

## **TRADE MARKS ACT 1994**

### **IN THE MATTER OF Application No 2208035] by United Distillers & Vintners (ER) Limited to register a trade mark in Class 33**

#### **Background**

1. On 10 September 1999, United Distillers & Vintners (ER) Limited applied to register the words CLASSIC MALTS as a trade mark for alcoholic beverages in Class 33.
2. The application met with objections under Section 3(1)(b)(c) and (d) of the Act on the grounds that the words CLASSIC MALTS:
  - a) had become generic in the relevant trade;
  - b) is a sign that may serve, in trade, to designate the kind of goods at issue; and
  - c) is non-distinctive.
3. The applicant subsequently filed evidence of use of the mark in an attempt to satisfy the Registrar that the mark had acquired a distinctive character by the relevant date (the date of the application) and thus qualified for registration under the proviso to Section 3(1) of the Act.
4. However, the objections were maintained and the matter came to be heard on 16 May 2001 when the applicant was represented by Mr S Thorley QC, instructed by Bristows. I maintained the objections under Section 3(1)(b) and (c) of the Act and the application was refused. These are the reasons for my decision.

#### **The Law**

5. Section 3(1) of the Act is as follows:

“3.-(1) The following shall not be registered -

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

6. The applicant has not argued that the mark qualifies for registration as an unused mark. I believe that the applicant is correct in adopting this position. Section 3(1)(c) excludes signs that may serve, in trade, to designate, inter alia, the kind or quality of the goods. The word "Classic" is self evidently laudatory and capable of designating the quality and/or kind of alcoholic beverages. The word "Malt" is equally self evidently descriptive of alcoholic drinks produced from cereal grains, including whisky, liquor and beer. The combination is capable of designating high quality malt alcoholic drinks.

7. Further, there is some indication in the applicant's evidence (which I will come to later) that the whisky producing regions of Scotland are known as "classic regions". It is but a short step from "classic regions" to "classic malts" and, in my view, this adds to the strength of the objection set out above.

8. This is an ex parte matter. The Registrar has produced no evidence that the words “Classic Malts” have become customary in the current language or in the *bona fide* and established practices of the trade in alcoholic beverages. The objection taken under Section 3(1)(d) cannot therefore be sustained.

9. The applicant's argument is that the mark had acquired a distinctive character as a trade mark by the relevant date and therefore qualifies for registration under the proviso to Section 3(1) of the Act.

10. The test to be applied is set out in Windsurfing Chiemsee, 1999 ETMR 585, the most relevant parts of which are re-produced below.

"49. In determining whether a mark has acquired distinctive character following the use made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings.

50. In that connection, regard must be had in particular to the specific nature of the geographical name in question. Indeed, where a geographical name is very well known, it can acquire distinctive character under Article 3(3) of the Directive only if there has been long-standing and intensive use of the mark by the undertaking applying for registration. *A fortiori*, where a name is already familiar as an indication of geographical origin in relation to a certain category of goods, an undertaking applying for registration of the name in respect of goods in that category must show that the use of the mark - both long-standing and intensive - is particularly well established.

51. In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.

52. If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied. However, the circumstances in which that requirement may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data such as predetermined percentages."

11. There is no suggestion that the trade mark has been used as such in respect of any goods other than 'whisky'. Accordingly, the most the applicant could have hoped to achieve was a registration of the mark for those goods. I need not say anything more about the registrability of the mark for other alcoholic beverages.

12. Mr Thorley submitted that the more descriptive a trade mark is the more difficult it will be for the mark's secondary trade mark meaning to displace its primary signification to the relevant public. Paragraph 50 of the European Court of Justice's decision in Windsurfing Chiemsee (see above) provides some support for this submission. A similar point is made in the 13<sup>th</sup> Edition of Kerly's Law of Trade Marks and Trade Names (paragraph 7-103). I believe that this is a good point.

