

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

RICHARD S. COHEN  
ATTORNEY GENERAL



79-172

STEPHEN L. DIAMOND  
JOHN S. GLEASON  
JOHN M. R. PATERSON  
ROBERT J. STOLT  
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE  
DEPARTMENT OF THE ATTORNEY GENERAL  
AUGUSTA, MAINE 04333

September 26, 1979

Mr. David S. Silsby  
Director, Legislative Research  
State House  
Augusta, Maine 04333

Dear Mr. Silsby:

Based on my research, which is detailed in the attached Memorandum of Law, I have concluded that no one has exclusive rights to use common, descriptive or generic words. Exclusive rights cannot be obtained in generic terms; rights in descriptive terms can only be obtained by showing that they have acquired a secondary meaning. However, even given such a showing, the public is free to use descriptive terms in their primary sense. As the courts have long recognized, a contrary rule would lead to an intolerable restriction of the language.

Even if trade or service mark rights have been perfected in a particular word, those rights merely protect the holder against infringement. Infringement is defined by both the federal and common law as use of a valid mark in such manner as is likely to cause confusion, or to cause mistake, or to deceive.

In my opinion, statutes use words in their primary sense as the vehicle for communicating ideas in the form of rules to the public. Consequently, infringement could only occur if a statute created a proprietary program similar to a pre-existing private program, using a mark so similar as to cause confusion, etc., in the mind of the public. Based upon my limited experience, the chance of this occurring is negligible. An example may be the program discussed in the letter from the National Merit Scholarship Corporation. You should note in this regard that the corporation could not acquire the exclusive right to use the words as such, but merely to use the words as marks free from infringement.

Mr. David S. Silsby  
September 26, 1979  
Page 2

Even if the State did infringe upon a protected interest, the Eleventh Amendment to the United States Constitution prevents the State from being made Defendant in a lawsuit in a Federal Court. This sovereign immunity does not extend to a state officer acting in his individual capacity as agent of the State. Furthermore, the Tenth Amendment, as recently interpreted by the Supreme Court, prohibits Congressional intervention with essential state functions, again on a theory of sovereign immunity. Presumably, the drafting and enactment of statutes constitutes such an essential state function. This immunity most likely would not extend to proprietary functions. Finally, the State possesses an absolute immunity from suit on State unfair competition causes of action.

In summation, the State is under no duty to discover or disclose protected words or combinations thereof. The possibility that language contained in a State statute would infringe upon a protected mark is so negligible as to warrant little, if any, consideration. Even if such infringement did occur, the State may well be immune from suit. The one exception would be in the case of a proprietary program of a nature similar to a pre-existing private program.

If you have any further questions, do not hesitate to call.

Sincerely yours,



JOHN F. DANA  
Assistant Attorney General  
Consumer and Antitrust Division

JFD/reb

# STATE OF MAINE

Inter-Departmental Memorandum Date September 26, 1979

To David Silsby, Director

Dept. Legislative Research

From John F. Dana, Assistant JFD

Dept. Attorney General

Subject Extent of Exclusive Rights in Trade and Service Marks; Effect on  
Legislative Drafting

## A. Definition

Pursuant to Section 45 of the 1946 Federal Trademark Act:

The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

The term "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

The definition of trademark is taken from Upton, Law of Trademarks (1890) and merely codifies the common law. See, Vandenburgh, Trademark Law and Procedure, §1.20 (2d Ed., 1968). The definition of service mark is adapted from that of trademark, the sole difference being trademarks indicate the origin of goods while service marks indicate the origin of services. Consequently, decisions relating to trademarks are applicable by analogy to service marks. See, Vandenburgh, §1.30.

## B. Creation

1. Ownership of a mark is acquired by adopting and using the mark to identify the origin of goods or services. Registration, whether federal or state, does not, by itself, confer ownership. Adoption and use is necessary. See e.g., United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1918). Conversely, federal or state registration without proper adoption and use confers no rights in the mark. United Drug Co., supra; Heinemann v. General Motors Corp., 342 F.Supp. 203 (Ill. 1972). A certificate of registration on the principle federal register does, however, constitute prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and the registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated therein. Federal Trademark Act of 1946, §7(b), 15 U.S.C. §1057(b). Section 15 of the Act does provide

that a mark registered on the principle register becomes incontestable after five years continuous use. However, Subsection (4) provides that "no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise."

