



1983

Casenotes: Trademark Law — Monopoly Trademark Held Generic under a "Mutually Exclusive Approach." *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982)

Donna Ann Rubelmann
University of Baltimore School of Law

Follow this and additional works at: <http://scholarworks.law.ubalt.edu/ublr>

 Part of the [Law Commons](#)

Recommended Citation

Rubelmann, Donna Ann (1983) "Casenotes: Trademark Law — Monopoly Trademark Held Generic under a "Mutually Exclusive Approach." *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982)," *University of Baltimore Law Review*: Vol. 13: Iss. 1, Article 13.

Available at: <http://scholarworks.law.ubalt.edu/ublr/vol13/iss1/13>

This Article is brought to you for free and open access by ScholarWorks@University of Baltimore School of Law. It has been accepted for inclusion in University of Baltimore Law Review by an authorized administrator of ScholarWorks@University of Baltimore School of Law. For more information, please contact snolan@ubalt.edu.

TRADEMARK LAW — MONOPOLY TRADEMARK HELD GENERIC UNDER A “MUTUALLY EXCLUSIVE APPROACH.”
Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316 (9th Cir. 1982).

In the mid-1930's the Parker Brother's Company (Parker Brother's)¹ began manufacturing a board game, the object of which was to acquire real estate and build monopolies.² Thereafter, Parker Brother's acquired trademark rights in the word “Monopoly.”³ In the early 1970's, an entrepreneur conceived an idea for a board game which, in contrast to Parker Brother's game, involved the object of promoting free enterprise by dissolving trusts and monopolies.⁴ The game was first marketed under the name “Bust the Trust,” but was later renamed “Anti-Monopoly” to improve sales.⁵ The entrepreneur subsequently filed suit⁶ to challenge the validity of Parker Brother's trademark on the ground that it had become generic.⁷ In *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*,⁸ the United States Court of Appeals for the Ninth Circuit held that the word “Monopoly” was generic⁹ and set forth new guidelines for determining whether trademarks are generic.

Although at common law trademarks functioned simply as a means of producer identification,¹⁰ the rights of trademark owners have

1. Although the trademark rights to Monopoly were first granted to the Parker Brother's, General Mills Fun Group, Inc., acceded to those rights as successor corporation. *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1318 (9th Cir. 1982), *cert. denied*, 103 S. Ct. 1234 (1983).
2. For a detailed discussion of the origin of the game, see *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1319-20 (9th Cir. 1982), *cert. denied*, 103 S. Ct. 1234 (1983).
3. *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 611 F.2d 296, 299 (9th Cir. 1979), *remanded*, 515 F. Supp. 448 (N.D. Cal. 1981), *rev'd*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied*, 103 S. Ct. 1234 (1983).
4. *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 515 F. Supp. 448, 450 (N.D. Cal. 1981), *rev'd*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied*, 103 S. Ct. 1234 (1983).
5. *Anti-Monopoly*, 515 F. Supp. at 450.
6. The suit sought a declaratory judgment that the Monopoly trademark was invalid and should therefore have its registration cancelled. *Anti-Monopoly*, 684 F.2d at 1318.
7. Plaintiff further asserted that the trademark was invalid on the grounds that Monopoly was fraudulently obtained and that the defendant had acquired the rights to the trademark through a fraudulently obtained patent. *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 195 U.S.P.Q. (BNA) 634 (N.D. Cal. 1977), *rev'd and remanded*, 611 F.2d 296 (9th Cir. 1979).
8. 195 U.S.P.Q. (BNA) 634 (N.D. Cal. 1977) (Monopoly trademark valid), *rev'd and remanded*, 611 F.2d 296 (9th Cir. 1979) (trial court applied wrong standard), *on remand*, 515 F. Supp. 448 (N.D. Cal. 1981) (plaintiff again failed to produce sufficient evidence to invalidate the trademark), *rev'd and remanded*, 684 F.2d 1316 (9th Cir. 1982) (judgment for plaintiff; evidence sufficient to have the trademark declared generic), *cert. denied*, 103 S. Ct. 1234 (1983).
9. *Anti-Monopoly*, 684 F.2d at 1326.
10. Although the precise origin of trademarks is unknown, they evidently were used as early as the fifteenth century. At that time in England, sword makers and armorers were required to use identifying marks on their products so that defective

since expanded. As the complexities of the marketplace increased, the role of trademarks became more sophisticated. Today, trademark rights protect producers' reputations,¹¹ prevent passing off by competitors,¹² and protect against consumer confusion.¹³ During this development, trademark owners relied on a variety of common, state, and federal laws to enforce their rights.¹⁴ In 1946, stronger protection was afforded when Congress enacted the Lanham Act, which set forth a strong and uniform system of federal trademark regulation.¹⁵

