

THE COMMONWEALTH OF AUSTRALIA TRADE MARKS ACT OF 1955

The purpose of this comment is to discuss the Commonwealth Trade Marks Act of 1955.¹ The Act is to come into force on a date to be proclaimed, but at the time of writing no date has yet been fixed for its commencement.² The Act has introduced for the first time in Australia certain provisions which have existed in the United Kingdom legislation since 1938, and in some cases since 1919. Therefore the considerable body of English case-law that has developed is available to assist in the construction of the new Australian Act, although in some cases the Australian provisions differ from the corresponding ones in the United Kingdom legislation. The topic will be considered under the following heads:

- I. *General.*
- II. *Part B Marks.*
- III. *Part C Marks: Certification Trade Marks.*
- IV. *Part D Marks: Defensive Trade Marks.*
- V. *Infringement of Trade Marks.*
 - (i) *General.*
 - (ii) *Infringement by Breach of Restrictions.*
 - (iii) *The Action for Threats.*
 - (iv) *Names of Patented Goods.*
- VI. *Miscellaneous.*
- VII. *Problems of Constitutional Validity.*

I. *General*

Under the Commonwealth Act of 1905-1948³ provision had been made for registration of three types of trade marks:— ordinary trade marks, “standardisation” trade marks⁴ and the “Commonwealth” Trade Mark.⁵ Ordinary or “distinctive” trade marks identify goods emanating from a certain trade source, and this quality which may be inherent or acquired is the “distinctiveness” of the mark. A mark which consists merely of a description of the subject goods, a common surname, or a laudatory epithet, cannot serve to indicate to the public a single trade source of goods. However, such a mark while not inherently distinctive, may become distinctive as the result of extensive use and advertising. Standardisation marks indicated some quality or characteristic of goods apart from their trade origin, while the Commonwealth Trade Mark could only be applied to goods manufactured under fair labour conditions.

The 1955 Act provides for a Register of Trade Marks which is divided into Parts A, B, C and D.⁶ Part A will contain the distinctive marks which were registrable under the 1905 Act. In Part B will be registered a new type of trade mark, which is not distinctive, but which is “capable of becoming distinctive”. Certification trade marks, which replace the old standardisation marks, will be registered in Part C, and the new Defensive Trade Marks will

¹ Act No. 20 of 1955.

² 20th December, 1957.

³ Act No. 20 of 1905 — Act No. 76 of 1948.

⁴ S. 22.

⁵ Ss. 78-85. These sections were probably invalid because of the decision in *Attorney-General of N.S.W. v. Brewery Employees' Union* (1906) 8 C.L.R. 465. In any event the mark was never used. See the *Report of the Committee to Consider what Alterations are Desirable in the Trade Marks Law of the Commonwealth* (Cwlth. Govt. Printer, 3031, 1954) (here cited as the *Dean Report*) at 34.

⁶ S. 14(2).

be registered in Part D. The general principles of the law relating to distinctive or Part A marks will remain largely unchanged by the 1955 Act and therefore they will not be discussed here in detail. Such changes as have been effected will be considered in later sections of this article.

Section 51(xviii) of the Commonwealth Constitution,⁷ empowers the Commonwealth Parliament *inter alia* to make laws with respect to "trade marks". In 1905 the Commonwealth Trade Marks Act was passed⁸ providing Australia's first uniform trade marks law, and substantially following the United Kingdom Act of the same year.⁹ Changes in the methods of commerce in the United Kingdom after 1905 created situations where the trade marks law conflicted with business practice, and this led to the establishment in 1933 of a select committee to enquire into the law, and advise on its reform.¹⁰ The United Kingdom Trade Marks Act of 1938¹¹ embodied many of the recommendations of this committee, and introduced many sweeping changes in the law. The need for reform was also felt in Australia; and in 1938 a committee was appointed to advise the Commonwealth Parliament on desirable reforms.¹² The committee's report was presented in 1939¹³ and the adoption was recommended of many of the reforms introduced by the United Kingdom Acts of 1919¹⁴ and 1938.¹⁵ The Commonwealth Trade Marks Act of 1948¹⁶ gave partial effect to these recommendations and introduced provisions relating to the assignment of trade marks without goodwill, and the limited licensing of trade marks by registered users. Before adopting other recommendations of the 1938 Committee, the Commonwealth Government considered that it was desirable that they should be the subject of a fresh investigation, and accordingly in 1954 a committee presided over by Mr. Justice Dean of the Victorian Supreme Court was appointed for this purpose. Its report, including the 1955 Act in draft form was presented to the Commonwealth Parliament in October 1954.¹⁷

II. Part B Marks

Descriptive words have always been popular trade marks because they are easily remembered and recognised.¹⁸ In many cases they were denied registration under the old Act because they did not satisfy the standard of distinctiveness required.¹⁹ This standard secured at least three social interests. One was the liberty of *bona fide* traders to use ordinary English words to describe their goods, a second was the economic interest of the public in business competition,²⁰ which would be impaired if descriptive words were generally registrable, and a third was the public interest in the denial of legal protection to marks which were liable to confuse because they could not accurately indicate trade origin.

The demand for an extension of the class of registrable trade marks was met by the United Kingdom Trade Marks Act of 1919²¹ which introduced Part B of the Register, in which marks which were not "distinctive" but which were "capable of distinguishing" could be registered. To minimise the interference with the other interests involved, the Act attached to Part B marks

⁷ 63 and 64 Vict., c. 12.

⁸ Act No. 20 of 1905.

⁹ 5 Edw. 7, c. 15.

¹⁰ See Kerly, *Law of Trade Marks and Trade Names* (7 ed. 1951) 11.

¹¹ 1 and 2 Geo. 6, c. 22.

¹² The Committee was headed by Sir George Knowles, the then Commonwealth Solicitor-General.

¹³ This Report is annexed to the Dean Report (*supra* n. 5).

¹⁴ 9 and 10 Geo. 5, c. 79.

¹⁵ 1 and 2 Geo. 6, c. 22.

¹⁶ Act No. 76 of 1948.

¹⁷ *Supra* n. 5.

¹⁸ Dean Report 7.

¹⁹ See ss. 24 and 26 of the 1955 Act.

²⁰ See *Wheatcroft Bros. Ltd.'s Trade Marks* (1954) Ch. 210, at 222-23, *per* Lloyd-Jacob, J.

²¹ 9 and 10 Geo. 5, c. 79.

a measure of protection substantially less than that given to Part A marks.

Section 25(1) of the 1955 Australian Act provides that a trade mark is to be registrable in Part B if it is distinctive, or if it is "capable of becoming distinctive". Section 10(2) of the United Kingdom Act of 1938²² provides that in determining whether a trade mark is "capable of distinguishing" regard may be had to the extent to which it is inherently capable, and to the extent to which use and other circumstances have rendered it in fact capable of distinguishing. Section 26(2) of the 1955 Act enables similar factors to be considered here in determining whether a mark is "adapted to distinguish" so as to be registrable in Part A, but no such provision has been made with regard to Part B. Section 10(2) was, however, intended as a modification of the previous law²³ and it is submitted that despite the omission of such a provision from the 1955 Act, the principles applicable are the same as those provided for by the United Kingdom Act.²⁴ Referring to s. 10(2), Lloyd-Jacob, J. said in *Henry Quennell Ltd.'s Application*:²⁵

The requirements of s. 10, shortly stated . . . are that the applicants must satisfy the tribunal that the mark is capable of distinguishing the goods to which it will be attached, and the section indicates that the nature of the investigation may fall into one or other of two specified enquiries. The first . . . is that the trade mark is to be inherently capable of distinguishing, and in the second . . . it is to be in fact capable of distinguishing.

So far as concerns the first of these requirements, in my judgment the matter falls to be considered solely by examination of the mark applied for; . . . putting it in another way, irrespective altogether of any peculiarities of the trade, or the practice of other traders, is the word such that on examination, it is shown to possess the capacity of distinguishing the goods to which it is applied? . . . That leaves to be considered the second ground, namely that the mark is in fact capable of distinguishing, and . . . in that enquiry the applicant is entitled to obtain what assistance he can from either the use of the mark, or any other circumstances.

It is established in regard to Part A marks that "distinctiveness" in fact, is not sufficient for registration, but that in addition the mark must possess some element of inherent distinctiveness.²⁶ It was contended in *Liverpool Electric Cable Co. Ltd.'s Appn.*²⁷ that "distinctiveness" in fact established that the mark was registrable in Part B, but this argument was rejected by the Court of Appeal,²⁸ which held that an element of inherent distinctiveness was an essential requirement for registration in Part B, although it need not be present to the extent required in a Part A mark.

A mark which is inherently capable of becoming distinctive is registrable before any use, but other marks can only be registered if use or other circumstances have rendered them so capable. Where use must be relied upon, the extent of the mark's inherent capacity as well as its acquired capacity may be considered, and the tribunal has a discretion as to what combination of these elements is sufficient to justify registration.²⁹ In *Re Davis's Trade Marks*³⁰ the proprietor of "Ustikon" sought to restrain the use by the defendant of the

²² 1 and 2 Geo. 6, c. 22.

²³ See as to the previous law *Re Davis's Trade Marks* (1927) 2 Ch. 345 (C.A.), at 360, 363; *Hans Lauritzen's Appn.* (1931) 48 R.P.C. 392, 397.

²⁴ For the same reason it is submitted that no distinction is to be drawn between "capable of distinguishing" in the 1938 U.K. Act, and "capable of becoming distinctive" in the 1955 Australian Act. See n. 23 *supra*. ²⁵ (1955) 72 R.P.C. 36, 37.

²⁶ *Registrar of Trade Marks v. W. & G. Du Cros Ltd.* (1913) A.C. 624, *per* Lord Parker at 637.

²⁷ (1929) 46 R.P.C. 99 (C.A.).

²⁸ *Id.* at 119-120, *Per* Hanworth, M.R., at 121, *per* Lawrence, L.J.

²⁹ *Yorkshire Copper Works Ltd. v. Registrar of Trade Marks* (1954) 71 R.P.C. 150 (H.L.), at 155-56, *per* Lord Asquith.

³⁰ (1927) 2 Ch. 345 (C.A.).

mark "Justikon", on certain rubber goods. It was contended that the mark was not capable of distinguishing, and that it should be removed from the Register, but the Court of Appeal dismissed the motion for rectification and granted an injunction to restrain infringement of the plaintiff's mark. Lawrence, L.J. said:

The expression 'capable of distinguishing' seems to me to have a somewhat wider import than the expression 'adapted to distinguish' . . . in that it embraces marks which have not at the date of application, but which if used long enough may thereafter become distinctive of the goods of the proprietor.³¹

Must every Part B mark be such that continued use will eventually render it fully distinctive so as to be registerable under Part A? It seems that the words 'capable of becoming distinctive' in s. 25(1) do require this, and therefore long use of a mark will impose a heavier burden of proof on an applicant for registration. In the *Liverpool Cable Case*³² the mark in question had been used for twenty years and, although registration was sought in Part B, Lawrence, L.J. said:³³

We are not therefore dealing with a case where a short use such as two years might not have rendered the mark distinctive, but a continued use might thereafter render it distinctive. Therefore . . . it seems to me that the same considerations which would apply to an application under the Act of 1905 (i.e. Part A) . . . also apply to an application under the Act of 1919 (Part B).

