Privy Council Appeal No. 2 of 1952

Edgar Staines - - - - - - - - - - *Appellant*

v.

Victor La Rosa - - - - - - - - - - *Respondent*

FROM

THE COURT OF APPEAL, MALTA

JUDGMENT OF THE LORDS OF THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL, DELIVERED THE 23RD FEBRUARY, 1953

Present at the Hearing:

LORD PORTER

LORD TUCKER

LORD COHEN

[*Delivered by* LORD PORTER]

This is an appeal from a judgment of the Court of Appeal, Malta, which dismissed an appeal by the appellant from a judgment of the Commercial Court. In the Court of Appeal the Chief Justice dissented from the decision of his brethren and would have allowed the appeal.

The matter which the Court had to determine was whether the word BATA should be registered as a trade mark in Malta on behalf of Bata National Corporation of Zlin, Czechoslovakia, in respect of five of their productions of which the principal is shoes. No distinction however need be made between the five since the same considerations apply in each case.

Under section 85 of the Industrial Property (Protection) Ordinance of Malta " Any person may have the exclusive use of a trade mark provided he complies with the provisions of the following sections of this part ". And section 86 so far as is material to the question at issue prescribes: — " Any person who is desirous of securing for himself the exclusive use of any trade mark must present to the Controller an application in the form annexed hereto and accompanied by: —

(*a*) two representations of the trade mark."

The prescribed form is in the following terms: —

" You are hereby requested to register the accompanying trade mark (.....) in the name of (*a*).....who claims to be the proprietor thereof."

The applicant is told under a note to (*a*) (above) to insert the name, address and business of the individual or firm on whose behalf his application is made.

Under these provisions Mr. Victor La Rosa on behalf of Messrs. La Rosa Company representing Messrs. The Bata National Corporation Zlin Czechoslovakia applied to register the word Bata as a trade mark of various goods produced by the Bata National Corporation. And in November 1946 the application was duly advertised by the Controller as prescribed by section 90 of the Ordinance.

The type of mark which it is permissible to register in Malta is prescribed by section 83 of the Ordinance which is in the following terms:—

"83.—Marks intended to distinguish the produce of any industry or articles of trade are considered to be trade marks, provided they contain at least one of the following particulars:—

(*a*) a name of an individual or a firm name of a commercial partnership, printed, impressed, or woven in some particular and distinctive manner ; or

(*b*) a written signature or copy of a written signature of the individual applying for registration thereof as a trade mark ; or

(*c*) a distinctive device, mark, brand, heading, label, ticket, or fancy word or words not in common use."

These provisions are identical to those contained in the British Act of 1883. The right of registration is however qualified in some degree by section 84 which provides:—

"84.—The marks and words referred to in the last preceding section must be different from those already legally used by other persons."

Section 91 of the Ordinance sets out the method by which the registration can be opposed. Anyone may do so by giving notice of opposition at the Office of the Controller and giving the grounds of his objection. In reply the applicant may make a counterstatement and if both statement and counterstatement are persisted in the objector must then bring an action before the Commercial Court.

In the present case these steps were taken by the parties and a Writ of Summons was duly issued by the appellant on the 29th September, 1947, and served on the respondent. Ultimately in the action which followed both the Commercial and Appellate Courts gave their decision in favour of registration.

The facts with regard to the respective cases appear to be as follows and are with sufficient accuracy summed up in paragraph 6 of the respondent's case.

About 30 years ago a Company registered in Czechoslovakia under the name Bata a.s. Zlin began to export to Malta goods of the type now sought to be protected under the mark BATA and continued to do so until the outbreak of war in 1939. Until 1932 the goods were supplied to a number of traders but in that year a Company at Tilbury in England known as British Bata Shoe Co. Ltd. opened first one shop and gradually opened others in Malta where they sold goods manufactured by Bata a.s. Zlin wholesale and retail to the public under the mark BATA.

