court has ruled that, in the light of the purpose of the trade-mark act—to protect honest dealers and the public—likelihood of confusion and what the trade thinks with respect thereto is the critical consideration for determining whether or not the descriptive properties of items of merchandise are the same." *Id.* at 393. He also quoted extensively from Judge Learned Hand's opinion in *Yale Electric Corp. v. Robertson*, 26 F. (2d) 972, 974 (C. C. A. 2d, 1928), where the following interpretation was made of the phrase: "'While we own that it does some violence to the language, it seems to us that the phrase should be taken as no more than a recognition that there may be enough disparity in character between the goods of the first and second users as to insure against confusion. That will indeed depend much upon trade conditions, but these are always the heart of the matter in this subject.'" *Id.* at 392.

47. In *Solventol Chemical Products v. Langfield*, 134 F. (2d) 899 (C. C. A. 6th, 1943), registration was sought of the trade-mark "Solventol" for a cleaning preparation. Both the Patent Office Tribunals and the district court in 41 F. Supp. 877 (E. D. Mich. 1941) sustained the opposition of the owner of the registered trade-mark "Solvite" on the theory that the articles were practically identical and the two trade-marks confusingly similar.

V.

Prior to the petition in the *Philadelphia Inquirer* case, the Supreme Court also refused to review the Court of Customs and Patent Appeals' decision denying registration of the name "Texas Centennial" for a certain patented variety of rose.⁴⁸ As a result of this denial of certiorari, trademark attorneys asked to advise their clients with regard to the registrability of variety names of patented articles will find themselves in a precarious position. The issue in the case was whether the owner of a plant patent for a new variety of rose should be granted registration of the name "Texas Centennial," under which he had introduced the rose in commerce. He had listed it under that name in his catalogues and attributed certain physical features to this rose in order to distinguish it from other roses. The examiner refused registration because "the words 'Texas Centennial' merely indicated the variety name of a particular rose" and because registration, if permitted, would "tend to extend a monopoly," since the words were "the name of a patented article."⁴⁹ A suit to compel registration was instituted, but both the district court and the court of appeals affirmed the decision of the Commissioner of Patents. The reasoning of the court of appeals may well be characterized as unheard of in any proceeding of this kind. That court said:

"The Patent Office and the District Court might properly conclude that the words 'Texas Centennial,' though originally arbitrary, have

The district court relied on two decisions of the Court of Customs and Patent Appeals which sustained the opposition of the owner of the "Solvite" trade-mark against registration of the terms "Solvit-All" and "Solvoline" for cleaning preparations. The court of appeals held that although there was "some difference" in the descriptive properties of the two articles, they had the same "general descriptive properties." Under the test of the majority decision in the *Philadelphia Inquirer* case, registration should have been denied on that ground provided the two marks were either identical or confusingly similar. The court, however, adopted the "confusion test" as applied by Mr. Justice Stephens in his dissenting opinion in that case, saying: ". . . in considering the question as to whether confusion would likely result from the registration of appellant's trade mark, it is proper to weigh the circumstances under which the goods are and will be sold, together with the dissimilarity of both the goods and the respective trade marks." *Id.* at 902. The opposition was dismissed because of the dissimilarity of the two trade-marks involved, both of which were characterized as weak "suggestive" trade-marks. See note 55 *infra*. This decision is difficult to reconcile with the majority decision in the *Philadelphia Inquirer* case and shows that at the present time both the selection and protection of a registered trade-mark are frequently a gamble of the first order. The losing applicant in this case filed a petition for certiorari on July 2, 1943.

48. *Dixie Rose Nursery v. Coe*, 131 F. (2d) 446 (App. D. C. 1942), *cert. denied*, 318 U. S. 782 (1943). This case is discussed in a comprehensive article by Greenberg, *The Effect of a Patent-Expiration on Trade-Mark Rights* (1943) 35 J. PAT. OFF. SOC. 564.

