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[HIGH COURT OF AUSTRALIA.]

THE ATTORNEY-GENERAL FOR THE
STATE OF NEW SOUTH WALES, AT
THE RELATION OF TOOTH AND COMPANY
LIMITED AND OTHERS

PLAINTIFFS ;

AND

THE BREWERY EMPLOYEES UNION OF
NEW SOUTH WALES, STEPHEN
HARTLEY WATSON, SECRETARY, AND
GEORGE TOWNSEND, REGISTRAR OF
TRADE MARKS FOR THE COMMONWEALTH

DEFENDANTS.

Commonwealth legislation, validity of—Interference with internal trade of State—
Interpretation of terms used in Constitution—Power to make laws with respect
to trade marks—Workers' trade marks—Union label—Registration—Persons
aggrieved—Remedy—Injunction—Parties—Trade Marks Act 1905 (No. 20 of
1905), Part VII.—The Constitution (63 & 64 Vict. c. 12), sec. 51, pl. i. and
xviii.

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6, 7, 8, 9, 10,
11;
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Workers' trade marks, as dealt with and defined in the Trade Marks Act
1905, Part VII., are not trade marks within the meaning of sec. 51,
pl. xviii. of the Constitution.

The meaning of the terms used in the Constitution must be ascertained by
their signification in 1900.

Griffith C.J.,
Barton,
O'Connor,
Isaacs and
Higgins JJ.

It is a necessary implication from pl. i. of sec. 51 of the Constitution that the power of Parliament does not extend to trade and commerce within a State, and consequently the power to legislate as to internal trade and commerce is reserved to the States by sec. 107 to the exclusion of the Commonwealth. When the intention to reserve any subject matter to the States, to the exclusion of the Commonwealth, clearly appears, no exception should be admitted to that reservation which is not expressed in clear words.

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Part VII. of the *Trade Marks Act* 1905 is in substance an attempt to regulate the internal trade of the States, not within or incidental to any of the express powers conferred on the Parliament to regulate that trade.

That Part of the Act is therefore *ultra vires*, and, though its provisions, if limited to trade and commerce between the States, would be within the competency of the Commonwealth Parliament, it is impossible to separate that which is within from that which is without the power, and the whole is invalid.

So held per Griffith C.J., Barton and O'Connor JJ. ; Isaacs and Higgins JJ. dissenting.

A union of brewery employes, registered in New South Wales as a trade union and as an industrial union under the *Industrial Arbitration Act* of that State, registered a mark or label in the register of workers' trade marks under Part VII. of the Commonwealth *Trade Marks Act* 1905. The Attorney-General for that State, at the relation of several joint stock companies carrying on the business of brewing in that State, who were also joined as plaintiffs, instituted a suit in the High Court against the employes' union and the Registrar of trade marks, for a declaration that the provisions as to workers' trade marks were invalid and that consequently the registration was invalid, and for an order cancelling the registration and an injunction restraining the Registrar from keeping a register of workers' trade marks.

Held (per Griffith C.J., Barton and O'Connor JJ., Isaacs and Higgins JJ. dissenting), (1) that the plaintiff companies were persons aggrieved by the registration, and were therefore proper plaintiffs; (2) per Griffith C.J., Barton, O'Connor and Isaacs JJ., Higgins J. dissenting, that the plaintiff Attorney-General, as representing the public of his State claiming to be injured by the legislation in question, was a proper plaintiff; (3) per Griffith C.J., Barton and O'Connor JJ., Isaacs and Higgins JJ. dissenting, that the suit was rightly framed, injunction and not *quo warranto* being the appropriate remedy under the circumstances, and that the plaintiffs were entitled to the relief prayed.

Per Isaacs J.—1. The Court cannot be called on or with propriety assume to declare an Act of Parliament unconstitutional unless such a decision is absolutely necessary, and a party seeking such a declaration must show some legal cause of complaint.

2. Order III., r. 1 of the *High Court Procedure Rules* presupposes, as a basis of any declaration made under that rule, the establishment of an existing right, and not a right dependent for its existence on possible future events.

3. The individual plaintiffs showed no right to sue inasmuch as the claim to protect their business rested on the supposition that they might lawfully use for their own beer the mark selected by the defendants which would necessarily lead to deception; and their claim to a right to register a mark resembling the defendant's mark was not special to them, but if it existed was common to the whole Australian community.

4. The Attorney-General for New South Wales had no right to sue for the purpose of protecting traders in New South Wales under the *Trade Marks Act* if Part VII. were valid, because those rights were general Australian rights, and not confined to traders of any particular State.

5. But the Attorney-General for New South Wales had a status to complain of usurpation on the part of the Commonwealth Parliament by an unconstitutional Statute assuming to exercise, in respect of the territory of New South Wales, powers which appertain exclusively to the Parliament of that State and affecting the local rights of its citizens.

6. The workers' trade marks contain all the essential characteristics of a trade mark as understood at the time of the passing of the Constitution and therefore Part VII. of the *Trade Marks Act* is a valid exercise of the power to make laws with respect to trade marks conferred by sec. 51, pl. xviii. of the Constitution.

7. A trade union otherwise legal can trade if so authorized by its rules.

Per Higgins J.—I. The statement of claim does not disclose any cause of action either in the Attorney-General for New South Wales or in the four brewery companies.

As for the Attorney-General, he has no right of action for an injury done to the four breweries—the only injury alleged.

The Attorney-General for New South Wales does not represent the public of Australia—the public affected by this Act.

There is no distinctive injury alleged, or implied, to the public of New South Wales.

The passing of an Act, *ultra vires*, and the making of an entry in pursuance of the Act, is not a ground for injunction or other relief.

If New South Wales, as a State, has a cause of action, the State should sue in its own name.

As for the brewery companies, the injury alleged is future only, and neither imminent or inevitable—it cannot take place until some rival brewer applies the mark to his goods; and therefore there is no ground at present for an injunction.

If Part VII. of the Act is valid, there is no *injuria*; if Part VII. is invalid, there is no *damnum*, as the plaintiffs can lawfully apply the mark; so that the essentials for a cause of action are wanting.

No action lies for placing a person in a dilemma as to his commercial interests; and here the dilemma will arise from the use of the label—not from the registration.

II. The “workers’ trade mark” contains all the essential characteristics of a “trade mark” as understood at the time of the passing of the Constitution, although not all the essential characteristics of a trade mark then enforceable in British Courts. The expression “trade mark” in the Constitution is not to be treated as a mere technical term, but is to receive its full grammatical and

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ordinary sense as in 1900 ; and the Constitution allows the Federal Parliament to make laws with respect to trade marks, even if used exclusively in the internal trade of a State.

Even if the meaning of the expression "trade marks" in 1900 was not so wide as to include such a mark as the workers' trade mark, the Constitution has conferred on the Federal Parliament full power to make laws on the whole subject of "trade marks," to say what marks shall be enforceable and what shall not ; to say what marks shall be recognized as trade marks and what shall not ; and Part VII. does not transgress the powers conferred on the Parliament "to make laws . . . with respect to . . . trade marks." The meaning of the expression in 1900 gives the centre, not the circumference, of the power.

A trade union, otherwise legal, can trade if so authorized by its rules.

Inquiry into the meaning, origin and growth of the term "trade mark," and the legislative history of the subject in England and Australia.

Statement of the principles applicable to the interpretation of terms used in the Constitution.

QUESTIONS of law referred to the Full Court.

This was a suit by the Attorney-General for New South Wales, at the relation of Tooth and Company Limited and three other brewing companies, who were also joined as plaintiffs, against the Brewery Employés Union of New South Wales and the Registrar of Trade Marks for the Commonwealth. According to the particulars endorsed on the writ the plaintiffs claimed: (1) a declaration that the registration of the workers' trade mark, registered by the defendants on or about 12th July 1906 pursuant to the provisions of Part VII. of the *Trade Marks Act* 1905 and Regulations, was null and void inasmuch as that part of the Act, and the Regulations made under it, are beyond the powers of the Parliament of the Commonwealth, and also inasmuch as the mark so registered never was a trade mark ; (2) a declaration that Part VII. of the Act and the Regulations thereunder are null and void, inasmuch as the Parliament of the Commonwealth had no power or authority to enact that Part ; (3) an order removing the said mark from the Register ; (4) a declaration that the defendant Registrar had no authority or power to keep a register of workers' trade marks, and an injunction restraining him from so doing. In their statement of claim the plaintiffs alleged that the plaintiff companies were duly

incorporated and carried on business in New South Wales and elsewhere as brewers under the *Companies Act* 1899, New South Wales, and the defendant union was a trade union registered under the *Trade Union Act* 1881, New South Wales, and an industrial union registered under the *Industrial Arbitration Act* 1901, New South Wales, and also an association of workers or a number of associations of workers within the meaning of the *Trade Marks Act* 1905, the defendant Watson being its secretary, liable to be sued on its behalf, and the defendant Townsend the Registrar of Trade Marks for the Commonwealth. The statement of claim continued as follows:—On or about 12th July 1906 the defendant union applied to the defendant Registrar for the registration of a certain mark or label as a workers' trade mark under Part VII. of the *Trade Marks Act* 1905. The defendant Registrar purports to keep a register of workers' trade marks under that Act. On or about 12th July the defendant Registrar purported to register the mark as applied for, and entered it in the register referred to. Parliament has no power or authority to enact Part VII. of the *Trade Marks Act* 1905, and it is wholly null and void. Defendant union threaten and intend to use the mark or label as a workers' trade mark duly registered under the Act, and the defendant Registrar will keep a register of workers' trade marks unless restrained by the Court. The registration and user of the defendant union's mark or label will injure and interfere with the plaintiff companies in carrying on their business, in selling their goods and in employing labour in their business. The plaintiffs claimed a declaration in accordance with the particulars endorsed on the writ. In pursuance to a request by the defendant Registrar the following further particulars were delivered:—The mark or label complained of was and is in respect of beer, porter, malt, mineral and aerated waters, cordials, hop beer, ginger beer, and cider. The registration will compel the plaintiff companies to allow the use of the mark on their goods or to lose business with the members of the defendant union or persons licensed by it to use the mark, or in sympathy with the defendant union. Many people who now buy the plaintiff companies' goods will refuse to do so, some if the mark is used on the goods, others if the mark is not used. The registration will prevent

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the plaintiff companies from employing, or render it difficult for them to employ, workmen except members of the defendant union or persons licensed by it to use the mark. It will prevent the plaintiff companies from using the same or a similar design, and will render them liable to actions and prosecutions for the infringement of the mark. The defendant Registrar, by his statement of defence, denied the allegation of the statement of claim as to the power of the Commonwealth Parliament, and as to the damage that would be caused to the plaintiff companies by the registration. He did not admit the allegation that the defendant union threatened to use the mark in question, and that the plaintiff companies carried on business as alleged, and objected that the facts alleged in the statement of claim, even if true, disclosed no cause of action, and did not entitle the plaintiffs to the relief or any part of the relief claimed against him.

The plaintiffs joined issue.

After joinder of issue the following questions of law raised by the pleadings were, on a summons taken out by the plaintiffs referred by *Griffith C.J.* to the Full Court for determination: (1) Whether the statement of claim as supplemented by the particulars disclosed any cause of action maintainable by the plaintiffs or either of them against the defendants or either of them; and (2) Whether the relevant provisions of Part VII. of the *Trade Marks Act 1905* were within the competence of the Parliament of the Commonwealth.

Mitchell K.C. and *Glynn (Lamb with them)*, for the plaintiffs. The prohibition in sec. 74 of the *Trade Marks Act 1905*, against the use of "any mark substantially identical with a registered workers' trade mark, or so nearly resembling it as likely to deceive," is practically the same as the prohibition in sec. 25 of the same Act, which reproduces sec. 72 (2) of the English *Trade Marks Act 1883*, as amended by the Act of 1888: see *Kerly on Trade Marks*, p. 655; *Sebastian on Trade Marks*, 4th ed., p. 374. [They referred also to secs. 75, 76 and 77 of the *Trade Marks Act 1905*.] The plaintiffs, before the registration of the mark in question, had a right to register that mark or one resembling it,

whereas now they have not such a right. That is sufficient under the English decisions to render them persons aggrieved and entitled to claim rectification of the register. It is not necessary that the plaintiffs should have previously used the mark or even intended to do so: *Powell v. Birmingham Vinegar Brewery Co.* (1); *Sebastian on Trade Marks*, 4th ed., pp. 367, 368; *In re Rivière's Trade Mark* (2); *Thompson v. Montgomery*; *In re Joule's Trade Marks* (3); *Kerly on Trade Marks*, p. 81. Whether the plaintiffs acquire the right to use the mark by employing union labour, or do not, they must suffer some loss of custom. The plaintiffs are not bound to wait until the label is used by other persons or until they themselves incur penalties by using a similar one. [They referred to *Federated Amalgamated Government Railway and Tramway Service Association v. New South Wales Railway Traffic Employés Association* (4); *In re Batt and Co.'s Trade Mark* (5); *Bruce v. Commonwealth Trade Marks Label Association* (6); *Tyler v. Judges of the Court of Registration* (7); *California v. San Pablo and Tulare Railroad Co.* (8).]

[GRIFFITH C.J. referred to *Shortt on Mandamus and Prohibition*, p. 132.

ISAACS J. referred to *In re Wright, Crossley & Co.'s Trade Mark* (9).

HIGGINS J. referred to *North Eastern Marine Engineering Co. v. Leeds Forge Co.* (10).]

All the parties interested being before the Court, the Court should exercise its power to make a declaratory order: Order III., rule 1; *High Court Procedure Act* 1903, sec. 32. It is a public mischief that such an Act as this should remain unchallenged: *London Association of Shipowners and Brokers v. London and India Docks Joint Committee* (11); *Barraclough v. Brown* (12). The Attorney-General for New South Wales is entitled, in the interest of the public in his State, to take appropriate legal proceedings to challenge the validity of the Act.

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(1) (1893) 2 Ch., 388; (1894) A.C., 8.

(2) 26 Ch. D., 48.

(3) 41 Ch. D., 35.

(4) 4 C.L.R., 488.

(5) (1898) 2 Ch., 432; (1899) A.C., 428.

(6) 4 C.L.R., 1569.

(7) 179 U.S., 405.

(8) 149 U.S., 308.

(9) 15 R.P.C., 133, 377.

(10) (1906) 1 Ch., 324.

(11) (1892) 3 Ch., 242.

(12) (1897) A.C., 615.

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The Act is in the nature of a nuisance or invasion of a public right. The fact that the people of other States may also be affected by the legislation does not affect his right. [They referred to *Pollock v. Farmers' Loan and Trust Company* (1); *Kerr on Injunction*, 4th ed., p. 473; *Kansas v. Colorado* (2).
 [GRIFFITH C.J. referred to *Attorney-General v. Manchester Corporation* (3).]

It is not contended that the Attorney-General of a State would be justified in suing merely because the rights of an individual subject of his State were invaded by the Commonwealth, but if the injury, whether actual or contemplated, is serious, and in the nature of a nuisance to the general public, he is entitled to sue. It is not necessary to allege injury to the public generally, it is sufficient for the Attorney-General to join in the suit. [They referred to *Attorney-General v. Compton* (4); *Daniell's Ch. Prac.*, 7th ed., vol. 1., ch. 2, sec. 2; *Attorney-General v. Shrewsbury (Kingsland) Bridge Co.* (5).

[GRIFFITH C.J. referred to *London County Council v. Attorney-General* (6).

ISAACS J. referred to *Attorney-General v. London and North-Western Railway Co.* (7); *Ellis v. Duke of Bedford* (8).]

Assuming that the suit was properly instituted, Part VII. of the *Trade Marks Act* is *ultra vires* the Commonwealth. The power, if any, is based on pl. xviii. of sec. 51. Pl. i. as to the trade and commerce will not support it: *Trade Mark Cases* (9). The workers' trade mark as defined by Part VII. is not a trade mark within the meaning of pl. xviii. of sec. 51. It is lacking in the essential characteristics of a trade mark at common law and by Statute. The term "trade mark" in the Constitution must be interpreted as it was understood in 1900 when the Constitution was passed: see *Quick and Garran, Annotated Constitution*, p. 598; *Encyclopædia of Laws of England*. There may be some change in the meaning with the development of the community, but the essential characteristics cannot be altered

(1) 157 U.S., 429, at p. 604.