The Lanham Act provides that all registered trademarks are presumptively valid.¹⁶ Despite the Act's bias toward trademark owners,¹⁷ it also allows for the cancellation of trademarks in limited circumstances,¹⁸ such as when a mark is declared generic.¹⁹ Under the "generic doctrine,"²⁰ a trademark is subject to cancellation if the "primary significance" of the mark in the minds of consumers is a product rather than a producer. Conversely, a trademark is valid if its primary significance is to identify a producer. Because a trademark cannot simultaneously have primary significance as a product and a producer, "generic" and "trademark" are mutually exclusive terms.²¹ Therefore, trademark

weapons could be traced immediately to the craftsmen. Thus, although trademarks functioned as marks of identification, their use was not especially beneficial to producers. For a discussion concerning the origins of trademarks, see RUSTON, ON THE ORIGIN OF TRADEMARKS, 45 T.M.R. 127 (1925); R. SCHECHTER, THE HISTORICAL FOUNDATION OF THE LAW RELATING TO TRADE-MARKS 47 (1925).

11. *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 522 (E.D. N.Y. 1975).
12. See, e.g., *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 372-73 (1st Cir. 1980); *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 522 (E.D.N.Y. 1975).
13. Lanham Act, 15 U.S.C. § 1114(1) (1946); see also *Helene Curtis Indus. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977), cert. denied, 434 U.S. 1070 (1978); *HMH Publishing Co. v. Brincat*, 504 F.2d 713, 716 (9th Cir. 1974); *King-Seeley Thermos Co. v. Aladdin Indus.*, 321 F.2d 577, 581 (2d Cir. 1963); *Dawn v. Sterling Drug, Inc.*, 319 F. Supp. 358, 361 (C.D. Cal. 1970).
14. See generally 1 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 5:2, at 112 (common law), § 5:3, at 116 (state law), and § 5:3, at 115 (federal law) (1973).
15. Lanham Act, 15 U.S.C. §§ 1051-1127 (1946 & Supp. 1983).
16. Lanham Act, 15 U.S.C. § 1057(b) (1946).
17. The Act is to be construed liberally in favor of trademark owners. See S. REP. NO. 1333, 79th Cong., 2d Sess. 1274-78 (1946).
18. Lanham Act, 15 U.S.C. § 1064 (1946).
19. *Id.*
20. See, e.g., *Kellog Co. v. National Biscuit Co.*, 305 U.S. 111, 116-19 (1938); *Helene Curtis Indus. v. Church & Dwight Co.*, 560 F.2d 1325, 1332 (7th Cir. 1977), cert. denied, 434 U.S. 1070 (1978); *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, 666 (7th Cir. 1965); *King-Seeley Thermos Co. v. Aladdin Indus.*, 321 F.2d 577, 580 (2d Cir. 1963); *Feathercombs, Inc. v. Solo Products Corp.*, 306 F.2d 251, 256 (2d Cir.), cert. denied, 371 U.S. 910 (1962); *Nissen Trampoline Co. v. American Trampoline Co.*, 193 F. Supp. 745, 748-49 (S.D. Iowa 1961).
21. "The name of a product or service itself—what it is—is the very antithesis of a mark. In short, a generic name of a product can never function as a trademark to indicate origin. The terms 'generic' and 'trademark' are mutually exclusive." MCCARTHY, *supra* note 14, § 8:12, at 405.

validity ultimately turns on determining the primary significance of a mark in the minds of consumers. To prove that a trademark is generic, the challenger must show by a preponderance of the evidence²² that the primary significance of the mark is to denote the product.²³ Once a term is deemed generic,²⁴ it loses all trademark protection and is forfeited to the public domain.²⁵