49. The Commissioner of Patents, on appeal, affirmed the holding of the Examiner that registration should be refused because the words "Texas Centennial" were unregistrable without a disclaimer of the word "Texas" and the accompanying outline map of the State of Texas.

come to describe to the public a rose of a particular sort, not a rose from a particular nursery. It follows that the statute forbids the registration of the words, unless an exception is to be read into the statute to the effect that words which are descriptive may nonetheless be registered when the applicant and his licensees are, for the moment, the only persons who produce the thing described.

"The policy of such an exception is not so clear that we can impute to Congress an intent to imply it. It is conceived to be fair to persuade buyers that they want goods from a particular source, and to enable them to get such goods by the convenient means that an exclusive trade mark or trade name provides. It is conceived to be unfair to require buyers who are indifferent to source, and want merely goods of certain characteristics, to name a particular source in order to name the desired characteristics. To allow registration of the name 'Texas Centennial' would give appellant an unfair advantage, despite the fact that only appellant and its licensees now produce Texas Centennials. It would tend to prolong appellant's monopoly, beyond the life of appellant's patent, by making it difficult for a newcomer to break into the field. We cannot read such an intent into the Trade Mark Act."⁵⁰

Only a few years ago the patent statute was amended to permit the grant of patents for new varieties of plants.⁵¹ The hearings before the House Committee on Patents in 1930 on the plant patent amendment⁵² offer eloquent documentary proof of a universal willingness to afford inventors of new plants or of new varieties of plants the same measure of protection which industrial inventors enjoy. Despite the fact that section 5 of the Act of 1905 in enumerating those types of marks which may not be registered fails even to mention the names of patented articles, the *Texas Centennial* decision would appear to impose a mandatory duty upon the Commissioner of Patents to inquire in every case of a trademark application for a new commercial product or variety whether the article is patented or not and to deny registration if the article is patented

50. *Dixie Rose Nursery v. Coe*, 131 F. (2d) 446, 447 (App. D. C. 1942).

51. See 46 STAT. 376 (1930), 35 U. S. C. §31 (1940):

"Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, or who has invented or discovered and asexually reproduced any distinct and new variety of plant, other than a tuber-propagated plant, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof, or more than one year prior to his application, and not in public use or on sale in this country for more than one year prior to this application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceedings had, obtain a patent therefor."

52. *Hearings before the House Committee on Patents on H. R. 11372*, 71st Cong., 2d Sess. (1930).

solely because *after the expiration of the patent* the owner of the mark may want to renew the registration and thus perpetuate his "monopoly." Thus one important benefit which would ordinarily flow from the grant of a patent for a new plant variety seems to have been eliminated.

Moreover, all recent court decisions demonstrate that there is no serious objection to allowing a valid trade-mark to survive beyond the duration of a patent. It is no longer correct to say that trade-mark rights on patented articles are automatically lost with the expiration of the patent.⁵³ It is a question of fact, to be determined in each case at the time of expiration, whether a trade-mark has become the generic name of the article. Even the classical common law doctrine of the *Singer* case,⁵⁴ which declared every trade-mark automatically *publici juris* upon expiration of the patent, was concerned only with the fate of the trade-mark *after* the patent expired, and there was not a suggestion in that case that the name of a patented article necessarily is an invalid trade-mark *ab initio*.

If the decision in the *Texas Centennial* case that the mark was invalid because it referred to a style or class of merchandise were sound law, literally thousands of marks adopted for different varieties and grades of commodities, whether they be varieties of roses, biscuits, paint, or soap, would have to be considered invalid solely because they necessarily refer to one particular style or type of merchandise. Neither the courts nor the Patent Office have ever gone that far. On the contrary, it has been recognized in recent years that the same name may serve both as a grade mark (or variety mark) and as a trade-mark. Thus the court said in the *Club Cracker* case:

"It is, of course, the law that a name, which is used solely to identify some particular type or grade of goods or to differentiate it from others of the same manufacturer, will not by such use become a trade mark. . . . But it is equally well established that where the intention is to acquire a trade-mark, the mere fact that the name also serves to designate a particular kind, grade, or quality of article manufactured does not prevent the creation of a trade-mark right in it."⁵⁵

As recently as January, 1943, the Commissioner of Patents held in *Ex parte Pfister Hybrid Corn Company*,⁵⁶ that a designation may serve as a trade-mark and as a grade mark at the same time. Consequently, the number "5897" was registered for seed corn despite the fact that it was applied to a particular strain of seed corn. The Commissioner remarked:

53. See DERENBERG, TRADE-MARK PROTECTION AND UNFAIR TRADING (1936) 619 *et seq.*, and cases cited therein. See also (1936) 5 GEO. WASH. L. REV. 224.