In considering a Part B application, where there has been no use, or only short use, the tribunal must consider whether future use will render the mark distinctive so as to justify a present finding that it is capable of becoming distinctive. If after a long period of use the mark is not distinctive, it follows that at an earlier stage it cannot have been capable of becoming distinctive. It seems established that such a mark is not to be given a second chance to obtain registration in Part B. Accordingly applicants would be well advised to apply for registration before a long period of user elapses. Despite *dicta* to the contrary in *Davis's Case*³⁴ it is now established that the onus of proof lies on the applicant for registration in Part B.³⁵ Accordingly the principle established by *Eno v. Dunn*³⁶ that an application should be refused where the tribunal is left in doubt as to whether the requirements for registration have been satisfied, applies to Part B marks, although the onus on an applicant is lighter than in the case of an application in Part A.

The principles that have been developed with regard to various types of marks for which registration in Part B may be sought will now be considered.

The principles relating to the registration of geographical names in Part B were considered by the Court of Appeal in the *Liverpool Case*.³⁷ The applicant sought to register the mark "Liverpool Cables" in Parts A and B in respect of electric cable. The mark in fact distinguished the applicant's goods in the trade, but the Court held that registration should be refused because the mark, being the name of a large English city, possessed no inherent capacity to distinguish the applicant's goods from those of any other trader in that city.³⁸ But geographical names are not, as such, denied registration. If the

³¹ *Id.* at 363.

³² (1929) 46 R.P.C. (C.A.) 99.

³³ *Id.* at 122. Followed in *Glenforres Glenlivet Distillery Co. Ltd.'s Appn.* (1934) 51 R.P.C. 325, 327-28.

³⁴ *Supra* n. 30, at 360, *per* Sargant, L.J.

³⁵ *Automotive Products Co. Ltd.'s Appn.* (1953) 70 R.P.C. 224, 226.

³⁶ (1890) 15 App. Cas 252; see also *Jafferjee v. Scarlett* (1937) 57 C.L.R. 115.

³⁷ *Supra* n. 32.

³⁸ This case was approved in *Bailey & Co. Ltd. v. Clark* (1938) A.C. 557; and in *Yorkshire Copper Works Ltd. v. Registrar of Trade Marks* (1954) 71 R.P.C. 150 (H.L.). See also *Thomson v. B. Seppelt & Sons Ltd.* (1925) 37 C.L.R. 305.

name is used so as to be a fancy word, which has no connection with the origin of the subject goods it may be registrable.³⁹ Examples furnished in the authorities include "North Pole" for bananas, and "Teneriffe" for boiler plates.

Prima facie, surnames are denied registration in Part A because they are not adapted to distinguish the goods of the proprietor from those of any other trader of the same name. For the same reason most surnames will also be incapable of becoming distinctive. It has never been the law that all surnames, however rare, must be denied registration as trade marks, but particularly cogent evidence of distinctiveness has been required to secure their registration.⁴⁰ The extent to which surnames are registrable in Part B was considered in *Binks Manufacturing Co.'s Appn.*⁴¹ where it was held that when the surname was a common one, the burden on an applicant for registration in Part B was almost as heavy as if registration were sought in Part A. The onus on an applicant may be lighter where the surname is an uncommon one, or where the name has a well-known meaning otherwise than as a surname.⁴²

Similar principles apply to the registration of initials, or marks incorporating initials. It is well-established that such marks will only be registered in Part A in exceptional circumstances.⁴³ In *Ford-Werke's Appn.*⁴⁴ registration of a mark consisting of the letters F and K in two overlapping circles was sought in Parts A and B. There had been no user of the marks prior to the application for registration and Lloyd-Jacob, J. held that since such a mark could not be inherently capable of distinguishing, registration should be refused. In the course of his judgment he said:⁴⁵

A mark though not adapted to distinguish may be found capable of distinguishing. For example the letters . . . 'M.G.' or possibly the letters 'R.R.' may be taken to possess the capacity to distinguish from all other motor cars the products of those specific car manufacturing firms. Such capacity has been created by the continued exclusive use for years of the letter group by one manufacturer as a mark of origin, and provides an illustration of the value of actual use in the creation of a differentiating feature.

The only marks which in practice will be registered in Part B will be those which cannot satisfy the more stringent requirements for registration in Part A. Most device marks, except some containing initials will be registrable in Part A, and hence the great majority of the marks registered in Part B will be word marks. The most common class of such marks which cannot be registered in Part A, without evidence of acquired distinctiveness, will be marks which possess some descriptive quality. Despite the less stringent requirements governing registration in Part B, it is well established that there is a large class of descriptive words which will be refused registration. In *Davis's Case* Sargant, L.J., said⁴⁶ that "mere laudatory epithets" such as "Good", "Best", and "Excellent" were by their very nature incapable of becoming distinctive and should be refused registration in Part B.

A mark which has direct reference to the character or quality of the subject goods,⁴⁷ cannot be inherently capable of becoming distinctive of the

³⁹ See *Bailey & Co. Ltd. v. Clark (supra)*, per Lord Maugham at 562 and *Yorkshire Copper Works Ltd. v. Registrar of Trade Marks (supra)*, per Lord Simonds at 154.

⁴⁰ *Teofani & Co. Ltd. v. Teofani* (1913) 2 Ch. 545 (C.A.); *Daimler Co. Ltd.'s Appn.* (1916) 33 R.P.C. 337; *H. & G. Burford & Co.'s Appn.* (1919) 2 Ch. 28 (C.A.); *Mangrovite Belting Ltd. v. J. C. Ludowici & Son Ltd.* (1938) 61 C.L.R. 149.

⁴¹ (1956) R.P.C. 175.

⁴² See also *Notes of Official Rulings* (1947) 64 R.P.C. 92.

⁴³ *Registrar of Trade Marks v. W. & G. Du Cros Ltd.* (1913) A.C. 624.

⁴⁴ (1955) 72 R.P.C. 191.

⁴⁵ *Id.* at 196. See also at 196-7.

⁴⁶ *Supra* n. 30, at 360. See also *Egg Products Ltd.'s Appn* (1923) 39 R.P.C. 155; *Hans Lauritzen's Appn.* (1931) 48 R.P.C. 392.

⁴⁷ Such a mark can only be registered in Part A on proof that it is distinctive. See s. 24(1) (d); s. 24(2).

goods,⁴⁸ although it may become registrable in Part B after it has acquired some distinctiveness. There are, however, descriptive marks having no direct reference to the character or quality of the subject goods, which are not registrable in Part A because they lack sufficient inherent distinctiveness, and which may be registrable in Part B. The courts have, however, been reluctant to permit registration of such marks if other traders are likely to be prejudiced.⁴⁹ In *Henry Quennell Ltd.'s Appn.*^{49a} Lloyd-Jacob, J. stated⁵⁰ that the test was whether the mark was "such a word as other traders were likely in the ordinary course of business, and without any improper motive to desire to use." He quoted with approval the remarks of Simonds, J. in a Part A case⁵¹ where he described the test as being whether the word was "so apt for normal description of the article that a monopoly of it should not be acquired."⁵² In that case Simonds, J., held that the mark applied for, was descriptive, but because it had been coined by the applicants, and was new to the language, a monopoly of it would not interfere with the right of other traders to use the language,⁵³ and registration was allowed. In the *Quennell Case*,⁵⁴ registration of "Pussikin" was sought in Parts A and B for cat food. Lloyd-Jacob, J. held that if the word had been coined by the applicants, it would be registrable in Part B without evidence of user being required. The applicants had submitted that they should be given the benefit of any reasonable doubt because the rights conferred by registration in Part B were less likely to interfere with the rights of other bona-fide traders. The learned judge rejected this submission and being unable on the evidence to find that the word had been coined by the applicants, refused registration.⁵⁵ The cases show therefore that the courts have been aware of the dangers of permitting unrestricted registration of descriptive marks in Part B. Notwithstanding the lower standard required, a wide class of marks has been refused registration under the United Kingdom legislation.

Successive Trade Marks Acts have conferred on Part A proprietors extensive rights in respect of infringements. When Part B marks were introduced by the United Kingdom Act of 1919,⁵⁶ it was considered that the public interest required that the same measure of rights should not be conferred on Part B proprietors. Part A marks must be "adapted to distinguish" and this quality of uniqueness received legal protection in the exclusive nature of the rights conferred by registration, and secured by the action for infringement. A Part B mark lacks this quality of uniqueness, or ability to distinguish and hence it was natural that the rights conferred by registration, should be correspondingly reduced.

Section 62(2) of the new Australian Act provides that relief shall not be granted to a Part B proprietor in an action for infringement if the defendant establishes that the use of the mark complained of is not likely to deceive or cause confusion, or to indicate a connexion in the course of trade between the goods and the proprietor.⁵⁷ The defence available under this section can be

⁴⁸ *Henry Quennell Ltd.'s Appn.* (1955) 72 R.P.C. 36; *Chaeside Engineering Co. Ltd.'s Appn.* (1956) R.P.C. 73, at 76; *Bestform Foundations Inc. v. Commissioner of Trade Marks* (1957) N.Z.L.R. 574.

⁴⁹ See *Colgate Palmolive Co.'s Appn.* (1957) R.P.C. 25, where registration of "Brisk" was refused on this ground.

^{49a} *Supra* n. 48.

⁵⁰ *Id.* at 38.

⁵¹ *Dunlop Rubber Ltd.'s Appn.* (1942) 59 R.P.C. 134.

⁵² *Id.* at 137.

⁵³ *Cf. Eastman Photographic Co.'s Appn.* (1898) A.C. 571.

⁵⁴ *Supra* n. 48.

⁵⁶ Other important authorities on the registration of descriptive marks in Part B include *Notes of Official Rulings* (1953) 70 R.P.C. 141; *Otto Seligmann's Appn.* (1954) 71 R.P.C. 52; *Smitsvonk N. V.'s Appn.* (1955) 72 R.P.C. 117; *Goodyear Tyre & Rubber Co.'s Appn.* (1957) R.P.C. 173.

⁵⁷ 9 and 10 Geo. 5, c. 79.

⁵⁷ As to the meaning of "connexion in the course of trade", see *Aristoc Ltd. v. Rysta Ltd.* (1945) A.C. 68; *W. D. & H. O. Wills Ltd. v. Rothman's Ltd.* (1956) 94 C.L.R. 182.

summed up as proof of absence of deception. It is established that proof of this is not necessarily a defence to an action for infringement of a Part A mark.⁵⁸ A distinction is drawn in Part A between cases where the defendant's mark incorporates the central feature of the plaintiff's mark,⁵⁹ or is substantially identical with the plaintiff's mark,⁶⁰ where infringement is *ipso facto* established, and on the other hand cases where the plaintiff can only succeed if he proves deceptive resemblance between the marks. In the former cases, absence of deception is no defence in Part A, but will be in Part B by virtue of s.62(2). In the latter cases absence of deception will be a defence in both Parts.

