

(1971) 09 DEL CK 0003

In the Delhi High Court

Case No : First Appeal No. 80 of 1970

Scotch Whisky Association

APPELLANT

Vs

Dyer Meakin Breweries Ltd.

RESPONDENT

Date of Decision : 06-09-1971

Acts Referred:

Citation : (1972) ILR Delhi 124

Hon'ble Judges : V.D. Misra, J

Bench : Single Bench

Advocate : K.S. Shavaksha, Anoop Singh, P.C. Khanna, C.R. Soma Sekharan and Bindra Rana, for the Appellant;

Judgement

V.D. Misra, J.

(1) This appeal u/s 109 of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the "Act") is directed against the order of Assistant Registrar of Trade Marks, Delhi dismissing the opposition filed by the appellant and ordering. the registration applied for by the respondent.

(2) The respondent filed an application to register a trade mark consisting of a label containing the bust portrait of a Scottish Highlander and the words "Highland Chief" in Class 33 in respect of Whisky. After its advertisement in the Trade Marks Journal of 16th March, 1964 the appellant filed a notice of opposition.

(3) The appellant is a body corporate, incorporated under the United Kingdom Companies Act, 1948. It does not itself carry on the trade but includes amongst its members leading producers and sellers of Scotch Whisky. One of the principal aims of this Association is to protect the interests of the producers and sellers of Scotch Whisky. It is stated in the notice to opposition that the description "Scotch Whisky" is not generic but relates solely to the geographical origin of the product in relation to which it is used. It is also stated that the brand name "HIGHLAND CHIEF" when used in relation to a product described as "matted

whisky" will be assumed by the purchasers to relate to a product of Scotland since the highlands of Scotland are an area world famous for the production of whisky. It is further stated that the impression of the purchasers that the words "HIGHLAND CHIEF" indicate that the whisky in relation to which they are used comes from Scotland will be confirmed if they see these words used on the labels the subject of the application of the respondent since it bears prominently the device of the head and shoulders of a gentleman dressed in Scottish highland costume wearing inter-alia feather bonnet and plaid and edged with tartan a well known symbol of Scottish origin. It is thus submitted that the mark in question would be likely to deceive or cause confusion; its use would be contrary to law for the time being in force and it would be disentitled to protection in the Court.

(4) The respondent resisted the notice of opposition and stated that the label in question bore its name and place of manufacture and bottling clearly in bold letters also stating that the product is a "Produce of India". It was also pleaded that the consumers would not be deceived into believing that their product came from Scotland. especially as there were many brands of whisky produced in India both by respondent and others. However, it was conceded that the appellant consist of members who were leading producers and consumers of Scotch Whisky and one of its principal aims was to protect the interests of the producers and sellers of Scotch Whisky. It was also conceded that Scotch Whisky is not generic but solely of the product.

(5) The appellants in support of their notice of opposition submitted an affidavit by Davod Clark Banks, a member of the Council of the Scotch Whisky Association and the Managing Director of John Dewar & Sons Limited, the Proprietors of White Lable Scotch Whisky. He states that the appellant has 163 members which includes practically all the leading producers and sellers of Scotch Whisky. Scotch Whisky has been sold throughout India for about a century and it has acquired a high reputation and prestige throughout India. In para 6 of the affidavit he states "Whisky produced by members of the Association including my company is distilled in several parts of Scotland, but the region which is most famous turn whisky is that part of Scotland known as "the Highlands". The word "Highland" when used in relation to whisky has become synonymous with "Scotch" and any one using the word "Highland" as part of a brand name for whisky would denote thereby that the whisky is Scotch whisky and the public would understand when they see the word "Highland" used as part of a brand name for whisky that that whisky was produced in Scotland. He goes on to state in this para the provisions of the United Kingdom Customs and Excise Warehousing Manual as well as the United States Regulation No. 5 relating to the labelling and advertising of distilled spirits. He gives the trade marks used solely in relation to the whisky wholly distilled in Scotland and registered in India, i.e.. Highland Queen, Highland Nectare, Highland Cream and Highland Club. He also states ""the use and registration of these trade marks which include the word "Highland" in relation to Scotch whisky will have confirmed in the mind of the public in India the significance of the word "Highland" as indicating Scotland". In para 9 it is stated

that the pictorial representation given on the label in question, according to common practice for manufacturers to indicate the country of origin on their product, shows it a product of Scotland which frequently feature tartans and figures dressed in traditional Scottish costume. The indication "Produce in India" appears in very small letters in an inconspicuous place at the bottom of the label and is not at all visible in the advertisement of the applied for mark in the Trade Mark Journal. In any event, these counter indications will not wipe away the first impression of the producers on seeing the label applied for that the product in question must be a product of Scotland.

