

THE SCOTCH WHISKY ASOCIATION,	}	Inter Partes Case No. 14-2005-00124
<i>Opposer,</i>	}	Opposition to:
	}	
	}	Appl'n. Serial No. : 4-2000-007512
-versus-	}	Date Filed : 05 September 2000
	}	Trademark : "MC DOWELL'S
	}	PREMIUM"
MCDOWELL & CO., LTD.,	}	
<i>Respondent-Applicant.</i>	}	Decision No. 2006-99
x-----x		

DECISION

This case pertains to the Opposition to the registration of the trademark "Mc DOWELL'S PREMIUM" in Class 33 for the "whisky, wines, alcoholic beverages and liqueurs" under Serial No. 4-2000-007512 which was published on 31 August 2005 in the Intellectual property Office Official Gazette.

Opposer, The Scotch Whisky Association or TWSA, is the trade association for the Scotch Whisky Industry. TWSA's primary objectives are the promotion and protection of the Scotch Whisky trade throughout the world. Its registered office is at 20 Atholl Crescent, Edinburgh, EH3, 8HF, Scotland.

Respondent-Applicant McDowell & Co., Ltd., is an Indian corporation with address at McDowell House, 3 Second Line Beach, P.O. Box No. 36, Madras, India.

The Scotch Whisky Association (TWSA) opposed the instant application on the following grounds set forth in its Verified Opposition dated 28 October 2005, to wit:

- "1. "Scotch Whisky" is wholly produced in Scotland in accordance with United Kingdom legislation. It is the largest selling whisky in the world and also the largest selling imported whisky in the Philippines.
- "2. Whisky has been produced in Scotland for hundreds of years. The oldest historical record of its production dates back in 1494. Over the years "Scotch Whisky" has acquired a great reputation throughout the world. Due to its long and strong presence in the market, whisky drinkers associate whisky with Scotland before any country. Thus, the use of the mark "McDOWELL'S PREMIUM" on Respondent-applicant's product has no other purpose but to mislead the consuming public as to its geographical origin.
- "3. The trademark "McDOWELL'S PREMIUM" is unregistered as it clearly lacks distinctiveness.
- "4. The use of "Mc Dowell" with the word "Premium" suggest that the product is a Scottish whisky of premium quality. Thus, "McDOWELL'S PREMIUM" is strongly indicative of Scotland.
- "5. The registration of "McDOWELL'S PREMIUM" is proscribed by the Intellectual Property Code ("IP Coe"), in conjunction with the Trade Related Aspects of Intellectual Property Rights ("TRIPS") Agreement and it is mandated to provide ample protection to "geographical indications" by refusing or invalidating the

registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated.

- “6. Respondent-Applicant’s mark should not be registered because the said mark is merely descriptive and hence, is not distinctive.
- “7. Opposer cited several decided cases in other jurisdictions, some of which involve Respondent-Applicant, where the Scottish nature of the prefix “Mc” or “Mac” was recognized. Specific reference was made on the decision of the Trade Mark Court of South Africa dated 5 February 2001, dismissing the application of United Breweries of India, where Respondent-Applicant is a member. This Decision adjudged that the registration of the trademark “McDOWELL’S” would mislead the public into believing that said product is Scottish in origin. Said Decision also declared that the trademark “McDOWELL’S” lacks distinctiveness.
- “8. Opposer pointed out that Respondent-Applicant already accepted the Scottish nature of the prefix “Mc” when used on whisky or whisky based liqueurs in India where it agreed to restrict the specification of goods for the mark “McBAIN” to “wines, spirits and liquors but also in so far as whisky and whisky based liquors are concerned, only scotch whisky and scotch whisky based liquors produced in Scotland.
- “9. Opposer additionally cited the cases of “McKevin’s Pure Vodka” and “McKevin’s London Dry Gin”. In those cases, Opposition was instituted on the registration of the said marks giving rise to Inter Partes Case Nos. 3987 and 3988. Eventually, the parties entered into a Compromise Agreement where the Applicant in that case amended its specification of goods restricting the same to vodka and London Dry Gin, with the undertaking not to use said trademarks in relation to any drink consisting of, containing, or having the appearance of whisky, unless the same is Scotch Whisky or Scotch whisky liquor.

Opposer attached to its Verified Opposition its affidavit and documentary evidence marked as “A” to “DDD”.

