

some doubt whether there is any relevant averment of contract at all, in this respect, that the averment seems to me to be so wanting in specification that it may reasonably be considered as meaning either of two different agreements, and I have some doubt whether the framer of this condescendence had any distinct idea in his own mind what contract he meant to aver. But it has been said to us with perfect distinctness at the bar that what the pursuer now wishes to prove is an agreement to the effect your Lordship has stated, and therefore, as I am not disposed to criticise the averments too strictly in cases of this kind, I assent to your Lordship's proposal that this case be sent to proof.

I agree also that the law in regard to cases in which proof ought to be limited to writ or oath is so unsettled that, if the amount of money involved in this case was sufficient it might be very proper that the recent decisions should be reconsidered by a Court of Seven Judges. But it would manifestly be altogether improper to subject a litigant in the circumstances of this pursuer to such expense as would be involved in that proceeding. I therefore think we must do the best we can on the law as it now stands, and, though not without considerable hesitation, I agree that we should follow the opinion expressed by Lord Young in the case to which your Lordship referred.

The LORD PRESIDENT intimated that LORD DUNDAS, who was absent at advising, concurred in the judgment.

The Court recalled the interlocutor of the Sheriff-Substitute, and remitted to him to allow to the pursuer a proof of his averments by writ.

Counsel for the Pursuer (Appellant)—Crabb-Watt, K.C.—A. M. Anderson. Agent—C. Strang Watson, Solicitor.

Counsel for the Defenders (Respondents)—Wm. Thomson. Agents—Connell & Campbell, S.S.C.

Thursday, July 18.

FIRST DIVISION.

[Lord Salvesen, Ordinary.]

BOORD & SON v. THOM & CAMERON,
LIMITED, *et e contra*.

Trade-Mark — Process — Infringement — Defences — Mode of Pleading — Defences (a) that Complainers' Mark ought not to be on the Register, (b) That Respondent has Himself Right to be on the Register—Necessity for Pleading Rectification of Register.

While an alleged infringer of a registered trade-mark may plead in defence to an action for interdict that the register should be rectified, either (a) by expunging the entry of the trade-

mark as being common property, or (b) by adding an entry of the mark as being also his, he can only raise such defence by making rectification a positive crave. *Dewar v. Dewar & Sons, Limited*, December 6, 1899, 2 F. 249, 37 S.L.R., 188, *commented on*.

Trade-Mark — Infringement — Defence of Common Property—Effect of Registration—Onus—Evidence.

In an action of declarator and interdict to prohibit alleged infringement of a registered trade-mark, to establish the defence that the register should be rectified by expunging the entry on the ground that the mark is "common property," (1) the onus is on the defender by the mere fact of registration and is increased by the length of time the entry has been on the register, and (2) it is not sufficient to prove a few isolated sales, but to constitute "property" the mark must have become associated in the market with the goods.

Evidence held insufficient to establish common property in a registered trade-mark.

Trade-Mark—Resemblance—Long Association—Interdict.

B. & S., a firm of spirit merchants, had as their registered trade-mark a device consisting of a cat with one paw uplifted standing on a barrel placed on its bilge, and proved that by long use their goods had become associated with the cat and barrel device.

Held that in deciding whether certain labels were or were not an infringement, the Court should keep in view the long association of B. & S.'s goods with the device, and consequently not require too strict a similarity before granting interdict.

Labels held to be practical infringements of a registered trade-mark, though not very similar to it.

The circumstances in which these actions arose, as stated by the Lord Ordinary (Salvesen), were—"On 1st July 1904 Messrs Boord & Son raised an action against Thom & Cameron, Limited, in which they sought (1) declarator that they were the sole proprietors of certain trade-marks and (2) interdict against infringement of same. There was also a conclusion (3) to the effect that Thom & Cameron should be interdicted from using the words 'Cat and Barrel,' or the representation of a Cat and Barrel, in connection with the sale of gin and other liquors. About a year later Thom & Cameron replied by an action of declarator and reduction, in which they sought (1 and 2) to have Boord & Son's trade-marks removed from the register, or otherwise (3) a decree that the latter have no exclusive right to use the device of a Cat, or of a Cat and Barrel, on labels or advertisements in connection with the sale of 'Old Tom' gin and other liquors. Both cases were ultimately sent to trial together, and I thought it right that Thom & Cameron should lead in the proof, on the ground that the registration of the trade-marks threw

the onus of proof on those who attacked their validity. In what follows I shall accordingly refer to Thom & Cameron, Limited, throughout as the pursuers and Boord & Son as the defenders.

“The defenders are an old-established firm of distillers and wine and spirit merchants. For some time prior to 1848 they had done a considerable trade in gin. The liquor then in vogue was a sweetened gin, and it had long previously acquired the name of ‘Old Tom.’ How that name originated is mere matter of conjecture, and it is of no materiality in the present case, as it is admitted that it was a name in common use. Prior to 1848 the defenders’ business was entirely confined to the home trade, but after that year, owing to an Act having been passed which allowed a drawback on exported spirits, it became possible for British distillers to compete in foreign and colonial markets with the Dutch distillers of gin, and the defenders appear to have prosecuted the export trade with vigour and success from that time onwards. About 1849, or possibly a couple of years later, the defenders adopted a device upon their labels which consisted of a circular disc, on which was placed a barrel on its bilge, which again carried a cat in a standing position, with one paw uplifted and the back somewhat curved. This device they have consistently used, on the labels of bottles in which their gin was bottled for export as well as for the home market, on show-cards which they distributed to their customers, on caution notices which they issued from time to time with a view to preventing imitations, and on the other usual literature which is employed in connection with such a business. In 1879 the defenders applied for and obtained registration of the device as their trade-mark, on the representation that they had used the same for twenty-five years prior to the date of their application. This was a true representation so far as gin was concerned, but it was not accurate so far as it applied to whiskies and other liquors. The defenders have uninterruptedly used the device in question as their registered trade-mark ever since, and until now their right has never been judicially challenged. During the whole period from about 1850 onwards they have done a large trade in England and a large export business to various parts of the world, including India, Australia, Africa, and America. To some extent also they have during the whole period carried on a business in gin with Scotland and Ireland, although—so far as their Scotch business is concerned—it has throughout been relatively small and has diminished rather than increased.

“From the first the defenders appear to have attached considerable importance to the device of the Cat and Barrel, which, so far as they knew, they were the first to adopt in connection with the sale of gin and other spirits. From time to time the device was fraudulently copied, and whenever a case of this kind came to their knowledge the defenders took prompt means to have it punished or stopped. So early as

1856 they found it necessary for their protection to issue printed notices to their customers and others, warning them against the unauthorised use of their label, and similar notices were periodically issued both before and after the device had been registered as the defenders’ trade-mark. In 1903 they raised an action in the High Court of Justice against a Mr Huddart, who was selling gin manufactured by Melrose, Drover, & Company, Limited, of Leith, on the ground that the label under which the gin was sold contained the representation of a cat’s head and paws protruding from the upper part of a barrel, a device which the defenders maintained was an infringement of their trade-mark. The case went to trial, and after a large number of witnesses had been examined on both sides the defenders obtained an injunction against Huddart from Mr Justice Swinfen Eady (21 R.P.C. 149). This judgment was allowed to become final, and the defenders thereupon, having had their attention called to the use by other distillers and merchants of the device of a cat and barrel in connection with the sale of ‘Old Tom’ gin, threatened these firms with proceedings unless they agreed to discontinue its use. In every such case they had hitherto been successful, and they have now taken action against the pursuers, one of whose directors was a witness for the defender in the *Huddart* case.”

The labels said to be used by Thom & Cameron, and of which Boord & Son in particular complained, were described thus—“(1) A label with a barrel lying on its side with a cat sitting on it, and having printed thereon Superior Old Tom Gin, manufactured by Thom & Cameron, Glasgow; (2) a label with a barrel in an upright position, and the cat on the top thereof, with a bottle and a glass, and having printed thereon Thom & Cameron, Cream Old Tom Gin, Thom & Cameron, Limited, Glasgow and London; (3) a label with a barrel also in an upright position, and the cat sitting on the top thereof, and having printed thereon Superior Old Tom Gin, Old Tom, Thom & Cameron, Glasgow; and (4) a label with two barrels close together laid on their side, and a third barrel on its side put on the top of them with a cat on the top of it.”