By an Agreement in writing dated the 3rd August, 1938, Bata Tilbury sold as from the 1st January, 1939, the whole of the undertaking and assets of their business in Malta to a Company known as Bata Shoe Company Overseas Ltd. The Agreement provided by clause 8 that:—

"8. The Vendors hereby agree that subject to the due performance by the Purchasers of their obligations under this agreement the Vendors will not at any time hereafter so long as the said businesses are carried on by the Purchasers do any business on the Isle of Malta or in British West Africa. The Vendors undertake (subject as aforesaid) to cease all activities there and not during the period aforesaid to sell or supply any goods in either of the said territories unless authorized by the Purchasers in writing."

and from that date the latter Company carried on the business previously carried on by Bata Tilbury, using the name Bata in the head board of their shops.

From 1924 until the outbreak of war all shoes sold in Malta under the mark BATA whether sold by the Tilbury or Overseas Company or other retailers were manufactured by Bata a.s. Zlin and were marked "Bata made in Czechoslovakia" and were imported direct from Bata Zlin.

No evidence was adduced establishing that goods manufactured by any other firm had been sold in Malta under the Mark Bata between the outbreak of war and the application in respect of the trade marks now in question, though apparently at some time under agreement with the appellant goods were sent after the end of the war by the Tilbury Company to Malta subject to a royalty of 2 per cent. on their C.i.f. value.

After the outbreak of war the Overseas Company was declared an enemy Company and the appellant was appointed custodian of enemy property in Malta and in that capacity opposed the registration of the name. He says:—

> " The word ' Bata ' has been used in Malta over a number of years to distinguish the products of the Bata Shoe Company of Tilbury and after 1938 those of the plaintiff firm (i.e. Bata Overseas) from other similar goods sold by other firms. It follows therefore that the registration of the word Bata by another firm would necessarily create confusion on the local market."

The respondent replied by asserting that the Bata firm at Zlin has been exporting to Malta goods of its own manufacture long before the formation of the Tilbury and Overseas Companies. It is therefore, he said, the plaintiff firm and the firm at Tilbury that, importing goods made by the Bata firm at Zlin, have been competing with that firm.

It appears that up to the date of the appellant's declaration the dispute or at any rate the main dispute centred round the question whether the Bata National Corporation of Zlin was the successor or assignee or in some other way representative of Bata a.s. Zlin and as to what was the position of the Tilbury and Overseas Companies vis-a-vis that body.

The evidence appears to establish that at any rate so far as shoes are concerned the goods were obtained direct from Zlin whether the sales were effected through the Tilbury or Overseas Companies and that no goods other than those manufactured at Zlin were ever put on the market at Malta under the mark BATA. On the other hand the evidence also establishes that the Overseas Company exhibited the words ' Bata shoes ' on its sign boards and sold them both wholesale and retail under that designation and that the shoes were sold allegedly as British goods though marked " Made in Czechoslovakia ".

Their Lordships however will assume that the name Bata had become descriptive of goods which were manufactured by Bata a.s. Zlin.

In this state of facts the appellant made submissions to the Commercial Court that:—

> (1) Since 1932 all Bata goods were sold in Malta first by the Tilbury Company and after 1938 by the Overseas Company and therefore if the defendant firm ever had any rights in the mark they had lapsed.
>
> (2) that under the terms of a letter of the 22nd June, 1939, Bata a.s. Zlin appointed the Tilbury Company their exclusive representatives for the British Empire except the Far East and Canada and undertook not to sell in the representatives' territory or transact business in the name of Bata there up till the 31st December, 1949.
>
> (3) that the Bata Corporation should not be recognized as the successor of any or every right formerly enjoyed in Malta by Bata a.s. Zlin considering that Bata a.s. Zlin had been nationalized and the Nationalization decrees were of a confiscatory nature, and
>
> (4) that the mark was no more than a surname and therefore not registrable.

To these submissions the respondent in substance replied that the Tilbury and Overseas Companies used the mark Bata as representative of Bata a.s. Zlin and in no other capacity and that even if the mark Bata denoted no more than a surname yet it was impressed with characteristic features so as to render it easily distinguishable.

The learned judge agreed with the respondent upon both points. Of the form of the mark he says:

> "Since it is printed and impressed in a particular and distinctive manner such as to render it distinguishable from others, the trade mark is acceptable for registration."