(6) In answer to the above affidavit, Narinder Nath Mohan. Director of the respondent-company, put in his affidavit. He did not dispute the facts stated in the affidavit in the first five "paragraphs which relate to the status and the functions of the appellant association and the fact that the Scotch whisky has acquired a high reputation and prestige throughout India. In answer to para 6 of the above mentioned affidavit, it was deposed "with regard to paragraph 6 of the said affidavit, I submit that whatever the law or regulations or practice may be in the United Kingdom or the United States of America, they have no applicability in India. In India there are no similar laws or regulations but all labels for spirituous liquors have to be approved by and registered with the Excise authorities in the States concerned. Our Highland Chief label has been so approved and registered." After stating that they had no intention of deceiving the public into thinking that the product is other than what it is, it is stated "in choosing labels for their products my company has chosen labels which are colourful, attractive or pleasing to the eye and it was in this sense that the Highland Chief label was so selected and with no intention of leading the public to think that the product is Scotch Whisky." It is also stated that the respondents saw no reason why it should choose labels with Indian motifs only.

(7) The learned Assistant Registrar of Trade Marks came to the conclusion that there was no evidence that the purchasing public in India associated the word "HIGHLAND" with whisky produced in Scotland, nor did he believe that on seeing the picture of a Scottish Highland soldier or the words "Highland Chief" on a whisky bottle, purchasers in India would think that the whisky was produced in Scotland. He thus dismissed the opposition and ordered the registrar corporation of the trade mark as applied for by the respondent.

(8) A preliminary objection has been raised by Mr. P. C. Khaima, learned counsel for the respondent that the Registrar of Trade Marks is a necessary party to this appeal and since he has not been made a party within the period of limitation, the appeal is liable to be dismissed. I see no force in this objection. The Registrar in this case C has decided a dispute between the two parties. Both parties are before me in this appeal,. It has not been shown to me why the Registrar is an accessory party before the relief claimed by the appellant can be granted to him. Moreover, I find that in Section 112 a right has been given to the Registrar to appear and be heard by the High Court. This shows that it is not necessary to

make him a party but if he wishes he can appear.

(9) Mr. Shavaksha, learned counsel for the appellant, contends that the use of the mark in question is likely to deceive or cause confusion and its registration is prohibited u/s 11 of the Act, He submits that the use of word "HIGHLAND" has become synonymous with "SCOTLAND" and when used with Whisky it only means Scotch Whisky produced in Scotland.

(10) The word "HIGHLAND" according to WEBSTER'S Third New International Dictionary means "elevated or mountainous land of or relating to or typical of the Highlands of Scotland"" Chamber's Twentieth Century Dictionary gives its meaning as a "mountainous district. esp. the north-west of Scotland bordered geologically by the great fault running from Dumbarton to Stone haven , ethnologically the considerably narrower area in which Gaelic is or was recently spoken". Affidavit of David Clark Banks stating that the word "HIGHLAND" when used in relation to Whisky has become synonymous with "Scotch" and anyone using the word "Highland" as part of a brand name for whisky would denote thereby that the whisky is Scotch whisky, has not been controverted by N. N. Mohan of the respondent in his counter-affidavit The relevant portion of N. N. Mohan's affidavit has been reproduced above. It shows that the only exception taken by him to para 6 of David Clark Banks' affidavit was in relation to the law or regulations or practice in the United Kingdom or United State. He had not denied the various other averments made by David Clark Banks in this para which included the fact of the various labels used by members of the appellant's association for sale of their Scotch Whisky which featured the word Highland as part of the brand name and the trade marks used solely in relation to whisky wholly distilled in Scotland and registered in India being Highland Queen, Highland Nectare, Highland Club and Highland Cream. He has also not denied the averment of Mr. Banks that the use and registration of these trade marks which include the word "HIGHLAND" in relation to Scotch Whisky will have confirmed in the mind of the public in India the significance of the word "Highland" as indicating Scotland.

