

that of substitutes, which has been in this case evacuated by the deeds executed by Mrs Inglis.

The case of *Chambers' Trustees v. Smith*, 5 R. (H. of L.), p. 151, is in marked contrast, because there the trustor gave his trustees express power, if they saw fit, to restrict the interest of the children to a life interest, and to settle the capital on their lawful issue.

I am therefore for answering the first alternative question in the affirmative.

The Court pronounced the following interlocutor:—

“Answer the first question in the affirmative: Find it unnecessary to answer the other questions: Find and declare accordingly, and decern.”

Counsel for First and Fifth Parties—Constable. Agents—Cadell & Wilson, W.S.

Counsel for Second, Third, and Fourth Parties—Blackburn. Agents—Dundas & Wilson, C.S.

Tuesday, July 12.

FIRST DIVISION.

[Lord Low, Ordinary.

BAYER v. J. & L. BAIRD.

Trade-Mark—Trade Name—Exclusive Use of Letters Disclaimed in Trade-Mark.

The registration of a trade-mark does not preclude the holder from protection at common law against the use by rival traders of some other name by which his goods have become known, although he has disclaimed such name as part of his trade-mark.

Trade Name—Infringement—Initial Letters—Interdict.

A corset manufacturer sold and advertised his corsets under the designation of “C.B. Corsets,” the letters C.B. being the initial letters of his name. He had registered a trade-mark containing these letters, but had disclaimed their exclusive use. Evidence upon which held, in an action for interdict and damages against another firm, who advertised and sold corsets marked C.B. & Co., that (1) the letters C.B. had acquired in the trade an exclusive application to the complainers' goods; and (2) that the respondents had sold corsets not made by the complainers in such a manner as to mislead purchasers into the belief that they were of the complainers' manufacture.

Interdict accordingly granted.

Cellular Clothing Company v. Maxton (ante, p. 869), distinguished.

An action was raised by Charles Bayer, corset manufacturer, London, against J. & L. Baird, corset manufacturers, Glasgow, craving the Court to interdict the defenders “from marking for sale, exposing, selling, or advertising, or offering for sale as C.B. corsets, corsets not made or supplied by the

pursuer, and from marking for sale, exposing, selling, or supplying, as in implementation of orders for C.B. corsets, corsets made by the defenders, or corsets not made by the pursuer.” The summons also contained a conclusion for damages. The pursuer averred that more than twenty years ago he had introduced into the market corsets manufactured by him which he then described as C.B. corsets, and that since then the corsets manufactured by him had been so described and known in the market. “All the corsets manufactured and sold by him are marked and designated as C.B. corsets, and these letters appear on all the boxes containing them, and are known and recognised by the trade and the public as the distinctive mark of the corsets manufactured by the pursuer.”

The pursuer further averred—“(Cond. 3). The pursuer has recently ascertained that for some time past the defenders have been regularly in the habit of selling to parties dealing with them corsets marked as C.B. corsets, in the same manner as the pursuer's corsets, and so as to lead the public to believe them to be pursuer's corsets although manufactured by other parties than the pursuer. . . . In the beginning of March 1896 the pursuer's traveller purchased from William Sandison, merchant, Keith, a corset which was marked with the letters C.B. in such a manner as to lead the public and purchasers to believe that it was a C.B. corset manufactured and sold by the pursuer. This corset Mr Sandison had purchased from the defenders in the belief that it was a corset of the pursuer's manufacture. . . . The letters C.B. occupy the same prominent position on the goods supplied by the defenders as they do on the pursuer's goods, the words “& Co.” being added in such small type as to be barely observable.”

He averred further that he had spent a considerable sum in recent years in advertising his corsets, with the result that the name “C.B. corset” had become a valuable property, and that in consequence of the defenders selling as C.B. corsets inferior corsets not manufactured by him, he had sustained loss and damage.