### **The Descriptive Character of the Mark**

13. In the absence of any evidence of third parties using "classic malts" in a descriptive sense, Mr Thorley invited me to accept, as a starting point, that CLASSIC MALTS has a relatively neutral character. In his submission, this meant that the applicant faced a less onerous task in educating the relevant public to regard CLASSIC MALTS as a trade mark than would have been the case with a description which was already in use by third parties.

14. I do not accept that CLASSIC MALTS is a relatively "neutral" mark. In ex parte proceedings the Registrar will not normally have evidence (other than the applicant's own evidence) of the position in the trade. I accept that applicants for trade marks consisting of a word or words that is (are) already in customary use by the relevant trade as descriptions of goods/services will face the most difficult task of all in establishing that their trade marks have acquired a distinctive character for those goods/services, but I do not accept that all other descriptive marks should be considered "neutral" in terms of the relative strength of the objection to their registration as trade marks.

15. In assessing the difficulty that an applicant is likely to face in educating the relevant public to regard a descriptive term as a trade mark it is important to assess the capacity of the term to function as a description. Put simply, the more the sign looks like a suitable description, the harder it will be to get the public to regard it as a trade mark. I take the view that the term "classic malts" is highly suitable as a description of malt whiskies of such standing as to warrant the laudatory epithet "classic".

16. The suitability of the word "classic" to serve as a laudatory epithet is, I believe, self-evident. I note that the Court of Appeal found it to be incapable of acquiring a secondary meaning as a trade mark for stationery in the case of W N Sharpe Ltd v Soloman Bros. Ltd 32 RPC (1915) 15. In that case, as here, it was argued that, whilst "classic" was well suited to serve as a laudatory epithet for some goods, that did not apply to the goods at issue. The

Court of Appeal took a different view. For my part, I believe that the average consumer of whiskies encountering the mark CLASSIC MALTS in relation to a long established high quality single malt whisky is overwhelmingly likely to regard that mark as nothing more than a highly suitable description.

17. The earlier “Classic” case, referred to above, was decided under the old law. I do not rely upon it for any reason other than to show that the word "classic" has long been regarded as a word with very little trade mark potential, even for goods such as stationery. I therefore approach the applicant's evidence on the footing that the applicant faced a very difficult (but not impossible) task in persuading the relevant public, or even a significant proportion thereof, to regard CLASSIC MALTS as a trade mark which distinguished the applicant’s whiskies from those of other undertakings.

### **The Evidence**

18. The applicant relies upon the witness statement of Dr Nicholas John Morgan, who is the Marketing Director of the applicant company and provides various information about the use made of the mark, and a statutory declaration and witness statement by Magnus von Schütz Cormack, an in-house solicitor of the Scotch Whisky Association, who gives evidence about the position in the trade and the result of the applicant's use of its mark.

19. The basic facts which emerge from Mr Morgan's witness statement are as follows:

- a) The applicant started selling a range of seven single malt whiskies under the name CLASSIC MALTS in 1988;
- b) Each of the individual whiskies carried its own mark - 'Blair Athol', 'Glenkinchie', 'Cragganmore', 'Dalwhinnie', 'Oban', 'Talisker' and 'Lagavulin';
- c) The following year the range was reduced to six when 'Blair Athol' was left out ;
- d) The whiskies were sold in sets of miniatures and, collectively or individually, in full size bottles from the CLASSIC MALTS 'portfolio';
- e) The whiskies are aimed at the premium end of the market retailing between £24 - £45 per 70cl bottle;
- f) The CLASSIC MALTS range was conceived in an attempt to promote sales of single malt whiskies embodying, as Mr Morgan put it, "the characteristics of the six traditional Scottish whisky producing regions, including Highlands, Lowlands, Speyside and Western Isles”;
- g) The applicant has promoted the mark through the production of promotional material and the supply of 11,000 plinths (carrying the words CLASSIC MALTS or CLASSIC MALTS OF SCOTLAND for sale and display of the individual whiskies named above) to bars, restaurants etc;
- h) In 1996 the applicant launched a club called "Friends of Classic Malts" with the

intention of directly marketing its products;

- i) This led to a number of promotional events at individual distilleries between 1997-1999 (average attendance 200-500);
- j) By August 2000, there were some 35 thousand UK members of the club, each of whom received a periodical newsletter entitled "The Quaich";
- k) Since at least 1994, the applicant has organised an annual CLASSIC MALTS cruise to the distilleries producing the applicant's range of whiskies.