(2) 206 U.S., 46, at p. 98.

(3) (1893) 2 Ch., 87.

(4) 1 Y. & C. C.C., 417.

(5) 21 Ch. D., 752.

(6) (1902) A.C., 165.

(7) (1900) 1 Q.B., 78.

(8) (1899) 1 Ch., 494.

(9) 100 U.S., 82.

except by an amendment of the Constitution. Parliament cannot extend the meaning, for that would be an extension of its constitutional powers. There can be no change in the meaning of the terms such as would result in a conflict with the powers left to the States by the Constitution. [They referred to *Hare on Constitutional Law*, vol. I., pp. 442, 443; *Prentice on Federal Powers over Carriers*, p. 54.] Part VII. of the Act cannot be supported by the "trade and commerce" powers, because it is too wide. Those powers would only justify protection of the mark while goods were *in transitu* between State and State, or between the Commonwealth and foreign countries.

A trade mark involved as an essential element that it should be distinctive of the goods of one person or firm from those of every other person or firm. The union label has not this distinctive quality. It is placed alike on goods made or sold by different manufacturers or traders provided they are made by union labour. It does not distinguish the goods made or sold by one firm from those made or sold by another. It is not even intended to serve the purpose of a trade mark, but to encourage the employment of union labour. A trade mark must be attached to a particular business; the right to apply it to goods is an incident to the carrying on of that business. The union does not carry on the business of brewing, or, indeed, any business. [They referred to *Leather Cloth Co. v. American Leather Cloth Co.* (1); *In re Australian Wine Importers Ltd.* (2); *Richards v. Butcher* (3).

[O'CONNOR J. referred to *Re Sykes & Co.'s Trade Marks* (4).]

It is not necessary that the goods should be the property of the owner of the trade mark, but they must be subject to his independent control in some way, and he must have the right to apply the mark to the goods while they are in his control. [They referred to *Sebastian on Trade Marks*, 3rd ed., p. 598; 4th ed., p. 610; and series of Statutes there cited dealing with the subject of Sheffield marks; *Hopkins on Trade Marks*, 2nd ed., pp. 3, 6, citing *Manufacturing Co. v. Trainer* (5); *Kerly on*

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(1) 11 H.L.C., 523.

(2) 41 Ch. D., 278, at p. 280.

(3) (1891) 2 Ch., 522.

(4) 43 L.T., 626.

(5) 101 U.S., 51.

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[HIGGINS J. referred to *In re Carter Medicine Co.'s Trade Mark* (1).]

The union has no right to apply the union label to the goods without the maker's consent. It never has any control, in the way of business, over the goods. Even the individual workmen who form the union, and work upon the goods, have no right whatever in respect of the goods, and even if they had, they have no individual interest in the mark. It is not their property but that of the union.

[GRIFFITH C.J.—Would the mark “made in Germany” be a trade mark?]

No. That is in the nature of a merchandise mark. There is a clear distinction between trade marks and merchandise marks, recognized in legislation both here and in England. The Commonwealth Parliament recognizes the distinction by dealing with merchandise marks only in relation to inter-state trade: see Act No. 16 of 1905. [They referred to *Kerly on Trade Marks*, 2nd ed., p. 11.] The Sheffield marks on cutlery, &c., though in some respects in the nature of trade marks, for instance in that each workman had a separate mark, which was his own property and which he was entitled to apply to the goods upon which he worked, was more in the nature of a hall mark.

[HIGGINS J.—Could not any mark used in respect of goods for purposes of trade be included in the expression trade marks?]

No. If that were so the Commonwealth could absolutely control the internal trade of the States. Any construction which would lead to such a result must be avoided if possible, as inconsistent with the obvious exclusion of the Commonwealth from legislation upon internal trade by pl. i. of sec. 51 of the Constitution. The Commonwealth cannot, by authorizing a person to put a mark on goods which are not his goods in a business sense, make that mark a trade mark. [They referred to *Kerly on Trade Marks*, 2nd ed., pp. 34, 847, 848.] There must be some independent right in the owner of the trade mark to deal with the goods and to apply the mark to them, for the

purpose of indicating that the owner of the mark has so dealt with the goods, whether by manufacture, selection or otherwise. [They referred to *Thorneloe v. Hill* (1).] These characteristics are attached to the idea of trade marks in all the legislation on the subject, and in all the definitions framed by the Courts in England and summarized by text-book writers. [They referred to 25 & 26 Vict. c. 88; *The Merchandise Marks Act* 1887; *Cotton v. Gillard* (2); *In re J. & J. Hopkinson's Trade Marks* (3); *In re Wood's Trade Mark*; *Wood v. Lambert & Butler* (4); *Schneider v. Williams* (5); *Columbia Mill Co. v. Alcorn* (6); *Sebastian on Trade Marks*, 4th ed., pp. 547-551.]

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[GRIFFITH C.J. referred to the International Convention for protection of Industrial Property 1893; *Sebastian on Trade Marks*, 4th ed., p. 522; *In re Batt & Co's Trade Mark* (7).]

The framers of the Constitution could not have intended that the term "trade marks" should include a mark unknown in practice in English or Australian Courts. The union label had been used in America, but in the only cases where the question was raised it was held not to be a trade mark. The right to use it was protected on principles analogous to those upon which the protection of a trade mark in equity is based, but never on the ground that it was a trade mark. [They referred to *Cigar Makers' Protective Union v. Conhaim* (8); *Carson v. Ury* (9); *United States v. Braun* (10); *Weener v. Brayton* (11); *McVey v. Brendel* (12); *The State v. Bishop* (13); *Hetterman v. Powers* (14); *Strasser v. Moonelis* (15); *Perkins v. Heert* (16).] If the union label is a "trade mark" there was no necessity for Part VII. of the *Trade Marks Act* 1905. Adequate protection would be given by the rest of the Act. This label would not be recognized as a trade mark in any foreign country or protected as such by international law: see *Sebastian on Trade Marks*, 4th ed., pp. 79, 103.

(1) (1894) 1 Ch., 569.

(2) 44 L.J. Ch., 90.

(3) (1892) 2 Ch., 116.

(4) 32 Ch. D., 247, at p. 259.

(5) 44 N.J. (Eq.), 391.

(6) 150 U.S., 460.

(7) (1898) 2 Ch., 432.

(8) 40 Minn., 243; 12 Am. S.R., 726.

(9) 39 Fed. Rep., 777.

(10) 39 Fed. Rep., 775.

(11) 152 Mass., 101.

(12) 144 Pa. St., 235; 27 Am. S.R., 625.

(13) 128 Mo., 373; 49 Am. S.R., 569.

(14) 102 Ky., 133; 80 Am. S.R., 348.

(15) 108 N.Y., 611.

(16) 158 N.Y., 306.

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Sub-sec. (c) of sec. 74 (1) of the *Trade Marks Act* 1905 might be considered to be within the powers of the Parliament if the section as a whole dealt with matters within the powers, but it is merely ancillary to the rest of the section and cannot stand by itself. The real purpose of the Part is the registration. The substance of the enactment is to be looked at, and if that is *ultra vires*, the enactment as a whole should be declared invalid, unless it is severable, and the parts can stand alone: *Federated Amalgamated Government Railway and Tramway Service Association v. New South Wales Railway Traffic Employees Association* (1).

Holman (*D. R. Hall* with him), for the defendant union. The plaintiffs have suffered no injury from the registration. Their rights have not been invaded. They have not sought to register or use a mark. Part VII. is a mere prohibition of fraud and cannot injure any one. It does not submit any person to compulsion against his legal rights. The Parliament had power under pl. xviii. of sec. 51 to legislate generally on the subject of trade marks. Part VII. is clearly legislation on that subject, and is within the power, unless it really deals with something that is not in any sense or cannot be a trade mark. The mere fact that the thing dealt with was not specifically contemplated by those who framed the Constitution does not exclude it from the power. The Court should construe the grant of powers in a liberal manner in accordance with the apparent intention of the authority which conferred the power. There is nothing to suggest any limitation on the power in this case. [He referred to *Amer. Encyclopædia of Law*, 1st ed., p. 673; *Hingham and Quincy Bridge and Turnpike Corporation v. County of Norfolk* (2); *Fletcher v. Peck* (3); *Trustees of Dartmouth College v. Woodward* (4).

The term "trade mark" in 1900 had not the restricted meaning for which the plaintiffs contend. Moreover, it was not a term with a definite fixed meaning. It was in course of expansion. The first legislation on the subject was the *Merchandise Marks*

(1) 4 C.L.R., 488.
(2) 6 Allen (Mass.), 357.

(3) 6 Cranch., 87.
(4) 4 Wheat., 518.

Act 1862 (25 & 26 Vict. c. 88). Then in the *Merchandise Marks Act* of 1887 a new definition of trade mark was given: see sec. 3. There was nothing in the idea of a trade mark, as then understood, making it an essential element that the owner of the mark should be the owner of the goods to which it was to be applied. [He referred to *Re Sykes & Co's Trade Marks* (1); *Hirsch v. Jonas* (2); *Christy v. Murphy* (3); *Cox, American Trade Mark Cases*, p. 507; *Colton v. Thomas* (4). A trade mark could be acquired by any person capable of acquiring title to personal property, who handles a product on its way to the consumer: *Hopkins on Trade Marks*, 2nd ed., p. 55, whether as maker, owner or selector, and the right to affix the mark might depend upon the owner's permission.

Assuming that a trade mark must be incident to a business, that business may be that of a workman as well as that of the manufacturer or producer. The cases cited for the plaintiffs to show that the mark must be distinctive and attached to a business undoubtedly arose in connection with merchandize or manufacture, but there is nothing in them to cut down the plain words of the *Merchandise Marks Act* 1862. The definitions in those cases should be read in the light of the circumstances under which the question arose. They should not be treated as exhaustive of the cases in which a trade mark can exist. The meaning of the term was not stereotyped in England, for in 1884 Great Britain in pursuance of sec. 103 of the *Patents, Designs and Trade Marks Act* 1883 acceded to the International Convention which had been made in 1883 by other States, under which anything registered as a trade mark in any of the States which were parties to the arrangement was protected as a trade mark in the English Courts. So long as the mark was by its nature registrable in England, that is to say, was such a mark as could be registered there, it might be registered and protected as a trade mark. The result was that a mark which was a mere workers' mark, if protected in its country of origin, might be a trade mark in England, provided it contained the essentials of shape, form, &c., prescribed by sec. 64 of the Act of 1883 as amended by the Act of 1888. [He referred

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(1) 43 L.T., 626; 29 W.R., 235.
(2) 3 Ch. D., 584.

(3) 12 How. Pr. R., 77.
(4) 2 Brews. (Penn.), 308.

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to *Sebastian on Trade Marks*, 3rd ed., p. 527, 4th ed., p. 532; *Kerly on Trade Marks*, p. 807; *In re Californian Fig Syrup Company's Trade Mark* (1).] Before 1900 there had been legislative recognition of workers' marks or union labels as trade marks in the United States. Many of the States passed Acts giving trade unions the right to register such marks and providing for their protection as trade marks. This was done in California, Minnesota, Georgia, Indiana, Colorado and other States. [He referred to *House Documents of the Congress* 1903, 1904, vol. 105, p. 130 *et seq.*; *Dering's Codes and Statutes* 1885, and *Supplement* 1889.

[*Per* BARTON and O'CONNOR JJ.—It can scarcely be contended that these Statutes were present to the mind of the Imperial Parliament when passing the Commonwealth Constitution.]

They show that the term "trade mark" was at that date used in America in a sense wide enough to include the union label. The label was in many cases called a trade mark. In one instance, *People v. Fisher* (2), before any special Statute had been passed, protection was granted to a trade union label as a trade mark at common law. [He referred to *State v. Bishop* (3); *Cigar Makers' Protective Union v. Conhaim* (4); *McVey v. Brendel* (5); *Weener v. Brayton* (6); *Tracy v. Banker* (7); *Caswell v. Davis* (8); *Cohn v. The People* (9); *Hetterman v. Powers* (10); *Schmalz v. Woolley* (11).] These Statutes and decisions are of value because in important particulars the Australian Constitution was founded upon American precedents. Where the power given to the Commonwealth coincides with that reserved to the States under the American Constitution, the construction put upon that power and the limits of its exercise in the United States should be applied to the power given to the Commonwealth. It will be assumed that the Federal Convention used the terms conferring the power in the light of the exercise of that power in America by the authority which had the

(1) 40 Ch. D., 620.
 (2) 50 Hunt. (N.Y.), 552.
 (3) 49 Am. S.R., 569.
 (4) 40 Minn., 243; 12 Am. S.R., 726.
 (5) 144 Pa. St., 235; 27 Am. S.R., 625.

(6) 152 Mass., 101.
 (7) 170 Mass., 266.
 (8) 58 N.Y., 223.
 (9) 149 Ill., 486; 41 Am. S.R., 304.
 (10) 102 Ky., 133; 80 Am. S.R., 348.
 (11) 73 Am. S.R., 637.

power. And the Imperial Parliament, knowing the existence of the International Convention, when it gave the Commonwealth power to legislate on the subject of trade marks, must have contemplated the possibility of its legislating for the purposes of the Convention, and making anything registrable abroad as a trade mark, a trade mark in the Commonwealth.

Next, assuming that a trade mark must be distinctive and incidental to a business, a trade union label has both those characteristics. The label distinguishes goods made or produced by the members of the particular union from goods made by others. The public may be just as desirous of knowing whether the goods were made by union labour or not, as of knowing whether they were made at a particular factory. And the union is engaged in business. The workmen combine together, and by the process of collective bargaining agree with an employer for the sale of their workmanship to him. This sale of work or labour should be treated in the same way as the sale of any commodity. The union is the body which carries on the business. The labour is just as essential an ingredient in the production of the article as the machinery of the employer. [He referred to *Webb's Industrial Democracy* (1897) vol. I., p. 171.] The Commonwealth Parliament cannot be bound down to the denotation of the terms of the Constitution in 1900. It is not a change in the essential meaning that is contended for but a new application of it, just as the power to make laws with respect to lighthouses might be applied to some new method of warning shipping that had grown out of the older method. New subject matter, not in existence at the date of the Constitution, may arise and form material for legislation under the original powers. So the commerce clause in the United States related originally only to water borne commerce, but it now applies to railroads, and the postal power to telephones. [He referred to *Prentice on Federal Power over Carriers*, p. 76.] The term "business" has now been extended to include the bargaining by a union for its labour. The whole general concept of the term "trade mark" is within the power of Parliament, it is not limited to dealing with the specific instances of trade marks known to the law at the date of the

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[HIGGINS J. referred to *White v. Morley* (1).]

Duffy K.C. and *Cullen* K.C., (*Bavin* with them,) for the defendant Registrar of Trade Marks. The Court will not inquire into the validity of the Act unless it is necessary for the determination of the case before it: *Cooley on Constitutional Limitations* 6th ed., p. 196. It is not necessary to decide it in this case. There is no cause of action disclosed by the pleadings. The plaintiffs do not show any injury entitling them to maintain the suit. The mere registration will not support an action unless it is both illegal and injurious to them. Even if the Act is invalid, the plaintiffs have not been injured. They do not allege that they desire to register a similar mark, or that the registered mark has been used to their prejudice. There is nothing in the nature of a nuisance, no encroachment upon a public right by an unlawful act. [They referred to *Pollock on Torts*, 7th ed., pp. 393, 394.] An interference with business is not a cause of action unless the Act is unlawful: *Mogul Steamship Co. Ltd. v. McGregor, Gow & Co.* (2); *Allen v. Flood* (3).

[GRIFFITH C.J.—Is there not a distinction between the act of an individual and an act done under colour of authority? He referred to *Coke's Entries*; *Wentworth on Pleading*, vol. vi.]

This is not a case which would ground a writ of *quo warranto*. The Registrar is not wrongfully exercising an office. It is only alleged that he has made a wrong entry. Before *quo warranto* will lie it must appear that there is either a wrong occupant of an office, or no such office as he purports to hold, or the wrongful exercise of a franchise. If there were no such office as Patents Office Registrar the Crown could intervene, through the Attorney-General for the Commonwealth. In no other way could the legality of the Act be attacked.

[ISAACS J. referred to *Darley v. The Queen* (4).]