An Answer was filed on behalf of Respondent-Applicant by its resident agent dated 17 March 2006 where the following arguments were raised.

- “1. The opposition states no cause of action and the Opposer has no right of action whatsoever against Respondent-Applicant.
- “2. Scotch Whisky which is merely a subgroup or species of whisky.
- “3. Contrary to Opposer’s claim, Respondent-Applicant’s “McDOWELL’S PREMIUM” trademark is quite distinctive.
- “4. The prefix “Mc/Mac” is without Scottish etymology, due to the existence of words such as: maca, macaco, macao, macaroni, maccabee.
- “5. Respondent-Applicant trades on the value and goodwill that has been generated by its business name/company name being a

manufacturer of high quality alcoholic beverages in its own country and whose popularity is sought to be replicated in other countries of the world including the Philippines.

- “6. Opposer aims to prevent the use of its trademark “McDOWELL’S PREMIUM”. It argues that the World Trade Organization (WTO) and TRIPS Agreement are aimed at opening markets to globalization.

The preliminary conference was held on 27 April 2006. During the said conference, the Hearing Officer required the parties’ counsel to present their Special Power of Attorney (SPA). The counsel who appeared for the Respondent-Applicant admitted that he did not yet have the SPA from his client.

The 27 April 2006 preliminary conference was reset to 23 May 2006. The counsel who appeared for Respondent-Applicant failed again to present his Special Power of Attorney (SPA), hence was given another chance to submit the same on the final preliminary conference.

A final preliminary conference was held on 27 June 2006. Once more, the counsel for Respondent-Applicant sought the postponement of the preliminary conference due to the absence of his Special Power of Attorney (SPA). Opposer’s counsel opposed the motion citing Section 14.2 of Intellectual Property Office (IPO) Office Order No. 79, which provides:

“The parties themselves are required to appear during the preliminary conference. The presence however, of a party during the preliminary conference may be dispensed with if said party is represented by a counsel provided with a notarized power of attorney or the appropriate corporate authorization to make admissions and/or accept and approved compromise proposals.” (emphasis supplied)

Opposer asserted that Respondent-Applicant already waived its right to submit its position paper and draft decision by failing to attend the preliminary conference.

On 5 July 2006, a Motion to Consolidate the instant case with Inter Partes Case No. 14-2005-00124 involving the trademark “McDOWELL’S” was filed by the counsel who appeared for Respondent-Applicant. Opposer submitted its opposition to the said Motion on 14 July 2006.

On 10 July 2006, this Honorable Office issued an Order which denied the Motion to Consolidate. Said Order directed the Opposer to file its position paper and if desired, a draft decision within a non-extendible period of ten (10) days from receipt of the Order.

Opposer, who received the 10 July 2006 Order on 27 July 2006 filed its position paper and draft decision on 7 August 2006. This Office now rules on the Opposition.

The Opposition is impressed with merit.

At the outset, it must be stated that the failure of the counsel of Respondent-Applicant to submit his Special Power of Attorney (SPA) is fatal in the sense that he was in effect not authorize to file the Answer and defend Respondent-Applicant in this case. Consequently, we find merit in the submission of the Opposer that the Answer and the documents attached thereto deserve no consideration.

Be that as it may, the application to register the trademark “McDOWELL’S PREMIUM” is clearly proscribed by the relevant provisions of the Intellectual Property Code in conjunction with the World Trade Organization (WTO) Trade Related Aspects of Intellectual Property Rights (TRIPS).

The registration of a trademark which dominantly features the Scottish surname “McDOWELL” is proscribed by the Intellectual Property Code. Section 123 of the Intellectual Property Code provides:

“Sec. 123. *Registrability* – 123.1 A mark cannot be registered if:

(g) Is likely to mislead the public, particularly as to the nature, quality, characteristic or geographical origin of the goods and services.

x x x

(emphasis supplied).”

Article 22 of the TRIPS Agreement defines “*geographical indications*” to be:

“indications which identify a good as originating in the territory of a member, or a region of locality in that territory, where a given quality, reputation or other characteristic of goods is essentially attributable to its geographical origin.”

It bears stressing that the Philippines is bound by the TRIPS Agreement. Member countries are mandated to prove ample protection to “geographical indications”, to wit:

“2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

“(a) the use of any means in the designation or presentation of a good that indicates or suggest that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the goods;

(b) any use which constitute an act of unfair competition within the meaning of Article *10bis* of the Paris Convention (1967).