### **Extent of Use**

20. Mr Morgan states that the applicant sold the equivalent of 600,000 70cl bottles of whisky under the CLASSIC MALTS "umbrella" in the UK in 1997 and 1998. In 1989 the corresponding figure was 130,000. This rose steadily to 650,000 in 1995 before dropping back slightly to the figure mentioned above in 1997.

21. Mr Morgan claims that over £2M was spent promoting the mark in 1998 and in excess of £1.6M in 1997. There is no breakdown so it is not entirely clear what this money was spent on, and there is no specific claim that it was all spent in promoting the mark in the UK.

22. Despite the above figures, Mr Morgan notes that "the single malts sold under the mark are exclusive products with limited availability which can never be offered as a mass-market brand".

### **The Nature of the Use**

23. It is well established - and not in dispute - that use does not necessarily equate with distinctiveness. As Morritt L.J. put it in Bach Flower Remedies Ltd v Healing Herbs Ltd (2000 RPC 513) -

"..... use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not do so either. The use and increased use must be in a distinctive sense to have materiality".

24. I consider this to be the fatal weakness in the applicant's case. Some examples of the applicant's earliest use of the mark can be found in exhibit NM-4 to Mr Morgan's witness statement (tab 6). These documents indicate that the use at that time was mostly descriptive. The name CLASSIC MALTS was applied to the packaging displaying the seven (later six) single malt whiskies in the applicant's range. Much of the promotional material explains that the range is intended, as Mr Morgan puts it, to "embody the best characteristics of the six traditional Scottish whisky producing regions." The applicant's promotional material was consistent with this message: "Each of Scotland's Classic Malts was selected as the definitive representation of a Malt producing region" (page 55, tab 2 of NM-4) is typical. "Scotland's Classic Malt Whiskies" (pages 1 and 2, tab 6 of NM-4). This sort of use was bound to have the effect of confirming the descriptive significance of CLASSIC MALTS to the average consumer of these goods.

25. Included in exhibit NM-2 to Mr Morgan's statement is a copy of a publication entitled "Michael Jackson's Malt Whisky Companion". As mentioned earlier, this publication describes the regions of Scotland with a reputation for the finest whiskies as "The Classic Regions".

26. The average consumer who is aware of this fact is even more likely to see "Classic Malts" as a description.

27. It is noticeable that, from 1995 onwards, much of the use of CLASSIC MALTS is within a logo carrying the words Classic Malts of Scotland (my emphasis). See tab 7 to NM-4. This sort of use, in my view, is unlikely to have done anything to enhance the prospects of CLASSIC MALTS being taken as a trade mark. This is because the whiskies sold under the CLASSIC MALTS 'umbrella' are not being promoted as the applicant's "classics" but as the classic malts of Scotland.

28. The newsletter sent to "Friends of The Classic Malts" contained a similar message. On its front page, below the title "The Quaich" it claims "The Classic Malts of Scotland are the Single Malt Whiskies of 'Glenkinchie', 'Dalwhinnie', 'Cragganmore', 'Oban', 'Talisker' and 'Lagavulin.' The message I take from this claim is that the applicant regards its whiskies as the classic malts of Scotland. The message is, at best, ambiguous. The closest example of CLASSIC MALTS being used in a trade mark sense is probably the use of those words as the name of an annual organised cruise of yachts to the applicant's distilleries in Scotland. However, most (if not all) of the use shown directly in relation to the goods, on bar plinths, packaging and promotional material, is likely to have been regarded as descriptive use by most persons encountering it. And these categories of use are the most relevant because they:

a) will be encountered by more potential and actual customers, and

b) are likely to influence those persons reaction to any other use of CLASSIC MALTS by the applicant.

