1986 February 22

[Pikis, J.]

IN THE MATTER OF ARTICLE 146 OF THE CONSTITUTION

SOCIETE ANONYME DES EAUX MINERALES D'EVIAN OF FRANCE,

Applicants,

ν.

THE REPUBLIC OF CYPRUS, THROUGH

1. THE MINISTER OF COMMERCE AND
INDUSTRY AND/OR

2. THE REGISTRAR OF TRADE MARKS,

Respondents.

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(Case No. 127/84).

The Trade Marks Law, Cap. 268 ss. 11(1)(d), 12(3) and 13—Distinctiveness is the hallmark of registration and the test for determining under s. 13 the likelihood of deception or confusion—Geographic name—Exceptionally can be adopted as a trade mark—Conditions to be satisfied for such adoption—Ownership of raw material from which a product comes or is made—Not a prerequisite to registration.

Administrative Law—Reasoning of an administrative act—Refusal to register a trade mark (Evian)—Vague and insufficient reasoning.

Administrative Law-Misconception of facts.

Since 1892 the applicants have had the exclusive right to the use and exploitation of the mineral water of the well-known springs Clermont and Cordeliers at Evian-Les-Bains, a health resort in France. Eversince they have been bottling and trading in the sale of the said mineral water

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3 C.L.R. Societe Anonyme v. Republic

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under the name of "Evian". The licence of the applicants is due to expire in the year 2027.

Eventually the word "Evian" has come to signify the product of the applicants, namely, a non-effervescent alkanine mineral water (Webster's New International Dictionary).

"Evian" water has been selling in Cyprus since 1903. The applicant applied for the registration of "Evian" as a trade mark in class 32 of the Register. The Registrar of Trade Marks turned down the said application for the following reasons, namely: (a) The word "Evian" is a generic name not distinctive to merit registration, (b) It is a geographic name and its use cannot be monopolized by the applicants, and (c) Lack of proprietorship of the springs of the water, a factor disentitling the applicants from exclusive use of the name.

Certain questions raised by the Registrar and the answers given thereto suggest that the Registrar in turning down the said application acted under the assumption that the applicants are not the only traders entitled to the exploitation of the mineral water of the town of Evian-Les-Bains. This assumption is contradicted by the attestation of the Mayor of the town.

The applicants challenged the said refusal by the present recourse.

Hed, annulling the sub judice decision: (1) The respondent Registrar misconceived the facts before him in that he wrongly assumed that the applicants are not the only traders entitled to the exploitation of the said water.

- (2) The Registrar failed to appreciate correctly that the applicants are the sole traders entitled to bottle and trade the said water and that the long association between "Evian" with the mineral water traded by the applicants, was so strong as to gain entry in an international dictionary.
- 35 (3) None of the three reasons for refusing registration does per se justify the decision. (a) Ownership of the raw material from which a product comes or is made is not a prerequisite for registration. In this case for all practical

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purposes the applicants rights to the water upto the year 2027 is similar to that of the owners. It follows that the risk inherent in allowing one trader to monopolize a raw material or a natural resource that may, with equal freedom, be used by others did not exist. In any event the registrar could guard against any such future risk by requiring the applicants to renounce the trade mark at any future time they cease to have the exclusive right to the use of the mineral water.

(b) "Evian" signifies one thing and that thing was one traded by the applicants. Reference to "Evian" as "generic" name presumably purported to signify that "Evian" represents a genus, the use of which cannot be monopolized by one trading in a "species". It is evident that this is a wrong assumption. In accordance with s. 12(3) of Cap. 268 the Registrar in determining whether a mark is distinctive he may have regard to both whether it is inherently adapted to distinguish applicants' product and the association established by user between the mark and the product. (c) Section 11(1) (d) of Cap. 268 prohibits the registration of a word that ordinarily signifies a geographic name. In this respect one should note that "Evian" is not synonymous to Evians-Les-Bains and that "Evian" signifies a type of mineral water. The use of a geographic name is not an insurmountable obstacle to registration, if name is inherely adapted to distinguish the goods particular trader and it can be predicted that the name such as would never occur to any other trader in goods to use (Dictum of Lord Cohen in Yorkshire Copper Works [1954] 71 R.P.C. 150 followed). In this case aside from other considerations this test is satisfied.

> Sub judice decision annulled. No order as to costs.