Two examples of Boord & Son’s trade marks, and the four labels of Thom & Cameron in particular complained of are shown *infra*—

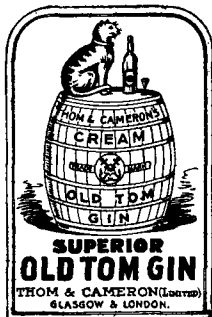
BOORD & SON.
No. 20,505.



No. 263,113.



THOM & CAMERON.
 No. 21. No. 33.



No. 18.



In the action by Thom & Cameron the pursuers pleaded—“(1) The said trade-marks having been entered in the register of trade-marks without sufficient cause, and the pursuers having been aggrieved thereby, they are entitled to decree in terms of the first declaratory conclusion of the summons (*i.e.*, to have the marks expunged) . . . (3) The defenders having no exclusive right to the use of the figure or device of a cat, or cat and barrel, in connection with the sale of gin or other liquors, the pursuers are entitled to decree of declarator to this effect, and to decree of reduction as concluded for. . . .”

And the defenders pleaded, *inter alia*—“(2) The said trade-marks having been properly and validly entered in the register of trade-marks, and having been capable of registration, the defenders should be assolizied from the conclusions of the summons, with expenses. . . . (5) The defenders having an exclusive right in respect of their said trade marks, and of their established trade reputation for their goods under the term ‘Cat and Barrel Brand,’ are entitled to be assolizied. (6) The device of a cat and a barrel not having been common to the trade in 1875 or at any other time, the defenders should be assolizied.”

In the action by Boord & Son the pursuers pleaded, *inter alia*—“(1) The pursuers being proprietors of the said trade-marks, and having an established trade reputation for their goods under the term ‘Cat and Barrel Brand,’ are entitled to the sole and exclusive use of the same, and to prevent any other person, firm, or company selling their goods upon such established trade

reputation. (2) The defenders having infringed the pursuers’ said trade-mark and exclusive right to use the same, the pursuers are entitled to interdict as concluded for.”

And the defenders pleaded—“(1) The statements of the pursuers being irrelevant the action should be dismissed. (2) The pursuers not having an exclusive right to the ‘Cat and Barrel’ brand, decree of absolvitor should be pronounced. (3) In respect that the defenders have not infringed the pursuers’ trade-marks, they should be assolizied.”

A proof was taken. The evidence is summarised by the Lord Ordinary in his opinion (*infra*).

On 27th March 1906 his Lordship pronounced the following interlocutors:—(1) *In the action at Thom & Cameron’s instance*—“Finds and declares that the defenders have no exclusive right to use the sign, figure, or device of a ‘Cat’ or of a ‘Cat and Barrel’ on labels, advertisements, or otherwise in connection with the sale of ‘Old Tom’ gin, but that the pursuers are entitled to use the said sign, figure, or device on labels, advertisements, or otherwise in connection with the sale of ‘Old Tom’ gin which is not made or manufactured by or on behalf of the defenders, and to sell, offer for sale, and advertise ‘Old Tom’ gin made or manufactured by or on behalf of the pursuers under the said sign, figure, or device by label, advertisement, or otherwise: Find it unnecessary to deal with the other conclusions of the action, and dismisses the same,” &c.

(2) *In the action at Boord & Son’s instance*—“Assolizies the defenders from the conclusions of the action in so far as they relate to ‘Old Tom’ gin: *Quoad ultra* dismisses the said conclusions,” &c.

Opinion.— . . . [After narrating the facts, *ut supra*] . . . “The above facts, which are practically undisputed, present a formidable *prima facie* case in favour of the defenders’ claim (*i.e.*, Boord & Son’s) to the sole and exclusive use of the device which they have so long displayed on their labels—apart altogether from the statutory privileges which the registration of the device confers upon them. The pursuers, however, now assert that the defenders’ trade-marks were incapable of registration ‘in respect that the device of a cat, or otherwise of a cat and a barrel, were in common use prior to the respective dates of registration, and were common to the trade, and were not disclaimed in the respective applications for registration.’ They gave a list of twelve firms, including their own, who they say used labels in connection with the sale of gin whereon the figures of a cat and a barrel appear. This defence was not properly raised in the *Huddart* case, and at all events was not elaborated in evidence as it has been here.

“The labels used by the pursuers and by those other traders have been conveniently collected on sheets so as to make comparison with the defenders’ registered device easy. Except that all the labels bear

the device of a cat and barrel in whole or in part, there is with perhaps four exceptions, in my opinion, no resemblance between these labels and those used by the defenders. In all of them the manufacturers' name is printed in large and legible type; and I do not think it possible that those who were familiar with the defenders' labels could for a moment imagine when they saw any of the alleged infringing labels that the contents of the bottles to which they were affixed were the defenders' manufacture. The possible exceptions are (1) labels 18 and 34, which were used on gin of the pursuers' manufacture imported by Weir, Scott, & Company to Valparaiso. There is a pretty close resemblance between these two labels and the defenders' trade-mark, all the more striking that the word 'cordial,' which the defenders from the first applied to 'Old Tom' is also used in the same connection on them. It is suggested, accordingly, by the defenders that the person who designed labels Nos. 18 and 34 must have seen and copied their labels, and I confess that a very small amount of evidence might have induced me to draw this inference. The history of the labels, however, has been explained by Mr Steven, the lithographer by whom they were designed at the request of Mr Scott, and the general import of his evidence is to the effect that they were not copies of the defenders' labels, of which he was ignorant, and that the resemblance is entirely accidental. No partner of the firm of Weir, Scott, & Company was examined on either side; but the proved fact that these labels have been used in the Valparaiso business since 1873, a place where the defenders say they have all along been doing business, and that there seems never to have been a complaint of the similarity between the two labels or of any injury done to the defenders' business there, are *prima facie* evidence that no confusion did in fact arise. In view of this, and the entire absence of contrary evidence, I am unable to hold it proved that these two labels were conscious imitations of the defenders'; and even if they had been, the name of the manufacturers, which was printed in large letters, was sufficient to prevent any person who could read from drawing the inference that the gin sold under these labels was the manufacture of the defenders. (2) The labels Nos. 200, 201, and 35 of process are all plainly taken from the same design, and also bear a strong resemblance to the defenders'. The original label No. 200 is spoken to as having been used by James Mackenzie, Son, & Company at least as far back as 1859 or 1865 and up till two years ago. It is obviously impossible to expect evidence after a lapse of more than forty years as to the history of such a label, and everything, therefore, is to be presumed in its favour. The resemblance is by no means so close as to suggest that the one design was copied from the other; and I think, therefore, I must assume that the label No. 200 was independently designed in ignorance of the defenders' label, and for all I know at an earlier date.

"The defenders, however, have led a large body of evidence to the effect that in consequence of the long-continued and extensive use of their trade-mark their make of gin has become favourably known as 'cat and barrel brand,' and that any representation of a cat and barrel on bottles of gin is liable to be injurious to their business. It was largely on this ground that Mr Justice Swinfen Eady decided that the head of a cat protruding from the end of a barrel, which was the device used by Melrose, Drover, & Company, was an infringement of the defenders' trade-mark, although the device is perhaps more unlike the defenders' trade-mark than any of those on which the pursuers rely. The only part of the evidence on this head which impressed me was that which related to the trade with India, Burmah, and other countries where English characters are not understood and where the picture upon the bottle is the recognised mode of identifying the goods of a particular manufacturer. All that the evidence, however, comes to is, that the native dealer or middleman would be enabled, if cat and barrel labels of any kind were used on gin, to pass off as the goods of the defenders gin which was of an inferior quality, and thus succeed in defrauding the unwary purchaser to whom the words 'cat and barrel brand,' as applied to the defenders' gin, had become known. If the adoption of a cat and barrel on labels had been of recent use and in the knowledge or presumed knowledge of the defenders' trade-mark, it would have required very little actual evidence of deception to have predisposed me in the defenders' favour; but when I find that for half a century goods bearing some of the labels complained of have been exported to markets where the defenders' gin has been regularly sold, and that not a single instance can be adduced of a purchaser having been deceived, I am unable to draw the inference that the defenders desire. It is noticeable that in their price lists and advertisements the defenders did not until very recent years ever offer their gin for sale under the name of 'Cat and Barrel brand.' In this respect the case is in marked contrast with the case of the 'C. B.' corsets which had been widely advertised under that description, and in such a way that the public generally were not aware that the letters 'C. B.' were the initials of the manufacturer's name; and although the defenders produced 155 written orders as evidence that their gin has become known in the trade as 'Cat and Barrel brand,' only 34 of these support their contention. In 104 instances 'Old Tom gin' was ordered under the designation 'Cat brand,' and the defenders do not seek in this action to interdict the use of the device of a cat by itself on any label applied to gin. This is noteworthy, as the defenders seem to me to have quite as much—if not more—to say for their gin being known as the 'Cat brand' as for it being known as the 'Cat and Barrel brand.' "I do not doubt that amongst customers of the defenders and others who had