If the Statute provided no remedy a person injured by the wrong entry could bring an action, but no person can do so,

(1) (1889) 2 Q.B., 34, at p. 39.
(2) 23 Q.B.D., 598.

(3) (1898) A.C., 1.
(4) 12 Cl. & F., 520.

simply on the ground that there is an invalid trade mark on the register. The procedure by motion under the Statute is simply for the purpose of keeping the register pure.

[O'CONNOR J. referred to *Powell v. Birmingham Vinegar Brewery Company* (1).]

It is not enough to be engaged in the same trade to make a party a person aggrieved: *In re the Trade Mark of Wright, Crossley & Co.* (2); *Paine & Co. v. Daniells & Son's Breweries*; *In re Paine & Co's Trade Marks* (3). Merely making a manufacturer state whether he is employing union labour or not is not an injury. It is the use of the label by other brewers that does the injury if any is done. Registration does not cause the injury. It does not give the right to use the label. A union might have used a label under the same conditions before the Act was passed. The plaintiffs should have asked to have a label similar to the one in question registered, and then, if they were refused, they might have had a ground for asking for a declaratory order under Order III., rule 1. The power of the Court under that Order is discretionary and should not be exercised in regard to questions arising under the Constitution: *Attorney-General for Ontario v. Attorney-General for the Dominion* (4). [They referred to *London Association of Shipowners and Brokers v. London and India Docks Joint Committee* (5); *North Eastern Marine Engineering Co. v. Leeds Forge Co.* (6); *Offin v. Rochford Rural District Council* (7).

Part VII. is within the power conferred by sec. 51, pl. xviii. The term "trade mark" originally had a wider meaning than that contended for by the plaintiffs, and that meaning had not been narrowed before 1900. Originally a trade mark was intended to identify goods with the persons who had something to do with their preparation for market in order to indicate excellence. The marks indicated sometimes the person who made the article, sometimes the person who sold it, sometimes the method of manufacture, or the class to which the manufacturer belonged. The Courts were not invoked to protect these marks to any great

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(1) (1894) A.C., 8.

(2) 15 B.P.C., 377.

(3) (1893) 2 Ch., 567.

(4) (1896) A.C., 348.

(5) (1892) 3 Ch., 242, at p. 249.

(6) (1906) 1 Ch., 324.

(7) (1906) 1 Ch., 342, at p. 357.

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extent until the 19th century, when suits were brought either to protect the trade marks as the property of the person who had been accustomed to use it, or to prevent "passing off." These proceedings were brought always by the persons injured, that is, the owners or sellers of the goods. Consequently the Courts only had to deal with trade marks belonging to persons selling or making the goods on which the marks were used, with the result that in general opinion owners of trade marks were restricted to that class of persons. But there were other owners of trade marks and other objects of their use. The expression "trade mark" was not used until the 19th century, but the things denoted by the name had existed in connection with trade for many years. A workman would probably have had the same right to restrain other persons from using his mark as an owner of goods had. There is no reason why a particularly expert man should not have had a special mark protected by the Courts, though the makers and sellers of the goods were more likely to bring actions for injury to their property, as they were the chief sufferers from the improper use of the mark by other persons. The definitions given by the Judges were only directed to the particular matters in controversy, and the circumstance that the persons owning the marks were manufacturers or sellers of the goods in question was present though not essential. The questions that arose were therefore always whether the particular mark had been used in connection with a particular business. [They referred to *Sebastian on Trade Marks*, 4th ed., p. 6; *Kerly on Trade Marks*, 2nd ed., p. 2; *Southern v. How* (1); *Leather Cloth Co. v. American Leather Cloth Co.* (2); *Hopkins on Trade Marks*, p. 804; *Royal Baking Powder Co. v. Raymond* (3); *In re Australian Wine Importers Limited* (4); *Adams v. Heisel* (5); *Stroud's Judicial Dictionary* (2nd ed., tit. "Patent").] The result of legislation in England was not to cut down the meaning of the expression trade mark, but to limit the class of marks that could be registered. Other marks, though not registrable and, therefore, not protected, were nevertheless trade marks

(1) Poph., 143; 3 Cro. J., 471; 2 Roll., 26.
(2) 33 L.J. Ch., 193.

(3) 70 Fed. Rep., 376.
(4) 41 Ch. D., 278.
(5) 31 Fed. Rep., 279.

in the common law acceptance of the term. There was nothing to prevent a workman or member of any class from acquiring the right to such a mark. [They referred to *Merchandise Marks Act*, 25 & 26 Vict. c. 88; 46 & 47 Vict. c. 57; 50 & 51 Vict. c. 28; 51 & 52 Vict. c. 50.] By the Act of 1862, certain marks, which were not trade marks registrable as such, were protected owing to their age, and by the Act of 1887 this protection was extended to them as merchandise marks: see *Kerly on Trade Marks*, 2nd ed., p. 807. The mark in *In re Carter Medicine Co.'s Trade Mark* (1), would have been good if it had been one of the class of marks described as registrable by the Acts. The limitation was, not upon the persons who could register a mark, but as to the class of mark that could be registered. The test of a person capable of owning a trade mark is, not whether he has goods upon which he can put the mark, but whether he can use the trade mark for his own benefit with purchasers of goods. The right to put the mark on goods may be acquired by contract with the owner of the goods. It is not necessary that the owner of the mark should deal independently with the goods. The worker who owns a trade mark gets the benefit of its use by improving his reputation and so increasing the value of his services. The wrongful use of the mark by others on inferior goods would entitle him to claim damages at common law. In 1900 the expression trade mark was applicable to any mark used on vendible goods to indicate origin. Its meaning in the Constitution should not be narrowed unless there is a clear reason for doing so. There is no reason of expediency for restricting it. As the Parliament has to deal with foreign countries in all matters relating to trade marks, it will be presumed that its power over the subject is absolute; otherwise it would not be able to reciprocate with countries which make Conventions with it on the subject. The union label contains the essentials of a trade mark. It indicates that the owner of the mark has done work upon the goods, or that a member of the body which owns the mark has done such work. No new right of property is created by this Act, it is merely a new regulation of a right which existed before, providing new remedies, &c. The position

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of the worker is analogous to that of the bleacher. It is immaterial that the union consists of a large number of persons. A firm or company may have a trade mark. Under the Statutes in force in the Australian States at the date of the Constitution trade marks had as wide a meaning as under the English Statutes. [They referred to New South Wales Statutes, 28 Vict. No. 9; 56 Vict. No. 13; No. 35 of 1897; Victorian Statutes, *Trade Marks Statute* 1864, No. 221; *Trade Marks Registration Act* 1876; *Trade Marks Act* 1883; *Trade Marks Acts* of 1890, Nos. 1143 and 1186; Queensland Statutes, *Trade Marks Act*, 28 Vict. No. 5; 48 Vict. No. 13; South Australian Statutes, *Trade Marks Act* 1863; *Trade Marks Act* 1892, No. 551; Western Australian Statutes, *Designs and Trade Marks Act*, 48 Vict. No. 7; *Merchandise Marks Act*, 52 Vict. No. 6; 58 Vict. No. 4; Tasmanian Statutes, *Merchandise Marks Act* 1864; *Patents, Designs and Trade Marks Act* 1893. They referred also to the English Statutes dealing with workers' marks on cutlery and metal work generally, collected in *Sebastian on Trade Marks*, 4th ed., pp. 614 to 632.] In all cases of workers' marks under the old English Statutes the mark was the property of the worker, though the goods on which the mark was placed might be the property of his employer. They were probably the origin of the trade mark as recognized by modern Statutes. The original purpose was to protect the public from fraud, but from its having that effect the right to use the mark became valuable to the owner.

[ISAACS J. referred to 59 Geo. III. c. 7.]

The Commonwealth power to legislate with respect to trade marks necessarily involves a certain amount of interference with the internal trade of the States, whatever meaning is given to the term. The only question is how far the power extends. It should be assumed to extend to the whole subject unless strong reason to the contrary is shown. The Commonwealth legislature was intended to have as full power to deal with the subject of trade marks as the States would have had but for the Constitution. The States could deal with the whole subject and make any provisions they pleased as to the kind of marks that should be treated as trade marks and as to the class of persons entitled

to enjoy them, and impose any conditions they thought fit. That power has been given to the Commonwealth by the only terms that could possibly have been used to confer the power to its fullest extent, just as the power to make laws with respect to bills of exchange and promissory notes. [They referred to *In the matter of Edward Klein* (1); *Nelson v. Carland* (2); *Waring v. Clarke* (3).] Any other construction will result in confusion between State and Commonwealth legislation on what are now regarded as branches of the same subject matter.

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The provisions of Part VII. are maintainable under the Trade and Commerce Clause, sec. 51, pl. i. Registration may be regarded as ancillary to the exercise of the power to restrict importation of goods. The Commonwealth has power to exclude goods not marked with the union label, and may enforce that exclusion by provisions for registration of marks and prohibition against using the marks falsely. If some provisions of the Part go beyond that purpose, those which are limited to it are severable from the rest, and should be upheld.

Confusion has arisen owing to the term "trade mark" being used to express two totally different concepts, one the mass of coherent rights attributed by positive law to the person who has a title to a trade mark, see *Holland, Jurisprudence*, 10th ed., p. 203; *Williams on Personal Property*, 13th ed., p. 9, and the other the idea of the symbol capable of being imprinted or applied to each article. The definition of the former must depend upon the state of the law at the time, and if the term used in the Constitution is construed as meaning a trade mark in that sense, it is inelastic and fetters legislation for all time. On the other hand, if trade mark means the symbol or idea of the symbol, then the power given to the Commonwealth is of the fullest. A trade mark in that sense may be made subject to any conditions that may commend themselves to Parliament, either as to the persons who may hold or the manner in which they may use the trade mark. The term in the Constitution should be construed in that sense. In the authorities cited, cases and text-books, the object was definition of the rights embodied in the

(1) 1 How., 277 (n); 42 U.S., 275 (b). (2) 1 How., 265.
(3) 5 How., 441.

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other concept of trade mark, a summing up of the law on the subject with reference to the particular case. It was not a question of construing a Constitution. The law on a particular subject at a particular time is a very different thing from the thing which is the subject of the law. When power to legislate with respect to a particular subject matter is given, that power should not be hampered by the state of the law on the subject at the time when the power was given. Construed in this way the Constitution amply justifies the legislation now in question. [They referred to *In re Apollinaris Co.'s Trade Marks* (1); *Leather Cloth Co. v. American Leather Cloth Co.* (2); *Kerly on Trade Marks*, 2nd ed., pp. 393, 461; *Sebastian on Trade Marks* 4th ed., p. 201; *Thayer*, p. 1985.] And there is no danger of conflict between State and Commonwealth powers, no difficulty in fixing a boundary between the power of the former and that of the latter, and no division of power over what is in effect the same subject matter and should be under one legislative authority.

Mitchell K.C., in reply, referred to *Ruckmaboye v. Lulloobhoy Mottichund* (3); *In re Palmer's Trade Mark* (4); *Richards v. Butcher* (5); *Pinto v. Badman* (6); *In re Roger's Trade Mark* (7); *United States v. Ju Toy* (8); *Harris v. Ogg* (9); *National Starch Manufacturing Co. v. Munn's Patent Maizena and Starch Co.* (10); *In re Rivières Trade Mark* (11); *Shortt on Mandamus and Prohibition*, 4th ed., p. 5; *Aslatt v. Corporation of Southampton* (12); *Rutter v. Chapman* (13); *English Parliamentary Paper on Industrial Property*, No. 28 of 1884 c. 4043; *Millington v. Fox* (14).

[ISAACS J. referred to *Reg. v. Justices of Durham*; *Ex parte the Justices of Sunderland* (15).

HIGGINS J. referred to *Wheeler v. Johnston* (16).]

Cur. adv. vult.

- (1) (1891) 2 Ch., 186, at p. 234.
- (2) 4 D.J. & S., 137, at p. 144; 11 H.L.C., 523, at p. 534.
- (3) 8 Moo. P.C.C., 4.
- (4) 24 Ch. D., 504, at p. 514.
- (5) (1891) 2 Ch., 522, at p. 532.
- (6) 8 R.P.C., 181.
- (7) 12 R.P.C., 149.
- (8) 198 U.S., 253.

- (9) 5 N.S.W. L.R. (Eq.), 114.
- (10) 13 N.S.W. L.R. (Eq.), 101.
- (11) 26 Ch. D., 48.
- (12) 16 Ch. D., 143, at p. 148.
- (13) 8 M. & W., 1.
- (14) 3 My. & C., 338.
- (15) 2 L.T.N.S., 372.
- (16) 3 L.R. Ir., 284.

The following judgments were read :—

GRIFFITH C.J. This is an action brought by the Attorney-General for the State of New South Wales at the relation of four joint stock companies carrying on the business of brewers in that State, the companies being joined as plaintiffs. The defendants are the Brewery Employés' Union, (which is a trade union registered as such in New South Wales), and is also an industrial union registered as such under the *Industrial Arbitration Act* 1901 (N.S.W.), their secretary, and the Commonwealth Registrar of Trade Marks. The plaintiffs claim (1) a declaration that Part VII. of the *Trade Marks Act* 1905 (relating to workers' trade marks) and the regulations thereunder are null and void and that the defendant Registrar has no authority to keep a register of workers' trade marks under it; (2) a declaration that the registration of a mark or label which has in fact been registered in the register of workers' trade marks is without lawful power or authority; (3) a declaration that this mark or label is not a trade mark; (4) an order to cancel the registration; and (5) an injunction to restrain the defendant Registrar from keeping a register of workers' trade marks. The action is based upon the contention that Part VII. of the *Trade Marks Act* 1905 is not within the competency of the Commonwealth Parliament.

The defendants contend that the Act is within the competency of Parliament, and further that, even if it is not, the plaintiff companies cannot raise the question in the present action, since no injury has been done to them by the mere registration of the mark, and that the Attorney-General for a State is in no better position.

The first condition of any litigation in a Court of Justice is that there should be a competent plaintiff, *i.e.*, a person who has a direct material interest in the determination of the question sought to be decided. The Court will not decide abstract questions, nor will it decide any question except when raised by some person entitled by reason of his interest to claim a decision. This doctrine should certainly not be relaxed for the purpose of bringing in question the validity of Statutes passed either by the Commonwealth Parliament or by a State legislature. It is, therefore, material to consider and deal with this point before

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considering the substantial point of the validity of Part VII. of the Act. For, if the plaintiffs are not entitled to ask for a decision, any opinion of the Court given at their instance would be extra-judicial.

For the purpose of dealing with this objection it must be assumed that Part VII. of the Act is invalid, and that the keeping of the register of workers' trade marks under it is an assertion of authority unauthorized by law.

Parts III., IV., V. and VI. (secs. 15 to 73) of the *Trade Marks Act* follow in the main the lines of the English *Trade Marks Act* 1905. The definition of a trade mark uses the word "distinctive," but there is no formal definition of the word itself, as in sec. 9 of the English Act. Provision is made, as in the English Act, for rectification of the register on the application of any person aggrieved (sec. 71), but this provision does not apply to the mark in question. Part VII. (secs. 74 to 77) is headed "Workers' Trade Marks."

Sec. 74 is as follows:

"74 (1). No person shall—

- (a) falsely apply to any goods for the purpose of trade or sale; or
- (b) knowingly sell or expose for sale, or have in his possession for sale or for any purpose of trade or manufacture, any goods to which there is falsely applied; or
- (c) knowingly import into Australia any goods not produced in Australia to which there is applied

a mark which is a distinctive device, design, symbol, or label registered by any individual Australian worker or association of Australian workers corporate or unincorporate for the purpose of indicating that articles to which it is applied are the exclusive production of the worker or of members of the association (and which mark is hereby declared to be a workers' trade mark), or any mark substantially identical with a registered workers' trade mark, or so nearly resembling it as to be likely to deceive.

(2) The workers' trade mark is falsely applied unless in truth—

- (a) the goods to which it is applied are exclusively the production of the worker or of members of the association; or

- (b) The goods to which it is applied are in part but not exclusively the production of the worker or of members of the association, and the mark is applied in such a manner as clearly to indicate that its application does not refer to, describe, or designate the parts of the goods not being the production of the worker or of members of the association ; and

- (c) The mark is applied to the goods (being goods produced in Australia) by the employer for whom they are produced, or, with the authority of the employer by the worker or a member of the association registering the mark.