(11) In view of the depositions made in the above mentioned affidavits. it cannot be said that there is no evidence, as erroneously concluded by the learned Assistant Registrar, that the public in India will not connect the significance of the word "Highland" as indicating "SCOTLAND" in view of the various types of Scotch Whisky having Highland as a part of their names. The multi colored label proposed to be used by the respondent consisting of a Scottish Highland Soldier with tartans design along with the word "Highland Chief" prominently displayed is very likely to give the impression that the product is that of Scotland and not of India.

(12) The learned Assistant Registrar was not correct in holding that there was no evidence that the purchasing public in India associated the word "HIGHLAND" with the whisky produced in Scotland. He was also not correct that at a club, restaurant or hotel persons would not ask the bar tender for the whisky by name

or the bar tender will not sell the whisky by name but will always talk in terms of Indian and Scotch Whisky. Admittedly, this mark is proposed to be used by respondents, which in other words means that products under this mark are not in the market. When Scotch Whisky is already available in the market under the trade mark "Highland Queen", "Highland Nectare", Highland Club" and "Highland Cream", the offer of whisky under the trade mark "Highland Chief will lead the consumer to a conclusion that it is also Scotch Whisky and not an Indian Whisky.

"Trade Description" has been defined in Section 2(1)(u) and means "any description, statement or other indication, direct or indirect (iv) as to the place or country in which or the time at which any goods were made or produced and includes (a) any description as to the use of any mark which according to the custom of the trade is commonly taken to be an indication of any of the above matters; (c) any other description which is likely to be misunderstood or mistaken for all or any of the said matters;". The false trade description has been defined by Section 2(1)(f) as meaning "(i) a trade description which is untrue or misleading in a material respect as regards the goods to which it is applied: and the fact that a trade description is a trade mark or part of a trade mark shall not prevent such trade description being a false trade description within the meaning of this Act;". These definitions show that the description sought to be used as a trade description by the respondents directly or indirectly shows that the whisky was made or produced in Scotland. As already discussed the words "Highland" having acquired connection and having become synonymous with the whisky produced in Scotland, it is according to the custom of the trade commonly taken to be an indication of Whisky produced in Scotland. The use of this word in respect of Indian Whisky is likely to be mis understood or mistaken for the whisky produced in Scotland. This description in the circumstances of this case is a false trade description as defined in Section 2(1)(f) of the Act.

(13) The Registrar has been given a discretion u/s 18(4) of the Act either to refuse the application for registration or to accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit. He shall not register the trade marks which are prohibited under various sections of the Act including u/s 11 where the mark proposed to be used is likely to deceive or cause confusion; or which would be contrary to any law for the time being in force; or which comprises or contains scandalous or obscene matters or which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India; or which would otherwise be disentitled to protection in a court. It is thus the duty of the person applying for the registration of the trade mark to show that the proposed mark does not fall within the scope of those sections which prohibit the registrations of a trade mark. It will not be correct to say that it will be for the person who gives notice of opposition to show that the proposed trade mark falls under the mischief of any particular section.

(14) The question of onus in these circumstances was decided by the House of Lords in the Matter of Din-in's Trade Mark⁷ R.P.C 311 in the following words :

"THESE prohibitory clauses cast upon the Applicant the duty of satisfying the Comptroller, or the Court that the trade mark which he proposes to register does not come within their scope. In an inquiry like the present, he does not hold the same position which he would have occupied if he had been. defending himself against an action for infringement. There, the onus of showing that his trade mark was calculated to mislead, rests, not on him, but upon the party alleging infringement; here, he is in petitorio and must justify the registration of his trade mark by showing affirmatively that it is not calculated to deceive. It appears to me to be a necessary consequence that, in dubio, his application ought to be disallowed."

(15) The Supreme Court in National Sewing Thread Co. Ltd. Vs. James Chadwick and Bros. Ltd. (J. and P. Coats Ltd., Assignee), , held that:

"The burden of proving that the trade mark which a person seeks to register is not likely to deceive or to cause confusion is upon the applicant. It is for him to satisfy the Registrar that his trade mark does not fall within the prohibition of S. 8 and Therefore it should be registered

The real question to decide in such cases is to see as to how a purchaser, who must be looked upon as an average man of ordinary intelligence, would react to a particular made mark, what association he would form by looking at trade mark and in what respect he would connect the trade mark with the goods while he would be purchasing. It is quite clear that the onus in a passing off action rests on a plaintiff to prove whether there is livelihood of the Defendant's goods being passed off as the goods of the plaintiffs

The considerations relevant in a passing off action are somewhat different than they are on an application made for registration of a mark under the Trade Marks Act."