In his submission to the Court of Appeal the appellant contended firstly that the facts established that the two companies acted on their own account and never as representative of Bata a.s. Zlin and further that the Bata National Corporation could not be recognized as the successor of the original company inasmuch as it had been nationalized and such nationalization was of a confiscatory nature.

In answer the respondent submitted that the rights of the Tilbury and Overseas Companies came to an end under the agreement of June, 1939, on the 31st December, 1949, and that the evidence established that those companies were in fact the representatives of Bata a.s. Zlin when selling its goods. Those contentions were stated to be "without prejudice to other submissions".

On these submissions the Court of Appeal by a majority found, in agreement with the judge of first instance, that the two companies sold the products of Bata a.s. Zlin as its representatives and further that no evidence had been produced to show that Bata a.s. Zlin had been nationalized or, if nationalized, that the nationalization was of a confiscatory character.

The learned Chief Justice differed on the ground that the respondent had not shown that he was the representative of Bata a.s. Zlin or that that firm actually existed at Zlin.

He also held the respondent had not complied with the obligations imposed on him by sections 101 and 102 of the Industrial Property (Protection) Ordinance and had not put Bata a.s. Zlin in a position to be registered.

As regards this last matter their Lordships need only say that it is at least doubtful whether the provisions contained in those sections and in the section dealing with patents have any application to a case where the person applying to have a trademark registered claims as being the original user of the mark or as his successor and not as an assignee, but in the view which their Lordships take of other questions it is not necessary to decide this point.

Their Lordships are conscious that they have set out at length a number of matters which are not strictly germane to the issue on which they propose to rest their judgment.

They have done so in part in order that the parties may be assured that they have taken into consideration all the points presented to them and in part because an extreme economy of fact and submission appears in the record which has been presented to the Board so that they have had as best they can to search out what has been proved and what has been contended.

In this unsatisfactory nature of the record it is undesirable to reach a conclusion upon any matter in respect of which there may be doubt as to what was and what was not proved. The Board in coming to a decision have therefore confined themselves to a matter in which there was ultimately no dispute as to the facts.

On the evidence as finally established they are of opinion that the mark is not registrable under either of the headings put forward by the respondent viz.:—

> (1) Under section 83 (*a*) as a name of an individual or a firm name of a commercial partnership, printed or impressed in some distinctive manner; or

(2) under (*c*) as a distinctive device.

Even in this matter the material presented to their Lordships when the hearing began was inaccurate.

The learned judge as has been pointed out found:

> " The word Bata, however, has now acquired goodwill value and is well-known in connection with shoes manufactured at Zlin; and since it is printed and impressed in a particular and distinctive manner, such as to render it distinguishable from others, the trade mark is acceptable for registration."

Their Lordships found it difficult to appreciate upon what evidence this finding was based since the only representation of the mark sought to be registered was depicted in block print which plainly lacked distinction. However at a later stage, an accurate copy of the mark was produced from which it appears that what may be described as a large cursive hand was adopted as the name or device which was sought to be registered and if one were looking for slight differences between this and an ordinary printed or cursive hand, it would be possible to find them.

But in their Lordships' opinion such an approach is not justified by the Act or by the decided cases.

It was contended before their Lordships, as stated above, that the view of the learned judge and of the Court of Appeal ought to be supported on one of two grounds, viz.:—

> (1) As in accordance with the opinion of the Commercial Court Bata was the name of an individual " printed . . . in a particular and distinctive manner "; or
>
> (2) As Bata was " a distinctive device or a fancy word not in common use."

(1) Having regard to the observations in such cases (to quote two only) as *Benz et Cie* (1913) 30 R.P.C. 177 and *Teofani* v. *Teofani* (1913) 30 R.P.C. 446 [1913] 2 Ch. 545, it is doubtful whether a surname alone can be registered under section 83 (*a*) of the Ordinance.

It was argued, however, in the first place, that the word Bata, though a surname, was the name under which the Bata a.s. Zlin was known in Malta and could accordingly be described as its name; in the second place that *Teofani* v. *Teofani* [1913] 2 Ch. 545 was an authority for the proposition that a surname was not necessarily incapable of being registrable; and finally that decisions generally upon this point were reached upon the terms of the English Act of 1905 which uses the phrase " the name " not " a name " and that under that Act the use of the definite article indicated that the actual name and not that by which the individual or firm was generally known must be used, whereas the use of the indefinite article did not warrant such an inference.