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(3.) In this section—

‘ Association ’ includes any number of associations acting together, and in such case the members of the ‘ association ’ shall be the members of the associations which are acting together ;

‘ Production ’ means production, manufacture, workmanship, preparation or product of labour ;

‘ Produced ’ has a meaning corresponding with ‘ production.’

Penalty : Fifty pounds, in addition to any liability to forfeiture provided by law.”

Sec. 75 provides that :

- “(1) A worker or association may register a workers’ trade mark in the prescribed manner and shall thereupon be deemed the registered proprietor thereof, and be entitled to institute legal proceedings to prevent and recover damages for any contravention of this Part in respect of that trade mark.
- (2) A workers’ trade mark may be removed from the register for the causes and in the manner prescribed, and subject thereto the registration of the trade mark shall continue for fourteen years, at the expiration of which it shall cease unless renewed in the manner prescribed.
- (3) A workers’ trade mark shall not be capable of assignment either by act of the parties or by operation of law.
- (4) Parts III., IV., V. and VI. of this Act shall not apply in relation to workers’ trade marks.

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(5) A workers' trade mark shall not be registered if it is substantially identical with any registered trade mark within the meaning of this Act or so nearly resembles it as to be likely to deceive."

The respondent union, taking advantage of this provision, have obtained the registration of a mark or label as a workers' trade mark, as to which it is sufficient to say that in form it is such that, but for its registration, a mark very like it might be registered under the Act as the trade mark of the plaintiff companies collectively, or by any of them separately. When I say "very like," I mean so like that, if the defendants' mark is valid, a mark so used by the plaintiffs would be likely to deceive. The plaintiffs, other than the Attorney-General, contend that under the circumstances they are aggrieved by the unauthorized registration of such a mark. They support this contention on two grounds. They say, first, that if provision had been made in this part of the Act for a summary application for rectification of the register by the removal of an unauthorized mark at the instance of "persons aggrieved," they would come within that expression as interpreted in the case of *Powell v. Birmingham Vinegar Brewery Co.* (1); s.c. *sub nomine In re Powell's Trade Mark* (2), and that they are equally aggrieved, and equally entitled to invoke the aid of the Court to redress their grievance, whether provision is or is not made in the Act for a special and summary remedy. In the second place they allege in their statement of claim—which is admitted for the purpose of this case—that the registration and user of the defendant Union's mark will injure and interfere with them in carrying on their business and in selling their goods and in employing labour. This statement of damage is amplified in the particulars delivered by the plaintiffs as follows:—

(a) It will compel the plaintiffs (other than the Attorney-General) to allow the use of the mark on their goods or lose business with members of the said Brewery Employés' Union of New South Wales or persons licensed by it to use the said mark or in sympathy with the said Union.

(b) Many people who now buy the plaintiffs' (other than the

(1) (1894) A.C., 8.

(2) (1893) 2 Ch., 388.

Attorney-General's) goods will refuse so to do if the said mark were used on the said goods: others if the mark were not used.

(c) It will prevent the plaintiffs (other than the Attorney-General) from or render it difficult for the plaintiffs (other than the Attorney-General) to employ workmen unless members of the said union or persons licensed by it to use the said mark.

(d) It will prevent the plaintiffs (other than the Attorney-General) using the same or a similar design.

(e) It will render the plaintiffs (other than the Attorney-General) liable to actions and prosecutions for the infringement of the said mark.

I will deal with these contentions separately. In *Powell's Case* (1), in which the question was whether the appellant was aggrieved by the registration as a trade mark of the words "Yorkshire Relish," Lord *Herschell* L.C. said:—

"My Lords, the first question raised is whether the respondents were 'persons aggrieved' within the meaning of the 90th section of the *Trade Marks Act* of 1883. That section provides that: 'The Court may on the application of any person aggrieved . . . by any entry made without sufficient cause in any such register' (that is, a 'register kept under this Act') 'make such order for expunging or varying the entry as the Court thinks fit.' The respondents are in the same trade as the appellant; like the appellant, they deal amongst other things in sauces. The Courts below have held that the respondents are 'persons aggrieved.' My Lords, I should be very unwilling unduly to limit the construction to be placed upon these words, because, although they were no doubt inserted to prevent officious interference by those who had no interest at all in the register being correct and to exclude a mere common informer, it is undoubtedly of public interest that they should not be unduly limited, inasmuch as it is a public mischief that there should remain upon the register a mark which ought not to be there, and by which many persons may be affected who nevertheless would not be willing to enter upon the risks and expense of litigation. Whenever it can be shown, as here, that the applicant is in the same trade as the person who has registered the trade mark, and

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whenever the trade mark if remaining on the register would or might limit the legal rights of the applicant so that by reason of the existence of the entry upon the register he could not lawfully do that which but for the appearance of the mark upon the register he could lawfully do, it appears to me that he has a *locus standi* to be heard as a 'person aggrieved.'"

In the same case Lord *Watson* said (1):—"In disposing of the appellant's contention that the respondents were not 'aggrieved persons,' it appears to me that the Courts below proceeded on the right construction of sec. 90 of the Act of 1883. In my opinion, any trader is, in the sense of the Statute, 'aggrieved' whenever the registration of a particular trade mark operates in restraint of what would otherwise have been his legal rights. Whatever benefit is gained by registration must entail a corresponding disadvantage upon a trader who might possibly have had occasion to use the mark in the course of his business. It is implied, of course, that the person aggrieved must manufacture or deal in the same class of goods to which the registered mark applies, and that there shall be a reasonable probability of his finding occasion to use it. But the fact that the trader deals in the same class of goods and could use it, is *prima facie* sufficient evidence of his being aggrieved, which can only be displaced by the person who registered the mark, upon whom the onus lies, showing that there is no reasonable probability that the objector would have used it, although he were free to do so. That reading of the Statute appears to me to be in substantial conformity with the construction adopted by the Court of Appeal in *In re Rivière's Trade-mark* (2), and also in *In re Apollinaris Company's Trade-marks* (3)."

In the Court of Appeal *Bowen* L.J. had said (4):—"Persons who are aggrieved are persons who in some way or other are substantially interested in having the mark removed from the register, or persons who would be substantially damaged if the mark remained. It is very difficult to frame a nearer definition than that. In the *Apollinaris Case* (3), it was pointed out, not as a

(1) (1894) A.C., 8, at p. 12.
(2) 26 Ch. D., 48.

(3) (1891) 2 Ch., 186.
(4) (1893) 2 Ch., 388, at p. 406.

complete or exhaustive definition, that people would be aggrieved if they are in the same trade and dealt in the same article. To my mind, it is equally true that persons would be aggrieved if they are in the same trade, and might reasonably be expected to deal in the same article, though not prepared to prove at the moment that they had formed a clear determination to do so. Supposing that this mark ought not to be on the register, it hampers those who are in the trade and who might wish to consider the question of embarking in another branch of the trade if lawfully entitled to do so. It would be, to my mind, an unbusinesslike construction to place on the term 'aggrieved,' to say that it could only be applicable to those who actually had formed a fixed and crystallized intention of dealing in the particular article if permitted to do so. If a man is hampered in his arrangements of business matters in the future by the fact that a trade mark is on the register which ought not to be there, he is a person who, to my mind, is sufficiently aggrieved to come within the section."

These are, in my opinion, authoritative and binding commentaries upon the meaning of the term "person aggrieved" as used in the English *Trade Marks Act*. But the word "aggrieved" was not treated as having a special meaning in that Statute. Whether a person is aggrieved or not by the act of another depends upon the nature of the act complained of and the manner in which it will affect the complainant. The form of procedure to be adopted to obtain any relief to which he may be entitled is quite irrelevant to the question whether he is entitled to any relief. In my opinion, therefore, the plaintiffs in the present case are persons aggrieved by the registration complained of, just as in *Powell's Case* (1), in the sense that it hampers them in carrying on their business with the freedom which they are entitled to enjoy in the absence of any valid legislation restraining it. This is of itself sufficient to give them a *locus standi* to appeal to a Court of Justice for redress of the grievance and for prevention of the continuance of the wrongful act which works the grievance; and, if no other appropriate remedy is provided, the remedy is by action.

(1) (1894) A.C., 8.

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With regard to the second ground of the plaintiffs' contention it appears to me that they are free by the law of the land to carry on their business and offer their goods for sale without publishing to the world any statement as to the persons whom they have employed in the production, and that any interference with this freedom which may operate to their prejudice is unlawful unless justified by Statute.

It is said that the registration of the mark in question and its use by other rival traders would not have any such prejudicial effect, since the plaintiffs themselves might acquire the right to use it. But, since they could only do so by the exclusive employment of members of the defendant Union, it is plain that they are interfered with to this extent—that they are no longer free to compete with rival traders on the same terms as before. They must either use or abstain from using the mark. The user or non-user are of equal significance. They are, therefore, obliged to inform their customers that they do or do not exclusively employ persons who are members of the defendant Union, and this information may be of great importance in the opinion of a large class of persons to whom they look for custom. It was suggested that such an interference is so trivial that the Court should disregard it, which seems a singular argument to use in a case in which the right to the mark has been so long and so strenuously contested. In my opinion, this interference with freedom is substantial, and is, unless authorized by some positive law, unlawful and actionable. To use the words of *Holt* C.J. in *Ashby v. White* (1):—"A damage is not merely pecuniary, but an injury imports a damage, when a man is thereby hindered of his right"; of which he gives many illustrations. I think, further, that the injury is a particular injury to every person whose freedom is so interfered with, and that every such person may maintain an action for an injunction to restrain the interference.

Assuming, however, that the individual plaintiffs are not entitled to maintain the action, I will proceed to consider whether the Attorney-General for the State is entitled to maintain it as against the defendant Registrar.

It was not contested in argument that if the Commonwealth

(1) Raym. (Ld.), 938, at p. 955.

having no authority at all to deal with the subject matter of trade marks, had nevertheless purported to set up a register of trade marks, the office of the Registrar is such that a *quo warranto* would lie against him. But it was said that in such a case the *quo warranto* could only be brought by the Attorney-General of the Commonwealth. *Quo warranto* is not the appropriate remedy in the present case, because the appointment of a Registrar of Trade Marks is admittedly authorized by the Constitution, and the objection is not to the unwarranted assumption of the office, but to the assumption of functions which do not lawfully appertain to it. In Mr. *Shortt's* book on *Informations* it is said that in such a case the appropriate remedy is injunction or prohibition (page 132). It is clear that in such a case there must be some way of preventing, and not merely of punishing, the illegal assumption of authority. It would appear from *Coke's Entries* that in ancient times the process of *quo warranto* was applied in cases of the assumption by a lawful corporation of functions not within the terms of its franchise. There is no modern instance of the use of the writ for this purpose, but it is now settled that, in any case when a public corporation claims to exceed its powers in respect of a subject matter of such a nature that the excess tends to the injury of the public, the Attorney-General can maintain an action to restrain the excess: *London County Council v. Attorney-General* (1); *Attorney-General v. Shrewsbury (Kingsland) Bridge Co.* (2); *Attorney-General v. London and North Western Railway Co.* (3). In my judgment this doctrine applies to any person holding a public office who claims to exercise functions which are not authorized by law and are in their nature injurious to the public or to members of the public. As to the contention that the proper Attorney-General to sue is the Attorney-General of the State by whose law the corporation or officer claims to be authorized, I think it is founded on a misconception. The ground of the Attorney-General's right to interfere is a common injury to the public, and it appears to me that, if a person claims to be authorized by law to exercise some public function which is in fact not authorized by law and is injurious to the public of a

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(1) (1902) A.C., 165.

(2) 21 Ch. D., 752.

(3) (1900) 1 Q.B., 78.

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1908. rights of the public of the State.

ATTORNEY- For these reasons I am of opinion that this action is properly
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v. I proceed to consider the much more difficult question whether
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It should not be necessary to point out that the question for our determination is neither whether it is expedient that an obligation should be laid upon employers to inform their customers that they do or do not employ any but union labour, nor whether it is expedient that the Federal Parliament should have power to lay such an obligation upon them. The sole question is whether under the Constitution the power to lay such an obligation has been conferred upon the Commonwealth or is retained by the States exclusively. This Court has no concern with the expediency either of granting such a power to the Commonwealth or of its exercise. Its duty is limited to an examination of the Constitution and a declaration of its meaning. It would indeed be a lamentable thing if this Court should allow itself to be guided in the interpretation of the Constitution by its own notions of what it is expedient that the Constitution should contain or the Parliament should enact. Sec. 51 of the Constitution authorizes the Parliament "to make laws for the peace, order, and good government of the Commonwealth with respect to (i.) Trade and commerce with other countries, and among the States; . . . (xviii.) Copyrights, patents of inventions and designs, and trade marks." The Act now in question purports to be an exercise of the last mentioned power.

The plaintiffs contend that the "workers' trade mark" authorized by Part VII. to be registered by an association of workers is not a trade mark at all in the sense in which that word is used in the Constitution. The defendants answer that the mark in question is a mark; that it is to be used in connection with trade, which includes manufacture and production; and that this is sufficient to bring the Act within the power. Now, while there is no doubt that within the ambit of its powers the Parliament is supreme, it has no authority

whatever beyond that ambit. It is necessary, therefore, to consider the nature of the authority conferred by sec. 51 (xviii). Whatever that authority may be, it is for the Parliament, and not for the Court, to prescribe the mode of its exercise. But it is for this Court to determine, when its interposition is sought, whether an asserted authority is or is not conferred by the Constitution.

The meaning of the terms used in that instrument 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 civilization new developments, now unthought of, may arise with respect to many subject matters. So long as those new developments relate to the same subject matter the powers of the Parliament will continue to extend to them. For instance, I cannot doubt that the powers of the legislature as to posts and telegraphs extend to wireless telegraphy and to any future discoveries of a like kind, although in detail they may be very different from posts and telegraphs and telephones as known in the nineteenth century. An instance of a quite different kind of subject matter is immigration, the meaning of which term cannot alter, however the methods of bringing persons within the geographical limits of the Commonwealth may be extended.

We have then to choose between these two conflicting lines of reasoning, and to say whether the term "trade marks" used as defining a subject matter of legislation is to be taken in the wider or more limited sense. Apart from any light thrown on the question by the history of the use of the word in legislation or otherwise, it might be contended with much force that the term means "a mark used in connection with trade," the term "trade" being, perhaps, limited to the exchange of vendible articles by way of commerce. If this view is accepted, the Parliament has absolute authority to prescribe

- (1) whether any marks may be so used at all;
- (2) what marks may be so used;
- (3) whether certain marks must be so used;
- (4) by whom any marks may be so used;

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(5) by whom any marks must be so used ;

(6) the signification to be given to any particular mark ;

(7) the conditions of the particular trade upon which the right or obligation to use the mark shall depend.

Such authority would undoubtedly involve a very large power of interference with the conditions of domestic trade, but that is no objection if the authority is given.

If, on the other hand, the term "trade mark" is interpreted strictly according to the definitions which had been given in English Courts before the year 1900, the result would be that, although new kinds of marks and new purposes to which marks of the old kind may be applied may be, and indeed have been, devised since that time, the authority of Parliament is limited to dealing with the particular kind of trade mark then known, and to the use of trade marks for the particular purposes then recognized, with the result that all new developments of the subject matter would fall within the domain of State legislation.

Each of these views appears to lead to consequences which *primâ facie* could not have been intended. Our duty is to find, if we can, some construction which is in harmony with the general scheme of the Constitution.

I proceed to examine the language of the Constitution with this object.

The power to legislate with respect to "trade and commerce" conferred by sec. 51 (i.) is not unlimited. In the case of *United States v. De Witt* (1) Chase C.J., delivering the judgment of the Supreme Court, said:—"That Congress has power to regulate commerce with foreign nations and among the several States, and with the Indian tribes, the Constitution expressly declares. But this express power to regulate commerce among the States has always been understood as limited by its terms, and as a virtual denial of any power to interfere with the internal trade and business of the separate States ; except, indeed, as a necessary and proper means for carrying into execution some other power expressly granted or vested."

This doctrine has been the foundation of a great number of decisions as to the validity of the legislation of Congress, and it has never been doubted.

(1) 9 Wall., 41, at p. 43.

