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Jacobs Vs. Beecham

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Court : US Supreme Court

Decided On : May-15-1911

Appeal No. : 221 U.S. 263

Appellant : Jacobs

Respondent : Beecham

Judgement :

Jacobs v. Beecham - 221 U.S. 263 (1911)
U.S. Supreme Court Jacobs v. Beecham, 221 U.S. 263 (1911)

Jacobs v. Beecham

No. 139

Argued April 21, 24, 1911

Decided May 15, 1911

221 U.S. 263

APPEAL FROM THE CIRCUIT COURT

OF APPEALS FOR THE SECOND CIRCUIT

SYLLABUS

Corruptio optimi pessima. Sound general principles should not be turned to support a conclusion manifestly improper.

Even if the burden of proof is on one manufacturing a named article under a secret formula to prove that one selling an article by the same name is not manufacturing under that formula, there is a *prima facie* presumption of difference which protects the owner without requiring him to give up the secret.

The burden is on a defendant who uses plaintiff's tradename to justify the using thereof.

Where the name of the originator has not left him to travel with the goods, the name remains with the manufacturer as an expression of source, and not of character.

The word "Beecham's," as used in connection with pills manufactured by the party of that name, is not generic as to the article manufactured, but individual as to the producer, and one calling his product by the same name is guilty of unfair trade even if he states that he, and not Beecham, makes them.

The word "patent" as used in connection with medicines does not mean that the article is patented, but that it is proprietary, and there is no fraud on the public in using the word in that sense although the article has not been patented. 1,

The proprietor of a valuable article will not be deprived of protection against unfair trade because of certain trivial misstatements as to place of manufacture and Christian name of manufacturer when both statements were true at one time and it does not appear that the public have been improperly misled.

159 F. 129 affirmed.

The facts are stated in the opinion.

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MR. JUSTICE HOLMES delivered the opinion of the Court.

This is a bill by the owner of a proprietary or patent medicine, so called, made according to a secret formula, and known as "Beecham's Pills," to restrain the defendant

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from using the same name on pills made by him, and trying to appropriate the plaintiff's goodwill. The plaintiff had a decree in the circuit court, enjoining the defendant from using the word "Beecham" in connection with pills prepared or sold by him, which decree was affirmed by the circuit court of appeals. 159 F. 129.

The present appeal is based on two or three different grounds. The first of these is that anyone who honestly can discover the formula has a right to use it, to tell the public that he is using it, and for that purpose to employ the only words by which the formula can be identified to the public mind. As to the defendant's having discovered the formula, it is said that, if he makes a different or inferior article, the burden is on the plaintiff to prove the fact. As to the method adopted by the defendant to advertise his wares, which, apart from other imitations, consists in simply marking them "Beecham's Pills," it is said that the proper name cannot constitute a trademark, and has become the generic designation of the thing. The defendant's use of the name is said to be saved from being unfair by the statement underneath that he made the pills.

Corruptio optimi pessima. Sound general propositions thus are turned to the support of a conclusion that manifestly should not be reached. We will follow and answer the argument in the order in which we have stated it. If, in a technical sense, the burden of proof is on the plaintiff to prove that the defendant's pills are not made by his formula, there it at least a *prima facie* presumption of difference, just as in the case of slander there is a presumption that slanderous words are false. A different rule would prevent the owner of a secret process from protecting it except by giving up his secret. Again, when the defendant has to justify using the plaintiff's tradename, the burden is on him. Finally, as the case presents what is a

fraud on its face, it is more likely that the defendant is

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a modern advertiser than that he has discovered the hidden formula of the plaintiff's success.

As to the defendant's method of advertising, he does not simply say that he has the Beecham formula, as in *Saxlehner v. Wagner,* 216 U. S. 375 , but he says that he makes Beecham's pills. The only sense in which "Beecham's Pills" can be said to have become a designation of the article is that Beecham, so far as appears, is the only man who has made it. But there is nothing generic in the designation. It is in the highest degree individual, and means the producer as much as the product. It has not left the originator to travel with the goods, as in *Chadwick v. Covell,* 151 Mass.190, 195, or come to express character, rather than source, as it is admitted sometimes may be the case. *Holzapfel's Compositions Co. v. Rahtjen's American Composition Co.,* 183 U. S. 1 ; *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.,* 128 U. S. 598 ; *Thomson v. Winchester,* 19 Pick. 214. To call pills Beecham's pills is to call them the plaintiff's pills. The statement that the defendant makes them does not save the fraud. That is not what the public would notice or is intended to notice, and, if it did, its natural interpretation would be that the defendant had bought the original business out and was carrying it on. It would be unfair, even if we could assume, as we cannot, that the defendant uses the plaintiff's formula for his pills. *McLean v. Fleming,* 96 U. S. 245 , 96 U. S. 252 ; *Millington v. Fox,* 3 Myl. & C. 338, 352; *Gilman v. Hunnewell,* 122 Mass. 139, 148.

The other grounds of appeal are charges that the plaintiff's boxes have upon them false statements such as to exclude them from equitable relief. The one most pressed is that certain of the boxes carry the words "Beecham's Patent Pills," and that the pills are not patented. The answer is that the word does not convey the notion that they are. To signify that, the proper word is "patented"

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rather than "patent," and it commonly is used separately, not prefixed to a noun. On the other hand, the use of the word patent to indicate medicines made by secret formulas is widespread and well known. It is mentioned in the dictionaries, and it occurs in the plaintiff's circulars. We think it clear that there is no danger that anyone would be defrauded by the form of the label on the plaintiff's box, and that it would be wrong to press *Holzapfel's Compositions Co. v. Rahtjen's American Composition Co.,* 183 U. S. 1 , so far as to cover this case.

It is objected further that the plaintiff's boxes are labeled "Beecham's Patent Pills, price 25 cents, sold by the Proprietor, St. Helen's, Lancashire, England," or "Beecham's Patent Pills, St. Helen's, Lancashire," or "Beecham's Pills, Saint Helen's," and that a circular contains the statement that "the pills accompanying this pamphlet are specially packed for U.S. America, being covered with a quickly soluble pleasant coating," etc. The statement in the circular is true in a literal sense, but suggests the belief that the pills were made in England, whereas in fact they now are made in New York. The labels may be said to convey a similar suggestion in a fainter form. With this may be mentioned the remaining object of cavil, that some of the boxes still bear the name of Thomas Beecham, although Thomas Beecham transferred his interest to the plaintiff, his son, in 1895. Both of these matters are small survivals from a time when they were literally true, and are far too insignificant, when taken with the total character of the plaintiff's advertising, to leave him a defenseless prey to the world. The facts are that the business was started by Thomas Beecham, in England, that he made the pills there and got a considerable custom in America, that he took the plaintiff into partnership, continuing the business under the old name, and that in 1895 he retired, turning over his interest to his son. The son went on under the same name for a time, but his boxes now bear his

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own name as proprietor, and his circulars show that he is his father's successor. About 1890, they began to make the pills in New York as well as in England, but, as has been seen, not every phrase in the advertisements was nicely readjusted to the change. That is all there is in the whole subject of complaint. There is not

the slightest ground for charging the plaintiff with an attempt to defraud the public by these statements, or any reason why the judgment below should not be affirmed unless it be in a motion for the plaintiff to dismiss. This was met by the fact that the bill seemingly relied upon the registration of the words "Beecham's Pills" as a trademark under the Act of Congress as one ground for the jurisdiction of the circuit court. *Warner v. Searle & Hereth Co.,* 191 U. S. 195 , 191 U. S. 205 -206; *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.,* 220 U. S. 446 .

Decree affirmed.

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