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"Cola" Not Enjoined as Mark or Name

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TRADE REGULATION

"COLA" NOT ENJOINED AS MARK OR NAME

An injunction prohibiting appellant Dixi-Cola Laboratories from using the word "Cola" was dissolved. "Cola," used either alone or as a suffix, is generic and descriptive and can be used only if confusion is avoided.¹

Claiming its mark² is infringing, plaintiff here seeks to enjoin the

¹ Dixi-Cola Laboratories, Inc. v. Coca-Cola Co., 117 F. (2d) 352 (C.C.A. 4th, 1941), *cert. denied*, 62 S. Ct. 60 (1941).

² The RESTATEMENT OF TORTS (1938) §§ 715, 716, refers to marks as arbitrary words adopted as technical marks and names as descriptive words which have acquired a "secondary meaning." Equity early protected marks as property, which concept it gradually expanded. See *Millington v. Fox*, 3 My. & Cr. 338, 40 Eng. Rep. 956 (1838). The first user of an arbitrary and fanciful (non-descriptive and unfamiliar) word is protected in its use as a technical mark. NIMS, UNFAIR COMPETITION AND TRADE MARKS (3d ed. 1929) § 51. *But cf. In re Richfield Oil Co.*, 88 F. (2d) 499 (C.C.P.A. 1937). Analogous protection is given descriptive words which have acquired a "secondary meaning," i.e., when their primary sense in the market refers to a particular product. RESTATEMENT, TORTS (1938) § 716, comment b; NIMS, *supra* § 37; Haines, *Efforts to Define Unfair Competition* (1919) 29 YALE L.J. 1, 9. The basis of this protection is tort, though the courts have little difficulty in discovering wrongful intent. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122 (1938); *Elgin National Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665, 674 (1901); *Hartzler v. Goshen Churn & Ladder Co.*, 55 Ind. App. 455, 464, 104 N.E. 34, 37 (1914); DERENBERG, TRADE MARK PROTECTION AND UNFAIR TRADING (1936) § 30; Grismore, *Fraudulent Intent in Trade-Mark Cases* (1929) 27 MICH. L. REV. 857, 858.

By making a registrant of a descriptive name the *prima facie* owner, the ten-year proviso of the Act of 1905 conferred a presumption of a property right sufficient to gain equitable jurisdiction. 33 STAT. 723 (1905), U.S.C.A. 96 (1934); *Charles Broadway Rouss, Inc. v. Winchester Co.*, 300 Fed. 706, 712 (C.C.A. 2d, 1924); see Liddy, *Has Congress the Constitutional Power to Legislate on the Substantive Law of Trade Marks?* (1937) 6 FORDHAM L. REV. 408, 412; *cf. Thaddeus Davids Co. v. Davids Mfg. Co.*, 233 U.S. 461, 470, 471 (1914); see also *United States Printing & Lithograph Co. v. Griggs, Cooper & Co.*, 279 U.S. 156 (1929);

use of the word "Cola" on the ground that it is so associated with "Coca-Cola" that its use leads the public to believe that both products emanate from the same source. Confusion of source is sufficient,³ even though the common origin is anonymous.⁴ If infringement can be shown, competitors may be enjoined from the use of the word even though they use "Cola" without attempting to confuse.⁵ But there can be no infringement unless the mark is arbitrary or otherwise validly registered under the Act of 1905. In deciding that "Cola" was originally descriptive, the court denies the full protection given a technical mark and sets aside for complainant this alternative of protection. A name once descriptive apparently is always so, though it may come in time to have no reference to the ingredients of the product.⁶

There still remains the similar protection given descriptive words validly registered under the statute, and the limited tort protection given non-registered descriptive words which have a "secondary meaning." Neither statute nor the unfair competition doctrine can be of protection here, for "Cola" has come to describe the products of many competitors.⁷ Due to circumstances beyond plaintiff's control, and

F.T.C. v. Kay, 35 F. (2d) 160 (C.C.A. 7th, 1929), (1930) 43 HARV. L. REV. 839; Pearne & Crotty, *Trade Mark Registration and the Lanham Bill* (1941) 9 GEO. WASH. L. REV. 142, 150.

³ This would of course be true for technical marks. Arrow Distilleries, Inc. v. Globe Brewing Co., 117 F. (2d) 347 (C.C.A. 4th, 1941) (opinion five days prior to principal case by same judge). It was held likewise where the terms had a "secondary meaning." Thaddeus Davids Co. v. Davids Mfg. Co., 233 U.S. 461 (1914); see Handler & Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis, II* (1930) 30 COL. L. REV. 759, 786 (deploring the reasoning).

⁴ Shredded Wheat Co. v. Humphrey Cornell Co., 250 Fed. 960, 963 (C.C.A. 2d, 1918); Coty, Inc. v. Le Blume Import Co., 292 Fed. 264, 267 (S.D.N.Y. 1923); NIMS, *supra* note 2, at §§ 39a, 42.