54. *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S. 169 (1896).

55. *Keebler Weyl Baking Co. v. J. S. Ivins Sons*, 7 F. Supp. 211, 212 (E. D. Pa. 1934).

56. 56 U. S. PAT. Q. 275 (Comm'r of Pat. 1943).

"It does not appear that anyone else has ever used the numeral '5897' as a grade mark and it seems to me the mark as used by applicant conveys true trade mark significance to such an extent that should purchasers see this mark on seed corn produced and sold by others than applicant the purchasers would be deceived and misled into believing the seed corn to be applicant's product."⁵⁷

In *Ex parte Eastman Kodak Company*,⁵⁸ the Commissioner upheld the validity of the designation "D-11" as a trade-mark for photographic developers on the ground that such a designation denoted not only type or quality but was also intended to denote the origin of the goods.

There seems to be no valid reason why the name "Texas Centennial"—disregarding its other alleged infirmities—for a variety of rose should be considered less deserving of protection than the name "Uneda" for a variety of biscuit or the name "Waterman" for a kind of pen or the name "B. V. D." for a type of underwear. The fact that during the lifetime of the patent only one manufacturer may lawfully produce the article would appear to be even more reason for protecting him in the exclusive use as a trade-mark of the name under which the article is sold because such a name signifies, at least for the duration of that period, not only the new article or variety, but also its exclusive producer.⁵⁹

VI.

The question of the registrability and protection of color designs or of color alone as trade-marks was also recently submitted to the Supreme Court but not considered. Over thirty-five years ago in *Leschen v. Broderick*⁶⁰ the Court enunciated some general rules with respect to the protection of color trade-marks. In that case the Court indicated by way of dictum that the validity of a color strand for wire rope might perhaps be permissible if the application were limited to *one* color, but that no protection could be claimed for all colors by which the article might be distinguished.⁶¹

57. *Ibid.* The Commissioner there said: ". . . it does not necessarily follow that merely because a mark serves as a grade mark it may not also be a technical trade mark under Act of February 20, 1905. *Menendez v. Holt*, 128 U. S. 514, 1889, C. D. 344, 46 O. G. 971; *Richard Hellman, Inc. v. Oakford and Fahnestock*, 19 C. C. P. A. 816, 54 F. (2d) 423, 1932, C. D. 160."

58. 55 U. S. PAT. Q. 361 (Comm'r of Pat. 1942).

59. The Lanham Bill is silent with regard to the treatment of variety names of either patented or unpatented articles, but it seems clear by implication from section 2(f) that any such mark may be registered if it is "distinctive of the applicant's goods in commerce."

60. 201 U. S. 166 (1906).

61. "Even if it were conceded that a person might claim a wire rope colored red or white, or any other color, it would clearly be too broad to embrace all colors." ". . . and

The Court added that it was doubtful whether color per se could ever constitute a technical trade-mark, but that use of a color as part of and in conjunction with a particular form or stripe such as a cross or a triangle may constitute a trade-mark use. This dictum, instead of settling the question once and for all, provoked an endless line of conflicting and inconsistent judicial and administrative rulings,⁶² and the question is as moot and controversial today as it was in 1906 when the case was decided.