become familiar with their trade-mark their gin would be not unfrequently spoken of as the 'Cat brand' or the 'Cat and Barrel brand.' But the defenders themselves at no time seem to have made any effort to get their goods recognised under this name; and in the great majority of cases I am satisfied that their gin was ordered under the name of the manufacturer. The evidence as to Scotland is extremely meagre on this head and relates to very recent years. Even, therefore, if the only question in the case had been one of infringement of the defenders' trade-mark or of the resemblance between the pursuers' and the defenders' labels being such as was calculated to deceive, I should have great difficulty in granting interdict. The case appears to me to present many features similar to those which were the subject of discussion in the case of *Cowie v. Herbert*, 24 R. 353, where the alleged gullibility of Orientals was also emphasised.

"Before dealing with this part of the case I may notice in passing that there are formal averments as to the pursuers having attempted to pass off their goods as the goods of the defenders. No attempt has been made to prove these averments, even assuming that they were relevant, and I am satisfied that they are without the smallest foundation.

"But the pursuers in the action at their instance challenge directly the validity of the defenders' trade-mark, and it is necessary that I should now deal with the evidence bearing on this challenge. The evidence is voluminous, and I shall content myself with summarising the conclusions at which I have arrived as to the alleged common use of a cat and barrel device.

"(1) The pursuers' business was founded by Mr Robert Thom in 1848. In 1865 he assumed Mr Cameron as a partner, and the business was carried on as a private concern until 1888, when it was converted into a limited liability company. From the commencement a moderate business in gin was done, at first in the home trade, afterwards in both the home trade and the export trade, and since 1869 in the export trade only. From 1853 onwards the pursuers and their predecessors have used a label as applied to 'Old Tom' gin, on which the conspicuous feature was a cat sitting on a barrel. I incline to think that No. 39 of process was the first, that afterwards No. 21 was used for a considerable time, and that concurrently with this No. 32 of process was used as a flask label. Since 1869 the label regularly used on quart bottles of 'Old Tom' has been No. 33 of process, although in the case of one or two customers the stock label No. 35 has been purchased and affixed to the pursuers' gin. Not unnaturally the earliest use of the label depends on the evidence of Mr and Mrs Thom. One other witness speaks to the year 1859, and from at least the year 1863 the continuous use of labels with the 'cat and barrel' design is, I think, amply established. Since 1873 the business has been practically stationary so far as the turnover of gin was concerned, and has amounted on

the average to something between 1000 and 2000 cases per annum. Prior to that period it seems to have been of a very fluctuating nature, reaching the lowest point in 1869, so far as the information now available goes, when only 190 cases are recorded as having been sold, and rising at times, according to Mr Thom's evidence, to considerable proportions.

"(2) A firm of James Mackenzie, Sons, & Company, who carried on business in Glasgow, used the device of a cat and two barrels, shown on label No. 200 of process, for some time prior to 1859. Their successors in business, Messrs Peter M'Donald & Company, used the same label until 1904, when, at the request of the defenders, they agreed to discontinue it on the ground that their trade in gin had ceased to be of any importance. The use of this label No. 200 depends on the evidence of Peter M'Donald, corroborated by J. T. Stewart, who speaks to seeing the label in 1859. Apart from this corroboration I saw no reason to doubt Mr M'Donald's evidence. He has no motive to serve by giving false evidence, and no conceivable interest in the result of the present action.

"(3) Stewart Pott & Company, another firm of wine merchants in Glasgow, have, since 1859, used a label for 'Old Tom' gin which had the device of a cat sitting on a barrel. At first the cat was represented as sitting on the side or bilge of the barrel, but afterwards the label No. 85 of process was adopted, which closely resembles that of Thom & Cameron for flasks, except that the cat is facing in the opposite direction. It is peculiar to their case that they have apparently used this label since 1876 mainly on gin supplied by the defenders, but without arrangement with them.

"(4) Messrs Wright & Greig, Limited, another large firm of distillers and spirit merchants in Glasgow, used a cat and barrel label for their gin between 1875 and 1885, after which they discontinued the use of that label and utilised one with the figure of a cat alone in the centre. Their business in gin was a small one, not exceeding a hundred cases per annum, but it was almost entirely in Glasgow and the surrounding districts.

"(5) Messrs R. H. Thomson & Company of Leith seem to have used the label No. 201 of process between 1873 and 1901. Apparently they also used at the same time a label with an anchor upon it with no representation of a cat and barrel, and this became the one commonly applied shortly after 1886. The trade in gin did not exceed 500 dozen cases per annum.

"(6) The use by Messrs Bernard & Company of Leith of a label having the device of a cat and barrel upon it was somewhat more extensive; and in addition Messrs Bernard caused to be printed and distributed 2000 show-cards similar to No. 203 of process. They also registered their trade-mark, containing the representation of the cat and barrel, for 'Old Tom' in May 1876, it being stated in their application that they had used it for sixteen months before. They continued to use the label until after

Huddart's case, when, at the request of the defenders, they discontinued its use and cancelled their registration.

“(7 and 8) For the Valparaiso market two labels were printed for Rodger & Company, and Rodger, Symington, & Company, who got the labels designed expressly with a view to a sale of the pursuers' gin. There is evidence that from 1873 large shipments of gin with these labels were made by the pursuers to Valparaiso. The other labels for Weir, Scott, & Company have already been referred to. They were also got up for that firm's use in the sale of gin at Valparaiso.

“(9) The evidence of Mr Henry Hughes is to the effect that the stock label No. 253 of process was used by Mr Blake, a wine merchant in Dublin, in October 1868 and has been in use since then.

“In addition to deponing to their own use of what may be called for shortness cat and barrel labels, many of the witnesses say that they understood that the device was common to the trade and that they had seen it from time to time on the labels of other persons. Most of them were entirely unaware that the defenders used a similar device on their labels or that they had registered it as their trade-mark. The existence of a stock label, which could be purchased both in Dublin and in Glasgow, with the device of a cat and barrel upon it is a peculiar feature of this case, when regard is had to the long period over which its use is proved to have extended. Taken as a whole, the evidence I think amply establishes that prior to 1879 the device of a cat and barrel as applied to ‘Old Tom’ gin was commonly used in the trade, and the explanation given by a good many of the witnesses of this circumstance is that the name ‘Old Tom’ suggested the picture of a Tom Cat sitting or standing on or near a barrel of spirits as an appropriate symbol of the commodity itself.