### C. Rights in Descriptive and General Words

Courts have long recognized that, given the limited number of words in the language, the granting of exclusive rights in a word would prevent competitors from advertising their products or services. See, e.g., CES Publishing Corp. v. St. Regis Publications, Inc., 531 F.2D 11 (2D Cir. 1975); Esquire, Inc. v. Esquire Supper Mfg. Co., 243 F.2D 540, 543 (1st Cir. 1957); Telechron, Inc. v. Telicon Corp., 1988 F.2D 903 (3d Cir. 1952). See generally, Vandenburgh, §4.30. Thus, absent a secondary meaning, courts will not recognize trade or service mark rights in descriptive words. E.g., Delaware & Hudson Canal Co. v. Clark, 80 U.S. (13 Wall) 311, 323 ("Nor can a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, be employed as a trademark and the exclusive use of it be entitled to legal protection."); Borg-Warner Corp. v. York-Shipley, Inc., 293 F.2D 88 (7th Cir. 1961).

Descriptive words are divided into two categories: words which are the common descriptive name of the product or service are termed "generic"; words which describe the service or product are "descriptive." Vandenburgh, §4.30. Generally, one cannot acquire rights in a generic term because that term cannot acquire a secondary meaning. Henry Heide, Inc. v. George Ziegler Co., 354 F.2D 574 (7th Cir. 1965); Dadirrian v. Yacubian, 98 F. 872 (1st Cir. 1900) (type of food); Scholler Bros., Inc. v. Hans C. Bick, Inc., 110 U.S.P.Q. 431, 433 (Com. of Pat. 1956). ("Nylonized" is a word which conveys a primary meaning of treating or finishing in some manner with nylon, and respondent uses it to describe such a treatment or finish. Others than respondent who treat or finish fabrics or other materials in some manner with nylon may employ with equal truth and equal right the same word for the same purpose. Under such circumstances, i.e., when a word is used in its primary sense, it cannot acquire a secondary meaning.")

#### 1. Secondary Meaning

To be valid, all trade or service marks must be distinctive. Standard Paint Co. v. Trinidad Asphalt Mfg. Co., 220 U.S. 446, 453 (1911). As stated, supra, generic terms can never be distinctive with regard to a particular good or service. However, merely descriptive terms may become

a valid mark by acquiring a secondary meaning. Armstrong Paint and Varnish Works v. Nu-Enamel Corp., 305 U.S. 315 (1938); Thaddeus Davids Co. v. Davids, 233 U.S. 461 (1914).

Secondary meaning refers to the process by which:

a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade or to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; in other words, had come to be, to them, his trade mark. So it was said that the word had come to have a secondary meaning, although in this phrase, "secondary meaning," seems not happily chosen because, in the limited field, this new meaning is primary rather than secondary; that is to say it is, in that field, the natural meaning.

G. & C. Merriam Co. v. Saalfeld, 198 F.2D 369,373 (6th Cir. 1912). The existence of secondary meaning depends upon the significance of the descriptive words to purchasers located in the area of the alleged infringement. Truck Equipment Service Co. v. Freohauf Corp., 536 F.2D 1210 (8th Cir. 1976); President and Trustees of Colby College v. Colby College - N.H., 508 F.2D 804 (1st Cir. 1975); Briggs v. Nat'l. Wafer Co., 215 Mass. 100,102 N.E. 87 (1913); Cohen v. Nagle, 190 Mass. 4, 76 N.E. 276 (1906) ("Plaintiff's burden is to show that this secondary meaning and the risk of confusion exists in the same potential market."). The customers to whom the mark has acquired a secondary meaning and those to whom the alleged infringer sells must be the same. American Luggage Works, Inc. v. U. S. Trunk Co., 158 F.Supp. 50 (Mass. 1957) Aff'd. 259 F.2D 69 (1st Cir. 1958).

## 2. Extent of Rights in Secondary Meaning.

Rights to a mark in descriptive terms which have acquired a secondary meaning are co-extensive with rights in any other valid mark. Elgin National Watch Co. v. Illinois Watch Case Co., 179 U.S. 665,674 (1901). However, others are entitled to use those terms in their primary sense. Thaddeus Davids Co. v. Davids, 233 U.S. 461 (1914); Kiki Undies Corp. v. Alexanders Dept. Stores, Inc., 390 F.2D 604 (2d Cir. 1968); Sylvania Elec. Products, Inc. v. Dura Elec. Lamp Co., 247 F.2D 730 (3d Cir. 1957). This right does not extend to

using the material with such prominence as to give the appearance of a trade or service mark. Venetianaire Corp. of America v. A & P Import Co., 429 F.2D 1079 (2d Cir. 1970); Frostie Co. v. Dr. Pepper Co., 341 F.2D 363 (5th Cir. 1965); Safeway Stores, Inc. v. Safeway Properties, Inc., 307 F.2D 495 (2d Cir. 1962).