Strictly the section has not varied for Part B the primary test of infringement applicable in Part A. A plaintiff in a Part B case must first establish infringement of his proprietary rights in the mark. If and when he succeeds in doing so, he becomes entitled to the usual relief unless the defendant establishes the defence under s. 62(2). Hence the primary test of infringement is the same in both Parts, but if the defence of absence of deception is raised, a secondary test of infringement, exclusive to Part B, must be applied. Apart from the effect of s. 62(2), it is established that the test of infringement is no less stringent in a Part B case, and the fact that the Part B mark is descriptive makes no difference.⁶¹ In *Bale & Church Ltd. v. Sutton Parsons*⁶² the proprietor of "Kleenoff" sued to restrain the use of "Kleenup" by the defendant. The Court of Appeal held that the words in the section "the use of which the plaintiff complains" were to be given a wide construction⁶³ and that the issue of deception was not confined to consideration of the marks alone. Marks which are not deceptive when directly compared may of course cause considerable deception under actual trade conditions and in considering the question of deception under s. 62(2) the Court may consider conditions in the trade, including the imperfect recollection of customers.⁶⁴

The section requires proof by the defendant of two elements, which may be described as absence of deception, and absence of deception as to trade source. Despite the presence of the word 'or' in the section it seems that these elements are not alternatives and both must be proved.⁶⁵ In relation to the first element no difficulty arises. The scope of the second is illustrated by the *Ravenhead Case*.⁶⁶ There the proprietor of the mark "Rus" registered in Part A sued to restrain the use of "Sanrus". Simonds, J., said:⁶⁷

Now I think it is reasonably clear that no man seeing the words "Rus" and "Sanrus" written side by side on a piece of paper would be liable to any sort of confusion, nor I think is there any likelihood of confusion from the use of the words . . . in conversation . . . but I am entitled . . . to take into consideration that a person accustomed to deal in this class of material . . . hearing the word "Sanrus" used would at once think . . . this is, or may be, a name used to describe an article of the plaintiff's manufacture.

The test of deception as to trade source is: Will persons think because of the resemblance between the plaintiff's and defendant's marks that goods sold

⁵⁸ *Paine & Co. v. Daniels* (1893) 2 Ch. 567 (C.A.).

⁵⁹ *Saville Perfumery v. June Perfect Ltd.* (1941) 58 R.P.C. 147 (C.A.), per Greene, M.R., at 161-62. This passage was approved by Lord Maugham in the same case in the House of Lords, *id.* at 174.

⁶⁰ *Electrolux Ltd. v. Electrix Ltd.* (1954) 71 R.P.C. 23 (C.A.).

⁶¹ *Bale & Church Ltd. v. Sutton Parsons* (1934) 51 R.P.C. 136 (C.A.), at 144.

⁶² (1934) 51 R.P.C. 136 (C.A.). ⁶³ *Id.* at 143, per Maugham, L. J.

⁶⁴ As to the doctrine of imperfect recollection see *Jafferjee v. Scarlett* (1937) 57 C.L.R. 115, at 121-22, per Latham, C.J.; *Rysta Ltd.'s Appn.* (1943) 60 R.P.C. 87, at 108, per Luxmoore, L.J.

⁶⁵ *Bale & Church Ltd. v. Sutton Parsons supra* n. 61, at 143, per Maugham, L.J., *contra* at 139 per Hanworth, M.R. It is submitted that the former opinion is to be preferred.

⁶⁶ *Ravenhead Brick Co. Ltd. v. Ruabon Brick & Terra Cotta Ltd.* (1937) 54 R.P.C. 341.

⁶⁷ *Id.* at 349.

under them emanate from the same trade source?⁶⁸ Passing off is also based on proof of deception and thus in the case of Part B marks where the defences under s. 62(2) are relied upon the tests of infringement and passing off are the same, viz. is the defendant's mark causing deception?⁶⁹ This does not mean that in the case of Part B marks, the action of passing off is obsolete. A registered trade mark can only be infringed by the use of an identical or deceptively similar mark on goods for which it is registered. Passing-off is not so limited.⁷⁰ For practical purposes however a Part B proprietor will frequently be limited to an action for infringement, as his mark will lack the reputation necessary to found an action for passing-off.

The defences conferred by s. 62(2) also limit the rights of a Part B proprietor in opposition proceedings. It was held in *R. Parkinson & Sons Appn.*⁷¹ that the burden of proof on an applicant who is opposed by a Part B proprietor is lighter than it would be if he were opposed by a Part A proprietor. The heavy burden of proof in the latter case⁷² is clearly inappropriate where a Part B mark is involved because of the absence of the uniqueness characteristic of Part A marks, and the reduced infringement rights associated with Part B marks.⁷³

The original registration of Part B marks and registered assignments are *prima facie* valid.⁷⁴ But whereas lapse of time confers statutory protection on Part A marks,⁷⁵ the jurisdiction of the High Court to order the removal of a Part B mark from the Register⁷⁶ may be exercised at any time. A mark may be registered in both Parts of the Registrar⁷⁷ and instead of refusing a Part A application, the Registrar may accept it for registration in Part B.⁷⁸ A mark may be registered in Part B on the ground of honest concurrent user.⁷⁹ Section 22 (which provides for the rectification of the Register) confers on the High Court jurisdiction to transfer a mark from Part A to Part B.⁸⁰ It has been held that the mere fact that a mark has only recently been registered in Part B is no ground for refusing an interlocutory injunction to restrain its infringement.⁸¹ The Dean Committee considered that non-distinctive marks should preferably be denied registration until user had rendered them fully distinctive, but recommended adoption of Part B in the interest of uniformity with the law of the United Kingdom, and because some countries, principally Germany and the United States, deny protection to foreign marks, unless they are registered in the country of origin.⁸²

III. Part C Marks: Certification Trade Marks

Ordinary trade marks certify the trade origin of goods, and it was a

⁶⁸ See *Magdalena Securities Ltd.'s Appn.* (1931) 48 R.P.C. 477, at 480; *Darwins Ltd.'s Appn.* (1946) 63 R.P.C. 1; *Ladislav Jellinek's Appn.* (1946) 63 R.P.C. 59, at 75; *Lever Bros. Ltd. v. Sunnivate Products Ltd.* (1949) 66 R.P.C. 84; *John Fitton & Co. Ltd.'s Appn.* (1949) 66 R.P.C. 110; *Southern Cross Refrigeration Co. v. Toowoomba Foundry Pty. Ltd.* (1954) 91 C.L.R. 592.

⁶⁹ *Bale & Church Ltd. v. Sutton Parsons*, *supra* n. 61, at 134-35, per Clauson, J.

⁷⁰ Kerly, *op. cit.* at 510. See also s. 62(1). ⁷¹ (1926) 43 R.P.C. 341.

⁷² *Eno v. Dunn* (1890) 15 App. Cas. 252; *Jafferjee v. Scarlett* (1937) 57 C.L.R. 115.

⁷³ The reduced infringement rights do not justify the acceptance of an application for registration in Part B where the matter is left *in dubio*, see *Henry Quennell Ltd.'s Appn.* (1955) 72 R.P.C. 36, at 38.

⁷⁴ S. 59.

⁷⁵ Ss. 60, 61.

⁷⁶ S. 22.

⁷⁷ Ss. 24(3), 25(2).

⁷⁸ S. 44(2). This cannot be done at the opposition stage. *Parison Fabrics Ltd.'s Appn.* (1949) 66 R.P.C. 217.

⁷⁹ *Gedye & Sons Ltd.'s Appn.* (1922) 39 R.P.C. 377.

⁸⁰ See *E. Wertheimer & Fils Trade Mark* (1924) 41 R.P.C. 454, where this jurisdiction was exercised.

⁸¹ *Ferragamo v. Lotus & Delta Ltd.* (1950) 67 R.P.C. 175.

⁸² See *Dean Report* 7-8.

natural development to create marks which certified other characteristics. In fact certification marks have existed in some form in the United Kingdom since at least 1743.⁸³ Such marks would naturally be attached to goods meeting the necessary standards irrespective of their trade source. The development of mass production and the increased variety of goods on the market, and the technical nature of many products in everyday use make it difficult for ordinary people to judge quality by inspection and consequently make it desirable that independent standards be established and observed. The Australian Standards Association has done valuable work in this field and its standards have been widely adopted by industry.⁸⁴ It is natural that both the association and the traders who adopt its standards should desire that certification be indicated by some mark and that such marks should receive legal protection. Voluntary associations of traders for organised marketing, which seek to maintain and improve the standards in industry also created a demand for the use of appropriate marks.

The 1905 Commonwealth Act provided for the registration of standardisation marks,⁸⁵ but up to the present time little use has been made of these provisions.⁸⁶ The 1905 Act required the proprietor to examine the goods before certifying the standard, and as the Dean Committee pointed out, this requirement was impracticable under modern industrial conditions.⁸⁷ Accordingly the Dean Committee recommended the adoption of the provisions relating to certification marks contained in the United Kingdom Act of 1938, and these, with some modifications, are embodied in the 1955 Act.

The provisions dealing with Part C marks contained in Part IX of the new Act are far more detailed and comprehensive than the old provisions and contain many alterations in the law. Under the old section an applicant for registration applied first to the Minister,⁸⁸ who could authorise registration if he thought it would be in the public interest to do so. Under the new Act applications are to be made to the Registrar in the usual course, and provision is made for an appeal to the High Court.⁸⁹ Section 83(1) provides that a mark which is "adapted to distinguish" goods certified by a person or his agent in respect of origin, material, mode of manufacture, quality, accuracy, or other characteristic" from goods not so certified, is registrable in Part C. Part C marks may certify more than one of the characteristics enumerated in the subsection.⁹⁰ Section 83(2) provides that a person who carries on the trade in goods of the kind certified cannot register a Part C mark for those goods, and thus Part C marks cannot certify the trade origin of goods in the sense that Part A and B marks do, although they may certify the physical origin of goods (e.g. Harris Tweed).

Part C marks must be "adapted to distinguish", and thus the test for registration of such marks is the same as that for Part A marks, and it is clear that it was intended that the high standard of distinctiveness established for Part A should apply to Part C.⁹¹ In determining whether a Part C mark is adapted to distinguish, regard may be had to the inherent qualities of the mark, the effect of any user, and other circumstances.⁹² A Part C mark will be inherently adapted to distinguish when it clearly indicates not only that it is a certification mark, but also which characteristic it certifies.⁹³ Other marks may qualify for registration if through use or other circumstances the

⁸³ The Linen (Trade Marks) Act, 1743 (17 Geo. 2, c. 30).

⁸⁴ *Dean Report* 26-28.

⁸⁵ S. 22.

⁸⁶ *Dean Report* 50.

⁸⁷ *Id.* 26-28.

⁸⁸ The Attorney-General. See Patents, Trade Marks and Designs Act (Cwlth.), Act No. 19 of 1910.

⁸⁹ S. 86.

⁹⁰ *Union Syndicate's Appn.* (1922) 39 R.P.C. 346 (C.A.), at 357 *per* Hanworth, M.R.

⁹¹ See *Dean Report* 27.

⁹² S. 83(3).