In their Lordships' view such a distinction overstresses a slight and immaterial change in the wording of the Acts. But the line of demarcation between what is " imprinting " in a particular and distinctive manner and what is not requires further consideration and it may be that if it be shown in an individual case that a person is known in the trade by his surname only, that designation can be regarded as " a name " within the meaning of the Ordinance. For the purpose of this part of the argument therefore their Lordships will assume that Bata is a name within the meaning of section 83 (*a*).

Nevertheless it has to be shown that it is printed in a particular and distinctive manner. The learned judge has found that it was so printed and there is nothing to indicate in the judgment of the Court of Appeal that the point was argued before it or indeed was ever brought to its notice. Furthermore there is no reference in either court to the decided cases and it may well have been thought in the courts in Malta that any difference between the lettering in use for this mark and ordinary block capitals or an ordinary cursive hand was sufficient. There is, however,

a series of decisions in this country to the opposite effect. Such cases as *British Milk Products* [1915] 2 Ch. 202 (where a name written as a signature was held insufficiently distinctive), *Fanfold's case* 45 R.P.C. 325 (in which registration of curved block characters with a scroll at either end was rejected), and *Registrar of Trade Marks* v. *W. & G. Du Cros Ltd.* [1913] A.C. 632 (where a particular type of signature was not accepted)—to quote but three of the relevant cases—show that to constitute printing in a particular and distinctive manner more is required than a small variation from the name printed in block capitals or in cursive writing or in the form of a signature.

It is true that the decisions in *Burford's case* [1919] 2 Ch. 28 and in *Teofani v. Teofani* (supra) might be urged as giving some support to the respondent's argument, but both cases were decided not under the wording contained in the Ordinance or the English Act of 1883 but under section 9 (5) of the Act of 1905 which provided that " a registrable trade mark must consist of one of the following essential particulars . . . (5) any other distinctive mark but a name signature or word or words other than such as fall within the descriptions in the above paragraph (1) (2) (3) and (4) shall not, except by order of the Board of Trade or the Court be deemed a distinctive mark ", and in each case a special application was made and granted under that section.

Those cases have therefore no direct bearing on a case where the special provisions of that subsection do not prevail and in their Lordships' opinion having regard to the cases decided upon the provisions of Trade Marks Acts apart from that subsection, the method of imprinting the name " Bata " adopted in this case cannot be regarded as particular or distinctive.

(2) If, however, he fails on this contention the respondent maintains that the mark may be regarded as a distinctive device or mark or a fancy word not in common use.

A fancy word it is not—it was a name well-known in Malta whether it be regarded as used by the respondent or by the Tilbury or Overseas Companies. Nor does the fanciful use of a word make it a fancy word e.g. " Melrose " of a hair restorer or " Electric " of velveteen (see *re Van Duzer's trade-mark* 34 Ch. D. 623).

Nor is it a distinctive device ; it is a name printed in ordinary lettering with slight immaterial variations. To permit it to be registrable as a device would result in allowing the registration of names, which are not distinctive as names, under the assertion that they were distinctive as devices and would throw open a wide extension of a field which has been carefully limited.

Their Lordships have however felt some difficulty in rejecting the respondent's contention not because they feel any doubt as to the true interpretation of the Ordinance, but because the objection to which they have acceded though taken in the Commercial Court was not taken or at any rate not taken clearly in the Court of Appeal. Indeed it is not even mentioned in any of the judgments. But in a plain case where in the Board's opinion the mark is clearly unregistrable, they feel it their duty to have regard to the purity of the register and in conformity with the views expressed in *Paine* v. *Daniell* 10 R.P.C. 217 at p. 232 to reject the respondent's application and will humbly advise Her Majesty to allow the appeal.

As however the argument which has succeeded appears to have either not been taken or at least not urged in the Court of Appeal each party must pay its own costs of the proceedings in the Courts of Malta and before their Lordships' Board.

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In the Privy Council

EDGAR STAINES

v.

VICTOR LA ROSA

DELIVERED BY LORD PORTER

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