“3. A member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.” (emphasis supplied)

Furthermore, Opposer is correct that the protection for “geographical indications” is even greater for wines and spirits under Article 23 of the TRIPS:

“1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.” (emphasis supplied)

While the Intellectual Property Code (IP Code) of the Philippines does not categorically define “geographical indications” or “geographical marks”, Section 123.1 (j) thereof provides that marks which consist “exclusively of signs or indications that may serve to designate the geographic origin of goods” cannot be registered.

Section 169 further provides that a person who uses “any word, term, name, symbol or device or any combination thereof or any false designation of origin, false or misleading description of fact, or false misleading representation of fact” which is likely to cause confusion or deception as to the origin of the goods, shall be held liable for damages and injunction.

The evidence on record clearly shows that the use of the mark “McDOWELL’S PREMIUM” by Respondent-Applicant is likely to deceive the relevant public into believing that its whisky is distilled and matured in Scotland and not India.

Opposer has shown by more than substantial evidence that the prefix “Mc” or “Mac” is very common in Scottish surnames. “Mc” or “Mac” means “son of” in Gaelic, the traditional language of the Highlands and Islands of Scotland, which is still spoken to this day. Moreover, Opposer showed a great number of Scotch whisky brand names which incorporate the “Mc” and “Mac” as prefix. Twenty eight (28) of the Scotch Whisky labels incorporating the prefix “Mc” or “Mac” were presented. In particular, there is a Scotch Whisky named “McDOWELL Scotch Whisky”.

Notably, Opposer has instituted several oppositions to trademark applications all over the world against marks on whisky, whisky liqueurs or drinks containing whisky which mislead the public as to the origin. Attached to the Verified Opposition is a scheduled listing of marks incorporating the prefix “Mc” and “Mac” which have been opposed by Opposer.

It is important that Opposer adduced evidence which show how Respondent-Applicant already accepted the Scottish nature of the prefix “Mc” when used on whisky or whisky based liqueurs. In India, Respondent-Applicant agreed to restrict the specification of goods for the mark “McBAIN” to wines, spirits and liquors but in so far as whisky and scotch whisky based liquors produced in Scotland”. This limited specification is what Opposer suggested in its Verified Opposition, viz.:

“xxx In the alternative, the subject application be allowed registration if the specification of goods on which it is applied is amended as follows:

“Whisky, wines, alcoholic beverages and liqueurs, but insofar as whisky and whisky based liqueurs are concerned, only Scotch Whisky and Scotch Whisky-base liqueurs produced in Scotland (Relief, par. 3).”

While cases decided in other jurisdiction cannot dictate the outcome of proceedings in the Philippines, it should be noted that Respondent-Applicant’s acceptance of the nature of the prefix “Mc” or “Mac” binds it wherever it is. In addition, the protection of Intellectual property rights is a matter of international concern.

Although Respondent-Applicant has the liberty to conduct its business and to avail of the privileges accorded to it under the afore-cited treaties, it must accord respect to intellectual property rights. Respondent-Applicant is free to use its business name but not in a manner that mislead the public.

It is also elementary that to be registrable, a trademark must be distinctive and not merely descriptive. Section 121.1 and 123 of the Intellectual Property Code provide, thus:

“Sec. 121.1. marks means any visible signs capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked contained of goods.”

“Sec. 123. *Registrability* – 123.1. A mark cannot be registered if it:

x

x

x

“(j) Consists exclusively of signs or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or the rendering of the services, or other characteristics of the goods or services; x x x .” (emphasis supplied).

In the case at bar, Respondent-Applicant’s marks lacks distinctiveness since “McDOWELL” is a commonly used word which refers either to an amount that is paid over and above as standard rate, price, wage, etc., or something of great value or regard. The mark “McDOWELL’S PREMIUM” is by no means distinctive. Further, as shown by the records, its exclusive rights to use the same was disclaimed by the Respondent-Applicant.

WHEREFORE, the Notice of Opposition is, as it is hereby, SUSTAINED. Consequently, the Application bearing Serial No. 4-2000-007512 filed by McDowell Co., Ltd., for the registration of the mark “McDOWELL’S PREMIUM” is, as it is hereby, REJECTED.

Let the filewrapper of the trademark “McDOWELL’S PREMIUM” subject matter under consideration be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 27 September 2006.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office