“The defenders have no means of meeting this large body of evidence, or even of seriously criticising it. They say, and I think truly, that they were unaware of the use which seems to have been so prevalent in Scotland of the cat and barrel label in connection with ‘Old Tom,’ and they might well be so, looking to the small trade which they themselves did in Scotland. They say further, and I think with justice, that such use, in order to invalidate their trade-mark, must not merely be common use but must have been substantial and lawful. But the facts already stated are sufficient to show that the use was substantial, although probably all the traders whom I have enumerated did not together do as large a business in gin as the defenders. As regards the lawfulness of the use, if the defenders had been in a position to prove that prior to (say) 1860 their gin had become known in the market as ‘cat and barrel’ gin, it may be that they would have had a case for interdicting all others from thereafter adopting a cat and barrel device on labels used on gin bottles. As might be expected, however, the evidence to this effect is meagre in the extreme, and a very

strong case indeed would have to be made out in order to show that a practice that had continued for more than forty years was all the time unlawful. Even where they did discover—as in the case of James Mellor & Sons—that a cat and barrel label had been adopted subsequent to their own registration, and were informed by the user that he considered himself entitled to continue its use, they took no steps for a period of nearly twenty years to follow up their challenge. The truth appears to be that the importance of the cat and barrel label to the defenders has grown with their increasing business, and that it is only in comparatively recent times that they have ventured to assert their right to a monopoly of these pictorial emblems in connection with the sale of gin. It is worth noticing, as corroborating the account which the witnesses gave of the numerous forms of cat and barrel labels, that no attempt seems to have been made to imitate the labels or trade-marks of other well-known distillers of London gin; and it would be extremely odd that the defenders—who did a comparatively small business in Scotland, and cannot therefore have acquired any wide reputation for their gin—should be the only victims of this supposed imitation of their trade-mark.

“On the grounds above stated I should have been prepared to hold that the device of ‘cat and barrel’ was common in the trade long prior to the registration by the defenders of their trade-mark. But Mr Dickson urged that even on this assumption certain decisions in the English Courts, by which the so-called ‘three-mark’ rule has been established, were not binding in Scotland, and ought to be reconsidered as being contrary to the trade-mark statutes. It is unnecessary that I should consider this argument, as the pursuers' counsel stated that he did not press for any rectification of the register provided he obtained decree in terms of his third conclusion—this being the only conclusion in which the pursuers have a direct interest. Moreover, the defenders' registration in respect of all liquors except ‘Old Tom’ gin has not been attacked. Even as regards dry gin, there seems to be no case (apart from Melrose, Drover, & Company, Limited, who are now out of the field) of persons using a ‘cat and barrel’ label in connection with that commodity except the defenders.

“It follows that the pursuers are, in my opinion, entitled to a declarator that the defenders have no exclusive right to the ‘cat and barrel’ device in connection with the sale of ‘Old Tom’ gin, and that the pursuers are equally entitled to employ the same. I think that we have here an honest concurrent user of a similar device in different parts of the kingdom by traders who never saw each other's labels, or if they saw them had not their notice specially directed to their similarity. It cannot be contended that the fact that the one business has throughout been a large prosperous and increasing one in this commodity is to prevent a smaller rival from continuing a use which has extended over

an almost equally long period. Nor do I think the element upon which Mr Dickson waxed eloquent—that the defenders' trade-mark is considered by them to be of enormous value, while the pursuers do not estimate the value of their 'cat and barrel' labels in connection with the sale of gin at a £5 note—is of the least materiality in this question of legal right. It might have been an excellent reason for the defenders settling with the pursuers upon generous terms, but is no reason at all for depriving the pursuers of their established rights."

Boord & Son reclaimed, and argued—The evidence showed that the marks in question were the property of the reclaimers; that they had been invented and used by them throughout the world; and that they had become so associated with the reclaimers' goods that their use by other traders would be an infringement of the reclaimers' rights. The evidence further showed that the reclaimers had done all in their power to preserve their exclusive right to the "cat and barrel" device. They had registered it as their trade-mark in 1879. Since then they had also registered it in all foreign countries where registration was possible. They had used it in the English market since 1850 and in Scotland since 1860, and their exclusive right to do so had not been challenged until the case of *Huddart, cit. supra*. In these circumstances they were entitled to interdict. The invention and prior user gave a right of property in the marks and entitled to prevent others using marks calculated to deceive—*Hall v. Barrows*, (1863) 4 De G. J. & S. 150; *In re Leather Cloth Company*, (1863) 4 De G. J. & S. 137; *M. Andrew v. Bassett*, (1864) 33 L.J. (Ch.) 561; *Seixo v. Provezende*, (1865) L.R. 1 Ch. App. 192; *Ransome v. Graham*, (1882) 51 L.J. (Ch.) 897; *Johnston v. Orr Ewing*, (1882) L.R., 7 A.C. 219; *In re Barker's Trade Mark*, (1885) 53 L.T. 23; *In re Christiansen's Trade Mark*, (1888) 3 R.P.C. 54; *In re Meeus' Application*, (1890) 8 R.P.C. 25, [1891], 1 Ch. 41; *In re Red Star Brand*, (1893) 10 R.P.C. 436; *In re Bass, Ratcliff, & Gretton, Limited*, (1902) 19 R.P.C. 529; *In re Bourne's Trade Mark*, [1903] 1 Ch. 211. The reclaimers were on the register, and that entitled them to prevent user by all others not on the register, whether such user was prior to theirs or not. Fraud did not necessarily come in, for the right in the trade-mark was a right of property—*Kerly* on Trade Marks (2nd ed.), 4; *Millington v. Fox*, (1838) 3 My. and Cr. 338; *Edelsten v. Edelsten*, (1863) 1 De G. J. & S. 185. User in a foreign country of a registered label did not make such label common property at home—*Kerly (sup. cit.)*, 192, 365; *Sebastian* on Trade Marks (4th ed.), 16, 146; *In re Munch*, (1883) 50 L.T.N.S. 12; *Jackson v. Napper*, (1886) L.R. 35 Ch. Div. 162; *In re Hudson*, (1886) L.R. 32 Ch. Div. 311 (3 R.P.C. 155); *In re Chesebrough's Trade Mark "Vaseline"*, [1902] 2 Ch. 1; *Burroughs, Wellcome, & Company v. Thompson and Capper*, [1904] 1 Ch. 736; *De Kuyper v. Baird*, (1903) 20 R.P.C. 581 (user in Ireland). In *Cowie v. Herbert*, January 16, 1897, 24 R. 353, 34 S.L.R. 280 (relied on

by the respondents), no infringement was proved, and the law laid down in *Orr Ewing (cit. supra)* was not doubted. *Esto* that exclusive right to a trade-mark might be lost by acquiescence in the user of it by others, abandonment would not be easily presumed—*Mouson & Company v. Boehm*, (1884) L.R., 26 Ch. D. 398—and had not taken place here. Acquiescence would not be inferred where there was no knowledge of the infringement—*Kerly*, 392; *Sebastian*, 205; *Kinahan v. Bolton*, (1863) L.R., 15 Ir. Ch. Rep. 75; *Ford v. Foster*, (1872) L.R., 7 Ch. App. 611; *Barlow v. Johnston & Company*, (1890) 7 R.P.C. 395; *Rouland v. Mitchell*, (1896) 14 R.P.C. 37; *Ripley v. Bandy*, (1897) 14 R.P.C. 591; *Paine & Company v. Daniell & Sons' Breweries, Limited* (1893), 10 R.P.C. 217. The case was ruled by the Trade Marks Acts of 1883 and 1888. (The Act of 1905, which was now the leading Act, did not apply, as this case was raised prior thereto.) Under these statutes if (as the evidence showed) the reclaimers were the prior users, and also on the register, they were entitled to interdict all other traders whose user was subsequent to theirs, even though such other user was prior to their (the reclaimers') registration—*Sebastian*, p. 354, *et seq.*; *In re Hudson's Trade Mark*, 1886, 3 R.P.C. 155. As to the jurisdiction of the Scottish Courts, reference was made to *Devar v. Devar & Sons, Limited*, December 6, 1899, 2 F. 249, 37 S.L.R. 188.