D. Effect of Registration

1. No Registration.

Since rights are created through adoption and use, the territorial protection accorded those rights is dependent upon the territorial extent of use. Hanover Star Milling Co. v. Metcalf, 240 U.S. 403 (1916).

2. Federal Registration.

Generally speaking, the rights of the owner of a federal registration will extend nationwide without respect to the territorial use of the mark, assuming:

- (a) The registrant is the prior user of the mark; and
- (b) The nonregistrant must be using in commerce within the jurisdiction of the Congress.

Federal Trademark Act of 1946, §32(1), 15 U.S.C.A. §1114(1); Peter Pan Restaurants v. Peter Pan Diner, Inc., 150 F.Supp. 534 (D.R.I. 1957). See Discussion at F(1)(a), infra.

This generalization is subject to several caveats which are discussed in Vandeburgh at §2.42.

E. Infringement

Section 32(1) of the Federal Trademark Act of 1946, U.S.C. 1114(1) provides:

(1) Any person who shall, without the consent of the registrant --

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive

shall be liable in a civil action by the registrant for the remedies hereinafter provided. 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 imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

Thus, infringement is conditioned on "sale, offering for sale, distribution, or advertising..."<sup>(1)</sup> The test for infringement is that a conflict exists whenever the marks in issue are sufficiently similar under the circumstances so as to be "likely to cause confusion or to cause mistake, or to deceive." Section 32(1) codifies the common law. See, Amoskeag Mfg. Co. v. Trainer, 101 U.S. 51,65 (1880); McLean v. Fleming, 96 U.S. 245 (1878); S. C. Johnson & Son, Inc. v. Johnson, 175 F.2D 176 (2d Cir. 1949).

Applying this test to descriptive words which constitute "weak" marks, the goods or services must be identical or at least very closely related before a likelihood of confusion will be found. See, Vandenburgh, p. 144 n. 34 (collecting cases).

It should be noted that the U. S. Court of Appeals for the First Circuit has held specifically that the law of unfair competition, including trade and service marks, now protects eleemosynary institutions. The President and Trustees of Colby College - New Hampshire, 508 F.2D 804 (1st Cir. 1975). See, DeCosta v. Columbia Broadcasting System, Inc., 520 F.2D 499

(1) The federal action for infringement is also conditioned on the alleged infringer's "use in commerce." This element is discussed at Section F(1)(a), infra.



(1975) CERT DENIED 96 S.Ct. 856 (1976). (Quoting Callahan, The Law of Trademarks, §1.1: The happenstance that they are nonprofit-seeking ventures, and therefore removed...from the rigors of business competition, neither eliminates the element of competition nor disentitles them to protection against the unfair competition of similar organizations). However, the application of the federal law of trade and service marks to language contained in state legislation and statutory programs raises significant constitutional and jurisdictional issues.

F. Constitutional and Jurisdictional Aspects

1. Federal Causes of Action.

a. Commerce Clause Jurisdiction.

As stated, supra, the federal infringement action created by §32(1) of the Federal Trademark Act of 1946 is conditioned on the alleged infringer's "use in commerce." §45 of the Act defines commerce as "all commerce which may lawfully be regulated by Congress." Thus, the Act invokes the commerce power which the United States Constitution, Article I, §8 grants to the Congress. Disregarding for the moment issues of sovereign immunity possessed by the states qua states, Congress possess plenary power to regulate interstate commerce subject only to the Constitution's affirmative prohibitions on the exercise of federal authority. See, Gibbons v. Ogden, 22 U.S. (9 Wheat) 1,194 (1824). As interpreted by the Supreme Court in Wickard v. Filburn, 317 U.S. 111 (1942) and subsequent cases, this power extends to all activities the regulation of which may effect commerce. See, e.g. Perez v. U.S., 402 U.S. 146 (1971) (upholding 18 U.S.C.A. §1891 et seq. which criminalized purely intrastate loan sharking); Katzenbach v. McClung, 379 U.S. 294 (1964) (upholding 42 U.S.C.A. §2000a).

This plenary commerce clause jurisdiction is, in fact, subject to two affirmative prohibitions when sought to be applied against the states.

b. The Eleventh Amendment.

The eleventh amendment<sup>(2)</sup> constitutes a limit on the federal judicial power to provide remedies for state violations of federal rights.