In the recent case of *James Heddon's Sons v. Millsite Steel & Wire Works*,⁶³ the lower federal courts denied relief to a manufacturer of fishing tackle whose trade-mark consisted of a narrow red stripe. The goods for which this mark was registered included fishing rods, artificial baits, fish floats, fish hooks, and other related articles. The trade-mark in form of a narrow red stripe was applied on all these items to one or more edges of the containers or was affixed upon boxes and cartons. It appeared also in the form of stitching with red thread on the fabric bags containing fishing rods. Despite the fact that the trial court frankly stated that it "had no sympathy for the defendant" and "did not like the extent to which the defendant had copied," both lower courts held that this red edge mark was "not a trade-mark and . . . [could] not be exclusively appropriated" and that the mark, although it admittedly indicated the plaintiff's goods to some members of the public, did "not point out distinctly the origin or ownership of the articles to which the label [was] affixed." In his petition for certiorari,⁶⁴ the plaintiff emphasized the complete lack of uniformity in the decisions of the courts and the Patent Office Tribunals and the need for final determination by the Supreme Court. He also pointed out that the Supreme Court in the *Mishawaka* case⁶⁵ had given effect to a color trade-mark "consisting of a red circular plug embedded in the center of a heel" and that the decision of the lower courts in the present case appeared to be inconsistent with that holding. Thus the Supreme Court was presented with an opportunity to restate the much debated doctrine of the *Leschen* case⁶⁶ in the light of its *Mishawaka* decision⁶⁷ and to bring to an end the age-old controversy over the registrability of color stripes and color designs. Unfortunately, the Court refused to re-examine the question.⁶⁸

a trade-mark which may be infringed by a streak of any color, however applied, is manifestly too broad." *Id.* at 171.

62. DERENBERG, *op. cit. supra* note 53, at 293-303.

63. 128 F. (2d) 6 (C. C. A. 6th, 1942), *cert. denied*, 317 U. S. 674 (1942).

64. The petitioner stated: "So we have a colored band here upheld, a colored band there stricken down, a blue handle grip somewhere denied, a red circular plug sustained by this Court, etc.—all tending to bewilder and confuse those who seek some authoritative guidance."

65. See *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 316 U. S. 203 (1942).

66. 201 U. S. 166 (1906).

67. 316 U. S. 203 (1942).

68. 317 U. S. 674 (1943).

VII.

By denying certiorari in the case of *John Clayton Cridlebaugh v. Maurice L. Rudolph*,⁶⁹ the Supreme Court refused to clarify the distinction between a valid suggestive and an invalid descriptive mark. That case involved the validity of the trade-mark "Specs" as applied to a mask for fowl. The mask, a mechanical device fitted on a chicken's beak, was designed to partially obstruct the chicken's forward vision on a horizontal plane in order to prevent picking. The lower courts had held that the word "Specs" was "but a figurative description" of the article and that plaintiff was entitled, therefore, neither to its exclusive use, nor to protection against the use of the word "Goggles" by the defendant.⁷⁰ Thus the decision had hinged upon a determination of the distinction between a valid suggestive and an invalid descriptive mark.

Courts have not been too successful in establishing a proper line of demarcation between descriptive and suggestive marks, and the Supreme Court has never considered this question. It denied certiorari some years ago in the prolonged litigation over the validity of the trade-mark "Chicken of the Sea" for canned tunafish. A long line of decisions by the Patent Office Tribunal and the Court of Customs and Patent Appeals had adjudicated this a valid suggestive mark while an equal number of federal court decisions⁷¹ had held the term invalid and descriptive. The best discussion of the difference between descriptive and suggestive marks is found in the case *W. G. Reardon Laboratories v. B. & B. Exterminators*.⁷² There the term "Mouse Seed" was upheld as a valid suggestive mark for a rodent exterminator. The court argued:

" . . . when the two words are coupled together to make 'Mouse Seed' there is no immediate meaning conveyed but a suggestion to

69. 131 F. (2d) 795 (C. C. A. 3d, 1942), *cert. denied*, 318 U. S. 779 (1943).

70. *Cridlebaugh v. Rudolph*, 40 F. Supp. 393 (D. N. J. 1941).