Argued for respondents—The Lord Ordinary was right. There was honest concurrent user here of the "cat and barrel" device on the part of the respondents. They were challenged now for a device which they had honestly and independently invented fifty years ago. The question fell to be tried as at 1879—the date when the reclaimers registered the device as their trade-mark—and if the respondents could not have been interdicted then, they could not be so now. The issue really was—Could the reclaimers have got on the register in 1879 had their application been opposed by the respondents, or in view of the then concurrent user of the same device by the respondents. The respondents' right to continue their user was not prejudiced by their not being on the register, provided their user was an honest one. The reclaimers could not succeed without showing (1) their appropriation of the device, (2) the application of it to their goods, and (3) its exclusive association with their goods in the mind of the public—*Goodfellow v. Prince*, 1886, L.R., 35 Ch. Div. 9. If, as the respondents maintained, the device of cat and barrel were common property, the reclaimers could only have got on the register in respect of the disc, which was the only distinctive part of their label—*Orr Ewing*, (1879) L.R., 4 A.C. 479; *Baker v. Rawson*, 1890, L.R. 45 Ch. Div. 519; *In re Christiansen (cit. supra)*. That being so, the respondents had not infringed, not having the disc on their labels—*Baker (cit. supra)*. If, on the other hand, the "cat and barrel" were the predominant feature of the labels, the reclaimers' registration was invalid, as that device was in

1879 common to the trade. *Esto* that the reclaimers' registration was valid, the respondents could not be interdicted without proof of deception, of which there was none, either in the home or the foreign market. The Valparaiso labels had not been put on by the respondents, nor was there any proof that their user was dishonest. The mere fact of registration did not deprive the respondents of their existing rights. The rubric in *Singer Manufacturing Company v. Kimball & Morton*, January 14, 1873, 11 Macph. 267, 10 S.L.R. 173, was misleading; *vide Singer Manufacturing Company v. Wilson*, 1876, L.R., 2 Ch. Div. 434, L.R. 3 A.C. 376, at p. 402; and *Singer Company v. Loog*, 1882, L.R., 8 A.C. 15, at p. 39. There must be proof that the respondents' user was calculated to deceive—*Orr Ewing v. Johnston*, (1880) L.R., 13 Ch. Div. 434, 4 A.C. 479, 7 A.C. 219; *Barber v. Manico*, (1893) 10 R.P.C. 93; *Cowie v. Herbert (cit. supra)*. Three persons were entitled to be registered in respect of a device, and all on the register were entitled *inter se* to use it. If there were more than three applicants, registration would be refused, for the user then was common. In any event the reclaimers were barred by *mora* and acquiescence, for they ought to have taken proceedings after getting on the register. Not having done so, they could not do so now.

At advising—

LORD PRESIDENT—The firm of Boord & Son in 1904 raised an action against Thom & Cameron, Limited, in which they had declaratory conclusions that they were proprietors of certain trade-marks, and also sought interdict against the defenders for infringing the same. The action did not proceed with any great expedition, and within a year Thom & Cameron raised a counter-action against Boord & Son, and the conclusions of that counter-action were for declarator (first) that certain entries in the trade-mark register, which were specified, and all of which were the property of Boord & Son, were made on the register without sufficient cause, and that the same ought to be expunged therefrom accordingly. There was also a second conclusion that the said trade-marks were incapable of registration and illegal, and a third alternative conclusion that it ought to be found and declared that the defenders had no exclusive right to use the same in connection with the sale of "Old Tom" gin, and unsweetened gin, and a long list of other spirits. Now these two actions depended before the Lord Ordinary and they were not conjoined, but the actions were taken together, and what the Lord Ordinary has done is this: In the second action—I mean second in point of time, that is, the action by Thom & Cameron against Boord & Son—the Lord Ordinary finds and declares that the defenders have no exclusive right to use the sign, figure, or device of a "cat" or of a "cat and barrel," on labels, advertisements, or otherwise. In other words, the Lord Ordinary grants declarator in terms of the third alternative

conclusion, and then his Lordship proceeds—"Finds it unnecessary to deal with the other conclusions of the action, and dismisses the same." And having come to that conclusion in that action, he naturally in the other action, at the instance of Boord & Son against Thom & Cameron, assoilzies the defenders from the conclusions of the action in so far as they relate to "Old Tom" gin. It is from these interlocutors that the present reclaiming notes are taken.

His Lordship has gone very carefully into the matter and his opinion is embodied in one long note. He has written only one note in the two actions, and has written it in the action which he has made the leading action of the two, namely, the action of Thom & Cameron v. Boord & Son. Now, I am bound to say, first of all, that I am not quite satisfied with the technical way in which the matter has been disposed of, and that not merely by way of technical criticism, for I think it goes somewhat deeply into the questions which are raised in these cases. I will make my meaning clear, I think, by first of all trying to consider what are the defences available to persons who, like Thom & Cameron, have been attacked. (I explain first that the Lord Ordinary, having taken the action of Thom & Cameron v. Boord as the leading action, calls Thom & Cameron the pursuers, and Boord & Son the defenders. I prefer, however, to deal with it the other way, because the matter is begun by Boord & Son, who are the undoubted proprietors of certain trade-marks objecting to infringement, and therefore in my judgment I shall use the term pursuers as applied to Boord & Son, and defenders as applied to Thom & Cameron.) I proceed therefore to ask myself—when the pursuer, who is the registered proprietor of a trade-mark, comes into Court and complains that his trade-mark is being infringed by someone else, what are the defences that are competent to a person so attacked? Of course there is an obvious defence that he does not infringe because he does not use a trade-mark resembling in any way the trade-mark of the pursuers. I need not pause for a moment on that one, because it is perfectly simple on the statement of it. But there are other defences competent, and in order to see what they are one must first of all see what is the right a person has as the registered owner of a trade-mark.

I need scarcely remind your Lordships that the law of trade-mark is, in one sense, partly common law and partly statutory, but is in another sense purely statutory. That is to say, that the rights which follow from registration are purely statutory. Previous to the Trade-Mark Acts altogether there was a right in a trade-mark—a right which originally depended entirely upon the proposition, or on the view, that no man was entitled to pass his goods off as another man's, and that accordingly if one man had sold his goods in association with a certain mark for such a time as to make the public when they saw the mark think the goods were his goods, another person

might be interdicted or prevented from using the same mark because that had a tendency to deceive. I need scarcely remind your Lordships that what in the initial stages depended solely on this view, and the idea of a *mala mens* that you associate with this view, came in the development of the law, especially after the well-known case *Millington v. Fox* decided by Lord Cottenham, to depend on a real right of property in the trade-mark. All that was, I will not say altogether altered, but to a great extent altered, by the Trade-Mark Acts, and when the Trade-Mark Acts were passed several new consequences happened. In the first place, the property in the trade-mark was absolutely recognised by these Acts. In the second place, you could get property in a trade-mark without use, by the mere registration of a mark which had not been registered before, but subject of course to certain statutory restrictions as to the class of thing that could or could not be registered as a trade-mark. Into all the particulars of that I need not enter, but one point must be alluded to. The original Act, I need scarcely remind your Lordships, has been amended more than once, and as recently as 1905 an Act was passed which alters what is the law, and on the subject I am going to speak of very much alters it; but I need not go into that matter, because the present case before us has to be decided on the law as it then stood, and the law as it then stood was the 1883 Act as amended by the 1888 Act. Now in the 1883 Act there is a division of the Act which is headed "Effect of Registration," and section 76 of that Act is in these terms—"The registration of a person as proprietor of a trade-mark shall be *prima facie* evidence of his right to the exclusive use of the trade-mark, and shall, after the expiration of five years from the date of the registration, be conclusive evidence of his right to the exclusive use of the trade-mark, subject to the provisions of this Act." Now, if it had not been for the words "subject to the provisions of this Act" it would have been possible to argue, though I do not say it could have been successfully argued, that the terms of the section are absolute, and the terms are such that, if a person found himself left upon the register as owner of a trade-mark for five years, he would then have an exclusive right to that trade-mark and could prevent anybody else from using it, no matter what, so to speak, the past history of it might have been. But then there were those words "subject to the provisions of this Act." Now there are provisions in the Act, not only for making the register, but also for altering the register, and the section of the Act that deals with that is section 90, which is this—"The Court may, on the application of any person aggrieved by the omission, without sufficient cause, of the name of any person from any register kept under this Act, or by an entry made without sufficient cause in any such register, make such order for making, expunging, or varying the entry, as the Court thinks fit," and in any pro-

ceeding under this section they may decide any question which it may be expedient to decide for the rectification of the register.