Determining the primary significance of a trademark in the consumer's mind is a cumbersome task. Since primary significance is difficult to define, courts rely heavily on the results of consumer surveys.²⁶ If a trademark has only one meaning to one consumer, the court will have no difficulty in determining primary significance. In this instance, a survey showing that consumers associate the trademark with the product, as opposed to the producer, will accurately illustrate the primary significance of a mark. When a mark carries two meanings, by representing both the product and the producer to consumers,²⁷ the application of the primary significance test becomes difficult. A mark may carry two meanings if there is only one product of its kind and therefore only one producer, which causes the public to adopt the mark as the name of the product. This renaming of the product develops out of convenience.²⁸ The difficulty in determining the primary significance in this case is that the court must ascertain which of the two meanings is *more* significant.

In recognizing the complexities of determining primary significance when a trademark carries two meanings, courts have used a "conjunctive" approach.²⁹ Under this approach, the consumer consid-

22. *Vuitton Et Fils S.A. v. J. Young Enter.*, 644 F.2d 769, 775-76 (9th Cir. 1981); *Dan Robbins & Assoc. v. Questor Corp.*, 599 F.2d 1009, 1013-14 (C.C.P.A. 1979).

23. *See supra* note 20.

24. For an illustrative list of trademarks which have been deemed generic, *see* *MC-CARTHY*, *supra* note 14, § 12:3, at 410-12 (1973), 99-100 (Supp. 1982).

25. "One competitor will not be permitted to impoverish the language of commerce by preventing his fellows from fairly describing their own goods." *Bada Co. v. Montgomery Ward & Co.*, 426 F.2d 8, 11 (9th Cir.), *cert. denied*, 400 U.S. 916 (1970).

26. *See, e.g.*, *King-Seeley Thermos Co. v. Aladdin Indus.*, 321 F.2d 477 (2d Cir. 1963); *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502 (E.D.N.Y. 1975).

27. *Kellog Co. v. National Biscuit Co.*, 305 U.S. 111 (1938).

28. *Id.*; *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921). In a 1981 decision, one federal district court held that "super glue" was generic and the public, "faced with a new product category, whose chemical name, 'cyanocrylate', is difficult to pronounce and to recall," would probably "seize upon a term which already had some currency in a related context." *Loctite Corp. v. National Starch & Chem. Corp.*, 516 F. Supp. 190, 200-01 (S.D.N.Y. 1981).

29. This approach will be referred to as "conjunctive" since courts acknowledge that a mark may represent both the product and the producer and, accordingly, have examined which of the two meanings is more significant. In *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 522 (E.D.N.Y. 1975), the court accepted a survey which presented the consumer with the opportunity to consider the Teflon trademark in association with the product and the producer. "By using the example of 'Chevrolet — automobile,' the interviewer explained the

ers both the product and the producer and may choose one or the other as a final answer. Since the consumer has a choice between two alternatives, it is logical that the response elicited will designate the primary significance of the trademark. Under this approach, even if consumers sometimes consider or use a mark in a generic sense,³⁰ the mark will still be valid if its primary significance is producer related.

In determining whether the Monopoly mark was generic, the *Anti-Monopoly* court recognized that a trademark may have two meanings.³¹ Yet, the court rejected the conjunctive approach³² in examining survey evidence³³ of consumer use and motivation. The two surveys did not directly allow the consumer to recognize that a trademark may carry two meanings. Instead, the surveys asked consumers to supply a name for the business board game manufactured by Parker Brother's³⁴ and to state their reasons for purchasing the product.³⁵ Since consumer use is indicative of primary significance, the court stated that the manner in which the surveyed consumers used the term "Monopoly" constituted reasonable evidence of primary significance.³⁶ A review of this evidence convinced the Ninth Circuit that Monopoly was generic.³⁷

In rejecting the conjunctive approach,³⁸ the court adopted a "mutually exclusive" approach in determining primary significance.³⁹ Under this approach, the consumer is not asked to consider that a trademark may carry two meanings and is, therefore, precluded from selecting which of the two is *more* significant. Instead, the consumer is required to state how he uses the mark and why he buys the product. The surveys thus in effect ask the consumer to state one or more significances that the mark carries in his mind. Once the responses are gathered, they are characterized as either product or producer related.