The defenders, who were in the habit of purchasing corsets from manufacturers and selling them to shopkeepers, and had no retail trade, admitted that they had sold to Mr Sandison in the ordinary course of trade corsets manufactured by Connell Brothers & Company, Dublin, which were marked “C.B. & Co.,” while on the cover of the boxes there appeared “C.B. & Co., Paris, London, and Dublin,” “None genuine unless Stamped,” “The original C.B. & Co.,” “The original Sewn Corset.” They averred that they had sold such corsets made by these manufacturers before they heard of the pursuer; that they had never offered them for sale on the representation that they were the pursuer's, and that there was no resemblance in the general appearance of the boxes containing the two makes of corsets, while the markings on the corsets themselves were quite different.

The defenders further averred—“On 26th

November 1891 the pursuer registered as a trade-mark 'Newmarket Corset, manufactured in London,' with the registered trade-mark of 29th January 1881 standing between the words 'Newmarket' and 'Corset.' To this registration there is added the qualification, 'The essential particular of the trade-mark is the combination of devices, and the applicant disclaims any right to the exclusive use of the added matter.' Part of the said 'added matter' consists of the letters C.B."

The Lord Ordinary (Low) on 13th November 1896, having pronounced an interlocutor in which he allowed the parties a proof, the defenders reclaimed, and the First Division adhered to this interlocutor.

The import of the proof appears fully in the opinion of the Lord Ordinary, *infra*.

On 22nd October 1897 he pronounced the following interlocutor:—"Finds that the defenders have sold and offered for sale corsets made by Connell Brothers & Company, marked 'C.B. & Co.' in such a manner as to be calculated to mislead purchasers into the belief that the said corsets are C.B. corsets made by the pursuer: Therefore interdicts, prohibits, and discharges the defenders from selling or offering for sale corsets not made by the pursuer, marked in such a manner as to be calculated to mislead purchasers into the belief that the said corsets are C.B. corsets made by the pursuer: *Quoad ultra* dismisses the conclusions of the summons, and decerns."

Opinion.—"It is, in my opinion, established by the evidence, that for many years corsets made by the pursuer have been known in the trade and to the public as 'C.B.' corsets, and that under that name they have acquired a considerable reputation.

"The boxes in which the pursuer's corsets are sold have the letters C.B. prominently marked upon the lid, and the letters also appear in a prominent way upon the waistband of the corsets.

"The defenders are a firm in Glasgow who purchase corsets from manufacturers and sell them to shopkeepers. They do no retail trade. Among the manufacturers from whom the defenders purchase are Connell Brothers & Company of Dublin, and about the end of 1895 the defenders for the first time received from that firm corsets marked and put up in a way which the pursuer avers is designed and calculated to pass them off as corsets made by him.

"No. 43 of process is one of the pursuer's corsets, with the box in which it is put up. No. 54 is a box and corset of the kind which the defenders have purchased from Connell Brothers. The most noticeable feature of the box No. 43 is that in the centre of the lid the letters C.B. appear in large type. In the centre of the lid of No. 54 of process are the letters 'C.B.' followed by the word '& Co.' The letters C.B. are in large type, similar in character and size to those used on No. 43, and the words '& Co.' are printed in very small type, and are, so to speak, put out of the way, by being inserted in the loop formed by the letter B. What catches

the eye upon the box No. 54 are the letters 'C.B.' The addition '& Co.' might easily escape observation unless the box was looked at closely and with some attention.

"In like manner, upon the waistband of the corset No. 43 are the words—'None genuine unless stamped C.B. within a star;' while upon the waistband of the corset No. 54 are the words—'None genuine unless stamped the original C.B. & Co.' In both cases the letters C.B. are printed in large type, and constitute the most noticeable and prominent feature of the inscription.