Now it was very early decided, and decided very authoritatively by a well-known leading case—the case of the *Apollinaris Company* (L.R. [1891], 2 Ch. 186)—that a person who was said to be an alleged infringer was in the sense of the statute aggrieved—that is, if he chose to say so. In other words, it was settled, and I think it is absolutely settled law, that a person who is proceeded against for infringement is entitled to say, "Apart from infringement I say your trade-mark ought never to have been on the register, and I will have the register amended and take it off." Its presence on the register is the condition-*precedent* for raising an action for infringement, and it follows that if the complainant's trade-mark ought never to have been on the register, then there is an end of an action for interdict or infringement. All that was held in the *Apollinaris* case. The next step was that it was held that being five years on the register was no bar to removal. Your Lordships observe there was no limitation of time in section 90 for expunging entries from the register. It is simply "the Court may on the application of any person aggrieved." Accordingly it was held that though there was limitation of time in section 76 to the effect that entry in the register should be conclusive evidence at the end of five years of the right to the trade-mark, yet the words "subject to the provisions of this Act" let in section 90, and so might control, if it was in operation, section 76. In other words, therefore, the defence open to an alleged infringer of saying that the trade-mark ought never to have been on the register was open after five years.

Now there is a whole set of cases dealing with this which I need not quote. They vary, because the reasons why the trade-mark ought not to have been on the register may vary, but we can take one as an example. A trade-mark ought not to be there, for instance, if it is not a registrable mark. It ought not to be there also if no one can appropriate it, and therefore I take that illustration to see what we are coming to in this case. The case of *La Minerva-Habana*, 27 Ch. D. 646, was a case where a mark was removed after five years at the instance of a person who was being attacked, and the ground for removal of the mark was that it ought never to have been on the register because it was common property, and that no one could appropriate it. It may be as well to digress and explain what common property means. When this register was first introduced it was obvious that among people who would apply to be registered would be not only those who for the first time had invented what was apparently a new trade-mark, and therefore proposed to get the priority of others by its registration, but also persons who sought to put on the register what they had already been using. There were of course many instances where more than one person had been using the same

trade-mark, and accordingly that question very early came up. The Act evidently contemplated something of the sort, for in the section dealing with applications for registration it expresses itself thus—I am reading from section 71—“Where each of several persons claims to be registered as proprietor of the same trade-mark the Comptroller may refuse to register any of them until their rights have been determined according to law, and the Comptroller may himself submit, or require the claimants to submit, their rights to the Court.” Now the meaning of that section is, I think, clear in itself. Of course if one person wanted to register a trade-mark who had been using it, and another person came and said, “I want to register it as well, but I have not been using it,” that would be a clear case—it would show that there was a right in the one and not in the other. But in the case which I have mentioned, where more than one had in the past been using a trade-mark, there were rules settled by decisions to this effect, that up to the number of three there would be registration of persons who had *bona fide* used the same mark, but if more than three applied and said they had used the mark, then the mark was really such common property in the trade that it was not registrable at all. The import of all this is I think that the true meaning of a trade-mark is the association of the mark with one person's goods. If you show that a large number of people have all been using the same mark, then it becomes a practical impossibility to say that the mark was associated with any one person's goods. And accordingly I think the matter is well settled that the registration of a mark, an old mark, may be given to persons not exceeding the number of three, but that if more than three are shown to have used it, it is common property and cannot be registered at all.

I have now got so far that that is one defence that an alleged infringer may make. He may say, “Notwithstanding that five years have passed, I propose to show that the mark ought never to have been on the register at all.” But there is another defence which he may make. Without saying that a mark is common property, and that therefore the complainers ought not to have been registered as the owners of it, he may say, “I myself would have been entitled to be put on the register; it is quite true I have not applied, but I make the application now, and of course if I am entitled to be on the register for the mark there is no infringement, for I am not using any mark but my own.” That distinction was early taken, and I think it entered into the law of the decision of several cases, but I will refer merely to the admirable decision, if I may say so, of Mr Justice Stirling in *Jackson v. Napper*, 1886, L.R., 35 Ch.D. 162.

Now your Lordships will see that these two defences, although in one sense different, are yet technically the same. They both rest on this, that the register as it is

is wrong and that it ought to be corrected. In one case the correction is by striking out the complainer's registration, and in the other case the correction is by putting on a mark as belonging to the alleged infringer. Accordingly in England I think it is perfectly well settled that if the infringer is gone against by the registered proprietor of a trade-mark who has had his trade-mark on the register for more than five years, the infringer cannot be heard to say anything on these matters unless he makes an application to rectify the register, and he cannot make that by way of defence to an action. That has been settled a good many times, but particularly in the case of *Pinto v. Badman*, 8 R. P.C. 181. I take it, further, that if the defence which is made here had been made in England it would not have been listened to, unless Thom & Cameron had at the same time made an application either to rectify the register by striking out Boord & Son or to rectify it by inserting Thom & Cameron as proprietors of the same trade-mark. Now, technically speaking, I do not think that that is exactly the same in Scotland, because there is a decision of this Division which is binding, and I do not intend to suggest for a moment that I have any wish to go back on it at all. I refer to the case of *Dewar v. Dewar*, 2 F. 249. That was an action raised by one Dewar against another Dewar, they both being in the whisky trade, concluding for declarator (1) that the defender's trade-mark “Dewar's Whisky” had been entered on the register without sufficient cause, and should be expunged, (2) that it was incapable of registration, and (3) that the defenders had no right to the exclusive use of the words “Dewar's Whisky” as a trade-mark, and for reduction of the entry in the register of trade-marks. The defender pleaded “No jurisdiction.” Well, I do not think that that phrase is very correctly used there. They did not plead “No jurisdiction” in the ordinary sense of the word, because they were a Scottish limited company. There was no question about their being subject to the jurisdiction of the Scottish Courts. I think their true plea there was not “No jurisdiction,” as stated in the rubric, but “incompetency.” What they argued was that the Court could not give the declarator that was asked for because the application was in substance for a rectification of the register, and the condition of the law in England was pointed to, and it was said that the only person who could alter the register was the person who had charge of the register—in other words, the registrar in England, who was subject to the English Court; and therefore if they wanted to get rid of this erroneous entry, as they said it was, they must go to England and present a petition and get it done there. They said that that could not be done in Scotland. That plea was repelled, and I think rightly repelled, and at any rate the judgment is binding. It was held there that the rights of the Scottish Court were defined by section 111 of the Act, and section 111 is in these terms—“The

provisions of this Act conferring a special jurisdiction on the Court"—and the Court as defined by the Act was of course the English Court—"shall not, except so far as the jurisdiction extends, affect the jurisdiction of any court in Scotland or Ireland in any proceedings relating to patents or to designs or to trade-marks." And then it defines what it means by the Court in Scotland, which is the Court of Session, and then it goes on—"If any rectification of a register under this Act is required in pursuance of any proceeding in a Court in Scotland or Ireland, a copy of the order, decree, or other authority for the rectification shall be served on the Comptroller, and he shall rectify the register accordingly." And accordingly this Court held that inasmuch as this was a question of right in a trade-mark they were perfectly entitled to pronounce a declaratory finding on that matter, and that if they did so, and if the result of their finding was such that the trade-mark ought never to have entered the register, then the second sub-section of section 111 would come into play and the Comptroller would be bound to alter the register in accordance with the decree that was made by the Scottish Court.

Now, that, I take it, is good law and was rightly decided, and that of course disposed of the plea that had been raised. It was not raised in this case, but it was in the one referred to, that technically speaking these matters could not be raised in the Scottish Court at all. But it seems to me quite clear that it leaves the underlying ratio of the matter precisely as it is in England—that is to say, it does not seem to me that you can raise this defence here any more than you can in England, unless you make rectification the positive crave. In *Dewar's* case it was made the positive crave, because an order was asked from this Court in one of the conclusions of the summons that the mark ought to be expunged. That also is done here in the action of Thom & Cameron against Boord, and I am quite clear that the matter is perfectly properly raised in so far as declarator is asked that the mark should be expunged on the ground that it ought never to have been on the register because it was common property. But I am bound to say that I do not think the other defence is properly raised—a defence which your Lordships will observe is *per se* inconsistent with the first defence, namely, that the trade-mark is not common property, but that Thom & Cameron have as good a right to it as Boord & Son. The two defences are inconsistent. I do not mean that inconsistent defences cannot be pleaded, because there are cases in which defenders can plead inconsistent defences. But these defences are inconsistent in the underlying substratum of fact, because of course it is perfectly clear that if such and such a mark was such common property that it could not be registered by B, that is equally destructive of its capacity to be registered by C. Therefore the main defence that the pursuers ought never to have put it on the register because it was common property is one defence.