⁵ Where complainant can show his name is arbitrary and has been infringed, unfair competition will usually be found as well. "The facts . . . are substantially the same." Reed, J., in *Armstrong Paint and Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 325 (1938); accord, *Moxie Co. v. Noxie Kola Co.*, 29 F. Supp. 167, 172 (S.D.N.Y. 1939); cf. *Coca-Cola Co. v. Old Dominion Beverage Corp.*, 271 Fed. 600, 604 (C.C.A. 4th, 1921), *cert denied*, 256 U.S. 703 (1921); see *Thaddeus Davids Co. v. Davids Mfg. Co.*, 233 U.S. 461, 470 (1914); Handler & Pickett, *supra* note 3, at 783 *et seq.*; Schechter, *The Rational Basis of Trademark Protection* (1927) 40 HARV. L. REV. 813, 828.

⁶ Even though the product contained but 2% extract of cocoa leaves and cola nuts it was held descriptive. *United States v. Coca-Cola Co. of Atlanta*, 241 U.S. 265 (1916); *Nashville Syrup Co. v. Coca-Cola Co.*, 215 Fed. 527 (C.C.A. 6th, 1914); *United States v. Forty Barrels & Twenty Kegs of Coca-Cola*, 215 Fed. 535 (C.C.A. 6th, 1914) (all on misbranding). Though the ingredients have been changed, it is still partially descriptive. *Coca-Cola Co. v. Old Dominion Beverage Corp.*, 271 Fed. 600 (C.C.A. 4th, 1921), *cert. denied*, 256 U.S. 703 (1921).

⁷ Cf., "Sharing in the goodwill of an article unprotected by patent or trademark is the exercise of a right possessed by all—and in the free exercise of which the consuming public is deeply in-

perhaps because of its acquiescence⁸ in the use of the word, the suffix "Cola"⁹ has lost its distinctiveness.¹⁰ It is immaterial that the owner may have attempted to cut off the general use of the word, for intent is not involved where acquiescence is the defense.¹¹

Recognition that "secondary meaning" once lost may be re-acquired is a defensible suggestion,¹² but here there has been no re-acquisition. It is either the whole mark "Coca-Cola"¹³ or the abbreviation of the first word that serves as the goodwill agent¹⁴ of the plaintiff.

terested." Brandeis, J., in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122 (1938). Where non-functional appearance is involved, on the other hand, the tendency has been to give protection. See *Coca-Cola Co. v. Gay-Ola Co.*, 200 Fed. 720 (C.C.A. 6th, 1912), *cert. denied*, 229 U.S. 613 (1913) (coloring); *J. N. Collins Co. v. F. M. Paist Co.*, 14 F. (2d) 614 (E.D.Pa. 1926) (wrapper); and *Hiram Walker & Sons v. Grubman*, 222 Fed. 478 (S.D.N.Y. 1915) (coloring). This type of confusion has given rise to demands for legislation conferring conclusive substantive rights. See Liddy, *supra* note 2, at 415; Pearne and Crotty, *supra* note 2 *passim*; Schechter, *Fog and Fiction in Trade-mark Protection* (1936) 36 COL. L. REV. 60, 70.

⁸ See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 419 (1916). One may acquiesce to one group but not to another. *Bayer Co. v. United Drug Co.*, 272 Fed. 505 (S.D.N.Y. 1921); *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900); *Coca-Cola Co. v. Carlisle Bottling Works*, 43 F. (2d) 119 (C.C.A. 6th, 1930); *Powell v. Birmingham Vinegar Brewery Co.*, [1896] 2 Ch. 54, 80; RESTATEMENT, TORTS (1938) § 721, comment e, § 735 (1); NIMS, *supra* note 2, at § 47 (10). *Id.* at § 407a distinguishes between the defenses of laches, abandonment, acquiescence, and loss of distinctiveness. A more difficult question arises where the right to use a mark is related to a patent termination situation or to the honest discovery of a secret process. See *Handler, Unfair Competition* (1936) 21 IOWA L. REV. 175, 192; Note (1940) 26 IOWA L. REV. 89.

⁹ On the other hand, plaintiff has never acquiesced to the use of the word "Coca." *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143 (1920).

¹⁰ It is significant that there have been 143 registrations using "Cola" as a suffix, and that "Pepsi-Cola" has been on the market for over thirty-five years. In addition, the Coca-Cola Co. has consented to numerous consent decrees permitting the use of "Cola" by its competitors.

¹¹ *Dupont Cellophane Co. v. Waxed Products Co.*, 85 F. (2d) 75, 80 (C.C.A. 2d, 1936), *cert. denied*, 299 U.S. 601 (1936). Intent is involved only when abandonment is the defense. *Julian v. Hoosier Drill Co.*, 78 Ind. 408 (1881); RESTATEMENT, TORTS (1938) § 735 (1) and comment; NIMS, *supra* note 2, at § 407a; Note (1930) 30 COL. L. REV. 695, 702.

¹² *Dixi-Cola Laboratories, Inc. v. Coca-Cola Co.*, 117 F. (2d) 352 (C.C.A. 4th, 1941), *cert. denied*, 62 S. Ct. 60 (1941), 27 VA. L. REV. 839.

¹³ Complainant is entitled to the exclusive use of the words "Coca-Cola," when used together. *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143 (1920); *Coca-Cola Co. v. Old Dominion Beverage Corp.*, 271 Fed. 600 (C.C.A. 4th, 1921), *cert. denied*, 256 U.S. 703 (1921).

¹⁴ *Goble, What a Trade Mark Protects* (1927) 22 ILL. L. REV. 379 *passim*; Schechter, *supra* note 5, at 822.