71. Compare *Van Camp Sea Food Co. v. Cohn-Hopkins*, 56 F. (2d) 797 (C. C. A. 9th, 1932), *cert. denied*, 286 U. S. 561 (1932). Not only the definition of a suggestive trade-mark but also the scope of protection that such mark deserves are in doubt. According to the most recent decision on this point, a suggestive trade-mark seems to be accorded little more protection than an invalid descriptive term. The Circuit Court of Appeals for the Sixth Circuit said in *Solventol Chemical Products, Inc. v. Langfield*, 134 F. (2d) 899 (C. C. A. 6th, 1943): "Such trade-marks may be valid but as to them, the field is open to other traders to employ equally suggestive marks provided only that they be not deceptively similar." *Id.* at 903. And the court charged the lower court with having failed to give effect to the rule "that the adoption of a suggestive mark by one trader, will not preclude any other trader from employing another mark of equal suggestiveness. . . ." *Ibid.* If this view were universally accepted and not a rather isolated expression of opinion by this court, trade-mark owners would be much better advised not to select a suggestive trade-mark, no matter how ingenious, because its suggestiveness would detract from the scope of its protection rather than enhance it. See note 47 *supra*.

72. 71 F. (2d) 515 (C. C. A. 4th, 1934).

the mind as to what the term could mean and the two words used in conjunction cease to be descriptive and become suggestive. Mature thought would probably lead to but one conclusion—that a mouse poison was indicated—but it requires thought to reach this conclusion. The words used together possess an element of incongruity which make them unusual and unique and therefore, in our opinion, a valid trade-mark."⁷³

If the test indicated by the court is correct, it is difficult to see why the word "Specs" should not likewise have been held a valid suggestive mark. It would seem to require just as much "mental operation" to discover the descriptive meaning of the word "Specs" as applied to masks for fowls as it would to realize the descriptiveness of the words "Chicken of the Sea" or "Mouse Seed."

In the absence of a Supreme Court decision on this point the question will remain controversial even if the Lanham Bill should become law. Section 2 of the Bill makes no mention of suggestive terms; and in prohibiting registration of "merely descriptive" terms the Bill in effect recodifies section 5 of the Act of 1905. To obtain registration of an originally descriptive term it would be necessary under the Act to prove that the name has become distinctive under section 2(f) despite its original descriptive significance.⁷⁴

VIII.

Occasionally trade-mark owners try to obtain protection against an entirely non-commercial use of their mark which, though it may cause no pecuniary damage, may adversely affect the owner's or the product's reputation. If there is any legal foundation for such action, it will probably be found in the field of trade libel⁷⁵ or possibly unfair competition rather than in that of trade-mark infringement. The "moral right" doctrine recognized to some very small extent in copyright law⁷⁶ has never

73. *Id.* at 517.

74. The Court also denied certiorari in *Aetna Casualty & Surety Co. v. Aetna Auto Finance Co.*, 123 F. (2d) 582 (C. C. A. 5th, 1941), *cert. denied*, 315 U. S. 824 (1942). The circuit court of appeals in a unanimous decision held in that case that the defendant should be enjoined from using the name "Aetna Auto Finance Co." in view of the nationwide reputation which the Aetna Insurance Company had built up in a related field. The court found that the purpose of the defendant's appropriation of its corporate name was "to project itself into that business arena panoplied in a name already favorably known," *id.* at 584, and concluded that the case came within well-recognized principles of the law of unfair competition.

75. Compare in regard to this problem, Wolff, *Unfair Competition by Truthful Disparagement* (1938) 47 YALE L. J. 1304.

76. Compare Roeder, *The Doctrine of Moral Right: A Study in the Law of Artists, Authors, and Creators* (1940) 53 HARV. L. REV. 554.

been applied to trade-mark law in the absence of a commercial trade-mark use by the infringer. An interesting attempt was recently made in *Caron Corporation v. R. K. O. Radio Pictures*⁷⁷ to introduce "moral right" protection into the field of trade-mark law. There the manufacturer of a well-known perfume, sold under the registered trade-mark "Fleurs de Rocaille," brought an action against R. K. O., alleging that the defendant had obtained a set of dummy bottles from the plaintiff by fraudulent representations and had used one of them in making a scene in a motion picture. The scene depicted "a squalid interior in a shack." In these surroundings a depraved person in the presence of a confirmed drunkard made a gift of petitioner's package to her mother. Such use of the trade-mark in a motion picture, the plaintiff alleged, "is exclusively to the advantage of respondent and to the detriment of petitioner."