The same doctrine follows from the literal words of sec. 51 (i.) of the Australian Constitution, which confers the grant of power, not in general terms, but only as to "trade and commerce with other countries, and among the States." This is, emphatically, an instance in which the rule *expressio unius exclusio alterius* must be applied.

It follows that the power does not extend to trade and commerce within a State, and consequently that the power to legislate as to internal trade and commerce is reserved to the State by the operation of sec. 107, to the exclusion of the Commonwealth, and this as fully and effectively as if sec. 51 (i.) had contained negative words prohibiting the exercise of such powers by the Commonwealth Parliament, except only, in the words of *Chase C.J.*, "as a necessary and proper means for carrying into execution some other power expressly granted." It follows that, in order to warrant such an interference with the trade and commerce of a State as would be authorized by the extended meaning claimed for the words in question, it must be shown that such a power of interference is a necessary and proper means of carrying into execution the power to legislate as to trade marks. If such an invasion of the exclusive powers of the States was intended, it is strange that the power should have been conferred in language which seems at first sight so inadequate for the purpose.

In my opinion, it should be regarded as a fundamental rule in the construction of the Constitution that when the intention to reserve any subject matter to the States to the exclusion of the Commonwealth clearly appears, no exception from that reservation can be admitted which is not expressed in clear and unequivocal words. Otherwise the Constitution will be made to contradict itself, which upon a proper construction must be impossible.

I turn now to sub-sec. (xviii.), as to which the first observation that occurs is that trade marks are grouped with copyrights and patents of inventions and designs, the whole forming a class of property of a special kind, in the nature of monopoly, and as to which before 1900 an International Convention had been made between Great Britain and other countries, to which Convention three of the Australian Colonies had become parties. So far as

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regarded any future Convention it was obviously necessary that the subject matter should be under the control of the Commonwealth. This, read with sub-sec. (i.) suggests that the concept of a trade mark as used in sec. 51 had primarily nothing to do with the details of internal trade and commerce.

In the case of *Attorney-General for Quebec v. Queen Insurance Co.* (1) in which the question for consideration was the meaning of the term "direct taxation" under the *British North America Act*, Sir G. Jessel M.R., delivering the opinion of the Judicial Committee, said :—" Now, here again we find words used which have either a technical meaning or a general, or, as it is sometimes called, a popular meaning. One or other meaning the words must have ; and in trying to find out their meaning we must have recourse to the usual sources of information, whether regarded as technical words, words of art, or words used in popular language." The learned Master of the Rolls then proceeded to apply this test, and considered the words first as words of art and then as words used in popular language. I propose to follow the same course.

First, then, what was the meaning of the term "trade mark" in 1900 regarded as a term of art ?

Before the year 1837 very few cases are reported in which this term or any analogous term was used, and in none of them, so far as I know, was it used as a term of art. In *Blanchard v. Hill* (2) Lord Hardwicke L.C., said :—" Every particular trader has some particular mark or stamp ; but I do not know of any instance of granting an injunction here, to restrain one trader from using the same mark with another." In *Motley v. Downman* (3), which was a suit for an injunction to restrain the use by the defendants of a mark " M C," which the plaintiff was in the habit of using to distinguish tin plates made at his works, Lord Cottenham L.C. said :—" The case, then, is, that a person who, as tenant of particular works, had derived the benefit of using the distinguishing mark employed for the purpose of marking the goods made there, quits the premises, and establishes a similar manufactory elsewhere, and there, after his lease of the previous works has expired, uses

(1) 3 App. Cas., 1090, at p. 1100.

(2) 2 Atk., 484, at p. 485.

(3) 3 My. & C., 1, at p. 16.

the mark which he had obtained the right to use, or at least the benefit of using, by being tenant of those works; and then he says to the landlord of those works, 'Not only have I acquired the right to the use of this mark, but you have lost the right to the use of it.'

It will be noticed that the learned Lord Chancellor used the words "mark" and "distinguishing mark," but not the term "trade mark." *Millington v. Fox* (1), which came before Lord Cottenham in 1838, is the first instance of an injunction being granted to restrain the use of a tradesman's distinguishing mark. The bill alleged that the steel manufactured by the plaintiffs "had always been distinguished by certain marks upon the bars or pieces of steel so manufactured" and asked for an injunction to restrain the defendant from "stamping steel with the before-mentioned names or marks." The term "trade mark" does not seem to have been used in the pleadings or in the argument. Up to this time, therefore, it would seem that the term was not known in English law as a term of art. It had been, as said by Lord *Hardwicke*, the practice of traders to use their own marks to denote their goods, and from early times certain marks used in trade had been the subject of legislation in England, principally with regard to gold and silver plate and cutlery. The main object of this legislation appears to have been to protect the public by requiring a mark to be used as a warranty of quality, which, if false, could be traced to the trader responsible for it. It is very likely that these marks were colloquially spoken of as trade marks, although we are not referred to any instance of such use. Such legislation was undoubtedly legislation prescribing conditions of internal trade.

The term "trade mark" is found in English legislation for the first time in the *Merchandise Marks Act* 1862 (25 & 26 Vict. c. 88). That Act, the preamble of which recited that it was expedient to amend the law relating to the fraudulent marking of merchandize and to the sale of merchandize falsely marked for the purpose of fraud, contained various provisions for punishing the fraudulent use of trade marks. That term was to include "any and every such name, signature, word, letter, device,

(1) 3 My. & C., 338.

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emblem, figure, sign, seal, stamp, diagram, label, ticket, or other mark as aforesaid lawfully used by any person to denote any chattel, or (in Scotland) any article of trade, manufacture, or merchandize, to be an article or thing of the manufacture, workmanship, production, or merchandize of such person, or to be an article or thing of any peculiar or particular description made or sold by such person, and shall also include any name, . . . mark, or sign which in pursuance of any Statute or Statutes for the time being in force relating to registered designs is to be put or placed upon or attached to any chattel." Up to this time a trade mark had not in England been treated in Courts of Justice as being itself a substantive subject of property, and the definition given in the Act probably included any possible mark or sign that had been used to distinguish one trader's goods from another's. I think that it is not unreasonable to infer that after the passing of this Act the term "trade mark" came to have in England a meaning substantially the same as, if not identical with, this definition, but whether the word had come to be regarded as a term of art or not is not easy to say. The Act of 1862, with or without provisions for registration, was adopted by all the Australian Colonies except Western Australia. In 1875 the Act 38 & 39 Vict. c. 91 was passed which established a register of trade marks as defined by the Act, and provided that after 1st July 1876 a person should not be entitled to institute proceedings for the infringement of a trade mark as defined by the Act unless such mark was registered. The idea of property in a trade mark is here for the first time suggested in the Statute book. It had already in the interval been accepted in the Courts, in a case to which I will directly refer.

Sec. 10 was as follows:—

"10. For the purposes of this Act:

- A trade mark consists of one or more of the following essential particulars; that is to say,
- A name of an individual or firm printed, impressed, or woven in some particular and distinctive manner; or
- A written signature or copy of a written signature of an individual or firm; or
- A distinctive device, mark, heading, label, or ticket;

"and there may be added to any one or more of the said particular any letters, words, or figures, or combination of letters, words, or figures ; also

"Any special and distinctive word or words or combination of figures or letters used as a trade mark before the passing of this Act may be registered as such under this Act."

It will be observed that other marks, which were trade marks within the meaning of the Act of 1862, but were not trade marks within the Act of 1875, and were therefore not capable of registration, were left with such protection as they had before. I do not think that this Act effected any change in the general meaning of the term "trade mark," whether regarded as a term of art or as a popular term.

In 1883 the *Patents Designs and Trade Marks Act* (46 & 47 Vict. c. 57) was passed. That Act repealed the Act of 1875 and made other provisions for the registration of trade marks, but preserved the definition of a trade mark in terms which, for the present purpose, were substantially the same as in the Act of 1875. By sec. 103 Her Majesty was empowered to make arrangements with foreign States for the mutual protection of patents, designs, and trade marks on certain conditions, and by sec. 104 the advantages of sec. 103 might be extended to British Possessions. This Act was adopted in several of the Australian Colonies before 1900.

In 1884 Her Majesty acceded to an "International Convention for the protection of industrial property," which had been made in 1883 between several other nations. This convention extended to trade marks, which were described in the French of the original Convention as *marques de fabrique* and *marques de commerce*. The first paragraph of Article VI., according to the English version, provided that "every trade mark duly registered in the country of origin shall be admitted for registration, and protected in the form originally registered in all the other countries of the Union." The final protocol to the convention declared that par. 1 of Article VI. was "to be understood as meaning that no trade mark should be excluded from protection in any State of the Union from the fact alone that it does not satisfy, in regard to the signs composing it, the conditions of the legislation of that State (scilicet as

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to registration); provided that on this point it comply with the legislation of the country of origin, and that it had been properly registered in said country of origin," and proceeded: "With this exception, which relates only to the form of the mark, and under reserve of the provisions of the other Articles of the Convention, the internal legislation of each State remains in force." The Convention applied, therefore, to registered trade marks only. It is to be observed that it was not thought necessary to define the meaning of the terms *marque de fabrique* and *marque de commerce*, the only declaration made on the subject being that the form of the mark was not to be material. The substantial character of the thing, or, in other words, the concept denoted by the term, was not treated as requiring definition. In my judgment this Convention affords strong, if not conclusive, evidence that by 1884 the term "trade mark" and the corresponding foreign terms had acquired a definite and accepted meaning in commerce. That meaning, however, did not include every mark which would be a trade mark within the meaning of the English Act of 1862, for Article VIII. of the Convention provided that a trade name (which was a trade mark for the purpose of that Act) should be protected in all the countries of the Union without necessity of registration, whether it did or did not form part of a trade mark.

What then was this meaning? We find, in the first place, that a trade mark was regarded as forming a kind of property called "industrial property," and that a trade name was regarded in the same way. There was thus recognized a new kind of incorporeal right, being a right of persons with regard to articles of commerce, the substance of the right being the advantage to be derived from making known to possible customers the fact that the articles were articles with which the owner of the mark was in some way connected. In the Act of 1862 the connection was described in the words "used by any person to denote any chattel, or (in Scotland) any article of trade, manufacture, or merchandize, to be an article or thing of the manufacture, workmanship, production or merchandize of such person." In the dictionary of the French Academy under the word "*marque*" it is said:—

“ ‘ Marque.’ Il se dit particulièrement, dans le Commerce, d’ un chiffre, d’ un caractère, d’ une figure quelconque appliquée par empreinte ou autrement sur différentes sortes de marchandises, soit pour désigner le lieu où elles ont été fabriquées, le fabricant qui les a faites, ou le marchand qui les vend ; soit pour attester qu’ elles ont été visitées par les préposés chargés de leur fair acquitter les droits. *La marque de la fabrique. La marque de la douane. La marque de l’ orfèvre. La marque du contrôle. La marque du fabricant, du marchand, de l’ ouvrier . . . L’ ouvrier a mis sa marque à son ouvrage.*”

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There were, then, two substantive elements at least involved in the concept of a trade mark at this time, one, that the mark was itself the subject of a proprietary right, the other, that the owner of that right must have some connection with the articles upon which the mark was used.

In 1887 the *Merchandise Marks Act* (50 & 51 Vict. c. 28) was passed, by which the Act of 1862 was repealed and other provisions were substituted. In this Act the meaning of the term “trade mark” is limited to marks registered under the Act of 1883 or entitled to protection under a Convention made under sec. 103 of the latter Act. Other marks used in commerce are grouped under the term “trade description,” the meaning of which is sufficiently wide to include all the marks called trade marks for the purposes of the Act of 1862.

I think that this Act affords some evidence that the term “trade mark” was no longer in common use in the wide sense in which it was used in the Act of 1862. I will now refer to some instances in which the meaning of the word was discussed by the English Courts before 1900.

In the case of the *Leather Cloth Co. v. American Leather Cloth Co.* (1) Lord Westbury L.C. laid down for the first time the doctrine that the jurisdiction of the Court in the protection given to trade marks rests upon property, and that the Court gives relief by injunction because that is the only way by which such property can be effectively protected. In the same case, on appeal to the House of Lords, Lord Cranworth said (2):—
“The right to a trade mark is a right closely resembling, though

(1) 4 D. J. and S., 137 ; 33 L.J. Ch., 199.

(2) 11 H.L.C., 523, at p. 533.

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not exactly the same as, copyright. The word 'property' when used with respect to an author's right to the productions of his brain, is used in a sense very different from what is meant by it when applied to a house or a watch. It means no more than that the author has the sole right of printing or otherwise multiplying copies of his work. The right which a manufacturer has in his trade mark is the exclusive right to use it for the purpose of indicating where, or by whom, or at what manufactory, the articles to which it is affixed was manufactured. If the word 'property' is aptly used with reference to copyright, I see no reason for doubting that it may with equal propriety be applied to trade marks."

Lord *Kingsdown* said (1):—"A man may mark his own manufacture, either by his name, or by using for the purpose any symbol or emblem, however unmeaning in itself, and if such symbol or emblem comes by use to be recognized in trade as the mark of the goods of a particular person, no other trader has a right to stamp it upon his goods of a similar description. This is what I apprehend is usually meant by a trade mark, just as the broad arrow has been adopted to mark Government stores, a mark having no meaning in itself, but adopted by and appropriated to the Government."

I have already shown that by 1883 the right had come to be generally known as a species of "industrial property."

In *Edwards v. Dennis* (2), a case under the Act of 1875, Cotton L.J. said:—"A trade mark is a mark used in trade to distinguish the goods of the person who uses it," and again, "The person with whom the Act is dealing is a person who would have been entitled under the old law to bring an action for the infringement of his trade mark, that is to say, a trade mark actually used by him. The first section therefore assumes that it is dealing with a person who is using his trade mark."

In the same case *Lindley* L.J. said (3):—"Pushed to an extreme the argument means this—that a man having no business at all by simply registering a trade mark acquires the exclusive right to use it. That construction of the Act seems so

(1) 11 H.L.C., 523, at p. 538.

(2) 30 Ch. D., 454, at p. 473.

(3) 30 Ch. D., 454, at p. 476.

irrational that I cannot adopt it. A trade mark has no sense except in connection with trade. . . . The argument is based upon the expression in the 2nd section of the Act that 'a trade mark must be registered as belonging to particular goods, or classes of goods.' No doubt the Act is so expressed; but does it mean that there is to be registration irrespective of the fact as to whether the person registering manufactures any goods or not? In my opinion it is perfectly ridiculous to suppose it means that a trade mark is to be registered as belonging to goods which the man does not manufacture at all. It must mean that the mark is to be registered, not in connection with nothing, but in connection with the particular trade in respect of which he desires to use it."

In *In re Wood's Trade Mark* (1) *Lindley* L.J. said:—"What is meant by a distinctive trade mark? It must mean some mark which distinguishes the goods to which it is attached as those made or sold by the person who uses the mark." *Fry* L.J., referring to the definition of a trade mark in the Act of 1875, said (2):—"It appears to me that to satisfy the requirements of that definition the word or words must be distinctive in this sense, that they distinguish the manufacture of the person who has registered the trade mark from the manufacture of all other persons. I say 'manufacture,' but of course there may be cases in which they distinguish, not the manufacture, but the selection, or some other operation, upon the goods. But in all cases the word or words must distinguish the product of the person claiming the trade mark from the product of all other persons."

In *In re Australian Wine Importers, Ltd.* (3) *Kay* J. said:—"It seems to me that in all these cases there is a most singular ignoring of the meaning of a trade mark. What does a trade mark mean? It means that the mark under which a particular individual trades, and which indicates the goods to be his goods—either goods manufactured by him or goods selected by him, or goods which, in some way or other, pass through his hands in the course of trade. That is the meaning of a trade mark. It is a mode of designating goods as being the goods

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(1) 32 Ch. D., 247, at p. 259.

(2) 32 Ch. D., 247, at p. 262.

(3) 41 Ch. D., 278, at pp. 280, 281.

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which have been, in some way or other, dealt with by A.B., the person who owns the trade mark."

The learned Judge there uses the words "dealt with" to express the connection between the goods and the owner of the mark to which I have already referred.