⁹³ *Union Syndicale's Appn. supra* n. 90, at 356-57 362ff.

public have become aware of the nature of the mark and the characteristic it certifies. In accordance with established principles it seems that Part C marks must possess some element of inherent distinctiveness, and without it no amount of acquired distinctiveness will suffice to secure registration. In *Wilson & Mathiesons Ltd. v. Meynell & Sons Ltd.*⁹⁴ Tomlin, J. said:⁹⁵

It seems to be obvious that it would be desirable that a mark of that kind (i.e. a certification mark) should on the face of it, express what it is, namely a mark in the nature of a testing or certifying mark . . . and that it should not blossom out into a design such as is commonly found in ordinary trade marks, and such as may in certain circumstances lead to confusion.

Since the whole purpose of Part C marks is to indicate to the public a specific quality in goods the marks should be clearly identifiable as certification marks. Unless they contain a clear indication of the quality certified, confusion will almost certainly occur.⁹⁶ It is of great importance that marks designed to protect the public from confusion, and to indicate the existence of some quality of goods, should not be allowed to become the cause of confusion. It seems therefore that a high standard of inherent distinctiveness will be insisted upon for registration in Part C. In the *British Cycle Case*⁹⁷ it was held that there was not the same necessity for Part C marks to possess the distinctiveness required of Part A marks. This was a decision under the 1905 U.K. Act, and in view of the terms of s. 83(1) it is doubtful whether this decision is now good law. It is submitted that there is no difference in the quantum of distinctiveness required, unless perhaps it is greater in the case of Part C marks. However, matter which might negative distinctiveness in a Part A mark may not do so for a Part C mark. It is clear for instance that a mark composed of matter which is common to the trade cannot be registered in Part A, but it may well be registrable in Part C. In other words a different type of distinctiveness is required for a Part C mark.

An application for registration in Part C must be accompanied by draft rules governing the use of the mark.⁹⁸ The rules must provide the conditions to be satisfied before goods will be certified, and for the authorised use of the mark.⁹⁹ The Registrar may alter the draft rules and he may insert rules providing for appeals from the proprietor's refusal to certify particular goods or from a refusal to authorise the use of the mark by a particular person.¹⁰⁰ After registration the rules may be varied on the application of the registered proprietor, but the application is to be advertised and is subject to opposition.¹⁰¹ An aggrieved person or the Registrar may apply to the High Court for an order varying the rules.¹⁰² Breach of the rules by the registered proprietor is a ground for rectification,¹⁰³ and they are to be open to inspection.¹⁰⁴ Before accepting a mark for registration the Registrar is required to consider the competency of the applicant or his agent and whether registration will be to the public advantage.¹⁰⁵

Section 92 applies to Part C marks the provisions of the Act prohibiting the registration of deceptive or conflicting marks; and these enable a registered proprietor of a Part C mark to oppose registration of marks in Parts A, B, C and D, and render applications for registration in Part C subject to opposition from persons registered in any of those Parts.¹⁰⁶ Section 62(1) and s. 64, which deal with infringements, apply to Part C marks,¹⁰⁷ and in addition s. 84 con-

⁹⁴ (1929) 46 R.P.C. 80.

⁹⁵ *Id.* at 89.

⁹⁶ *Union Syndicale's Appn.*, *supra* n. 90.

⁹⁷ (1923) 40 R.P.C. 226.

¹⁰⁰ S. 85(2), s. 86(2).

¹⁰³ S. 88(1)(c).

¹⁰⁶ See ss. 28, 33(1).

¹⁰⁷ Ss. 84(1), 92.

⁹⁸ S. 85(1).

¹⁰¹ S. 87.

¹⁰⁴ S. 91.

⁹⁹ S. 85(2).

¹⁰² S. 88(2).

¹⁰⁵ S. 86.

tains certain provisions which apply only to infringement of Part C marks.^{107a}

A registered proprietor of a Part C mark can recover neither damages nor an account of profits in an infringement action, his only remedy being an injunction.¹⁰⁸ A Part C mark may be removed from the Register under s. 22 of the Act which deals with rectification generally, or under s. 88(1) where the registered proprietor is no longer competent to certify, or where continued registration is not to the public advantage, or where the registered proprietor has committed a breach of the rules.

IV. Part D Marks: Defensive Trade Marks

Proprietors of well-known trade marks have for some time considered that their marks received inadequate legal protection. Remedies for infringement were restricted and only extended to goods covered by the proprietor's registration.¹⁰⁹ However, by means of the action for passing-off a proprietor sometimes succeeded in restraining the use of his mark on goods of a different description from those for which he had used it. The classic case is *Eastman, etc., Co. Ltd. v. John Griffiths Cycle Co. Ltd.*¹¹⁰ The plaintiff there obtained an injunction restraining the defendant's use of "Kodak" in relation to bicycles, although it had never itself used that mark for those goods. However, the action for passing-off requires proof of deception, and where the defendant's product differs substantially from the plaintiff's this is difficult to prove.¹¹¹ It was not possible to avoid the limitations of the actions for infringement and passing-off by registering the mark for a wide range of goods, because registration could be refused if there was no *bona fide* intention of using the mark¹¹² and after registration the mark could be removed for non-user.¹¹³ In 1938 the United Kingdom Act introduced Defensive Trade Marks to meet the need for extended protection of well-known marks, and on the Dean Committee's recommendation¹¹⁴ similar provisions are contained in Part XII of the 1955 Act.

Section 93(1) provides that a Part A mark which has been used to such an extent that the use of it on goods other than those for which it is registered would be likely to indicate a connexion between those goods and the proprietor, may be registered in Part D as a defensive trade mark for those goods. A Part D mark may validly be registered, and remain registered, despite the fact that the proprietor has no intention of using it on the subject goods, and it is not liable to be removed from the Register for non-user.¹¹⁵ Under s. 27 of the United Kingdom Act only invented words may be registered as defensive trade marks, but on the recommendation of the Dean Committee,¹¹⁶ no such limitation is contained in the 1955 Australian Act. The requirements for registration in Part D were considered in *Re Ferodo*,¹¹⁷ where it was contended that registration should be granted if it was established that the public would recognise the mark as a well-known trade mark. Evershed, J. rejected this submission

^{107a} See esp. s. 84(3) which incorporates the provisions of s. 4(3) of the U.K. Act of 1938. As to this section see *Bismag Ltd. v. Amblins Ltd.* (1940) Ch. 225, rev. (1940) Ch. 667 (C.A.); see also *Natural Chemicals Ltd. v. Amblins Ltd.* (1940) 57 R.P.C. 330 and *Masson Seeley Ltd. v. Hill Bros. Ltd.* (1940) 57 R.P.C. 128.

¹⁰⁸ S. 65.

¹⁰⁹ See Kerly, *op. cit.* at 510; see also s. 62(1).

¹¹⁰ (1898) 15 R.P.C. 105.

¹¹¹ See *Warwick Tyre Co. Ltd. v. New Motor Co. Ltd.* (1910) 1 Ch. 248; *Joseph Lucas Ltd. v. Fabry Automobile Co. Ltd.* (1906) 23 R.P.C. 33. See also cases cited in W. L. Morison, "Unfair Competition and 'Passing Off'" (1956) 2 *Sydney L.R.* 50, 61 n.

¹¹² *Re Neuchatel Asphalte Co.'s Trade Mark* (1913) 2 Ch. 291.

¹¹³ See s. 23.

¹¹⁵ S. 93(1).

¹¹⁴ *Dean Report* 9, 28, 54.

¹¹⁶ *Dean Report* 9.

¹¹⁷ (1945) Ch. 334; See also *Vono Ltd.'s Appn.* (1949) 66 R.P.C. 305.

and held that the applicant had to establish that "persons seeing the mark attached to the new class of goods would assume that they originated from the proprietor."¹¹⁸ He later said:¹¹⁹ "But though I do not say that the notoriety required . . . must involve exact knowledge of the registered proprietor . . . I think it does require knowledge of the kind of goods to which the mark has been applied." He added that the more special the character of the goods, and the more limited their market, the less likely it was that defensive registration could be justified. Marks such as "Bovril" may be so identified with the subject product that their use on goods other than that particular product would never lead the public to assume a common trade source. On the other hand, where a mark has been used on a wide range of goods, extensive defensive registration will generally be justified. It seems on principle that defensive registration for finished products will generally be justified where a trade mark has become well-known in relation to some raw material substantially embodied in the finished product.^{119a}

The proprietor of a well-known mark has always been able to prevent the registration of identical or similar marks for goods not covered by his own registration,¹²⁰ but his rights are substantially increased by defensive registration. Opposition to registration of a mark in any Part of the Register may be based on either s. 28 or s. 33(1).¹²¹ Section 33(1) prohibits registration of marks identical with, or deceptively similar to marks that are registered or awaiting registration, while s. 28 prohibits the registration of marks which would be likely to deceive or cause confusion. Section 33(1) can only be relied upon if the opponent's mark is registered or awaiting registration in respect of identical goods or goods of the same description, but under s. 28 registration may be refused, although the opponent's mark is not registered for such goods, and even though it is not registered or awaiting registration at all. Under s. 33(1) it is the fact of registration which is significant. Unless removal of the opponent's mark is sought, non-user, and absence of any trade reputation are immaterial, and normal user is presumed. Under s. 28 the actual reputation of the opponent's mark is the significant factor.¹²²

In the *Eastex Case*¹²³ registration of "Eastex" for coats was opposed by the proprietors of "Lastex", which was registered in Part D for clothing. The opponents had used Lastex for yarn, but it is clear that coats are not goods of the same description.¹²⁴ Hence without defensive registration the opponents could not have relied upon the section which corresponds to s. 33(1) of the 1955 Act¹²⁵ and under the section corresponding to s. 28¹²⁶ the difference both between the marks and the goods must have proved fatal to the opposition. The applicants contended that s. 33(1) had no application to Part D marks at all, but Wynn-Parry, J. had no difficulty in rejecting this submission. It was also contended that in oppositions under s. 33(1) by Part D proprietors, normal user would only be presumed for goods covered by registration in Part A, but this submission was also rejected and Wynn-Parry, J. stated that the test of deception under the section was the same for both Part A and Part D marks. However, the opposition failed on the special facts of the case.

¹¹⁸ (1945) Ch. 334, 338.

¹¹⁹ (1945) Ch. 334, 340.

^{119a} e.g. Yarn, cloth; cloth, clothing (Crusader Cloth, Stamina Clothes); Flour, Bread, Steel, Cutlery.

¹²⁰ *Southern Cross Refrigeration Co. v. Toowoomba Foundry Pty. Ltd.* (1954) 91 C.L.R. 592.

¹²¹ Corresponding to s. 114 and s. 25 of the 1905-1948 Act.

¹²² See as to the tests under both sections *Smith Hayden & Co.'s Appn.* (1946) 63 R.P.C. 97, and *Southern Cross Refrigeration Co. v. Toowoomba Foundry Pty. Ltd.* (1954) 91 C.L.R. 592.

¹²³ *Eastex Manufacturing Co. Ltd.'s Appn.* (1947) 64 R.P.C. 142; (1947) 2 All E.R. 55.