"The use of the initials C.B. & Co. upon the lid of the box and the waistbands was adopted by Connell Brothers for the first time about 1894. They had previously had these initials or C.B.D. (*i.e.*, Connell Brothers, Dublin) marked either upon the busk or fastening of the corset, or upon the hip bone. These markings were apparently used only to distinguish goods intended for the home market from goods intended for export, the former being marked 'C.B.D.' and the latter 'C.B. & Co.' The markings were in small letters all of the same size, and at all events, when put upon the busk, would never be seen by a purchaser, because the busk was covered with saten. It is further clear that Connell Brothers' corsets were never known to the trade or to the public as 'C.B.D.' or 'C.B. & Co.' corsets.

"Mr Connell, who was examined as a witness, said that he put the initials 'C.B. & Co.' upon the boxes and the waistbands in 1894, simply because it had become the almost universal practice of corset makers to have their corsets impressed with their initials. He further said he had no intention of imitating the markings upon the boxes and corsets of the pursuer, and that it was not by his instructions that the letters C.B. were printed large, and the words '& Co.' very small. He employed an artist to furnish him with a design for his initials, and what appears upon No. 54 was the result.

"I do not think that it is of any importance to inquire what was Mr Connell's motive in adopting the new markings for his boxes and corsets; the important question seems to me to be, whether the markings are likely to mislead purchasers and to lead them to buy Connell Brothers' corsets as being the pursuer's corsets.

"I am of opinion that that question must be answered in the affirmative. The evidence shows, and I think that an inspection of the articles is sufficient to show, that it would be very easy to pass upon customers at a shop, Connell Brothers' corsets as C.B. corsets—that is, as corsets made by the pursuer. Whatever may have been the intention of the makers, the prominence given to the letters C.B. compared with the insignificance of the remainder of the initials '& Co.' seem to me to constitute, in fact, a device calculated to lead the public to believe that in purchasing the corsets in question they are purchasing corsets which they have hitherto known as C.B.

"But the defenders contended, that even

assuming that to be the case, interdict should not be pronounced against them. They argued that they were not guilty of any dishonesty—of any attempt to pass off their goods as the pursuer's goods. They were neither manufacturers nor retail dealers, but middlemen who passed on such corsets as Connell Brothers chose to make, to the shopkeepers. They had nothing to do with the markings which were put on the corsets, and they made no misrepresentations in regard to them. On the contrary, their traveller sold them as Connell Brothers & Company's corsets. Further, they sold, not to the public, but to retail dealers, who were not likely to be misled by the similarity in the markings.

"Now, in the first place, the defenders are not in the position of mere middlemen who pass on goods from manufacturers to retail dealers. They buy and sell on their own account, ordering such goods from the manufacturers as suit their market. I do not doubt their honesty in the first instance. I believe that they knew nothing about the way in which the goods were marked until they received them, and that then it did not occur to them that goods so marked were likely to be passed off as the manufacture of the pursuer. But after the pursuer stated his objection, the defenders could no longer plead ignorance of the probable result of putting the goods upon the market. I repeat that they bought the goods voluntarily and for the purpose of making gain to themselves, and accordingly their position seems to me to be substantially the same as if they had themselves made the goods.

"In regard to the argument that they do not themselves sell to the general public, but to retail dealers who are not likely to be deceived, I think that the answer is that the defenders are putting their goods upon the market under a designation which enables purchasers from them to make a false representation to their customers. That I think is sufficient. In the case of the *Singer Manufacturing Company v. Long* (18 Ch. D. 395), James, L. J., stated the law thus—'No man is entitled to represent his goods as being the goods of another man; and no man is permitted to use any mark, sign, or symbol, device or other means, whereby, without making a direct false representation himself to a purchaser who purchases from him, he enables such purchaser to tell a lie, or to make a false representation to somebody else who is the ultimate customer.' That statement of the law was repeated and adopted by Lord Macnaghten in *Reddaway v. Banham* (A. C. 1896, p. 199). In this case the defenders are, so far as Scotland is concerned, the originators of the corsets because they import them. And by putting the corsets into the hands of the retail dealers they enable the latter to deceive the public to the prejudice of the pursuer.