29. The fact that all six or seven whiskies sold under the name CLASSIC MALTS have their own distinctive trade marks is another point against the applicant. It provides another reason why the average consumer would be discouraged from accepting CLASSIC MALTS as the trade mark.

30. Overall, I consider that most of the applicant's use seems likely to have confirmed the descriptive significance of the words CLASSIC MALTS to the average consumer rather than to have educated the consumer to a trade mark perception of those words.

### **The Evidence of the Reaction of the Relevant Class of Persons to the use of the Mark**

31. Mr Thorley drew my attention to a page in a book written by a Charles Maclean entitled simply "Malt Whisky". He writes "Perhaps the greatest impetus to the sector was given by United Distillers in 1988 when the company launched its 'Classic Malts' range with a substantial promotional budget". I do not believe that the fact that this 'expert' knows of the applicant's 'Classic Malts' range necessarily means that he regards those words as their trade mark. There is a subtle but crucial distinction between knowing that United Distillers have a CLASSIC MALTS range and recognising CLASSIC MALTS as meaning only the single malt whiskies of United Distillers.

32. This criticism applies to most of the other articles in publications to which Mr Thorley drew my attention. Another article from around the same time in 'Drinks International', under the heading "A classic combination", announced that "The launch of the Classic Malts range by United Distillers back in the 1980s has proved to be one of the - if not the - most original and successful brand concepts the industry has seen." The article goes on to note that the range includes a whisky from all the key regions of Scotland with Lagavulin being the number one seller. It is not clear to me whether this use of "brand concept" is meant to convey the message that CLASSIC MALTS is recognised as a 'brand' or as a means of promoting brands, such as Lagavulin.

33. A similar article appeared in a number of other publications around the middle of 1995, no doubt as a result of the "countrywide promotion" of goods under the "umbrella" mark in that year as described at paragraph 19 of Mr Morgan's statement.

34. The article that appeared in the "Publican" is typical. Under the heading "Classics hit the spot" the article states:-

"United Distillers claims its Classic Malts range is the fastest growing malt whisky brand."

35. The use of the word "brand" here appears to be a repetition of the word used by the applicant, probably in a press release. This does not mean that the article (and others like it) could have had no effect on the process of educating the consumer to view CLASSIC MALTS as a "brand". However, it does mean that some caution should be adopted in assessing whether the words in the article mean that the writer independently classified CLASSIC MALTS as a "brand".

36. The high point of this aspect of the applicant's case is an article that appeared in 'FOR HIM' magazine in 1992. The first line stated:

"One of the best introductions to this drink is the selection created by Classic Malts."

37. Mr Thorley invited me to pay particular attention to this article because, in his submission, it was a plain example of CLASSIC MALTS being used in a trade mark sense. It is clear from the first line of the extract reproduced above, that it consists of only a part of a longer article, which presumably explains earlier what is meant by "this drink". Without seeing the whole article I am reluctant to accept that this is an example of trade mark use by a third party. Even if it is, it is just one example amongst many which are ambiguous as to the significance of CLASSIC MALTS or are positively unhelpful to the applicant. For example, an extract from an article in "Advertising Age" stated:-

"On a recent Thursday there was a tasting of Single Malt Scotches, six classics: Craganmore, Dalwhinnie, Glenkinchie, Lagavulin, Oban and Talisker."

38. Overall I regard the evidence of third party use of 'Classic Malts' in publications as ambiguous as to the message sent to consumers of whiskies.

39. The only direct evidence I have of the public's reaction to the applicant's use is the evidence of Mr Cormack. In his first statutory declaration, Mr Cormack states that he is

familiar with the applicant's CLASSIC MALTS trade mark and the trade marks used for the individual whiskies promoted under the mark. He concludes:

"As a result of the use made of it by the Applicant, I consider the Mark to be distinctive of the Applicant and no other company or person in relation to the alcoholic beverages covered by application no. 2208035. If any other company or individual in the whisky trade makes or has made any significant use of such a mark or any confusingly similar mark I would have seen it and remembered it. I believe that the use of the Mark by a third party in relation to whisky would be most confusing given the established association with the Applicant."