¹²⁴ See *Darwin's Ltd.'s Appn.* (1946) 63 R.P.C. 1, at 5.

¹²⁵ S. 12.

¹²⁶ S. 11.

Where the possibility of confusion was established, proprietors of well-known trade marks have always been able to prevent registration of their marks by other traders, although they were not themselves registered for the goods in question. The 1955 Act has not reduced the scope of the protection thus available under the 1905 Act in any way. It is clear that in a proper case defensive registration may be obtained for a substantial proportion of the goods included in the area of protection available under the 1905 Act, yet because of the heavy onus borne by an applicant for registration in Part D¹²⁷ coupled with the fact that in opposition cases, the onus is not on the opponent at all,¹²⁸ it seems that the area of protection available under the 1905 Act will be greater than the scope of registration obtainable in Part D. This does not mean that defensive registration will not confer on the proprietor an area of protection considerably wider than that previously available. Although under the 1905 Act, a proprietor may have been able to prevent the registration of an *identical* mark for goods outside the scope of his own registration, his opposition to registration of a *similar* mark in the same circumstances may have failed. Defensive registration of the mark for the goods in question will considerably increase the proprietor's chances of preventing the registration of similar marks. As an example Kerly suggests¹²⁹ that the proprietors of "Kodak" may have succeeded in preventing registration of their mark for bicycles, although they had never used it for those goods, whereas under the 1905 Act their opposition to registration of "Kolak" for those goods would probably have failed. Under the 1955 Act, defensive registration of "Kodak" for bicycles may enable the registration of "Kolak" to be prevented.

Defensive registration will therefore not only extend the proprietor's monopoly so as to include goods outside the scope of the protection conferred by the 1905 Act, but will also enhance that monopoly by striking at marks of a type previously unaffected by his registration. Moreover this latter extension of the proprietor's rights will apply not only within the area of protection available under the 1905 Act, but also within the extended area available under the 1955 Act.

Section 96 confers on the proprietor of a Part D mark the same rights to sue for infringement as are conferred by registration in Part A.¹³⁰ Remedies for infringement are restricted to goods covered by registration, and prior to the 1955 Act, an aggrieved trader had to resort to the action of passing-off to restrain the use of his mark on other goods. Where defensive registration has been obtained, resort to the action for passing off will become unnecessary, and relief may be obtained more cheaply and reliably by an infringement action. We have seen that Part A marks are protected from removal from the Register in certain circumstances, but no such protection is conferred on Part D marks, which always remain liable to removal from the Register either under s. 22, or where the conditions justifying defensive registration have ceased to exist under s. 94.

We have seen that defensive registration will extend the class of marks which can be denied registration. Similarly defensive registration will result in marks becoming infringements although under the old law their use would not have resulted in either passing-off or infringement.¹³¹

V. Infringement of Trade Marks

1. General. In the *Yeast-Vite Case*¹³² a pharmacist advertised his yeast

¹²⁷ See *Re Ferodo*, *supra* n. 117.

¹²⁸ *Eno v. Dunn* (1890) 15 App. Cas. 252.

¹²⁹ *Op. cit.*, 203-4, 419-20.

¹³⁰ See s. 62(1).

¹³¹ Kerly, *op. cit.* 203-4. The writer respectfully disagrees with the views there expressed by the learned author with regard to the section equivalent to s. 34(1) and its application to defensive registration.

¹³² *Irving's Yeast-Vite Ltd. v. Horsnail* (1934) 51 R.P.C. 110 (H.L.).

tablets as "a substitute for Yeast-Vite". The proprietor of that trade mark sued for infringement, but failed in every court, up to and including the House of Lords, on the ground that the right to the exclusive use of the mark conferred by registration¹³³ was limited to the right to use as a *trade mark*, that is, as an indication of trade origin. The defendant's use was not an infringement because it did not indicate that his goods originated from the plaintiff, but on the contrary, the advertisement clearly distinguished between the respective goods. In 1938 the provisions of the United Kingdom Act relating to infringement were radically altered,¹³⁴ and in *Bismag Ltd. v. Amblins Ltd.*¹³⁵ the new provisions were held to have rendered the Yeast-Vite type of advertisement an infringement. The Dean Committee reported unfavourably on proposals for similar legislation in Australia,¹³⁶ and those provisions of the United Kingdom Act dealing with infringement have not been adopted.

However, other provisions in the 1955 Act may have extended the scope of liability for infringement. Section 62(1) provides that a registered trade mark is infringed by the use of a mark "which is substantially identical with, or deceptively similar to", a registered trade mark. Section 6(3) provides that "a trade mark shall be deemed to be deceptively similar to another trade mark if it so nearly resembles that other trade mark as to be likely to deceive or cause confusion." The old Act referred only to "deception". Does the addition of "confusion" extend the class of acts which are infringements? This question was left open by Greene, M.R., in the *June Case*,¹³⁷ and was again considered in *Gor-Ray Ltd. v. Gilray Shirts Ltd.*¹³⁸ The plaintiff in that case had arranged for trap orders to support its case. (Trap orders usually take the form of orders for the plaintiff's goods, and should the defendant's goods be supplied in response to such orders, this constitutes evidence of deception or passing off.) The "customers" in this case, however, ordered the defendant's product. In response to these orders the plaintiff's product was supplied. The shop assistants stated that they did not know of the defendant's product, and when they received the orders they thought the customers wanted the plaintiff's product. It was contended that this evidence established that use of the defendant's mark was likely to cause confusion. Harman, J. said:¹³⁹

It seems to me that the object of these words ("or cause confusion") must be to prevent the defendant from selling or offering for sale his wares with the aid of the reputation attaching to the plaintiff's mark, and that any confusion . . . not tending to that end is not a confusion struck at by the words. In other words the confusion must be such as would support a claim for passing-off.

He left open the question whether the addition of the word "confusion" had altered the law, and dismissed the action. His decision was affirmed by the Court of Appeal.

In the 1905 Act a trade mark was defined as a mark used "upon or in connection with goods".¹⁴⁰ The 1948 Act amended the definition to a mark used "in relation to goods",¹⁴¹ and this amendment is also embodied in the 1955 Act.¹⁴² Section 58(1) of the 1955 Act confers upon the registered

¹³³ See s. 58(1) of the 1955 Act.

¹³⁴ See s. 4 of the 1938 Act.

¹³⁵ (1940) Ch. 225, rev. (1940) Ch. 667 (C.A.); see also *Natural Chemicals Ltd. v. Amblins Ltd.* (1940) 57 R.P.C. 330. See also the criticism of these cases by Lord Macmillan in *Aristoc Ltd. v. Rysta Ltd.* (1945) A.C. 68, at 96.

¹³⁶ *Dean Report* 10-11.

¹³⁷ *Saville Perfumery v. June Perfect Ltd.* (1941) 58 R.P.C. 147 (C.A.), at 161. See also *Darwins Ltd.'s Appn.* (1946) 63 R.P.C. 1, at 6-7. In *Southern Cross Refrigeration Co. v. Toowoomba Foundry Pty. Ltd.* (1954) 91 C.L.R. 592, Kitto, J. expressed the opinion (594) that the addition of "confusion" had not altered the law.

¹³⁸ (1952) 69 R.P.C. 99, 199 (C.A.).

¹³⁹ *Id.* at 105.

¹⁴⁰ S. 4.

¹⁴¹ S. 3 of the 1948 Act (Act No. 76 of 1948).

¹⁴² S. 6(2) (b).

proprietor the exclusive right to use the mark "in relation to"¹⁴³ the subject goods. It is doubtful whether this amendment has altered the law, and in *Bismag's Case*,^{143a} Greene, M.R. stated¹⁴⁴ that this amendment alone would not have been sufficient to override the *Yeast-Vite Case*.^{144a} The amendment had been recommended because "the words 'in connexion with' probably excluded the use of the mark in an advertisement."¹⁴⁵ But even before this amendment in the 1948 Act infringement actions had succeeded where the only user by the defendant was in advertisements¹⁴⁶ and conflicting views were expressed in *Bismag's Case* as to whether the law had been altered.¹⁴⁷ In *Harold Radford & Co. Ltd.'s Appn.*¹⁴⁸ it was held that use in advertisements was not use as a trade mark unless simultaneously goods bearing the mark were placed on the market. In *R. J. Reuter & Co. Ltd. v. Mulhens*,¹⁴⁹ Danckwerts, J., distinguished *Radford's Case*, and held that an advertisement could be an infringement although the defendant did not trade in the goods within the jurisdiction. Subject to an exception in the case of infringement, it seems that *Radford's Case* remains good law.¹⁵⁰

Section 64 of the 1955 Act consolidates several sections of the old Act relating to defences to infringement proceedings and in addition a new statutory defence is created. The use of a mark on goods adapted to form part of, or to be accessory to other goods for which the mark has been used without infringement, is not itself an infringement, if the use of the mark is reasonably necessary to indicate that the goods are so adapted.¹⁵¹ This provision is however merely a modification of the existing law. Even before the Act a statement that a product was suitable for use with a product of another trader, which was indicated by a trade mark, was not an infringement, provided that the statement did not suggest that the goods were of the same trade origin.¹⁵² Thus to describe a film as "suitable for use with Kodak cameras" was not an infringement but to describe them as "Kodak films" was. It is doubtful whether the requirement that the description must be "reasonably necessary" involves any alteration in the law.¹⁵³

2. *Infringement by Breach of Restrictions.* It is well established under the general law that conditions and restrictive covenants cannot be made to run with goods so as to bind subsequent purchasers, even if they take with full notice.¹⁵⁴ Section 69 of the Australian Patents Act¹⁵⁵ confers on a patentee the exclusive right "to make, use, exercise and vend the invention in such manner as he thinks fit" and in *National Phonograph Co. of Australia Ltd. v. Menck*¹⁵⁶ it was held that this right enabled a patentee to impose conditions

¹⁴³ Cf. *Spillers Ltd.'s Appn.* (1954) 71 R.P.C. 234 (H.L.) for a discussion of the meaning of "in relation to".

^{143a} *Supra* n. 135

¹⁴⁴ *Supra* n. 135, at 680.

^{144a} *Supra* n. 132.

¹⁴⁵ See *Dean Report* 35. Cf. Kerly *op. cit.* 24.

¹⁴⁶ *Heath Ltd. v. Gorrings Ltd.* (1924) 41 R.P.C. 457; *Stone & Co. Ltd. v. Steelace Mfg. Co. Ltd.* (1929) 46 R.P.C. 406 (C.A.).

¹⁴⁷ *Supra* n. 135, at 232, 680, 688, 692-93.

¹⁴⁸ (1951) 68 R.P.C. 221. See also *George Key Ltd.'s Trade Mark* (1954) 71 R.P.C. 106, at 111; *Allegemeine's Appn.* (1957) R.P.C. 120, 134, 136.

¹⁴⁹ (1953) 70 R.P.C. 102, at 112-13. The decision of Danckwerts, J. was affirmed by the Court of Appeal. See (1954) Ch. 50, at 82-83, *per* Evershed, M.R.