Cases referred to:

Grand Hotel of Caledonia Springs Ltd. v. Wilson [1904] 35 A.C. 103;

Yorkshire Copper Works [1954] 71 R.P.C. 150;

Banbury Buildings Ltd. v. Sectional Concrete Ltd. [1970] R.P.C. 463;

3 C.L.R. Societe Anonyme v. Republic

Plough Inc. v. The Republic (1985) 3 C.L.R. 1687;

Granada v. The Republic (1985) 3 C.L.R. 207;

El Greco Distillers v. The Republic (1985) 3 C.L.R. 1189.

Recourse.

5 Recourse against the refusal of the respondents to register "Evian" as a trade mark in Class 32 of the Register.

- C. Clerides, for the applicants.
- St. loannides (Mrs.), for the respondents.

Cur. adv. vult.

- PIKIS J. read the following judgment. The applicants have 10 sole right to the use and exploitation of the well-known springs of mineral water at Evian-les-Bains, a health sort in the S.E. of France. The springs are known as Clermont springs and Cordeliers spring, apparently deriving their name from the locality where they are to be found. 15 Applicants have had an exclusive right to the commercial use and exploitation of the mineral water of the springs since 1892. Eversince they have been bottling and trading in the sale of this mineral water under the name of 20 "Evian". So strong has been the association between aforesaid brand name and the mineral sold under that label, that the word "Evian" has come to signify the product of the applicants, namely, a non-effervescent alkaline water(1).
- 25 "Evian" water has been selling in Cyprus since 1903. In recent years there has been an increase in the sales of applicants as may be gathered from the affidavit of Mt. Constantinides, the Managing Director of the company representing the applicants in Cyprus (2). The applicants applied for the registration of "Evian" as a trade mark in Class 32 of the Register. The application was refused for the reasons indicated in the letter of the Registrar to

⁽I) See Webster's New International Dictionary

⁽²⁾ See Appendix (D.1) to the address of the applicants—Affidavit of 16.11 1983.

counsel for the applicants dated 30.1.1984. Three reasons are given for refusing registration associated with the use of the word "Evian":-

It is a generic name and as such not distinctive to merit registration.

It is a geographic name and its use cannot be mo-(b) nopolized by the applicants.

Lack of proprietorship of the springs of the mineral water, a factor disentitling the applicants from exclusive use of the name.

None of the three reasons separately or cumulatively rule out, necessarily, registration of the mark. The reasoning stops short of indicating how application of the above reasons warrants the exclusion of registration. Counsel for the Registrar in her address states that before resolving the issue the Registrar asked three questions the answers to which led him to exclude registration. The questions raised by the Registrar and the answers given thereto are the following:-

- 1st Does "Evian water" mean water bottled applicants, as distinct from "Evian water" bottled by other traders?
- A. - The answer is definitely no.
- Q. 2nd Does it mean water of a particular kind, without reference to any particular trader?
- A. - Yes, it means water from Evian les Bains irrespective of the trader.
- Q. 3rd If other traders so describe their water, it is likely to mislead other purchasers, and lead them to believe that they buy the other traders' water, or that they are just buying water from Evian les Bain?
- If purchasers buy "Evian Water" they would buy A. it because it comes from Evian les Bains, irrespective of the name of the trader".

The questions raised and the answers given thereto sug-35

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gest that Registrar was labouring under a misconception of facts in resolving the application for registration or more accurately still misconceived the facts before him. It is evident from the above questionnaire and submissions made by counsel that the Registrar acted on the assump-5 tion applicants are not the only traders entitled to the exploitation of the mineral water of the town of Evian-Les-Bains. This assumption is sontradicted by the attestation of the mayor of the town(1) who certifies that applicants have an exclusive right to the management and exploitation 10 of the springs of mineral water of the town of Evian-Les-Bains, namely, Clermont spring and Cordeliers spring Therefore, there was no risk of anyone confusing or mistaking the mineral water of another trader with that of the 15 applicants, as no one had a right to the use and exploitation of this water or will have up to the year 2027. The lease or licence of the applicants to exclusive use of the mineral waters of the town extends, as the mayor certifies. to the year 2027.

The Registrar failed, it appears to me, to appreciate correctly that applicants are the sole traders entitled to bottle and trade the mineral water of the town of Evian-Les-Bains and the long association between "Evian" water with the mineral water traded by the applicants, was so strong as to gain entry in an international dictionary.