But that Thom & Cameron were themselves entitled to put it on the register is quite another defence. I find record for the one but not for the other, and I do not see how you can contend, without a record to support your contention, that you are entitled to be put on the register as proprietor of a trade-mark.

Now I come, after this somewhat long preamble, to the criticism which, as I think, runs rather deep into the Lord Ordinary's judgment. The Lord Ordinary has not given declarator on the conclusion which I think perfectly well raised against Boord & Son, namely, the conclusion that Boord's mark ought to be expunged from the register, but has given declarator in these words, that Boord & Son have no exclusive right to use the sign of a "Cat" or of a "Cat and Barrel" in labels, advertisements, or otherwise in connection with the sale of "Old Tom" gin. Now I point out at once that the finding that Boord have no exclusive right to the "Cat and Barrel" or the "Cat" may rest on one or other of two propositions. It may rest on the proposition that Boord's mark ought never to have been on the register, and so, not being his property, he cannot go against anybody else for using it; or it may rest on the view that although his mark is there he cannot say he has exclusive right to it, because Thom & Cameron have right equally with him. Therefore my first observation on the Lord Ordinary's judgment is that it does not show which one of these pleadings in the inconsistent defence is given effect to. I apprehend that, inasmuch as there is record for one and not for the other, he has given effect to the first, and I would have concluded that that was perfectly clear had it not been for the way in which his Lordship, after reviewing the evidence, brings in his argument. I am not going through the long note but summarising it very briefly. The skeleton of the Lord Ordinary's note is this—Boord & Son have led abundant evidence to establish their long use of this mark and that their goods have gained a reputation which is associated with the "Cat and Barrel" mark. Indeed the Lord Ordinary says that the *prima facie* case in favour of Boord's claim is formidable. I only pause to say that though no doubt it was necessary for Boord to lead this evidence so far as being on the question of infringement, yet so far as title is concerned I do not think it is necessary to look beyond anything but the fact that they have been on the register for five years. The Lord Ordinary goes on to say that there was sufficient evidence to establish a substantial use of this mark by other people in the trade than Boord & Son. Then he proceeds to say (and it is this that makes me doubtful what he really founds on)—"On the grounds above stated I should have been prepared to hold that the device of 'Cat and Barrel' was common in the trade long prior to the registration by the defenders of their trade-mark." Then he refers to the argument about the "three mark" rule, which does not matter, and then he says—

"It is unnecessary that I should consider this argument, as the pursuers' counsel stated that he did not press for any rectification of the register provided he obtained decree in terms of his third conclusion—this being the only conclusion in which the pursuers have a direct interest. . . . It follows that the pursuers are, in my opinion, entitled to a declarator that the defenders have no exclusive right to the 'Cat and Barrel' device in connection with the sale of 'Old Tom' gin, and that the pursuers are equally entitled to employ the same." Now, with great deference to his Lordship, I do think that that phrase is a non sequitur. If he had said—I am prepared to hold that the device of "Cat and Barrel" was common in the trade long prior to the registration by Boord & Son of their trade-mark—and had gone on to find that it ought to be expunged from the register, that would be a good conclusion, namely, that the trade-mark ought never to have been registered because it was common in the trade. But when his Lordship says—"I do not consider it necessary to affirm one way or the other whether the 'Cat and Barrel' was common in the trade," and goes on to say, "In my opinion he has no exclusive right to the device," that would, strictly taken, be an affirmation of the other defence, for which, as I have said, there is no record, and with which in his note on the evidence the Lord Ordinary has not dealt. Accordingly, on the terms of his judgment, I come to the conclusion that the Lord Ordinary has left me in doubt as to whether he really proceeds on the device being not registrable as being common in the trade, or whether he proceeds on the fact that he thinks that Thom & Cameron had also a right to that device.

But assuming, as I am rather inclined to do, that it is on the first that he has proceeded, I think the declarator he has given is not the proper declarator in the circumstances. I should not have made so much of this if it had been a mere technical criticism on the Lord Ordinary's judgment, but I think it goes very deep into the matter, for, in my opinion, the only question properly raised in these pleadings is the first, and not the second. I think that there is evidence enough to dispose of the second adversely to Thom & Cameron, as well as of the first, but still there is no pleading that entitles Thom & Cameron to a defence on the second. Of course the best test to take is to examine the pleas. Now, in Boord's action, that is to say, where the attack comes in, What are the pleas-in-law for the defenders? They first of all say in their averments that the "Cat and Barrel" has been used by a great many people; and then in their pleas, after the usual plea of irrelevancy, they simply put as plea 2—"The pursuers not having an exclusive right to the 'Cat and Barrel' brand, decree of absolver should be pronounced;" and as plea 3—"In respect that the defenders have not infringed the pursuers' trade-marks, they should be assoilzied." That, I think, can only be taken with what they say before—that these

marks were well known in many other places, and in particular must be taken with this—that nowhere is there intimation that they propose to have themselves put on the register. In short, I do not see how they can have a relevant defence founded on the fact that they have a right to these marks, when they say they have been used as well by all these other persons. In regard to the Thom & Cameron action against Boord, the pleas there necessarily cannot touch that point, for none of the conclusions touch it. The conclusions are only pleadable to taking a party off the register; and though there is one that Boord & Son have no exclusive right, yet there is no explanation of it in that case either, by any intimation that Thom & Cameron themselves want to go on the register.

The leading and therefore the proper question in this case is, Ought the pursuers' label to be expunged from the register as being common property? Now, I think the determination to which you would come in such a matter must vastly depend on what criticism you apply to the evidence. I think it is very necessary to keep this firmly in view—that what we are doing in this case is something very different from what one does in examining the evidence in a case, say, as to anticipation of a patent. If the right to a trade-mark was constituted by the fact that it was, so to speak, an invention, then it is quite clear that as soon as it was proved that the trade-mark had been used by anybody, however little the use was, but still had been used at a period prior to that when it was first possible to register it, that would be sufficient to put out of the way the claim to exclusive right of a person who had got registered for it. But that is not the nature of the right to a registered trade-mark. I again remind your Lordships that the idea of right to a mark by putting it on the register—that is to say, right by registration itself and nothing more—was an entirely new idea under the Acts; and there never could be any question as to competition in that matter, unless you suppose such a state of things as two people coming up at the same time and presenting themselves hand-in-hand with applications for registration of the same mark. But you can put out of view that fantastic case. Now, what we find here is Boord coming forward and entering the "Cat and Barrel," but nobody else coming forward. Then, if it were a new mark, there could have been no question. But it was not a new mark—it was an old one; and therefore you have to consider the question of whether the mark was common property, and in doing so you must consider what you mean by property in a mark in the state of facts antecedent to the registration.