¹⁵⁰ See also *Ravok (Weatherwear) Ltd. v. National Trade Press Ltd.* (1955) 72 R.P.C. 110, (1955) 1 All E.R. 621, where it was held that an incorrect statement in a trade journal as to the proprietor of a trade mark was not an infringement because the mark had not been used in the course of trade.

¹⁵¹ S.64 (1) (d).

¹⁵² See *Kodak Ltd. v. London Stereoscopic Co.* (1903) 20 R.P.C. 337; *Neostyle Ltd. v. Ellams Duplicator Co.* (1904) 21 R.P.C. 485, 569 (C.A.); *Gledhill Ltd. v. British Perforated Co.* (1911) 28 R.P.C. 429, 714 (C.A.); *Minnimax Ltd. v. Moffat* (1935) 52 R.P.C. 340.

¹⁵³ See *Masson Seeley Ltd. v. Hill Bros. Ltd.* (1940) 57 R.P.C. 128, where the defence failed.

¹⁵⁴ *Taddy & Co. v. Sterious & Co.* (1904) 1 Ch. 354; *McGruther v. Pitcher* (1904) 2 Ch. 306 (C.A.).

¹⁵⁵ Patents Act 1952-1955 (Cwlth.), Act No. 42 of 1952—No. 3. of 1955.

¹⁵⁶ (1911) A.C. 336 (P.C.).

which would bind all purchasers with actual notice,¹⁵⁷ breach of these conditions being an infringement of the patent. Attempts to extend this rule to the law of trade marks failed in *Champagne Heidsieck et Cie, etc. v. Buxton*¹⁵⁸ where a registered proprietor unsuccessfully attempted to use proceedings for infringement to restrict the markets in which his goods could be sold, and in *Lacteosote Ltd. v. Alberman*,¹⁵⁹ where a manufacturer attempted to prevent the export of his product from France except through the registered proprietor.¹⁶⁰

Section 63 of the 1955 Act now confers on a proprietor certain limited powers to impose conditions which will bind subsequent purchasers.¹⁶¹ Rights in respect of such conditions only arise if a notice is attached to the goods prohibiting some or all of the acts specified in the section. Where this has been done, any owner of the goods who does such an act "in relation to the goods in the course of trade"¹⁶² infringes the mark, unless he establishes that he purchased in good faith and without notice, or that he derived title from such a purchaser.¹⁶³ It seems that a purchaser will only be bound if he has actual notice of the conditions. Under the general law the doctrine of constructive notice does not apply to chattels or to commercial transactions generally¹⁶⁴ and Harman, J., has held¹⁶⁵ that actual notice was necessary before a condition as to retail price maintenance could be enforceable under the United Kingdom Restrictive Trade Practices Act.¹⁶⁶

The acts covered by s. 63 are the application of the mark upon goods after they have suffered alterations to their "state, condition, get-up, or packing",¹⁶⁷ the alteration or partial removal of the mark from the goods;¹⁶⁸ the removal of all or part of the mark unless other "get-up" matter is also removed,¹⁶⁹ the application of another mark to the goods;¹⁷⁰ and the addition of matter likely to injure the reputation of the mark.¹⁷¹ The first is probably the most important, but its meaning is far from clear. What do "state" and "condition" mean? Does the manufacture of bread from flour, or clothes from cloth, involve an alteration to the state or condition of the flour or cloth, within the meaning of the section?¹⁷² If it does, a statement on men's suits that they are "made from Crusader cloth" may be rendered an infringement under the section. In such a case it is doubtful if a defendant could rely upon the defence of description in good faith of the character or quality of his goods.¹⁷³

¹⁵⁷ *Id.* at 349.

¹⁵⁸ (1930) 47 R.P.C. 28.

¹⁵⁹ (1927) Ch. 117, at 126-7.

¹⁶⁰ In *Dunlop Rubber Co. Ltd. v. Booth & Co. Ltd.* (1926) 43 R.P.C. 139, it was held that the plaintiff could restrain the importation and sale in the U.K. of tyres made by the French Dunlop Company, because in the U.K. the mark of the French Dunlop Company was an infringement of the plaintiff's mark. This decision enabled the Dunlop organisation to achieve a separation of markets, and to maintain different price levels for its products in the two countries.

¹⁶¹ This section applies to both Part A and B marks.

¹⁶² After goods have reached the consumer they are no longer in the course of trade. *W. D. & H. O. Wills Ltd. v. Rothmans Ltd.* (1956) 94 C.L.R. 182, at 191.

¹⁶³ S.63 (1) (a) and (b). Thus the equitable rule that a *bona fide* purchaser can pass a good title to a purchaser with notice applies. As to this rule see *Wilkes v. Spooner* (1911) 2 K.B. 473.

¹⁶⁴ *Joseph v. Lyons* (1884) 15 Q.B.D. 280 (C.A.); *Manchester Trust v. Furness* (1895) 2 Q.B. 539 (C.A.) at 545; *Green v. Downs Supply Co.* (1927) 2 K.B. 28 (C.A.), at 35.

¹⁶⁵ *County Laboratories Ltd. v. Mindel Ltd.* (1957) 1 Ch. 295.

¹⁶⁶ 4 & 5 Eliz. 2, c.68, see ss.25. (1) and 25 (4).

¹⁶⁷ S.63 (2) (a).

¹⁶⁸ S.63 (2) (b).

¹⁶⁹ S.63 (2) (c).

¹⁷⁰ S.63 (2) (d).

¹⁷¹ S.63 (2) (e). As to the undesirable practices mainly in the tobacco trade which led to the adoption of these provisions in the U.K. Act of 1938 see *Dean Report* 9-10, 43-44. The Dean Committee found no evidence that similar practices had been adopted in Australia.

¹⁷² See *Spillers Ltd.'s Appn.* (1954) 71 R.P.C. 234 (H.L.). One act which is within the subsection was also an infringement under the previous law. In *Hoover Ltd. v. Air Way Ltd.* (1936) 53 R.P.C. 339, the use of the words "reconditioned Hoover" in relation to an article containing several parts not of the plaintiff's manufacture was held to be an infringement.

¹⁷³ S. 64(1) (b).

because of his notice of the prohibition.¹⁷⁴ The application of a "service" mark,¹⁷⁵ that is, a mark used to indicate that the subject goods have been repaired or cleaned, etc., by the proprietor, will not be an application of a *trade mark* to goods within the meaning of the section so as to constitute an infringement, and in addition, such a mark is unlikely to be applied to the goods in the course of trade.¹⁷⁶

The final act is the addition of matter in writing or otherwise, which is likely to injure the reputation of the mark. Although remedies for such acts were available under the general law, their limitations are illustrated by *White v. Mellin*.¹⁷⁷ There a retailer had attached to bottles of the plaintiff's infants' food additional labels recommending another brand of infants' food "it being far more nutritious and healthful than any other preparation." The plaintiff sought an injunction to restrain slander of goods, but his action was dismissed by the House of Lords. It was held that the elements of the cause of action were a false and defamatory statement concerning the goods, which caused the plaintiff special damage.¹⁷⁸ The plaintiff failed because he had not proved any special damage, and it was also held that an injunction could only be granted where a complete cause of action existed at common law.¹⁷⁹ It is submitted that such an act would injure the reputation of the proprietor's mark within the meaning of the section. If this is so, then a proprietor can avoid the limitations of the general law by placing a notice on the goods; and where this has been done an injunction and damages may be obtained for infringement by breach,¹⁸⁰ in cases where neither could have been obtained under the general law.

3. *The Action for Threats.* Threats of proceedings for infringement of trade marks may cause serious loss to a trader's business¹⁸¹ and although they may be completely unjustified the trader frequently had no remedy under the general law. Threats were sometimes actionable under the law of trade libel, slander of goods, or injurious falsehood, and such an action succeeded in *Greers Ltd. v. Pearman & Corder Ltd.*¹⁸² The elements of the cause of action are a false statement, made with malice¹⁸³ which has caused the plaintiff special damage.¹⁸⁴ It was difficult to prove malice and special damage and an injunction could not be obtained to restrain the repetition of threats unless a complete cause of action existed at law.¹⁸⁵

¹⁷⁴ See also Kerly, *op. cit.* at 325-28, 409-12. Section 6 of the U.K. Act corresponds with s. 63, while s. 4(3) of that Act has no counterpart in Australia, except in s.84(3) in relation to infringement of Part C marks. See n. 107a *supra*.

¹⁷⁵ See *Dean Report 14*, and *Aristoc Ltd. v. Rysta Ltd.* (1945) A.C. 68, where the House of Lords held that a "service" mark was not a "trade mark".

¹⁷⁶ See *Aristoc Ltd. v. Rysta Ltd.* (1945) A.C. 68, and *W. D. & H. O. Wills Ltd. v. Rothmans Ltd.* (1956) 94 C.L.R. 182.

¹⁷⁷ (1895) A.C. 154.

¹⁷⁸ *Id.* at 161-62, *per* Lord Herschell, L.C., at 167 *per* Lord Watson.

¹⁷⁹ *Id.* at 162-64, *per* Lord Herschell, L.C., at 167 *per* Lord Watson.

¹⁸⁰ S. 65.

¹⁸¹ *Cf. Niblett v. Confectioners Materials Co.* (1921) 3 K.B. 387 (C.A.), where it was held that goods bearing an infringing trade mark were not goods which the seller has the right to sell within s. 12(1) of the Sale of Goods Act (56 & 57 Vict., c. 71). This section corresponds with s. 17(1) of the Sale of Goods Act (N.S.W.) (No. 1 of 1923—No. 8 of 1953). Accordingly the seller was held liable in damages for breach of the implied condition as to title.

¹⁸² (1922) 39 R.P.C. 406 (K.B.D.), 416 (C.A.).

¹⁸³ See *Royal Baking Powder Co. v. Wright Crossley & Co.* (1901) 18 R.P.C. 95 (H.L.) at 99, *per* Lord Davey: "the threat to sue must be shown to have been made for the purpose of injuring the plaintiff and not for the bona fide protection of the defendant's rights, and without any real intention to follow it up by action." *Cf. Greer Ltd. v. Pearman & Corder Ltd.* (1922) 39 R.P.C. 416 (C.A.), at 417 *per* Scrutton L.J.: malice meant "made with some indirect or dishonest motive." See also *British Railway Co. Ltd. v. C.R.C. Co. Ltd.* (1922) 2 K.B. 260; *Joyce v. Motor Surveys Ltd.* (1948) 1 Ch. 252; *London Ferro-Concrete Co. Ltd. v. Justicz* (1951) 68 R.P.C. 65.

¹⁸⁴ See *Ratcliffe v. Evans* (1892) 2 Q.B. 524 (C.A.); *White v. Mellin* (1895) A.C. 154 and cases cited *supra* n. 183.