Both the New York Court of Appeals and the United States Supreme Court refused to pass upon this question after the Appellate Division had unanimously and without opinion affirmed the dismissal of the complaint by the lower court. Even if the "moral right" doctrine were a part of trade-mark law,⁷⁸ it would require considerable imagination to characterize the use of a trade-mark, under the circumstances described, as an "infringement" and an actionable violation of the intangible interest of the trade-mark owner in the preservation of the integrity of the mark. The fact that in actual life or in a movie one of the most delicate perfumes may be used by, or given as a present to, depraved women cannot reflect upon the reputation of the perfume itself any more than the presence of a painting by a famous artist in a house of ill repute would detract from his reputation. The intrinsic merits of a work of art or of a luxury

77. The various decisions of the New York Supreme Court in this case are unreported. The Appellate Division affirmed the Supreme Court's dismissal of the complaint without opinion. 264 App. Div. 763, 35 N. Y. S. (2d) 715 (1st Dep't 1942), *leave to appeal denied*, 44 N. E. (2d) 422 (1942).

78. A first step toward recognition of a "moral right" in trade-marks may be found in *Old Dearborn Distributing Co. v. Seagram Distillers Corp.*, 299 U. S. 183 (1936). In upholding state fair trade legislation, the court observed:

"We are here dealing not with a commodity alone, but with a commodity plus the brand or trade-mark which it bears as evidence of its origin and of the quality of the commodity for which the brand or trade-mark stands. Appellants own the commodity; they do not own the mark or the good-will that the mark symbolizes. And good-will is property in a very real sense, injury to which, like injury to any other species of property, is a proper subject for legislation. Good-will is a valuable contributing aid to business—sometimes the most valuable contributing asset of the producer or distributor of commodities. And distinctive trade-marks, labels and brands are legitimate aids to the creation or enlargement of such good-will. It is well settled that the proprietor of the good-will 'is entitled to protection as against one who attempts to deprive him of the benefits resulting from the same, by using his labels and trade-mark without his consent and authority.'" *Id.* at 194.

article are not affected by the social standing of their owner or the owner's physical surroundings.

IX.

The sole recent case in which the Supreme Court has granted certiorari, *Green v. Electric Vacuum Cleaner Company*,⁷⁹ involves an important trade-mark issue only collaterally. The court of appeals in that case held, inter alia, that defendant had no right to use the trade-mark "Premier" on vacuum cleaners which he had reconditioned and reassembled even though the parts used were genuine parts originally covered by the plaintiff's patent. The court did not, however, enjoin defendant absolutely from using the trade-mark "Premier" on the reconditioned cleaners although the reasoning of the majority decision seemed to foreshadow such a ruling. The defendant was enjoined only "from offering for sale or selling reconditioned or reconstructed vacuum cleaners using plaintiff's trade-marks Premier or Premier Duplex, or either of them, in the manner which has been employed; but not if the reconditioned or reconstructed vacuum cleaners [were] marked as prominently as the trademarks, to indicate that the reconditioning or reconstruction was done by the appellant."⁸⁰

Unfortunately, the vital question concerning the scope of trade-mark protection in cases of rebuilt and reconditioned articles will not come squarely before the Supreme Court in this case because the defendant has limited his petition for certiorari to the patent and anti-trust issues involved. The defendant petitioner has expressly stated in his petition that "it waives any errors in enjoining him from hereafter selling reconditioned cleaners unless they are labeled 'rebuilt by Green' and consents to an order requiring such marking."⁸¹

That the issue of reconditioning may at best come before the Court only in a collateral way is doubly regrettable when it is recalled that less than a year ago the Court had an opportunity but failed to decide this question squarely in the case of *Champion Spark Plug v. Reich*.⁸² There the court of appeals held that the purchaser of merchandise does not acquire ownership of the trade-mark and may not sell the merchandise under the original trade-mark after he has changed or altered the goods "so that

79. 132 F. (2d) 312 (C. C. A. 6th, 1942), cert. granted, 318 U. S. 753 (1943). The petition for certiorari was subsequently withdrawn.

80. *Id.* at 315.

81. The Supreme Court had also been asked to determine to what extent the defendant in a patent and trade-mark infringement action of this kind may be forced to disclose the names of those from whom he obtained both the patented and unpatented parts subsequently sold by him in reconditioned form. With regard to the question of reconditioning in general, see Derenberg, *The Sale of Reconditioned Articles as Trade-Mark Infringement* (1937) 32 T. M. BULL. 15.