In *Re Sykes & Co.'s Trade Marks* (1), *Hall* V.C. held (indeed the point does not seem to have been contested) that a person who carried on the business of a bleacher in Scotland was entitled to have a trade mark registered. As I understand the case, the applicant carried on a separate and independent business of bleaching the goods of other persons. In *Richards v. Butcher* (2) the actual question for decision was whether the words "Monopole" and "Dry Monopole" had been used as trade marks before the passing of the Act of 1875. But the language of the learned Lords Justices shows the sense in which the word trade mark was used at that time. Lord *Esher* M.R. said (3):—"Now, what constitutes the use of anything 'as a trade mark?' Not the mere use of it, but the use of it in a particular way, and with a particular result. You use the thing 'as a trade mark,' if you use it in business, or, as is often said, in the market, as a mark to denote your goods, and to distinguish them from the goods of anyone else. You use it, not merely as a writing, but as a mark in the market, and you must show that you used it in the market for the purpose of distinguishing your goods, and, I think, you must also show that the market accepted it as a distinguishing mark of your goods—then you use it as your 'trade mark.'"

In my opinion it follows, from a consideration both of the Statute law of 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 sec. 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

(1) 43 L.T., 626.

(2) (1891) 2 Ch., 522.

(3) (1891) 2 Ch., 522, at p. 543.

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, or with which he has dealt, from the goods of other persons.

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This concept includes in my opinion five distinct elements:—

- (1) A right which is in the nature of property;
- (2) The owner of the right must be a person, natural or artificial, engaged in trade;
- (3) The right is appurtenant or incident to the dealing with goods in the course of his trade;
- (4) The owner has such an independant dominion over the goods to which the mark is to be affixed as to entitle him to affix it to them; (It is not material whether this right is incident to his possession of the goods or arises under an agreement with the owner of them.)

(5) The mark distinguishes the goods as having been dealt with by some particular person or persons engaged in trade; (I use the word “particular” not as meaning that the person in question is indicated *nominatim*, but as indicating that he is a person who has an independent individual right with respect to the goods in question, and who is capable of ascertainment upon inquiry).

With regard to this species of property the power of the Parliament is absolute. They can prescribe the conditions on which it may be acquired, retained, or enjoyed; they may possibly even prohibit its enjoyment altogether; but they cannot, by calling something else by the name of “trade mark,” create a new and different kind of industrial property.

In the ordinary course of events, and in the absence of legislation, it might easily happen that the same mark had been adopted by more persons than one, so that such a mark would not be absolutely distinctive. But this contingency does not affect the quality of distinctiveness involved in the concept of a trade mark, any more than the fact that there are more persons than one bearing the name of John Smith deprives that name of the quality of distinctiveness. The circumstance, therefore, that the same mark was allowed in some cases (*e.g.* Manchester Cotton Marks) to be registered by more than one person did not affect in any way the nature of the concept.

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We were pressed with the fact that in some of the States of the American Union Statutes had been passed before 1900 by which workers' marks had been recognized by law. The earliest of these Acts, which was passed in 1889 in the State of California, authorized trade unions to adopt a "trade mark," to register it, and to affix it to any goods made, produced, or manufactured by members of the union. In most of the States the words used were "a label, trade mark, or form of advertisement." Contemporaneously, however, with these Statutes, a number of decisions were given in the Supreme Courts of several of the States to the effect that such a mark was not a trade mark in the ordinary acceptation of the word. The legislation referred to was, of course, within the competence of the legislatures, who were free to call the label by any name they thought fit. In my opinion, this legislation cannot be relied upon as showing any change in the meaning of the term "trade mark" in the British Empire, either regarded as a technical term or word of art, or in its popular sense. If knowledge of it is to be imputed to the framers of the Constitution, it must be taken that they also know that the great weight of American authority was adverse to the view that the workers' labels were trade marks.

The plaintiffs contend that the "workers' trade mark" described in Part VII. of the *Trade Marks Act* is not a species of industrial property such as I have described, but something quite different; that it is in the nature of an abstract right, or right in gross, not appurtenant to any right of property in, or control over, the goods for which it is to be used; that in substance it does not indicate that the goods to which it is affixed have been dealt with by any particular person or persons so as to distinguish them from goods dealt with by other persons; that, if the right, if any, thus created can be regarded as a species of industrial property, it is not the same kind of property as that mentioned in sec. 51 (xviii.); that, if it cannot be so regarded, this part of the *Trade Marks Act* is an ineffectual attempt to regulate and control the internal trade and commerce of the States, just as if it had been enacted that any manufacturer of goods shall affix to his products a mark indicating the persons employed in

the manufacture, or the rate of wages paid to them, or any other particular regarding the conditions of manufacture.

The defendants, on the other hand, contend that any individual worker is entitled to acquire a right to a trade mark as a proprietary right, and is free to use the mark or not to use it upon goods upon which he works, as he thinks fit, subject to any express contract between him and the owner of the goods; that the same rule applies to partnerships; that the number of the members of a partnership is immaterial unless limited by positive law; that the rule also applies to a joint stock company; and that, according to modern notions, a trade union is entitled to enjoy the same rights with respect to this kind of industrial property as a joint stock company.

So far as regards an individual worker or a partnership or joint stock company, I do not see any answer to this last argument. But so far as regards trade unions or industrial unions or associations of workers, corporate or unincorporate, other considerations arise. It is not within the competence of the Commonwealth Parliament to create new forms of property, or new forms of associations or partnerships for domestic trading purposes, or to confer upon existing partnerships or associations any capacity beyond those which they possess under the laws of the States, except, in either case, as incidental to the execution of some other express power. If Part VII. of the *Trade Marks Act* merely provided that any body, corporate or unincorporate, which by the law of a State may lawfully hold property, may be the owner of a trade mark (which would not be necessary if the mark in question is property) no objection could be offered on that score. The Act, however, purports to create new kinds of associations or bodies politic and to confer upon them the capacity of owning a worker's trade mark, which it calls property.

The defendant Union is a trade union, and also an industrial union, under the law of New South Wales, and, if the only objection to Part VII. of the Act were that based on the creation of new and unauthorized associations, it might be contended that the provisions relating to such associations are severable from the rest. Without expressing any opinion on that point I

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proceed to consider how far the workers' trade mark conforms to the concept of a trade mark as I understand it.

(1) Is the right, if any, created by the Act in respect of the workers' trade mark a right of property? The mere prohibition of the use of a thing appertains to the criminal law, and does not create a right of property in that thing. For instance, a prohibition, such as exists in some semi-civilized countries, of the wearing of a particular garb by any but married women does not confer a right of property in the exclusive use of that garb on married women collectively. I do not think that the bald enactment in sec. 75 that the association shall be deemed the registered proprietor of the workers' trade mark is effectual to create a new sort of property. The effect of the Act is to draw a distinction between members of certain unions and the rest of the community, and to enact that the rest of the community may not say that any member of the unions has dealt with the goods in question. This is quite a different idea from the right of an individual to publish the fact that he has dealt with them.

(2) Does the workers' trade mark denote that the owners of it are persons engaged in trade? In my opinion a trade union cannot be regarded as an artificial person engaged in trade, although the individual members of it may be so engaged.

The term "trade union" is defined by the *New South Wales Trade Unions Act 1881* (45 Vict. No. 12), sec. 31, as meaning "any combination whether temporary or permanent for regulating the relations between workmen and employers or between workmen and workmen or between employers and employers or for imposing restrictive conditions on the conduct of any trade or business whether such combination would or would not if this Act had not been passed have been deemed to have been an unlawful combination by reason of some one or more of its purposes being in restraint of trade. Provided that this Act shall not affect

(1) Any agreement between partners as to their own business ;
(2) Any agreement between an employer and those employed by him as to such employment.

(3) Any agreement in consideration of the sale of the good-

will of a business or of instruction in any profession trade or handicraft.”

If a trade union should, without authority, enter into the business of trading, there is no doubt that it could be restrained at the suit of a member: *Yorkshire Miners' Association v. Howden* (1), or, I apprehend, at the suit of the Attorney-General for the State. The same consequences would follow similar action by an industrial union, not being a joint stock company or trade union. It is not suggested that the respondent union is in fact a trading body. It has never been decided that a trade union can engage in trade. In the case of *Linaker v. Pilcher* (2) it was contended that the funds of a trade union were not liable to satisfy a judgment for damages in respect of a libel published in a newspaper issued by the union for union purposes, on the ground that the publication of the paper was trading and therefore *ultra vires* of the union. It was held by *Mathew J.* that the funds were liable, not, however, on the ground that trading was *intra vires*, but on the ground that the publication of that particular newspaper was not trading.

(3) For the same reason it follows that the alleged right is not appurtenant or incident to any dealing with goods in the way of trade by the owner of the mark.

(4) Has the union such an independent dominion over the articles to which it is to be affixed that they may lawfully affix it to them while they are in their hands? The union might perhaps stipulate that no persons other than members of the union should be employed in the production, and that the mark should be put by the owners upon the articles before sale. But this is an entirely different concept from the right of dominion involved in the concept of a trade mark.

(5) The workers' trade mark does not in fact purport to distinguish the articles to which it is affixed by identifying any workmen engaged in the production of them as individual persons or as members of a corporation or partnership engaged in trade, but merely indicates that certain members of the community, *i.e.*, non-unionists, have not been engaged in their production, just as a mark might indicate that no Asiatics or coloured persons

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(1) (1905) A.C., 256.

(2) 84 L.T., 421.

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had been so engaged. Such a distinction, however desirable in itself, could not have been effected by a trade mark, as the term was understood in 1900. If the right to make such a distinction were conferred by law and could be regarded as property, it would be property of a very different kind from a trade mark as then understood.

In my opinion, therefore, the workers' trade mark does not conform in any respect to the concept of a trade mark as used in the Constitution.

Since, then, the Parliament has no power either to create new kinds of property, or new kinds of bodies politic, except as incidental to some express power, or to create new offences, except by way of sanction to a law already passed under some express power, (*Lyons v. Smart* (1)) there is nothing left upon which Part VII. of the Act can validly operate except the mark of an individual worker.

In my judgment this Part of the Act is an attempt to regulate the internal trade of the States. It does not fall within, and is not incidental to, any of the express powers conferred on the Parliament to regulate that trade, and, except so far as those powers extend, the power of the States is exclusive.

I think, further, that the whole of the provisions of Part VII. are so bound up together that it is impossible to say that the Parliament would have enacted the provisions relating to individual workers without the rest. In my opinion, therefore, the whole of Part VII. is invalid.

It follows that the plaintiffs are entitled to a declaration: (1) that the defendant Registrar has no authority to keep a register of workers' trade marks, and (2) that the defendant Union's mark is not a trade mark within the meaning of the Constitution, and also to an order to cancel the registration, and an injunction to restrain the Registrar from continuing to keep such a register.

BARTON J. The defendants contend that the question of the validity of Part VII. of the *Trade Marks Act* 1905 cannot be dealt with by proceedings such as these, inasmuch as the plaintiff companies have no such interest as to justify them in claiming

the removal of the disputed mark from the register. They further say that an Attorney-General is not here a competent plaintiff; that this is not a case in which an Attorney-General can lawfully be set in motion; and that, even if that were so, the Attorney-General for New South Wales is not a competent plaintiff, and only the Attorney-General for the Commonwealth can institute proceedings. In effect, they argue that this action is brought for the purpose of obtaining a pronouncement which the Court has no right to give, since it would not be a decision between the conflicting interests of the parties, but a mere opinion as to the powers of Parliament. It is needless to say that this Court will not entertain a question brought before it merely to satisfy those whose political views prompt them to struggle to remove an enactment that offends them. Nor will it lend itself to an endeavour to protect business interests when there is not in law a grievance to be redressed.

But when a plaintiff says to a defendant, "You are injuring my trade by registering this label as to the very article in which I trade. Its continuance on the register hampers and embarrasses me in my business and must be injurious to it," it seems to me that, if he can establish the truth of these propositions, he has a right to the assistance of the Court, and therefore is a competent plaintiff to be allowed to endeavour to establish it. If that is so as to wrongful registrations in general, why is it not to be so where it is claimed that the registration is wrongful, not merely because of some defect in the mark itself or the procedure, but on the ground that there was no right to registration because the assumed authority of the Statute under which it was claimed or granted is not a real or lawful statutory authority?

Now, these brewing companies are embarrassed in their trade by the registration impeached. It is not describing the position quite accurately to say that all that will happen will be that, by choosing to use or not to use the mark, they will have to choose one class of customers or the other—those to whom it will or those to whom it will not be a recommendation. Have they not to say which class they prefer to lose? Presumably their present customers are such of the public as approve of their beer. If they adopt the mark they are likely to lose many customers to

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whom the mark will be a repellent. If they do not adopt it, they are likely to lose many customers who will not deal except with those who use it. There is no certainty, in either event, of any corresponding gain of trade. Thus they are in a dilemma, and it is out of the question to say that they are not embarrassed in their trade by the situation so created.

Bowen L.J., in *In re Powell's Trade Mark* (1) said:—"Persons who are aggrieved are persons who are in some way or other substantially interested in having the mark removed from the register, or persons who would be substantially damaged if the mark remained." And again, "If a man is hampered in his arrangements of business matters in the future by the fact that a trade mark is on the register which ought not to be there, he is a person who, to my mind, is sufficiently aggrieved to come within the section."

We are not dealing with that particular section here, but the reason of the thing is the same.

In *In re The Apollinaris Co.'s Trade Marks* (2), *Fry L.J.* in delivering the judgment of the Court of Appeal, said:—"We are of opinion that whenever one trader, by means of his wrongly registered trade mark, narrows the area of business open to his rivals, and thereby either immediately excludes, or with reasonable probability will in the future exclude, a rival from a portion of that trade into which he desires to enter, that rival is an 'aggrieved person.'" Here again I think that, though the circumstances are not identical, the reason of the thing is the same.

I therefore think that the four plaintiff companies are entitled to bring this matter into suit.

As to the position of the Attorney-General for New South Wales in the matter, the point seems to me a doubtful one, but on the whole I am of opinion that, as the relators are public companies belonging to the State, and the complaint is of a federal Statute which, if the relators are right, is an invasion of the purely State field of legislation, such as are the fields of industrial matters and of domestic trade, the Attorney-General for the State may rightly sue.

(1) (1893) 2 Ch., 388, at pp. 406-7.

(2) (1891) 2 Ch., 186, at p. 225.

The main question really turns upon the meaning of the term "trade marks" as used in sec. 51 (xviii.), of the Constitution—that is to say, the extent and limits of the "power to make laws for the peace, order, and good government of the Commonwealth with respect to . . . trade marks." Are marks or labels such as that in question included in the expression "trade marks," so that the framers of the Constitution meant to empower the Parliament to make laws with respect to them? If the ordinary or technical sense of the term in 1900 included them, or if it was used as a term which had acquired such an inclusive meaning in any legislation which we must take to have been in the minds of the makers of the Constitution at its making, then, but only then, the answer must be in the affirmative. In either case it is to the meaning in 1900 that we must look, for the plain reason that the Constitution previously framed in Australia became law in that year, and the framers cannot, of course, have had in their minds meanings which had not then come into existence. I do not say that any new meanings have been shown, but even if that be so, they are not within the purview of the sub-section. "The Act must be construed as if one were interpreting it the day after it was passed": *per* Lord *Esher* M.R. in *The Longford* (1). And see his judgments in *Gaslight and Coke Co. v. Hardy* (2), and *Sharpe v. Wakefield* (3). Of course no subsequent Statute of the Commonwealth, assuming to enlarge the meaning of the term in question as here used, could effect such a purpose unless it were an amendment of the Constitution passed by the method prescribed by sec. 128 of that instrument. For the Federal Parliament is not, like that which sits at St. Stephens, a sovereign Parliament. Legislative powers given by a written Constitution may be exercised to the full, but only as they stand. To attempt to give them a larger meaning is to attempt to alter the Constitution, which cannot be done validly by a Parliament to which it gives life and which is not itself empowered to amend it. On the other hand, if the language of a Statute includes a whole genus, a species of that genus, unknown when the Act was passed and

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(1) 14 P.D., 34, at p. 36.

(2) 17 Q.B.D., 619, at p. 621.

(3) 22 Q.B.D., 239, at p. 242.