¹⁸⁵ *White v. Mellin supra*, at 162-64, 167; *cf. British Railway Co. Ltd. v. C.R.C. Co. Ltd.*

Because of the serious effects of threats, public policy clearly required that an injured trader should be granted redress unless the threats were justified on some proper ground. The previous law was deficient in this respect, but s. 124(1) of the 1955 Act now provides, that a person aggrieved by threats is entitled to relief unless the defendant proves that the trade mark which was the ground of the threats is registered, and that the acts which were the subject of the threats are infringements. The question of malice is thus irrelevant. The United Kingdom Patents Acts have for a long time contained provisions similar to s. 124(1)¹⁸⁶ and the case law that has developed is a valuable guide to the interpretation of the section. Certain general principles have emerged. It does not matter whether the threat is made to the plaintiff, or to his customers.¹⁸⁷ A general notification to the trade of the existence of the defendant's rights is not necessarily a threat,¹⁸⁸ but may be so in certain circumstances.¹⁸⁹ The threat may be oral, or in writing, express or implied.¹⁹⁰ Evidence of threats conveyed by conversations is scrutinized with great care.¹⁹¹

A successful plaintiff is entitled to a declaration that the threats are unjustified, to an injunction to restrain their repetition,¹⁹² and to damages.¹⁹³ The damages are not limited to special damage, and mere difficulty in assessing general damages is not a ground for awarding nominal damages where substantial damages are justified by the circumstances. Damages may be recovered for loss caused by a general decline in the plaintiff's trade caused by threats¹⁹⁴ and for loss of anticipated profits from a contract, the negotiations for which were broken off after the defendant's threats.¹⁹⁵ However, if the registered proprietor with due diligence commences and prosecutes an action for infringement, the provisions of the subsection do not apply.¹⁹⁶ It is established that the section does not supersede the general law.¹⁹⁷

4. Names of Patented Goods. It frequently happens that a trade mark used

(1922) 2 K.B. 260, at 273 *per* McCardie, J.

¹⁸⁶ S. 65 Patents Act 1949 (12, 13 and 14 Geo. 6, c. 87). See also s. 26, Registered Designs Act (12, 13 and 14 Geo. 6, c. 88). There is no provision in the Trade Marks Act 1938 which corresponds with s. 124 of the 1955 Australian Act. See also s. 121, Patents Act 1952-1955 (Cwlth.) — No. 42 of 1952 — No. 3 of 1955, and s. 41A of the Copyright Act 1912-1935 (Cwlth.) — No. 20 of 1912 — No. 17 of 1935. There is no similar provision in the Designs Act (Cwlth.) 1906-1934 — No. 4 of 1906 — No. 42 of 1934.

¹⁸⁷ *Burt v. Morgan & Co.* (1887) 4 R.P.C. 278; *Horne v. Johnston Bros.* (1921) 38 R.P.C. 366, at 372.

¹⁸⁸ *Ungar v. Sugg* (1891) 8 R.P.C. 385, at 388; *aff.* (1892) 9 R.P.C. 113 (C.A.); *Paul Trading Co. Ltd. v. Marksmith & Co. Ltd.* (1952) 69 R.P.C. 301.

¹⁸⁹ *Martin v. Selsden Fountain Pen Co. Ltd.* (1949) 66 R.P.C. 193, at 216; *Rosedale Assoc. Manufacturers Ltd. v. Autrix Products Ltd.* (1956) R.P.C. 360, at 363.

¹⁹⁰ *Luna Advertising Co. Ltd. v. Burnham & Co.* (1928) 45 R.P.C. 258, at 260; *Willis & Bates Ltd. v. Tilly Lamp Co.* (1944) 61 R.P.C. 8, at 11; *Development Co. Ltd. v. Sisabro Novelty Co. Ltd.* (1953) 70 R.P.C. 277 (C.A.), *esp.* at 282.

¹⁹¹ *Carrs v. Bland Light Syndicate* (1911) 28 R.P.C. 33; *Surrige's Patents Ltd. v. Trico Folberth Ltd.* (1936) 53 R.P.C. 420; *Paul Trading Co. Ltd. v. Marksmith & Co. Ltd.* (1952) 69 R.P.C. 301.

¹⁹² Delay is fatal to an application for an interlocutory injunction to restrain threats. *Selsden Fountain Pen Co. Ltd. v. British Joint Association* (1950) 67 R.P.C. 108.

¹⁹³ S. 124(1).

¹⁹⁴ *Ungar v. Sugg* (1891) 8 R.P.C. 385, at 388; *aff.* (1892) 9 R.P.C. 113 (C.A.). It was held in this case that damages could not be awarded for loss of profits caused by rumours in the trade of patent litigation, and the consequent reluctance of traders to deal with the plaintiff. In *Horne v. Johnston Bros.* (1921) 38 R.P.C. 366, the defendants were held liable in damages for the plaintiff's loss of a contract, although they had no knowledge of the specific negotiations involved, but they were aware that the plaintiff was attempting to sell his patent rights. See also *Carrs v. Bland Light Syndicate Ltd.* (1911) 28 R.P.C. 33, and *Tapley & Co. Ltd. v. White Star Products Ltd.* (1957) N.Z.L.R. 612.

¹⁹⁵ *Skinner & Co. v. Perry* (1894) 11 R.P.C. 406; *Solanite Signs Ltd. v. Wood* (1933) 50 R.P.C. 315.

¹⁹⁶ S. 124(2). As to the right to begin and onus of proof in threats actions see *Lewis Falk Ltd. v. Jacobowitz* (1944) Ch. 64.

¹⁹⁷ *Carrs v. Bland Light Syndicate Ltd.* (1911) 28 R.P.C. 33; *Mentmore Mfg. Co. Ltd. v. Fomento Ltd.* (1955) 72 R.P.C. 12, 16.

on a patented invention becomes recognised as the name of the invention itself, so that it ceases to be distinctive of the goods of the patentee, and, at the expiration of the patent, may be used by other traders without infringement or passing-off. The "*Linoleum*"¹⁹⁸ and "*Pyrex*"¹⁹⁹ cases are striking examples of this. In *Canadian Shredded Wheat Co. Ltd. v. Kellogg Co. of Canada Ltd.*²⁰⁰ Lord Russell of Killowen said:²⁰¹

Their Lordships find it difficult to conceive that a manufacturer could be held guilty of passing-off if he manufactured the goods in accordance with the expired patents, and the only similarity between the rival goods lay in the appearance of the goods . . . and the application to them of the name by which the patented goods had been known. It is conceivable that in the case of a patent, long ago expired, the evidence might possibly establish that the name had become distinctive of a particular manufacturer rather than descriptive of the goods . . . But difficult as such a case is to prove, in the case of a descriptive word, it must be additionally difficult in the case where a word is the name of goods as well as being descriptive of those goods.²⁰²

Not only may such a mark be removed from the Register, as in the "*Linoleum*" and "*Pyrex*" cases but registration of the name of a patented article will generally be refused.²⁰³

In 1905 the United Kingdom Act introduced provisions protecting marks from removal from the Register after registration for seven years.²⁰⁴ While their mark was liable to removal the proprietors of "*Gripe-Water*" made no attempt to enforce their rights, but as soon as the statutory period had elapsed, infringement proceedings were commenced. The mark had been widely used in the trade as a description of the product, but in *Woodward Ltd. v. Bolton Macro Ltd.*²⁰⁵ it was held that it could not be removed from the Register and an injunction was granted to restrain its infringement. The effect of this decision was nullified by certain provisions of the U.K. Act of 1919,²⁰⁶ which have now been adopted in Australia. For Section 56(1) of the 1955 Act now provides that the registration of a mark does not become invalid merely because, after registration, it becomes the name or description of a product. However, where there is a well-known and established use in the trade of a word as the name or description of a product, or where the product was manufactured under a patent which has expired for at least two years and the word is the only practicable name for the product,²⁰⁷ then the mark may be removed from the Register if it consists solely of that word.²⁰⁸ Where the mark consists of such word and other matter, the High Court may refuse to direct the removal of the mark, but may require a disclaimer of the exclusive right to the use of the word.²⁰⁹

Under the previous law, a proprietor lost his right to a trade mark which had been used on patented articles as soon as the patent expired, but under s. 56(2) (b) it is protected for a further period of two years. Such a mark

¹⁹⁸ *Linoleum Mfg. Co. v. Nairn* (1878) 7 Ch. D. 834.

¹⁹⁹ *James Jobling & Co. Ltd. v. James McEwan & Co. Pty. Ltd.* (1933) V.L.R. 168.

²⁰⁰ (1938) 55 R.P.C. 125 (P.C.). See also *Shredded Wheat Co. Ltd. v. Kellogg Co. of Great Britain Ltd.* (1940) 57 R.P.C. 137 (H.L.), esp. at 147 per Viscount Maugham.

²⁰¹ *Id.* at 148.

²⁰² See also *Siegert v. Findlater* (1878) 7 Ch. D. 801, at 813; *Cellular Clothing Co. Ltd. v. Maxton* (1899) A.C. 326, at 343-44 per Lord Davey.

²⁰³ See generally *Re Magnolia Metal Co.'s Trade Marks* (1897) 2 Ch. 371 (C.A.); *British Vacuum Cleaner Co. Ltd. v. New Vacuum Cleaner Co. Ltd.* (1907) 2 Ch. 312; *Re Gestetner's Trade Mark* (1907) 2 Ch. 478, (1908) 1 Ch. 513 (C.A.); *Gramophone Co. Ltd.'s Appn.* (1910) 2 Ch. 423 at 427-32; *Bowden's Patents Syndicate Ltd.'s Appn.* (1909) 26 R.P.C. 205; *Moore's Modern Methods Ltd.'s Appn.* (1919) 36 R.P.C. 6.

²⁰⁴ S. 41.

²⁰⁵ (1915) 32 R.P.C. 173.

²⁰⁶ S. 6.

²⁰⁷ S. 56(2).

²⁰⁸ S. 56(3).

²⁰⁹ S. 56(4).

cannot become distinctive of the proprietor's goods during the currency of the patent because he has no competitors whose goods can be distinguished from his own by the trade mark.²¹⁰ Because such a mark is now protected for a further period of two years during which it may be in competition with other trader's products, it has a chance of becoming either distinctive, or capable of becoming distinctive, so as to be registrable in either Part A or B of the Register.

The provisions of s. 56(1) were inserted to confer greater protection on registered proprietors.²¹¹ It appears that modern advertising methods tend to destroy the distinctiveness of many trade marks, which became known to the public as the name of the goods to which they are applied.²¹² The continued registration of such marks was consequently endangered and they may have become liable to be removed from the Register.²¹³ Subject to the statutory exceptions the registration of such a mark is now protected and it cannot be removed from the Register by reason only of events occurring subsequent to registration. It was contended in *Wheatcroft Brothers Ltd.'s Trade Marks*²¹⁴ that a mark which at the date of registration contravened s. 28²¹⁵ could only be removed from the Register, if at all, under s. 56.²¹⁶ Lloyd Jacob, J., rejected this argument and held that section 56 was only concerned with the effect on the validity of the mark of events occurring after registration. Since the marks in question had contravened s. 28 at the date of registration an order was made for the rectification of the Register.