82. 121 F. (2d) 769 (C. C. A. 8th, 1941), cert. denied, 314 U. S. 669 (1941).

they no longer represent the original character and excellence which the trade-mark indicates." ⁸³ The court observed that "to sell such altered goods without removing the original trade-mark is equivalent to a substitution of the purchaser's goods for those of the manufacturer, and, if unauthorized, is an infringement of the registered trade-mark." Consequently, the defendant was enjoined from selling any repaired spark plugs without first removing plaintiff's trade-mark.

X

The foregoing canvass of recent trade-mark cases in which the Supreme Court denied review must leave a pessimistic note discouraging trade-mark owners and attorneys from attempting to secure a hearing before the Supreme Court. There are in many other fields instances in which the law is progressively developed by "judicial legislation," and trade-mark law, too, has in the past greatly benefited from judge-made law.⁸⁴

In the Supreme Court's only recent decision on the subject of trade-marks, Mr. Justice Frankfurter expressed the philosophy underlying trade-mark protection as follows:

"The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress." ⁸⁵

While the Supreme Court has thus taken full cognizance of the "commercial magnetism" created by a trade-mark it seems at present that its assurance of legal redress for infringement may remain an unfulfilled promise until such time when the doors of the Court will be more widely

83. *Id.* at 773.

84. It is rather significant that in practically all the cases which form the subject of this article, the lower court either *denied* relief to the trade-mark owner ("Coca-Cola," "Brake Block," "Specs," "Life of Wheat," "Red Edge" fishing tackle, "Fleurs de Roucaille") or *denied* registration to a mark which was claimed to qualify under the Act of 1905 ("Texas Centennial," "Everybody's Weekly").

85. *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 316 U. S. 203, 205 (1942).

and more frequently opened to review basic legal problems in the field of trade-mark protection and unfair competition.⁸⁶

86. As this article goes to press, a petition for certiorari has been filed in one other trade-mark case: *Eastern Wine Corp. v. Winslow-Warren Ltd.*, (1943) 57 U. S. PAT. Q. 433, *certiorari filed*, Aug. 10, 1943. On the surface, this decision, like so many others discussed in this article, appears to raise no issue of trade-mark law or unfair competition worthy of review by the Supreme Court, the only real issue being the alleged confusing similarity between the designations "Chateau Martin" and "Chateau Montay" for wine. The court of appeals in reversing the district court held that these two designations were not confusingly similar and the petition for certiorari charges primarily error by the court of appeals with regard to Rule 52(a) of the Federal Rules of Civil Procedure.

However, upon closer scrutiny, it will be noted that in the course of the majority opinion Judge Jerome Frank took occasion to re-examine and restate the legal philosophy underlying the law of unfair competition and trade-marks. Notwithstanding Mr. Justice Frankfurter's assurance of legal redress to trade-mark owners, Judge Frank bluntly concludes that the protection of the rights of trade-mark owners was "but a secondary and limiting policy" and that the courts in the past had been "remarkably generous in fixing the boundaries of such monopolies." "Today"—continues Judge Frank—"the tendency is to be somewhat less generous."

"The failure to keep constantly in mind the divers policy considerations which, in this legal province, come in conflict with one another and the consequent occasional over-emphasis on but one of them—the protection of the interest of the businessman who has built a business around a name—have sometimes led to decisions unduly extending the confines of name-monopolies. . . ." *Id.* at 437.

The question may well be asked how this most recent pronouncement squares with the recognition of the "commercial magnetism" inherent in a trade-mark and with Mr. Justice Holmes's classic statement in the *Bourjois* case, note 16 *supra*, that the trade-mark monopoly "deals with a delicate matter that may be of great value but that is easily destroyed, and therefore, should be protected with corresponding care." In the light of the Supreme Court's present indifference toward trade-mark problems are we to assume that our highest Court, too, considers the protection of trade-marks and trade names "a secondary and limiting policy" unduly extended in the past by "too generous" courts?