Now, property in a mark does not mean a few isolated sales under that mark, but it means, as I take it, that you had sold so much goods under it that the mark had come, in a certain market, to be associated with your goods. And it is just because I think the Lord Ordinary has, to my mind,

not taken that sufficiently into view that I come on the whole matter to a conclusion different from him. I do not think the evidence led in this case is evidence such as to enable us to affirm as a proposition that the mark was common property, and so ought not to have been registered. And I must say this, that though mere lapse of time, as I before said, is not in itself a bar, yet if a mark is allowed to be on the register all the time that this has been it is not too much to say that the onus is on the other person to show that it never ought to have been there. The Lord Ordinary has gone through the evidence in his note as to the cases which he thinks show general use of the mark. Passing over for the moment the evidence as to Thom & Cameron themselves, he first deals with James Mackenzie. Well, James Mackenzie's firm has abandoned the use of the mark as of right. One of the partners describes their trade in gin as being infinitesimal. The label was only made in 1883, and the older trade was nearly all export, and very little in Scotland. The next case is Stewart, Pott, & Company. In later years, at any rate, all the gin they got was Boord's gin. Wright & Greig say their trade was only a small trade. Thomson's of Leith was in the same position—very small in amount. Messrs Bernard gave up the label as soon as they were appealed to and would not fight the matter at law, and disclaimed it. The Valparaiso case, I am bound to say, left on my mind the opinion that that was a definite attempt by a firm in Valparaiso to try to mimic Boord's label in order to pass off other gin as Boord's. And Hughes' was a very small trade. Now as far as the use by Thom & Cameron themselves is concerned, there is a great deal of difficulty I think about the date. It is very variously stated, and there is almost no evidence of any home trade at all. I do not go into these matters in detail, because it would only be reading evidence for hours. I will just say that, taking the matter as a jury would, it seems to me that none of these people have really proved anything more than a very sporadic use of the labels with a cat and barrel on them, and that by none of them is there really any trade proved that would associate their goods with a cat and barrel. It is not unworthy of remark that, in their defences as originally stated in answer 3, the defenders proposed to prove that they had for many years sold gin with labels which bore as a distinctive feature a representation of a cat and barrel; and that in consequence thereof the gin sold by them had for many years been known in the market as the "Cat" brand, or the "Cat and Barrel" brand. They have not even attempted to prove that, and of course it is dead in the teeth of what one of the defenders himself says, that there is really not a £5 note in the worth of the labels as far as he is concerned. On the whole matter I think the evidence falls far short of what would be necessary to displace Boord & Son from the register as owners of the "Cat and Barrel" mark which has been

associated for so long with their gin, and accordingly I have come to a different conclusion from the Lord Ordinary.

The question still remains as to what is to be done. Of course in the action *Thom & Cameron v. Boord* it is simple enough; in that action there will be absolutor. But as regards the other—Boord's action—various things are asked. The first is declarator in general terms, which is nothing, because that is merely saying that they are proprietors of their own trade-mark. Then, second, there is an interdict—that Thom & Cameron be interdicted against using the designs said to infringe the pursuers' trade-marks. Now in article 6 of the condensation there are four labels specified as infringing, and these four labels are numbered 21, 18, 39, 33 on their card. 21 is very obviously like. Next to it is 18, and that also is like. 39 is not quite so obvious. That is the cat sitting on the top of the barrel, not on the flat end but on the round. 33 also is a cat on the top of a barrel, with a glass and a bottle. Now these two labels are certainly not so obviously like. But it seems to me that it is there that you get the benefit of the evidence which has been led by Boord & Son, and I think that the evidence is strong enough as showing such association in the trade of the "Cat and Barrel" with Boord's gin that one must not be too nice about this matter, and I think these are practical infringements of the trade-mark. I come to that conclusion all the easier, for I am fortified in my opinion with regard to these labels by the result at which Mr Justice Swinfen Eady came in the action tried before him. The labels which were held to be infringements in that action are not nearly so near to Boord's label as either of these two with which I am now dealing. Accordingly, I think that Messrs Boord are entitled to interdict in terms of that conclusion. Then there is the third conclusion for interdict against selling or passing off or attempting to pass off their manufactures as Boord's manufactures. I do not think there is any proof of that. That would be a fraudulent proceeding on the part of Thom & Cameron which I do not think they have been guilty of, and it would not be right to stigmatise them by an interdict against a proceeding which they have never contemplated. Therefore I do not think decree ought to be granted on that conclusion. In regard to the conclusion for delivering up papers, I think that is not one the pursuers insisted upon.

My opinion therefore is that the Lord Ordinary's interlocutor should be recalled, and that in the one case there should be decree of absolutor, and in the other case there should be decree in the terms of the first and second conclusions.

LORD M'LAREN—I am entirely of the same opinion, and have nothing to add.

LORD KINNEAR—I also agree with your Lordship on all the points.

LORD PEARSON—I am of the same opinion.

The Court pronounced the following interlocutors:—

(1) *In the action at Boord & Son's instance*—“Recal said interlocutor: Find and declare, interdict, prohibit, and discharge in terms of the first and second conclusions of the summons: *Quoad ultra* dismiss the action, and decern. . . .”

(2) *In the action at Thom & Cameron's instance*—“Recal said interlocutor: Assolzie the defenders from the whole conclusions of the action, and decern. . . .”

[Counsel for reclaimers moved for the certificate in terms of section 46 of the Trades Marks Act 1905, which was granted.]

Counsel for Boord & Son (Reclaimers)—Scott Dickson, K.C.—C. N. Johnston—Grainger Stewart. Agents—T. & W. A. McLaren, S.S.C.

Counsel for Thom & Cameron (Respondents)—Solicitor-General (Ure, K.C.)—C. D. Murray. Agents—Cumming & Duff, S.S.C.

Thursday, July 18.

FIRST DIVISION.

HOWARD'S TRUSTEES v. HOWARD AND OTHERS.

Fee and Liferent—Rights of Fiar and Liferenter—Company—Bonus Paid from Reserve Fund Derived from Undivided Profits—Issue of Fresh Capital at Same Time as and of Like Amount to Bonus—Capital or Revenue.

The directors of a company owning and operating various theatres had power to carry profits to a reserve fund “to meet contingencies or for equalising dividends.” They issued a circular in which they stated that the reserve now reached £35,000, but as more than that had been spent on a new theatre they proposed that the reserve “should now take the more permanent form of additional capital, and they therefore propose that the capital . . . be increased, and that the sum of £35,000 at credit of reserve should be applied by the shareholders in payment of 7000 additional ordinary shares of £5.” Many alterations in the articles of association were proposed, including some giving increased power to the directors to deal with the reserve fund, and notice of the necessary resolutions was given. The resolutions having been passed by the company, and also resolutions authorising the directors to issue and allot the 7000 new shares, which did not exhaust the whole increase of capital, and declaring a special dividend or bonus of £5 on each of the existing 7000 shares, the directors issued a second circular announcing the allotment and enclosing an allotment letter, and mentioning that the bonus had

been declared and could be used for paying for the new shares, which they suggested it was in the interest of the allottee to take up. The bonus warrant was attached to the allotment letter. Trustees whose trust included shares in the company took up the new shares allotted to them and paid for them with the bonus.

Held, in a question between the liferenter and the fiars of the trust estate, that the bonus was part of the capital of the trust estate.

Gunnis's Trustees v. Gunnis, November 17, 1903, 6 F. 104, 41 S.L.R. 69, followed.

A special case was presented by (1) Michael Simons, merchant, Glasgow, and others, the trustees acting under the trust-disposition and settlement, dated 18th May 1891 and recorded 28th May 1895, of James Brown Howard, who died on 16th May 1895, *first parties*; (2) Mrs Sara Nathan or Howard, the testator's widow, to whom a liferent of the residue of the trust estate was given by the second purpose of the trust-disposition, *second party*; and (3) Stanley Hoban and others, to whom the fee of the residue of the trust estate was given by the third purpose of the trust-disposition, *third parties*.

The trustor had been possessed of a large number of ordinary shares in Howard & Wyndham, Limited, which he was bound not to sell for seven years from the constitution of the company in 1895, and on 19th April 1904 his trustees still were possessed of 620 ordinary shares. The respective rights of the liferentrix, the second party, and the fiars, the third parties, in a bonus declared on those shares formed the matter in dispute.

The questions of law submitted to the Court were—“(1) Was the second party entitled to the said special dividend or bonus declared and paid by the said company on the ordinary shares held by the first parties for her in liferent? (2) If the first question be answered in the affirmative, is the second party now entitled to payment of (a) the proceeds of the said shares which were purchased with the said special dividend or bonus; or (b) the original amount of the said special dividend or bonus?”

Article 115 of the articles of association of Howard & Wyndham, Limited, provided—“115. Subject to the provisions of these presents the directors may, before recommending any dividend, set aside out of the profits of the company such sum as they may think proper as a reserve fund to meet contingencies or for equalising dividends.”

On 29th February 1904 the directors of Howard & Wyndham, Limited, issued to the shareholders this circular—“The accounts of the company for the year ending 27th instant are now being made up with a view to the preparation of the annual balance-sheet, which will shortly be issued, and the directors expect that the result of the year's working will admit of the sum at the credit of reserve being increased to £35,000, which is equal in amount to the