Neither of the three distinct reasons for refusal of registration does per se justify the decision. Ownership of the raw material from which a product comes or is made is not a prerequisite for registration. Of course, I appreciate that reference to ownership and lack of it on the part of the owners is made with a view to highlighting the risks inherent in allowing one trader to monopolize the name of raw material or a natural resource that may, with equal freedom, be used by others. In this case there was no such risk as applicants have an exclusive right to the exploitation of the mineral waters of Evians-Les-Bains and will enjoy this right in the foreseeable future. For all practical purposes applicants' right to the use and exploitation of the mineral water up to the year 2027 is similar to that

⁽¹⁾ See Appendix «C» to the address of sounsel of applicants

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of the owner. If the Registrar wanted to guard against the risk of the applicants using the trade mark beyond the year 2027 he might adopt a solution similar to the one adopted by the Registrar in the U.K. requiring the applicants to renounce the trade mark at any future time they cease to have exclusive right to the use of mineral water.

Generic name—Presumably reference to "Evian" as a generic name purported to signify that "Evian" represents a genus, the use of which cannot be monopolized by one trading in a species of that genus. Underlying this suggestion is the assumption that "Evian" signifies can signify mineral water other than the product in which applicants trade. This is an unfounded assumption for. as it appears from the material before the Registrar, particularly the certification of the mayor, applicants are only traders entitled to the use and exploitation for commercial purposes of the springs of Evian-Les-Bains. More important still "Evian" is not a generic name; it signifies precisely, as may be gathered from the material before the Registrar, mineral water of the town of Evian-Les-Bains. "Evian" signified one thing and that thing was the one traded by the applicants.

We may remind of the provisions of s.12(3) of the Trade Marks Law—Cap. 268—that the Registrar in determining whether a trade mark is sufficiently distinctive he may have regard to both (a) whether the trade mark is inherently adapted to distinguish the product of the applicants and (b) the association established by user between the trade mark and the product.

Geographic name—The third ground on which the Registrar relied for refusing the application is that "Evian" is a geographic name. Section 11(1)(d) of the law prohibits the registration of a word that ordinarily signifies a geographical name or surname. Firstly we note that "Evian" is not synonymous to Evian-Les-Bains. Secondly we stress that "Evian" in its ordinary signification connotes a type of mineral water. Consequently, even if "Evian" bears a geographic connotation, its meaning is not confined to the specification of a particular area.

It also signifies, and this is the primary meaning of the 40

word, a species of mineral water. As counsel for the respondents acknowledges in her address, the use of geographic name is not invariably an insurmountable obstacle to registration. In Grand Hotel of Caledonia Springs Ltd. v. Wilson (1) it was decided the defendants could indi-5 cate the source wherefrom their mineral water came, namely, Caledonia springs. In Yorkshire Copper Works(2) and Banbury Buildings Ltd., v. Sectional Concrete Ltd.(3), it was accepted, as a matter of interpretation of statutory provisions similar to those set out in s.11—Cap. 10 exceptionally geographic names can be adopted as trade marks provided they are "... inherently adapted to distinguish the goods of particular traders but only if it can predicted that they are such names as it would never occur to any other trader in such goods to use" (per Lord 15 Cohen in Yorkshire (supra). Applying this test to the registration of "Evian" it could be said, aside from other considerations that the association between the product applicants and the trade mark here under consideration 20 makes the word "Evian" inherently adapted to distinguish their goods; while no one else has a right or as far as we foretell, will acquire a right to trade the same mineral water in the foreseeable future.

As we had occasion to point out in Plough Inc. v. The 25 Republic(4), distinctiveness is the hallmark for registration as well as the test for determining the likelihood deception or confusion under s.13, Cap. 268(5).

In the light of the above, the sub judice decision is annulled for misconception of material facts, vagueness and inadequacy of reasoning. There will be no order as to costs.

> Sub judice decision annulled. No order as to costs.

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^{(1) [1904]} A.C. 103—It must be noted that it was a passing of action (2) [1954] 71 R.P.C. 150 (H.L.). (3) [1970] R.P.C. 463.

^{(4) (1985) 3} C.L.R. 1687.

⁽⁵⁾ Granada v. The Republic (1985) 3 C.L.R. 207; and Fl. Grace Distillers v. The Republic (1985) 3 C.L.R. 1189