"Of course I do not suggest that the defenders are not entitled to sell corsets marked with the name or even with the initials of the makers, but they are not entitled to sell them as they have done,

marked with the initials of the makers in such a way as to be calculated to mislead purchasers and lead them to buy the corsets as being C.B. corsets."

The defenders reclaimed, and argued—
(1) The pursuer had registered a trade-mark, and had elected on what he should rely in order to distinguish his goods. In so doing he had expressly disclaimed any exclusive right to the letters C.B. In other words, he had given distinct notice to the public that they were entitled to use these letters, and he now came forward relying on his common law rights to restrain them from such use, and claiming the same rights for what he had not registered as for what he had. But the effect of the disclaimer was to invalidate his present claim—*Rosenthal v. Reynolds*, May 25, 1892, Patent Cases, ix. p. 189. Though the judgment in that case was only interlocutory, the reasoning of it applied equally here.
(2) The letters C.B. had not acquired the secondary meaning which was ascribed to them by the pursuer. They did not convey to purchasers the idea that the corsets thus marked were the pursuer's and no other manufacturer's. It was the universal custom in the trade of recent years to mark corsets with the initials of the makers, and accordingly there was no similarity except in points common to the trade—*Jamieson v. Jamieson*, May 4, 1898, Patent Cases xv. p. 169. It could not be said that such initials were merely symbolic, for they were in point of fact nothing but an abbreviation of the makers' name. Accordingly, they were in the same category as names, and it had been held that such could not acquire a secondary meaning except it were that they were names of places—*Burgess v. Burgess*, March 17, 1853, 3 De Gex, M. & G. 896. Here Connell Brothers & Co. were quite correctly described as C.B. & Co., being a denominative firm. That being so, the question really was as to the size of the "& Co." as compared with that of the "C.B." There was no evidence that anyone had been deceived by any resemblance in the two markings, or that it was calculated to deceive.
(3) The Lord Ordinary's interlocutor was difficult to understand, and if affirmed the defender would be in the difficult position of not knowing what exactly he was interdicted from doing. Accordingly, the form of interdict granted was objectionable, and should be amended and made more intelligible and less wide.

Argued for respondent—The case of *Rosenthal* related to an interlocutory injunction. Moreover, it was not authority for the proposition that because the pursuer had a trade-mark he could not also get a remedy for infringement of his trade name—*Thompson v. Montgomery*, 1889, L.R., 41 Ch. Div. 35. The distinction between a registered trade-mark and a trade name was really only a matter of evidence. If it were proved that these letters had acquired an exclusive appropriation to the pursuer's goods by long use, and the de-

fender's use of them may be calculated to deceive or mislead purchasers, then the pursuer had a remedy against him, just as much as he would for infringement of his trade-mark. Accordingly, the question really turned upon these two facts, and having proved them the pursuer was entitled to succeed. No man was entitled to use his own name to describe his goods if it had become associated with a particular make of goods, for he would be thereby misleading purchasers. Moreover, initials such as these were merely a symbol, and there was nothing to prevent the pursuer from acquiring an exclusive use. They thus differed from descriptive names, which might be *publici juris*, and incapable of appropriation—*Kinakin v. Bolton*, 1863, 15 Irish Ch. 75; *Turton v. Turton*, 1889, L.R., 42 Ch. Div. 128. As regards the form of interlocutor, the interdict granted by the Lord Ordinary was the one to which they were entitled. The pursuer was entitled to something more than to the mere decree that the defenders might use "C.B.," but must distinguish it, such as was granted in the case of *Reddaway v. Banham*, 1896, L.R., App. Cas. 199. The form of decree should rather be that sanctioned in *Johnstone & Company v. Orr Erwing & Company*, 1882, L.R., 7 App. Cas. 219; *Lochgelly Iron and Coal Company v. Lumphinnans Iron Company*, January 15, 1879, 6 R. 482. See also forms of interlocutor in *Powell v. Birmingham Vinegar Company*, 1896, L.R., 2 Ch. 54; *Dunnachie, &c. v. Young & Sons*, May 22, 1883, 10 R. 874.