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only afterwards coming into existence, is still within the language. But in the case of the Constitution that rule of construction cannot be extended so as to bring what is not in essence a species within the language of the legislative powers, for in doing this the Parliament would be including fresh subjects amongst its powers, and that would amount to an attempt to amend the Constitution by a process not sanctioned by the Charter. If the thing is not of itself within the meaning, an Act of Parliament cannot make it so. The powers remain the same though their application may extend as the subjects within the power increase. Is then the label or mark described in this case a trade mark in the ordinary or in any technical sense of the term as used in 1900, or is it a trade mark in any sense given to the term by Statutes before then, that is to say, such Statutes as we must take the framers of the Constitution to have kept in view in defining the power?

First as to the ordinary meaning of the term. It does not seem to have been in general use in the early years of the 19th century, for it cannot be found in such dictionaries as Johnson's of 1831 and Webster's of 1837, although in 1838, in the case of *Millington v. Fox* (1), which was clearly about trade marks, the term is used in the side note but not once in the report. In the report of *Motley v. Downman* (2), decided in the previous year, we find the marks there in question described as "brand marks," "peculiar marks," "distinguishing marks," "tradesmen's marks" and "traders' marks." And the term "trade marks" is used once to denote the same thing, the question being of the marks branded by rival manufacturers upon tin plates made and sold by them. In the earlier case of *Sykes v. Sykes* (3) decided in 1824, the subject of dispute was the use of the words "*Sykes Patent*" as a mark on goods (a patent to protect them having been held to be invalid). The mark, we are told, was placed on the articles by the makers "in order . . . to distinguish them from articles of the same description manufactured by other persons." The mark is not designated as a trade mark anywhere in the report, nor have I been able to trace the use of the term to an earlier date than 1837. But it is clear that the thing now known

(1) 3 My. & C., 338.

(2) 3 My. & C., 1.

(3) 3 B. & C., 541.

by that name had come into existence, and that certain legal rights had attached to it before that time. The concept of a trade mark was, of course, in existence before the name itself was applied to connote it. If the case of *Southern v. How* (1) is correctly reported, traders' marks were known and used, and damages would be given for their fraudulent use, in the time of James I., though the name trade mark was not yet given them. These marks were evidently used by traders, those who manufactured for sale as well as those who merely sold, to denote that the goods on which they were placed were made or sold by that trader who affixed them. And before any legislation took place on the subject, the common law protected the use of such marks by granting a right of action, first for the fraudulent use or imitation of them, and afterwards for their use or imitation in such manner as probably to deceive an unwary customer, even in the absence of fraud (compare *Southern v. How* (1) and *Sykes v. Sykes* (2) with *Millington v. Fox* (3). It did so on the principle that the marks were used to distinguish the goods of the maker or seller from those of other makers or sellers, and that those others had no right to represent their goods as made or sold by those who had by user of their own marks established that very distinctiveness. The effect, whether intended or not, was to disturb him in the exercise of a right. And so, when we hear that it is in law essential that the trade mark should be distinctive, we must remember that the law says this, not as itself assigning that quality to a trader's mark, but because the thing cannot be or become a trader's mark at all without that quality of distinctiveness. To distinguish the trader's goods from those of others it must first be affixed in some way to the goods. And, apart from Statute law, it is essential to the same purpose of its becoming distinctive that it should be used in the trade—that is, in the market. For thus only are the others who are interested in that commerce—that is, the buyers—enabled to discriminate between the goods of one trader, be he manufacturer or merchant, and those of another, who might otherwise pass off the goods made or sold by himself as those of a trader who has nothing to do with them. The mark to become distinctive must

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(1) Poph., 143.

(2) 3 B. & C., 541.

(3) 3 My. & C., 338.

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be the subject of an exclusive right of user, otherwise it would be used to confuse and not to distinguish. Thus we arrive at property in the mark itself: *Leather Cloth Co. v. American Leather Cloth Co.* (1), where Lord *Cranworth* says:—"The right which a manufacturer has in his trade mark is the exclusive right to use it for the purpose of indicating where, or by whom, or at what manufactory, the article to which it is affixed was manufactured. If the word 'property' is aptly used with reference to copyright, I see no reason for doubting that it may with equal propriety be applied to trade marks." And the property in the mark must be coupled with property, absolute or at least special, in the thing made or sold, in the sense of independent dominion or control of it. The freedom of the owner of the trade mark to affix it to particular goods must obviously involve a negation of the right of any other person to prevent his affixing it. I must be pardoned for saying things that seem to go without saying, for most, if not all, of these propositions seem to be denied or ignored in the present case. The right of a person not the actual owner of the goods to affix his mark—that is, the limited or special property that I have mentioned—may be gained contractually from the absolute owner by some person who is to be entitled to deal with them commercially. I see nothing to prevent that, it seems to be involved in the case of *Re Sykes & Co's. Trade Marks* (2), where a firm of bleachers were allowed to register a trade mark. But, in the absence of some such contractual right, the right is that of a man to use his own mark on his own goods to show that they are his make or his stock, and not another's. All the characters which seem to me to be of the essence of a trade mark, leaving out purely legal attributes, are tersely summed up by *Kay J.* in the case of *In re Australian Wine Importers Ltd.* (3) in these words:—"What does a trade mark mean? It means the mark under which a particular individual trades, and which indicates the goods to be his goods—either goods manufactured by him or goods selected by him, or goods which, in some way or other, pass through his hands in the course of trade. That is the meaning of a

(1) 11 H.L.C., 523, at pp. 533-4.

(2) 43 L.T., 626.

(3) 41 Ch. D., 278, at p. 280.

trade mark. It is a mode of designating goods as being the goods which have been, in some way or other, dealt with by A.B., the person who owns the trade mark."

Now, it seems to me that the ordinary concept of a trade mark as above expressed and the legal meaning—that is the common law meaning, as it is sometimes called—have only this difference between them, that the legal meaning by way of expansion connotes the rights which of necessity are implied in or flow from the ordinary concept. The "mark under which a particular individual trades" indicates user of the mark. That it "indicates the goods to be his goods" implies that he is using it by reason of an actual or special property in the goods on which he puts his mark. That it designates "goods which have been, in some way or other, dealt with by A.B., the person who owns the trade mark" implies that it is distinctive of the man's absolute or special property in or dominion over the goods—without which he must not mark them—as coupled with a proprietary right in the mark. It seems to me, therefore, that there is nothing in the use of the term "trade mark" at common law that carries with it more than is meant by the term in its ordinary use, whether that be called commercial or colloquial. Without the essential attributes which are called legal, neither distinctiveness nor absolute or special property in the thing, nor the right to the mark and its trade use, could begin or continue. And I come to the conclusion that a trade mark, as spoken of apart from Statute law by Judges and other legal authorities, is nothing but the thing connoted by the same term in ordinary or commercial intendment.

What I take a trade mark to be then, using my own words, is this: A mark which is placed on goods (1) to distinguish them as the goods of the person who uses the mark; (2) exercising dominion over the goods, whether he has absolute ownership or only a contractual right to the possession; (3) in the course of his trade; and (4) exercising a right to the exclusive use of the mark.

Now, it is not seriously contended that, if this or anything like it is the meaning of the term in the Constitution, the provisions of sec. 74 of the *Trade Marks Act* 1905 are within the power conveyed by the use of the term.

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The owner of a trade mark needs no authority from his workmen or anyone else to apply his mark. Nor does the owner of a trade mark need the authority of his employer to apply his mark to the goods to which it "belongs" (to use the word of the Act of 1875). He applies his own trade mark in virtue of his own right to it as coupled with the dominion he is entitled to exercise over the goods. Here the owner of the goods is necessarily not the owner of the so-called trade mark, and the owners of the so-called trade mark have no right to a particle of the goods. The person who uses the mark has no right to its exclusive use. A hundred rivals of his in trade may be equally entitled to use it. It is not distinctive in the true sense, the sense of "distinguishing a particular person's goods from somebody else's goods": Lord *Halsbury* L.C., *Perry Davis & Son v. Harbord* (1). Distinctiveness in this sense was not only essential before any enactment on the subject; it is so apart from Statute, and is exacted as an essential even by the Registration Acts. But it is a waste of words to heap up reasons why the thing described in Part VII. is not and cannot be a trade mark as a trade mark has been known from the first concept of it till it acquired that name, and from then till now.

I am of opinion, then, that the term "trade mark" is not employed in the Constitution in any sense which, apart from Statute, can include the workers' trade mark, and therefore that there is no power to turn that mark from what it is into a trade mark.

I come now to the second branch of the question as to the validity of Part VII., namely, whether the term "trade mark" as used in sec. 51 (xviii.) of the Constitution had in 1900, in any legislation which we must take to have been then in the minds of the framers of the Constitution, acquired a meaning which included a mark or label such as that which is here attacked.

I pass over for the present the question whether the legislation to be considered in this connection is that of the Parliament of the United Kingdom or that of the several Australian States, or both. I will deal with both, and will afterwards consider whether any other legislation can be held to have been in contemplation.

(1) 15 App. Cas., 316, at p. 320.

The first Imperial Statute is the *Merchandise Marks Act* 1862, which made no provision for registration. In sec. 1 it gives a definition of a trade mark which does not vary materially from the definition of *Kay J.* already quoted (1). The definition is to be used "in the construction of" the Act, which is for the prevention of the fraudulent use of merchandize marks. The definition enumerates a large number of things as "marks," and the term "trade mark" is to include them all as "lawfully used by any person to denote any chattel or (in Scotland) any article of trade, manufacture, or merchandize, to be an article or thing of the manufacture, workmanship, production, or merchandize of such person, or to be an article or thing of any peculiar or particular descriptions made or sold by such person." The term was also to include any *indicium* which under the Statutes as to registered designs is to be put on any article during the existence of any copyright, &c. The whole definition is limited by the words "in the construction of this Act," with which it begins. This Statute was repealed by the *Merchandise Marks Act* 1887. Passing over some minor amendments, the other material Statutes passed before 1890 were the *Trade Marks Registration Act* 1875, the *Patents, Designs, and Trade Marks Act* 1883, the *Merchandise Marks Act* 1887, and the *Patents, Designs and Trade Marks Act* 1888. The *Patents, Designs and Trade Marks Act* 1883 repealed the *Trade Marks Registration Act* 1875, and made fresh provision for registration and otherwise. (The 103rd section will receive attention presently). It prescribed certain essential particulars that a trade mark must at least contain for the purposes of the Act. The *Merchandise Marks Act* 1887, besides repealing that of 1862 and making substituted provision, has in sec. 3 a fresh definition, restricted so as to mean only trade marks entered in the register kept under the *Patents, Designs and Trade Marks Act* 1883. The term is to include any trade mark which, with or without registration, is protected by law in any British possession or foreign State to which sec. 103 of the last mentioned Act is under Order in Council for the time being applicable. (See sec. 104 of the same Act). The provisions of sec. 103 have not, so far as we are told, been so made applicable to the Commonwealth,

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(1) 41 Ch. D., 278, at p. 280.

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and I may say at this stage that, in my opinion, any meaning which a trade mark has, or has acquired in foreign States, has not, by virtue of any International Convention followed by Statutes applying it, become a statutory meaning which we can take to have been in the contemplation of the framers of the Australian Constitution. The remaining British Statute is the *Patents, Designs, and Trade Marks Act* 1888, amending the Act of 1883. It substitutes a new clause 64 for that so numbered in the Act of 1883, stating certain "essential particulars" one at least of which a trade mark must contain "for the purpose of this Act," that is, in order to be registrable. These are: "(a) A name of an individual or firm printed, impressed, or woven in some particular and distinctive manner; or (b) a written signature or copy of a written signature of the individual or firm applying for registration thereof as a trade mark; or (c) a distinctive device, mark, brand, heading, label, or ticket; or (d) an invented word in invented words; or (e) a word or words having no reference to the character or quality of the goods, and not being a geographical name." (a), (b) and (c) are in the definition section of the Act of 1883; (d) and (e) are new. Sub-sec. (2) provides that "There may be added to any one or more of the essential particulars mentioned in this section any letters, words, or figures . . . but the *applicant for registration* of any such additional matter must state in his application the essential particulars of the trade mark, and must disclaim in his application any right to the exclusive use of the added matter," &c. I omit the proviso.

Now, the effect of the statements in the Registration Acts of the requirements for registration is not in any way to define a trade mark, though they do, as *Kerly on Trade Marks*, 2nd ed., p. 24, puts it, "contain enumerations of the classes of symbols which are capable of registration under them as trade marks." And it has been held that trade marks, whether capable of registration or not, may be acquired apart from registration: *Sen Sen Co. v. Britten* (1), although registration may be a prior condition to an action for infringement in the cases falling within the section. It is only the registered owners of the trade mark or their assignees who can sue for an infringement of it; but there is

(1) (1899) 1 Ch., 692.

nothing to prevent a trader from bringing a passing off action. I venture to think it clear that there is nothing in all this English legislation to give a trade mark, except for the purpose of any Statute providing for registration, a meaning other than that which it had before these Statutes. See *per Baggallay L.J.*, in *In re J. B. Palmer's Trade Mark* (1).

It remains to consider the Acts of the various Colonies, for such they were when legislation took place.

Of these it is enough to say (1) that the *Merchandise Marks Act* of 1862 was adopted more or less completely in five of them at different times up to 1865, in three instances with the addition of registration provisions, in two without them. In one of the States the Acts of 1875, 1883 and 1887 have since been, in effect, adopted; in another only those of 1883 and 1887; in a third, that of 1883; in a fourth, that of 1883 in respect of registration, and that of 1887 in respect of protection; in a fifth, that of 1887; in the sixth, virtually nothing more: While as to international matters, two Colonies have provided means for the adoption, if desired, of any Convention into which the United Kingdom may enter with any foreign Government.

In none of these Statutes has any new general meaning or extension been given to the term "trade mark" apart from the mere purpose of registration, nor is there reason to suppose that the term has in Australia ceased to carry any of its original meaning, while it is impossible to select any of the meanings which separate Statutes had given it for limited purposes only, and to say of that one meaning, "this is the sense in which the constitution-makers used the term: this is the meaning that in 1900 the term 'trade mark' had for all Australia."

Statutes of many States of the American Union were cited to us to show that in those States the legislatures had passed laws in which workers' labels of the kind now in question were termed trade marks. Many decisions of American Courts were also cited, on the other hand, in most of which such labels were held not to be in fact trade marks, whatever mere name might be assigned to them. The Statutes in question, though of no importance for present purposes, are interesting because legislation as to trade

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(1) 24 Ch. D., 504, at p. 514.

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marks is a power reserved to the several States which have retained their general legislative powers save so far as the federal Constitution has assigned them to Congress. That body has not been armed by the Constitution with power to legislate as to trade marks. So that, whatever legislation can do to turn into a trade mark a thing that is not one in essence, the States can do. But the American cases are not of much assistance in this instance, because they are to be considered only on the question of the meaning of the State legislation, and that legislation, in my opinion, cannot, even apart from its many variances, be supposed to have been known to and to have been in the minds of the framers of the Australian Constitution. Where a part of the Constitution of the United States has been judicially interpreted and an identical or manifestly equivalent form of expression has been adopted in the Australian Constitution, the words of the former and the meaning judicially given them are of much importance, at any rate in weighing the reasons for the interpretations cited. But this is a different matter. The United States Constitution contains no provision similar to that of our sec. 51 (xviii.) Besides, if the framers of the Constitution knew of the Statutes, they knew of the decisions, and knew that the great bulk of American authority was to the effect that trade marks do not include union labels.

For the reasons given I am of opinion that the Constitution uses the expression "trade mark" in the sense it bore both in the United Kingdom and here, apart from Statute, in 1900, and that the power of legislation is co-extensive with that meaning, which does not cover the "workers' trade mark." It is plain that the sections comprised in Part VII. of the Act are not severable from each other or in themselves, and I add nothing to what the Chief Justice has said on that score. On the whole case then I am of opinion that the plaintiffs are entitled in substance to the relief they seek.

O'CONNOR J. Two separate questions of law have been submitted for our consideration. I propose to deal at once with that which, though second in order, is first in importance, namely, whether the Parliament of the Commonwealth has power to

enact Part VII. of the *Trade Marks Act* 1905. The whole controversy turns upon the construction of pl. xviii. of sec. 51 of the Constitution which enables Parliament to make laws for the peace, order, and good government of the Commonwealth with respect to "copyrights, patents of inventions and designs, and trade marks." The question to be determined is whether the subject matter upon which Parliament is thus empowered to legislate under the heading "trade marks" can include what is called the workers' trade mark created, regulated, and protected, by secs. 74 to 77 of the *Trade Marks Act* 1905.