VI. Miscellaneous

The 1955 Act also contains certain provisions with regard to the substantive law of passing-off. The new provisions inserted by the 1948 Act dealing with the assignment of registered trade marks and the grant of licences to registered users created certain problems with regard to common law rights in registered marks. Under the old law a licence of a registered mark was illegal as tending to deception, and the continued registration of the mark was rendered invalid.²¹⁷ Thus prior to 1948 there was no possibility of the common law and statutory rights in a registered mark being vested in separate persons. Section 77(3) now provides that neither the registration of a person as a registered user, nor use by such a person of the mark, as a registered user, shall prejudice the common law rights of the registered proprietor. For common law purposes use by a registered user is deemed to be use by the proprietor.²¹⁸ Thus a registered user is given no immediate right to commence passing-off or infringement proceedings in his own name, but under s. 78 he may call upon the proprietor to commence infringement proceedings, and if the latter refuses, he can sue in his own name adding the proprietor as a defendant. A similar rule exists under the general law in relation to the assignment of choses in action in equity,²¹⁹ and this would enable a registered user to sue for passing-off in the same way.²²⁰ Section

²¹⁰ *Siebert v. Findlater* (1878) 7 Ch. D. 801 at 813; *Linoleum Mfg. Co. v. Nairn* (1878) 7 Ch. D. 834.

²¹¹ *Dean Report* 20, 42-43.

²¹² E.g. "Thermos", "Vaseline", "Cellophane", "Biro".

²¹³ S. 22. There was some doubt whether a mark which had been originally validly registered could be removed from the Register because subsequent events through no fault of the proprietor had rendered it non-distinctive. See Kerly, *op. cit.* at 244-45, 274-75, and cf. the *Pyrex Case* (1933) V.L.R. 168.

²¹⁴ (1954) Ch. 210.

²¹⁵ S. 11 of the U.K. Act of 1938.

²¹⁶ *Id.*, s. 15.

²¹⁷ *Bowden Wire Ltd. v. Bowden Brakes Co. Ltd.* (1914) 31 R.P.C. 385 (H.L.).

²¹⁸ S. 77(4).

²¹⁹ *Bowden Patents Syndicate Ltd. v. Herbert Smith & Co.* (1904) 2 Ch. 86, at 91.

²²⁰ The Dean Committee considered that great inconvenience would result if the

68 provides that in certain circumstances damages are not to be awarded in a passing-off action where the defendant's mark is registered.²²¹

Section 23, which deals with the removal of marks from the Register on the ground of non-user contains several alterations to the law. Section 23(2) provides that the High Court or the Registrar may refuse an application for rectification in respect of any goods if there has been use in good faith of the mark on goods of the same description²²² covered by the registration.²²³ This exception is not applicable where the applicant has been permitted, or could properly be permitted, under s. 34, to register a mark which is deceptively similar to the respondent's.²²⁴ In these circumstances, although the tribunal retains a discretion, rectification should be ordered. Where the provisions of s. 34 apply to the applicant and non-user is established in relation to the export market or to a particular area of Australia, then the respondent's registration may be limited so as to exclude that area.²²⁵

Section 23(4) provides that a mark shall not be removed for non-user which has been caused by special circumstances in the trade and not by an intention to abandon the mark.²²⁶ The special circumstances must affect the trade as a whole and not merely an individual trader,²²⁷ but they need not affect every trader equally.²²⁸ They need not persist for the entire period of three years required by the section.²²⁹ Section 38, another new provision, enables a tribunal to accept use of a mark substantially similar to a registered mark, as use of that registered mark.²³⁰ The 1955 Act contains many other alterations to the law, mostly of a minor or procedural nature, which cannot be discussed in this article.

VII. Problems of Constitutional Validity

Difficult questions may arise as to the constitutional validity of several provisions of the new Act. In the *Union Label Case*²³¹ the High Court considered the extent of the power of the Commonwealth Parliament to legislate 'with respect to trade marks'. It was held by the majority of the court²³² that the constitutional power was limited to marks which were recognised as "trade marks" in 1900. Griffith, C.J. said:²³³

In my opinion it follows from a consideration both of the statute law of

common law and statutory rights in trade marks were vested in different persons. They also rejected proposals for making statutory provision for the assessment and apportionment of damages where there are registered users, as they considered that these matters should be dealt with by the Courts, in each case. See *Dean Report* 25.

²²¹ The fact that the defendant's mark is registered is no defence to a passing-off action. See Kerly, *op. cit.* at 511.

²²² As to the tests to be applied to determine whether goods are of the same description, see *Ladislav Jellinek's Appn.* (1946) 63 R.P.C. 59; *Reckitt & Coleman (Australia) Ltd. v. Boden* (1945) 70 C.L.R. 84, at 94.

²²³ See *Lever Bros. Ltd. v. Sunnivate Products Ltd.* (1949) 66 R.P.C. 84; *Zenith Radio Corporation's Appn.* (1951) 68 R.P.C. 160.

²²⁴ S. 34 permits the registration of identical or deceptively similar marks where honest concurrent user or other special circumstances are established.

²²⁵ S. 23(3). Cf. *South Metropolitan Gas Co's Trade Mark* (1933) 50 R.P.C. 321. It was as a result of this decision that the provisions in the U.K. Act of 1938 corresponding to s. 23(3) were introduced.

²²⁶ There was no express provision to this effect in the Act of 1905-1948, but the tribunal had a discretion, and this subsection embodies one of the grounds on which it would have been exercised in favour of the respondent.

²²⁷ *James Crean & Sons Ltd's Trade Mark* (1921) 38 R.P.C. 155.

²²⁸ *Aktiebolaget Manus v. Fullwood & Bland Ltd.* (1948) 65 R.P.C. 329, at 340, aff. (1949) 66 R.P.C. 71 (C.A.) at 79-80. Where the proprietor never intended to use the mark for the goods for which it was registered, war could not be relied on as a special circumstance. *Byrd & Co's Appn.* (1953) 70 R.P.C. 212.

²²⁹ *Marshall's Appn.* (1945) 63 R.P.C. 148. S. 23(1) (b).

²³⁰ See *Morny Ltd's Trade Mark* (1951) 68 R.P.C. 55, aff. (1951) 68 R.P.C. 131 (C.A.).

²³¹ *A.-G. for N.S.W. v. Brewery Employees Union* (1906) 8 C.L.R. 465.

²³² Griffith, C.J., Barton, O'Connor, JJ.; Isaacs, Higgins, JJ. dissenting.

²³³ *Id.* at 512-13. ²³⁴ *Dean Report* 6.

England and the Australian Colonies up to 1900, and of the authoritative expositions of the law with respect to trade marks in British Courts of Justice, that, whether the term "trade mark", as used in s. 51 (xviii) of the Constitution, is to be regarded as a term of art, or as a word used in popular language, it did not in that year denote every kind of mark which might be used in trade or in connection with articles of trade and commerce, but meant a mark which is the visible symbol of a particular kind of incorporeal or industrial property consisting in the right of a person engaged in trade to distinguish by a special mark goods in which he deals . . . from the goods of other persons.

It was held that a worker's trade mark, which could only be applied to goods manufactured by union labour, was not such a mark, and that the relevant provisions of the Commonwealth Trade Marks Act were invalid.

As the Dean Committee state in their Report, this decision imposes a serious handicap on any reform of the law of trade marks in Australia.²³⁴ The provisions of the present Act, the validity of which may be questioned, include those relating to Part C and D marks, and to infringement by breach of restrictions. So far as Part C marks are concerned English legislation exists antedating 1900 which provided for what were in substance certification marks.²³⁵ But the crucial question is whether these marks were "trade marks". The definition of a trade mark adopted by Griffith, C.J. is substantially the same as that established by *Aristoc Ltd. v. Rysta Ltd.*²³⁶ A certification mark is not within this definition.²³⁷ On the other hand, both the United Kingdom and Australian Trade Mark Acts have contained provisions relating to standardisation or certification marks since 1905.²³⁸ The question then arises whether the "generic" principle of construction applies so as to authorise the legislation. Griffith, C.J. said in the *Union Label Case*:²³⁹

The meaning of the terms used in that instrument (i.e. the Constitution) must be ascertained by their signification in 1900. The Parliament cannot enlarge its powers by calling a matter with which it is not competent to deal by the name of something else which is within its competence. On the other hand, it must be remembered that with advancing civilisation new developments, now unthought of, may arise with respect to many subject matters. So long as these new developments relate to the same subject matter the powers of Parliament will continue to extend to them.

Accordingly, it is possible that the provisions relating to certification marks would if challenged, be held valid by the application of the "generic" principle.²⁴⁰ In the *Union Label Case* the majority of the High Court regarded the legislation as an indirect attempt to regulate the internal trade of the States, and relied strongly on the doctrine of the "implied prohibitions" of the Constitution.²⁴¹ There were no legislative or judicial precedents for "workers"

²³⁴ See *Union Label Case id.*, per Higgins, J. at 602. See generally 25 Halsbury, *Statutes of England* (2 ed. 1951) 1022-1179. See esp. The Linen (Trade Marks) Act, 1743 (17 Geo. 2, c. 30); The Linen (Trade Marks) Act, 1744 (18 Geo. 2, c. 24); The Metal Button Act, 1796 (36 Geo. 3, c. 60); and the Cutlery Trade Act, 1819 (59 Geo. 3, c. 7).

²³⁵ (1945) A.C. 68.

²³⁶ See the definition of a trade mark in s. 6, and the distinction there drawn between ordinary and certification trade marks. See also s. 83(2) which prevents a person from registering a certification mark if he trades in the goods certified.

²³⁷ But see *The Queen v. Kirby ex p. Boilermakers' Society of Australia* (1956) 94 C.L.R. 254 where the High Court, by a majority, held invalid certain provisions of the Commonwealth Conciliation & Arbitration Act 1904-1952 (No. 13 of 1904 — No. 34 of 1952) which had stood unchallenged for over 30 years. The decision was affirmed by the Privy Council (1957) A.C. 288. [And see *supra* pp. 480-500.—Ed.].

²³⁸ *Id.* at 501. See also per Barton, J. at 521-22, per Higgins, J. at 610. Cf. *R. v. Brisbane, ex p. Williams* (1935) 54 C.L.R. 262 and *James v. The Commonwealth* (1936) A.C. 578 (P.C.) at 614, per Lord Wright. See generally, W. A. Wynnes, *Legislative, Executive and Judicial Powers in Australia* (2 ed. 1956) 32-36.

²³⁹ See also *The Union Label Case, id.* at 502-3, per Griffith, C.J.

²⁴¹ Since rejected by the High Court in *Amalgamated Society of Engineers v. Adelaide*

trade marks in the United Kingdom or Australia, and hence they refused to apply the "generic" principle. As we have seen there are legislative precedents for certification marks, and since 1905 the United Kingdom Trade Marks Act has provided for their registration. In these circumstances, the hope may be expressed that the *Union Label Case* would be distinguished and the legislation held valid by an application of the "generic" principle.

Although Part D marks were unknown in 1900, it is submitted that since the purpose of these marks is merely to confer greater rights on the proprietors of well-known marks no departure from the traditional concept of a trade mark is involved, and this part of the Act is valid. It is also submitted that s. 63 which deals with infringement by breach of restrictions is valid as conferring rights incidental to the registration of ordinary trade marks, and not being an indirect attempt to legislate with respect to a subject-matter outside Commonwealth power.²⁴²

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Steamship Co. Ltd. (1920) 28 C.L.R. 129.

²⁴² See *R. v. Barger* (1908) 6 C.L.R. 41.