(2) The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

Although the extent of the immunity conferred by the eleventh amendment is not entirely clear, see Tribe, American Constitutional Law (1978) §§3-34 through 3-38, the Supreme Court recently has affirmed congressional power to abrogate that immunity, provided that the exercise of power will not be presumed without clear evidence of congressional purpose. Edelman v. Jordan, 415 U.S. 279 (1974); Employees v. Department of Public Health & Welfare, 411 U.S. 279 (1973); cf., Fitzpatrick v. Bitzer, 427 U.S. 445 (1976). As stated by Tribe, "the amenability of states to suit must be specifically addressed by federal legislation, and Congress must make its intention to treat states like private parties unmistakably clear." Tribe, at 136, 137. The definition of use in commerce contained in §45 of the Federal Trademark Act clearly does not satisfy this test. Consequently, the federal courts have no power to enforce against the states an action for infringement pursuant to §32(1) of the federal act.<sup>(3)</sup>

The eleventh amendment does not protect individual state officers from suit "even though compliance by the officer will often be compliance by the State and the costs of compliance will be born by the State Treasury." Tribe at 132 citing Edelman v. Jordan, 415 U.S. 651, 668 (1975) (reversing a District Court order requiring state welfare officials to pay out illegally withheld welfare benefits: "[the order] requires payments of state funds, not as a necessary consequence of compliance in the future with a substantive federal question determination, but as a form of compensation"). Thus, an action against a state agency in his individual capacity for monetary damages is not barred. See, e.g., Scheur v. Rhodes, 416 U.S. 232, 237-38 (1974); In Re Ayers, 123 U.S. 443, 500-01 (1887) ("The defendants, through professing to act as officers of the State, are threatening a violation of the personal or property rights of the complainant.") Similarly, injunctive relief against a state officer is not prohibited. Ex Parte Young, 209 U.S. 123 (1908).

c. The Tenth Amendment.

In National League of Cities v. Usury, 426 U.S. 833 (1976), the Supreme Court revitalized the tenth amendment<sup>(4)</sup> by voiding a 1974 congressional amendment to the Fair Labor Standards Act

(3) The State's immunity is subject to waiver.  
See, Clark v. Barnard, 108 U.S. 436, 447 (1883).

(4) The tenth amendment provides:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

as inconsistent with state sovereignty. The amendment had sought to impose federal minimum wage and maximum hour standards to state and municipal employees. The Court stated, at pages 844-45:

Appellee Secretary argues that the cases in which this Court has upheld sweeping exercises of authority by Congress, even though those exercises pre-empted state regulation of the private sector, have already curtailed the sovereignty of amendments to the Fair Labor Standards Act. We do not agree. It is one thing to recognize the authority of Congress to enact laws regulating individual businesses necessarily subject to the dual sovereignty of the government of the Nation and of the State in which they reside. It is quite another to uphold a similar exercise of congressional authority directed, not to private citizens, but to the States as States. We have repeatedly recognized that there are attributes of sovereignty attaching to every state government which may not be impaired by Congress, not because Congress may lack an affirmative grant of legislative authority to reach the matter, but because the Constitution prohibits it from exercising the authority in that manner.

States have significantly greater immunity from congressional power when that power is sought to be exercised via the commerce clause as opposed to Section 5 of the fourteenth amendment. Compare National League of Cities with Fitzpatrick v. Bitzer, 427 U.S. 445 (1976). Although not entirely clear from the decision, the key factor in determining whether a particular exercise of congressional commerce power is constitutional appears to be whether the state function sought to be regulated is essential to the continued existence of the state as a separate sovereign. It should be noted in this regard that National League expressly sanctions congressional interference with routine, proprietary functions. 426 U.S. at 854 & n.18. See, U.S. v. California, 297 U.S. 175 (1936) (sustaining federal regulation of state owned interstate railroads).

## 2. State Causes of Action.

### a. Sovereign Immunity

In Drake v. Smith, 390 A.2D 541 (Me. 1978), Justice Wernick affirmed the continued vitality of sovereign immunity by holding that the state is absolutely immune from suit in the absence of express legislative consent to the contrary. The Maine Tort Claims Act, 14 M.R.S.A. §8101 et seq., provides in §8103(1):

David Silsby  
September 26, 1979  
Page 9

Execept as otherwise expressly provided by statute, all governmental entites shall be immune from suit on any and all tort claims seeking recovery of damages. When immunity is removed by this chapter, any claim for damages shall be brought in accordance with the terms of this chapter.

14 M.R.S.A. §8104, "Exceptions to Immunity," does not except an action for unfair competition by infringement from the general rule of immunity. Moreover, according to the express consent rule of both Drake and §8103(1), 5 M.R.S.A. §206 et seq., the Unfair Trade Practices Act, does not constitute a sufficient manifestation of consent to waive the state's immunity.

JD/tmh