40. In his later witness statement, Mr Cormack gives further details of his role as a legal advisor within the Scotch Whisky Association (SWA) with responsibility for monitoring trade mark applications. He concludes:

"As a consequence of my experience and my role and responsibilities with the SWA over the last seventeen years I have intimate knowledge of the whisky industry. I know of no person or company using the mark CLASSIC MALTS other than the Applicant. To me, the mark has come to denote a range of malt whiskies marketed by the Applicant."

41. Mr Cormack's evidence serves to establish that a) he regards CLASSIC MALTS as the applicant's trade mark, and b) that no other party has been using CLASSIC MALTS as a trade mark.

42. I do not regard the latter point as surprising given that, as I have already indicated, I find the sign CLASSIC MALTS to be a very unsuitable trade mark for whiskies. As far as the former point is concerned, I accept Mr Cormack's evidence about his own perception of CLASSIC MALTS, but I do not consider him to be an average consumer of whiskies.

43. The views of those engaged in the trade can be given some weight because they are members of the "relevant class of persons". However, the most relevant persons are, as Mr Thorley accepted, ordinary consumers of whisky.

44. In making this assessment regard must be had to reaction of all consumers of whiskies, not just those at the premium end of the market; Dualit Ltd's Application 1999 RPC 890 at lines 42-45 on page 899.

45. There is no evidence from ordinary consumers of whisky as to their perception of the words CLASSIC MALTS.

## **Conclusion**

46. Mr Thorley asked me to accept that a) the words CLASSIC MALTS are relatively neutral in terms of their capacity to describe the goods at issue, b) the applicant had made substantial use of CLASSIC MALTS in a trade mark sense, and c) the result of this use was reflected in the evidence of widespread recognition of CLASSIC MALTS as the applicant's trade mark in the numerous extracts from publications in evidence, and in the evidence of Mr Cormack.



47. However, for the reasons given above, I have come to the conclusion that a) the words CLASSIC MALTS are highly descriptive of whisky and therefore ill-suited to the function of distinguishing the applicant's whiskies from those of other traders, b) that the applicant would therefore have faced a substantial difficulty in educating a significant proportion of the relevant class of persons to accept the mark as identifying the trade origin of the goods, c) that although there is some limited use (e.g. CLASSIC MALTS cruise) which may have been taken as trade mark use in relation to whiskies by some consumers, the majority of the applicant's use would have confirmed the inherently descriptive message of the words CLASSIC MALTS, d) most of the third party references to the words CLASSIC MALTS in publications is ambiguous as to the significance of those words and therefore insufficient to draw the inference that the words are used by the trade, and accepted by the public, as having trade mark significance, and e) the evidence of Mr Cormack is unrepresentative of the average consumer and insufficient, either alone or in combination with the above, to justify a finding that the mark CLASSIC MALTS identified the trade source of whiskies to a significant proportion of the relevant class of persons at the relevant date.

48. Although there is generally no onus on the applicant, or the Registrar, to show whether the requirements for registration are or are not met, where an applicant asserts that a mark has acquired a distinctive character through use, the burden of proof is on the applicant: Dualit Ltd's Application (at paragraph 30 on page 898).

49. It will be obvious from what I have already stated that I do not regard the applicant as having discharged that burden. However, I should make it clear that even if I assumed no burden of proof on the applicant and had simply to make a judgement on the evidence "yes" or "no", my answer would still be "no".

50. For the reasons stated, the application is refused under Section 37(4) of the Act because registration of the mark would be contrary to Section 3(1)(b) and (c).

**Dated this 24 day of August 2001**

**Allan James  
For the Registrar  
the Comptroller-General**