In reviewing the responses, the court assumes⁴⁰ that each product

difference between a brand name and a common name." *Id.* at 526. After the consumer considered both alternatives, he thus had the opportunity to choose the stronger meaning.

30. *Id.* at 523; *Loctite Corp. v. National Starch & Chem. Corp.*, 516 F. Supp. 190, 199 (S.D.N.Y. 1981).

31. *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1321 (9th Cir. 1982), *cert. denied*, 103 S. Ct. 1234 (1983).

32. *Anti-Monopoly*, 684 F.2d at 1323. For a discussion of the conjunctive approach, *see supra* note 29.

33. *Anti-Monopoly*, 684 F.2d at 1323-25.

34. *Id.* at 1323-24.

35. *Id.* at 1323-26.

36. *Id.* at 1324-25.

37. *Id.* at 1326.

38. *See supra* note 29. The *Anti-Monopoly* court rejected the conjunctive approach by refusing to admit into evidence a brand name survey analogous to that admitted in *E.I. Dupont de Nemours & Co. v. Yoshida Int'l., Inc.*, 393 F. Supp. 502 (E.D. N.Y. 1975).

39. Compare the approach used for determining primary significance to the mutually exclusive approach for determining whether a word is a valid trademark. *See supra* note 21.

40. In reviewing the survey evidence, the circuit court examined the district court's

or producer related answer represents the primary significance of the mark in the mind of the public. Once the court determines that the survey results conclusively illustrate the primary significance of the mark, it then applies the mutually exclusive doctrine to determine whether the mark is generic.

A survey question which requests the consumer to state how he used the mark and why he purchased the product only asks the consumer to state *a* significance of the mark. While evidence of the significance of a term in the consumer's mind, consumer responses are not conclusive in determining the primary significance of a trademark in the mind of the consumer. In assuming that the responses to the Anti-Monopoly surveys were conclusive of the primary significance of a mark in the mind of the consumer, the court erred in misapplying the mutually exclusive doctrine⁴¹ to evidence of ordinary significance, rather than primary significance, in the mind of the consumer. In effect, the court held that product and producer significance are mutually exclusive.

The mutually exclusive approach to determining primary significance is contrary to the intent of the Lanham Act since it diminishes the strength of valid, or potentially valid, trademark rights. Specifically, this approach eases the burden of proof required of the challenger of a trademark and weakens the ability of producers to obtain trademark rights in descriptive words.

By construing primary significance to mean either product or producer, rather than more product or more producer, the challenger of a mark can more easily satisfy his burden of proof. Under both the conjunctive and mutually exclusive approach, a challenger must prove by a preponderance of evidence⁴² that the primary significance of the trademark is to represent the product. If a trademark has only one meaning to all consumers, then under either approach the challenger must show that a greater number of consumers associate the mark with the product. This burden is easier to meet, however, if a mark represents both the producer and the product.

This conclusion is best illustrated by an example. Reconsider the trademark Monopoly. Suppose 100% of the consuming public primarily associate the mark with the manufacturer, Parker Brother's. Also

observation "that the result that 82% of Monopoly purchasers buy for 'product related' reasons *can not be reconciled* with the other result that 32% of actual or potential buyers chose the statement 'I would buy Parker Brothers' [sic] 'Monopoly' game primarily because I like Parker Brothers' [sic] products.'" *Id.* (emphasis in original). The Ninth Circuit rejected this contention stating, "[T]he 82% who gave 'product related' answers no doubt had both product related and source related reasons for buying, and, with some, enough to reduce 82% to 65%, the source related reason *was stronger* when the person had to choose." *Id.* (emphasis supplied).

41. See *supra* note 21; cf. *supra* note 29 (conjunctive approach).

42. See *supra* note 22.

suppose that in reality 75% of the same group associate the mark with the game itself. Therefore, 75% of the group associate the mark with both the product and the producer, while 25% associate it only with the manufacturer.

Under a conjunctive approach, the consumer is presented with both alternatives and is asked which the mark represents. Because the consumer has been shown both alternatives and must select one answer, it follows that he will choose the *primary* significance of the mark. Thus in answering the survey, 75% of the group will respond that they associate the mark with Parker Brother's.