At advising—

LORD PRESIDENT—In my opinion, as in the opinion of the Lord Ordinary, it is established by "the evidence that for many years corsets made by the pursuer have been known in the trade and to the public as C.B. Corsets, and that under that name they have acquired a considerable reputation." The scale of the pursuer's business is very large; he has advertised his corsets very extensively; and not only has he persistently given the corsets the name "C.B." but the name has caught the eye and ear of the public. The short way of asking for the pursuer's corsets has come to be to ask for C.B. Corsets. The short way of offering the pursuer's corsets for sale is to show them in boxes on which the central and most prominent mark is C.B.

The next question is as to the proceedings of the defenders. They are putting on the market corsets about which I hold it to be proved, and this time by ocular demonstration, that on the boxes in which they are offered for sale the central and most prominent mark is "C.B." It is quite true that on the boxes and on the corsets a less cursory glance discovers that the words "& Co." are added to the initials, but the marks "& Co." are in very much smaller type than the letters "C.B." and have nothing like co-ordinate prominence. I must add that, while I daresay no one thing on the design of the lid of the defenders' box is the same as on the lid of the pursuers' box, yet the general effect of the two is remarkably

similar, and tends to support the impression produced on the mind by the saliency of the letters "C.B."

Prima facie, then, I hold that the Lord Ordinary's finding in fact is established. I think that the defenders have sold and offered for sale corsets marked "C.B. & Co." in such a manner as to be calculated to mislead purchasers into the belief that the said corsets are "C.B." corsets made by the pursuer. Place two of the rival boxes together, bear in mind that the eye and ear of the buyer is, as I hold to be proved, accustomed to be guided by the letters C.B., and *res ipsa loquitur*.

Now, at this time of day it is superfluous to say that the intention to deceive is not necessary to support the claim to interdict against passing off one man's goods for another. But the defenders' position in this regard is somewhat delicate. It is impossible to avoid asking, why do they use the letters C.B. with this exclusive saliency and prominence, and the answer is not very satisfactory. They say that it is usual for dealers in corsets to mark them, and the boxes, with the initials of the firm making or selling them. But then the answer is that a large "C.B.," with an insignificant "& Co." are not the initials of the firm. It is quite plain that "Connell" is the only proper name in the firm name "Connell Brothers & Company," and that the initials are either "C.B. & Co.," giving each letter co-ordinate prominence, or a larger C with B & C both in one and the same subordinate prominence. There is no justification for elevating B for Brothers into co-ordinate prominence with C for Connell, while the words "& Company" are depressed into insignificance. Accordingly, the present case does not raise the more delicate question which would have arisen had C.B. been the natural way of writing the name of the seller by way of initials. As things stand, the design on these boxes is not the natural way of representing that these corsets are the corsets of Connell Brothers & Company. On the contrary, it is, from that point of view, a misleading inscription. It leads the purchaser off the idea of the actual seller on to the idea of the other, who is not the seller—off Connell Brothers & Company and on to Charles Bayer.

It was maintained by the defenders that no actual instance had been proved of persons being misled into purchasing the one kind of corset in the belief that it was the other. Such instances are not necessary to the success of an application for interdict; but in fact I think that the pursuer has proved that persons asking for C.B. corsets have been supplied with the defenders' corsets, and the evidence of the defenders' own witnesses, and not least significantly their own travellers, shows that a rare scrupulosity would be necessary for any one armed with the defenders' corset boxes to avoid passing off these articles as C.B. corsets.