(16) It is thus well settled that the onus was on the applicant-respondent to show that the proposed trade mark did not fall within the scope of sections prohibiting its registration.

(17) The affidavit of David Clark Banks clearly shows that the word "Highland" had acquired reputation and goodwill and had become the property of the producers of whisky in Scotland. The respondents admittedly, have no association with such producers and cannot be allowed to use this word. In a similar situation, where wine not grown in Champagne District was sought to be sold as "Spanish Champagne". it was held in Bollinger, i.cwd Others \\. Costa Brava Wine Coy.. C Lid., 1960 P.R.C. 16 thus :

"There seems to be no reason why such license should be given to a person, competing in trade who seeks to attach to his product a name or description with which it has no natural association, so as to make use of the reputation and good

will which has been gained by a product genuinely indicated by the name or description. In my view, it ought not to matter that the persons truly entitled to describe their goods by the name and description are a class producing goods in a certain locality, and not merely one individual. The description is part of their goodwill and a right of property."

This was followed in *Vine Products Limited & Others v. Mackenize & Company Limited. & Others* 1969 R.P.C wherein at page 23 it was observed as under:

"IFI may say so without impertinence I agree entirely with the decision in the Spanish Champagne case-but as I see it uncovered a piece of common law or equity which had till then escaped notice-for in such a case there is not, in any ordinary sense, any representation that the goods of the defendant are the goods of the plaintiffs, and evidence that no one has been confused or deceived in that way is quite beside the mark. In truth the decision went beyond the well trodden paths of passing off into the unmapped area of "unfair trading" or "unlawful competition."

(18) Mr. Khanna's contention that the multicolored label having the words "Highland Chief" also contains the name of respondent and the words "Produce in India" and so there can be no confusion in the mind of the public that the whisky has been produced in Scotland, has no force. In this label, as already described by me, the words "Highland Chief" are shown in very bold letters on the top of this label in a scroll underneath which is the portrait of a "Highland Soldier". Under the portrait is another scroll wherein, in bold words, the words "malted whisky" are written. The rest of the description stating that it is manufactured by, Kasauli & Lucknow Distilleries Bottled at Lucknow Distillery" is in fine type and the words "DYER Meakin Breweries LTD" is slightly bolder than the words "Produce in India" but definitely far less significant than the words "Highland Chief" and "Malted Whisky". The words "Produce of India" is barely visible and is not at all legible in the advertisement which appeared in the Trade Mark Journal. This label is surrounded by tartan design. The over-all impression created by the words as well as the design is that the whisky is manufactured in Scotland and is one of the brands of "Scotch Whisky". May be experienced persons will not be taken in but this seems to have been designed for taking in somebody. The reason given by the respondents that the portrait of a Highland Soldier as well as the tartan design around this label has been adopted only because the object was to give something colourful but not to confuse anyone is a baseless one. I cannot imagine that if the purpose was simply to give something colourful in the said label and not to mislead or confuse anyone then the respondents failed to find out any colourful design of an Indian Motif and had to go all the way to "Scotland to do so. In this country those citizens who like to drink whisky will prefer Scotch Whisky over the Indian product. Unless persons examine the label minutely. which usually a customer does not do and goes by the over-all impression created by the name and the multi colored label, is definitely going to confuse it with the Scotch Whisky. It would be more so when a person is familiar

with Highland Nectar, Highland Cream, Highland Queen, Highland Club. He is more likely to conclude that "Highland Chief is one of the similar brands of whisky.

(19) I find the approach of the learned Assistant Registrar of Trade Marks was wholly erroneous. The un-rebutted affidavit of David Banks, as discussed above, had established the case of the appellant that the word "Highland" when used in relation to whisky was synonymous with the whisky produced in Scotland and that it was thus understood by the public of India.

(20) The appeal is, Therefore, allowed and the order of the learned Assistant Registrar of Trade Marks is set aside and the application no. 214480 of the respondent for registration of the trade mark in question in Class 33 is hereby dismissed. The appellants will be entitled to costs,