Under a mutually exclusive approach, consumers typically are given a questionnaire and requested to supply the names of the game and the reasons they purchased the game. Consumers are not asked for the primary significance of the trademark; rather, they are requested to state *a* significance. Whether they answer Monopoly (product related) or Parker Brother's (producer related), 75% of the consumers are making a truthful statement. Forseeably, 75% of the group could answer that they associate it with Monopoly. Based on this response, a court could assume that the consumers chose to respond "Monopoly," rather than Parker Brother's, and that the primary significance of the mark denotes the product. Based on this assumption, the challenger could have the trademark invalidated. The mutually exclusive approach creates a gap between what consumers believe and what responses reveal and thereby allows a challenger to take advantage of the trademark's two meanings.

The Ninth Circuit's approach in *Anti-Monopoly* will preclude producers from gaining trademark protection in descriptive words through use of the secondary meaning doctrine.⁴³ A descriptive word is one which describes a characteristic or ingredient of the article to which it refers.⁴⁴ Under the Lanham Act, descriptive words cannot ordinarily be registered as trademarks.⁴⁵ The secondary meaning doctrine, however, allows a producer who markets his product under a descriptive word to claim the mark as his own if he can prove that the general public has come to associate his company with the trademark.⁴⁶ Secondary meaning is found provided the mark used by the applicant is "distinctive of his goods in commerce."⁴⁷ The doctrine allows validation of descriptive words to protect the accrued goodwill of major producers by preventing competitors from adopting similar trademarks and tak-

43. Lanham Act, 15 U.S.C. § 1052(f) (1946).

44. *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 374 n.8 (1st Cir. 1980).

45. Lanham Act, 15 U.S.C. § 1052(e) (1946).

46. *Id.* § 1052(f); *see also* *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976); *Bada Co. v. Montgomery Ward & Co.*, 426 F.2d 8, 11 (9th Cir.), *cert. denied*, 400 U.S. 916 (1970); *Salton Inc. v. Cornwall Corp.*, 477 F. Supp. 975, 985-86 (D.N.J. 1979).

47. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

ing advantage of another's goodwill.⁴⁸

While the secondary meaning doctrine allows a court to validate a descriptive word, it does not provide for the validation of a generic word.⁴⁹ Hence, when a producer attempts to validate a descriptive word as his own, a competitor may argue that the word is no longer descriptive but has instead become generic and is thus incapable of being validated. Because the mutually exclusive approach to determining primary significance for generic purposes allows a challenger to more easily satisfy his burden of proof, producers who have rightfully obtained rights in the use of a word are more likely to be prevented from obtaining trademark protection. The inability to gain trademark validation leaves a producer's descriptive word unprotected from competing companies who may then use a similar word and infringe on the goodwill of a major producer.

The Ninth Circuit's new mutually exclusive interpretation of primary significance may be praised for its simplicity since it omits the need for complex consumer surveys. But even in employing this simplified approach the resolution of trademark cases remains dependent upon highly subjective material. The inherent difficulty in trademark law is that words and their meanings are not fixed entities. As Judge Learned Hand once wrote, "words are chameleons,"⁵⁰ subject to change. Trademark law focuses on determining the meaning of a word to the public at a particular time.⁵¹ Since this is a complex task, the approach to determining primary significance should also take into account the changing nature of words. The *Anti-Monopoly* court's mutually exclusive interpretation of primary significance has set forth narrow and rigid standards for amorphous evidence. In so doing, the court has focused on simplicity and has foregone the complicated task of deciphering the meaning of language in the minds of the public. At best, the mutually exclusive approach can be considered a shortcut in determining whether a mark is generic. Despite this advantage, the approach sacrifices justice for efficiency and undercuts the fundamental purposes of the Lanham Act.

Donna A. Rubelmann

48. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122 (1938).

49. Lanham Act, 15 U.S.C. § 1064 (1946).

50. *C.I.R. v. National Carbide Corp.*, 167 F.2d 304, 306 (2d Cir. 1948).

51. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) ("[t]he lines of demarcation, however, are not always bright . . . in light of differences in usage through time.").