The defenders advanced one further argument which is not formulated in their pleas, and it is not discussed by the Lord

Ordinary. They say that the pursuer holds certain trade-marks, in relation to one of which he has disclaimed exclusive right to the letters C.B., and, founding on the case of *Rosenthal*, they say that this precludes him from preventing the use of the letters C.B. by his rivals in trade. Now, I do not think that the case of *Rosenthal*, which related to an interlocutory injunction, has this far-reaching bearing. It is certainly not the law that the mere fact that a man holds a trade-mark prevents his stopping another trader from catching his customers by offering goods under a name different from the trade-mark. In many cases the registered trade-mark may not catch the eye or ear of the public, while some other name does, and this name and not the trade-mark may be what sells the goods. The broader contention of the defenders, then, that the registering a trade-mark precludes such an action as this, cannot be maintained, in view of the fact that the *Stone Ale* case (L.R. 41 Ch. Div. 35) and others have been cases where a person, who happened to be the holder of a trade-mark, has been protected against the misuse of some other name by which his goods had in fact come to be known. Nor do I think that the disclaimer to which the defenders refer bears on anything except the trade-mark, the limits of which it defines. I do not think it imports a licence to rival traders to use the letters C.B. in such manner as to pass off their goods for the pursuer's goods. The true question in the present case is whether the defenders are so offering their goods to purchasers that the purchasers are likely to mistake them for the goods of the pursuer. The true claim of the pursuers in the present action is not to the exclusive use of the letters C.B. on corsets, but it is to prevent certain persons, to wit the defenders, so using those letters as to pass off their goods as the pursuer's. Now, I do not think that it can fairly be held that it was a condition of the grant of the trade-mark of 1892 that under no circumstances should the use of the letters C.B. be ever challenged by the pursuers.

I have not in this opinion gone over the various questions which are discussed by the Lord Ordinary, because I concur generally in his Lordship's opinion. I am for adhering.

LORD M'LAREN—I agree in all your Lordship's reasons, and I only wish to say that I consider that this case is clearly distinguishable from that of the *Cellular Clothing Company*, in which I have just given an opinion. In the first place, I think the letters C.B. are a purely arbitrary sign. It is true that they happen to represent the initials of the name of Charles Bayer, who uses those letters, but they might also be the initials for thousands of combinations of English words. The letters of themselves do not suggest a name of any kind; they are arbitrary. Now, when a rival firm makes use of an arbitrary sign which is already known in connection with trade, there is a

strong presumption in fact that he has an object in doing so, and very little evidence to the effect that people have been deceived would be sufficient, as I think, to found a right to interdict. In the present case I have no doubt that the letters were used by Connell & Company for the purpose of imitating Bayer's goods, and I agree with your Lordship that it is proved that this use of their trade-sign had the desired effect, because purchasers were in fact deceived.

LORD KINNEAR—I agree with your Lordship. I agree also with Lord M'Laren that the decision in the case of the *Cellular Clothing Company* which we have given this morning creates no difficulty whatever in the way of the decision we are now to give. Both cases appear to me to involve mere questions of fact, and as the facts in the one are materially different from the facts in the other, it is natural that the decisions should also be different. I should not be prepared to assent in the present case to the proposition maintained by the pursuer's counsel that he had acquired an exclusive right as of property in the initials C.B.; but without such exclusive property, these initials may have been so used by him, and for such a length of time, as to acquire for them a secondary meaning in the trade, so that the words "C.B. Corsets" came to mean corsets made by the pursuers and nobody else. If that be so, then, irrespective of any exclusive right which would be good against all the world, the pursuer has undoubtedly a right to prevent rival traders from using these initials in such a manner as to pass off their goods for his goods. Therefore the only questions which it seems to me we require to consider are—whether in the market in which both parties deal the letters C.B. mean the pursuer's corsets, and secondly, if they do, whether the defenders have marked their corsets in such a manner as to be likely to mislead purchasers—whether purchasers in the trade or private purchasers—into taking them for the pursuer's goods. For the reasons your Lordship has given, and for the reasons given by the Lord Ordinary, I answer both these questions in the affirmative, and hold that the pursuer is entitled to the remedy he now seeks.

LORD ADAM concurred.

The Court adhered.

Counsel for the Pursuer — Clyde.
Agents—Webster, Will, & Ritchie, S.S.C.

Counsel for the Defenders—Balfour, Q.C.
—Salvesen. Agents—Gill & Pringle, W.S.