The meaning of the expression "trade mark" is plain enough taking the words in their ordinary signification. So used the expression would include any mark used in trade or commerce, and would undoubtedly cover the kind of mark described as the "workers' trade mark" in the provisions now under consideration.

It cannot however be denied that the words taken together have acquired a meaning as a legal term. The expression "trade mark" has long been used to describe a special kind of mark used in trade, recognized as property, having well known legal incidents, and which had been for many years before the passing of the Constitution a subject of international agreement in Europe, America, and the different portions of the British Empire, and a subject of legislation in Great Britain and the several Colonies of Australia. The ambiguity, therefore, which meets us at the outset is this: has the Constitution used the expression in the sense which the words convey in their ordinary meaning, or has it used it as a legal term carrying its acquired signification with it?

The rule of interpretation to be applied in such a case is well known. Where words have been used which have acquired a legal meaning it will be taken, *primâ facie*, that the legislature has intended to use them with that meaning unless a contrary intention clearly appears from the context. To use the words of *Denman J.* in *R. v. Slaton* (1):—"But it always requires the strong compulsion of other words in an Act to induce the Court to alter the ordinary meaning of a well known legal term." I have been unable to find either in the sub-section itself, or in

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(1) 8 Q.B.D., 267, at p. 272.

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any other part of the Constitution, any indication of the intention of the legislature to use the expression "trade mark" in any other than its recognized legal meaning. On the contrary, the more the matter is considered the more clearly it will appear that the expression cannot, consistently with the rest of the Constitution, have been used with any other meaning. I shall take one illustration. The effect of the commerce clause (pl. i. of sec. 51), read with the rest of the Constitution, is to leave under the exclusive control of the State all operations of trade and commerce carried on wholly within its own territory. The express words of the sub-section invest the Commonwealth with control of all trade and commerce other than that carried on wholly within the limits of a State.

The regulation of marks used in trade and commerce is a necessary part of the control of trade and commerce itself, and the exclusive right of the State to regulate all marks used in trade and commerce carried on wholly within its boundaries, and of the Commonwealth to regulate all marks used in other trade and commerce, would necessarily be included within their respective powers. But it became obviously essential in the distribution of powers between Commonwealth and State to deal in some special way with the kind of mark generally known and described by the legal term "trade mark," internationally recognized as property, carrying with it universally acknowledged rights, used both in the trade and commerce controlled by the State and in that controlled by the Commonwealth, and which was, at the time of the passing of the Constitution, a subject of agreement between the Colonies themselves and between the several Colonies and Great Britain. That species of mark could not in the nature of things be controlled by the States. It stood in the same position as copyrights, patents of inventions and designs, and could be dealt with effectively only by the national power of Australia. It was therefore specifically mentioned by the sub-section as amongst the subjects under Commonwealth control. And, interpreting the expression in its legal sense, the Commonwealth is thus empowered to legislate with respect to the trade and commerce of a State in so far as may be essential for the effective exercise of that control. If,

however, the expression is to be taken in the ordinary sense of the words, as including every mark used in trade and commerce, it is difficult to see what limit can be placed on the power of the Commonwealth legislature to interfere in the control and regulation of the purely internal trade of a State. It would include the power to establish a registry, to direct what marks shall be registered, under what conditions they shall be applied for and used, and to what extent failure to comply with the conditions shall involve the restriction of any particular class of trade. There is hardly any operation of trade within a State that would not be subject to Commonwealth interference by virtue of such a power.

Under these circumstances not only is there no reason why the legal meaning of the expression should not be adopted, but it is clear that any other meaning would be entirely inconsistent with the whole scheme of distribution of the commerce powers of Australia which the Constitution has enacted.

What, then, is included within the legal term "trade mark" as used in the Constitution? In entering upon that inquiry some general principles of interpretation may well be kept in view. The Constitution, it must be remembered, is an instrument of government which from its nature must express its meaning in general terms. It is not only a law in itself, but an authority for making laws, and was intended by means of its broad general terms to adapt itself as far as possible to the changing conditions of trade and commerce, and to the new conceptions of legal rights and obligations which might in the ordinary course of things be expected to be evolved in the development of Australia. On the other hand it must always be remembered, as this Court has on several occasions pointed out, that the Constitution is something more than an instrument of government. It embodies the terms on which the people of the several States agreed for the sake of union to surrender their autonomy in certain respects. Keeping both these aspects of the Constitution in view, the true rule of interpretation would appear to be that there should be given to all legal and technical expressions the widest meaning that is consistent with the terms of the contract of union.

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In the case of *South Carolina v. United States* (1) Mr. Justice *Brewer*, in delivering the judgment of the Court, says, in reference to construing the words of the American Constitution in the sense in which they are used by its framers:—"The Constitution is a written instrument. As such its meaning does not alter. That which it meant when adopted, it means now. Being a grant of powers to a government, its language is general; and, as changes come in social and political life, it embraces in its grasp all new conditions which are within the scope of the powers in terms conferred. In other words, while the powers granted do not change, they apply from generation to generation to all things to which they are in their nature applicable. This in no manner abridges the fact of its changeless nature and meaning. Those things which are within its grants of power, as those grants were understood when made, are still within them; and those things not within them remain still excluded. As said by Mr. Chief Justice *Taney* in *Dred Scott v. Sandford* (2):—"It is not only the same in words, but the same in meaning, and delegates the same powers to the government, and reserves and secures the same rights and privileges to the citizens; and as long as it continues to exist in its present form, it speaks not only in the same words, but with the same meaning and intent with which it spoke when it came from the hands of its framers, and was voted on and adopted by the people of the United States. Any other rule of construction would abrogate the judicial character of this Court, and make it the mere reflex of the popular opinion or passion of the day.'"

When, by the terms of this instrument of government and of union, the people of the several Colonies of Australia gave up to the Commonwealth the power to make laws in respect of trade marks—a power which when once exercised by the enacting of a law was to become exclusive within the area covered by that law—what was the subject matter of legislation which they thereby surrendered? I agree with Dr. *Cullen* that in ascertaining what that was we must remember that the power is "to make laws with respect to trade marks," that the power is not to be confined by mere conditions or qualifications attached by law to the use of

(1) 199 U.S., 437, at p. 448.

(2) 19 How., 393, at p. 426.

trade marks at the time the Constitution was passed, except in so far as those conditions and qualifications were of the essence of the legal concept of trade mark as generally understood at that period. As Mr. Justice *Brewer* observes in the passage last quoted:—"while the powers granted do not change, they apply from generation to generation to all things to which they are in their nature applicable." Those words seem to suggest that the true line of inquiry is first to ascertain what were the essential characteristics of a "trade mark" in Australia at the time when the Constitution was passed, disregarding all conditions, qualifications, and attributes, which were not of its very nature and essence, and then to ascertain whether those characteristics are to be found in the "workers' trade mark" now under consideration.

In 1900 there were in force in all the Australian Colonies enactments relating to trade marks. There were also in Great Britain and other parts of the British Empire bodies of Statute law on the same subject. The English Courts and the Courts of the several Colonies had before then on many occasions expounded the law on the subject. If there were at that time any difference between the meaning of "trade mark" in English law and in the laws of the Australian Colonies we would be bound, I think, to assume that the Constitution used the expression in the sense known and recognized in Australia. But that question does not arise here because there was no such difference. On the contrary, there was and is universal agreement in the laws of every part of the British Empire as to what is included in the expression, and that universal agreement extends to the mercantile and business community as well as to lawyers and legislatures. In the course of argument some distinction was attempted to be drawn between the meaning of the expression in the lawyer's sense of the word and in that adopted by ordinary citizens. But there is no such distinction. The mercantile and business communities naturally use legal expressions with the meaning which the Courts and the legislature have attached to them.

Counsel on both sides brought under our consideration many American Statutes in force in 1900 and many decisions of the American Courts pronounced before that period. If it were

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necessary now to decide the matter, I would have no hesitation in holding that in 1900 the legal concept of a trade mark in that country was identical with that obtaining in Australia and in the British Empire generally. That view is strongly supported by the reasoning of the American Judges in many cases. In *Weener v. Brayton* (1) the question for decision was whether a union label, similar in all respects to that in question here, was a "trade mark." The Court held that it was not, that it was entirely wanting in the essential characteristics of a "trade mark" as that expression was understood in its ordinary legal meaning. For that reason, apparently, it was deemed necessary in many of the States of America to pass special legislation for the purpose of constituting the union label a trade mark and so bring it within the protection of the ordinary law of trade marks. The value therefore of illustrations from American legislation and American decisions in this controversy is that they would appear to demonstrate that the legal concept of a trade mark in that country was identical with that which obtained throughout the British Empire in 1900.

In inquiring what was included in the term "trade mark" in Australia in that year it is very important to consider the common law. The concept of a trade mark is the product of the common law, and in England, long before there was any legislation on the subject, trade marks as they now are had been established and recognized by the Courts. That had also been the case in America, and the observations of Mr. Justice *Miller* on their origin in that country are equally applicable here. In the *Trade Mark Cases* (2) he says:—"The right to adopt and use a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, the exclusion of use by all other persons, has been long recognized by the Common Law and the Chancery Courts of England and of this country, and by the Statutes of some of the States. It is a property right for the violation of which damages may be recovered in an action at law, and the continued violation of it will be enjoined by a Court of Equity, with compensation for past infringement. This exclusive right was not created by the Act of Congress, and does not now depend upon it for its enforcement. The whole system of trade

(1) 152 Mas., 101.

(2) 100 U.S., 82, at p. 92.

mark property and the civil remedies for its protection existed long anterior to that Act and have remained in force since its passage."

After this species of right had been long recognized by the English Courts it was adopted and regulated by the English Statute law, and afterwards by Statutes in the several Colonies of Australia, which in substance followed the English legislation.

In the course of the very able argument addressed to us on both sides an exhaustive examination was made of the English Statute law relating to trade marks and of the Statutes in force in the several Colonies of Australia at the time when the Constitution was passed. But I have been unable to see that Statutes, either in England or in Australia, except the special English enactments which I shall next mention, have done more than adopt, regulate, and protect "trade marks" as recognized at common law.

Some reliance was placed by the defendants' counsel on a series of English Statutes relating to workers' marks known as cutlery marks, Sheffield marks, and to gold and silver plate marks or hall marks, and other marks of the same kind which it is unnecessary to enumerate; some of them, the gold and silver plate marks for instance, dating as far back as 2 Henry VI. c. 17. Speaking generally, their purpose was to protect the public against fraud in the sale of goods, and that object was accomplished by making it compulsory on manufacturers to impress or stamp on those goods a company mark, guild mark, or individual workmen's marks, as the case might be. In later years the interests connected with such marks became so numerous and important that their acquisition and use were regulated by Statute. Later still many of these special registers were incorporated with the ordinary trade mark registers under the Trade Marks Acts, and they became registered "trade marks." The marks thus dealt with, however, having their origin in local conditions or relating only to special trades, are in their nature and incidents entirely different from ordinary trade marks, and it appears plainly from the context in which the expression occurs in sub-section XVIII., and from a consideration of the Constitution as a whole, that its framers had in mind when the sub-clause was

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enacted "trade marks" as generally known and recognized in commerce, and protected by the Conventions of all mercantile nations, and not some special and local variety of mark used only in England.

After a careful consideration, therefore, of all the Statute law on the subject, I am of opinion that no useful purpose would be served by further reference to it, and I proceed at once to consider what was in 1900 the nature of the group of rights created at common law and recognized in England and in Australia by Statute law and by the commercial and business world under the designation "trade mark."

Trade marks were first judicially recognized in England in 1838, when the Courts of Chancery gave protection to the rights of property of traders in trade marks used by them in their business to distinguish their goods from those of other traders. In *Ransome v. Graham* (1) *Bacon* V.C. thus explains the origin of trade marks:—"A manufacturer who produces an article of merchandise which he announces as one of public utility, and who places upon it a mark, by which it is distinguished from all other articles of a similar kind, with the intention that it may be known to be of his manufacture, becomes the exclusive owner of that which is thenceforth called his trade mark.

"By the law of this country, and the like law prevails in most other civilized countries, he obtains a property in the mark which he so affixes to his goods. The property thus acquired by the manufacturer, like all other property, is under the protection of the law, and for the invasion of the right of the owner of such property the law affords a remedy similar in all respects to that by which the possession and enjoyment of all property is secured to the owners."

Again, *Cotton* L.J., in delivering judgment in the case of *In re Hudson's Trade Marks* (2), where a question was raised under the *Trade Marks Act* of 1875, adverts to the same aspect of the question. He says:—"The mark proposed to be registered had never been used before the application, and accordingly the point, and it is a most important point, which we have to consider is this, whether the Act of 1875 enabled

(1) 51 L.J. Ch., 897, at p. 900.

(2) 32 Ch. D., 311, at p. 317.

anything to be registered as a trade mark which had not been already used, and there is a very considerable difficulty on that point, because the very essence of a trade mark independently of the Act was user. The right could be gained, and only gained, by use in connection with articles sold by the person claiming to be entitled to the trade mark in such a way as to distinguish those goods as his goods. That was the very essence of a trade mark, and we find that there is a distinction in the Act of 1875 between those things which were used before the Acts as trade marks and those which had not been so used."

Not only was the trader's right to property in his trade mark recognized, but the exclusiveness of his right of user was also recognized. This recognition of the right of one person to use a particular mark to the exclusion of all other persons—a right in the nature of a monopoly—was founded upon public policy. *Sebastian on Trade Marks*, 4th ed., at p. 5, quoting from the judgment of the Supreme Court of the United States in *Manhattan Medicine Co. v. Wood* (1), puts the true ground when he says:—"The benefits derivable from the recognition of the exclusive right of a trader to his trade mark are apparent from the consideration that the 'trade mark is both a sign of the quality of the article and an assurance to the public that it is the genuine product of his manufacture. It thus often becomes of great value to him, and in its exclusive use the Court will protect him against attempts of others to pass off their products upon the public as his. This protection is afforded, not only as a matter of justice to him, but to prevent imposition upon the public.'" The learned author goes on to point out (at p. 9) that on the same ground: "A trade mark cannot exist in gross and unattached to specific articles, for, if that could be so, the mark might come to be an instrument of deception, instead of a guarantee of genuineness." These principles, interwoven with the very origin and growth of the trade mark as recognized by all commercial nations, would seem to indicate those essential characteristics which distinguish it from all other marks used in trade.

Many definitions were cited in argument before us, but I shall

(1) 108 U.S., 218.

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not refer to them in detail. I propose to state only the conclusions at which I have arrived as to the general effect of them after very careful consideration. All definitions of the term agree on certain essentials founded in the origin and very nature of a trade mark. First, the proprietor of a trade mark must have some trade or business connection with the goods, such as of owner, manufacturer, seller, or as having selected, packed, or performed some other trade or business operation on them, and the mark must be used by him in the course of and in relation to that business connection. Secondly, the mark must be capable of distinguishing the particular goods on which it has been used from other goods of a like character in relation to which other persons have had a business connection of the like kind. These essentials would seem to follow necessarily from the origin of the trade mark, namely, its use by a trader in his business to distinguish his goods from those of other persons. The latter essential is the necessary basis of the right to exclude other persons from the use of the trade mark—the monopoly allowed in the public interest; for it is by virtue of its distinctiveness that the preservation and protection of the trade mark of one person against all the world is in the public interest.

In perhaps the broadest definition to be found in the text-books, that by a well known American writer on trade marks, Hopkins (*Hopkins on Trade Marks*, 2nd ed., p. 30), the importance of “distinctiveness” as an essential of a trade mark is emphasized. “A trade mark is a distinctive name, word, mark, emblem, design, symbol, or device used in lawful commerce to indicate or authenticate the source from which has come, or through which has passed the chattel upon and to which it is applied or affixed.” In a note on the same page the learned author explains that “distinctive” as used in the definition means that the mark must be something which “shall be capable of distinguishing the particular goods in relation to which it is to be used from other goods of a like character belonging to other people.” The part of the explanation in inverted commas is an extract from the judgment of Lord Russell of Killowen C.J. in *Rowland v. Mitchell* (1).

I take it, therefore, as established that the concept covered by

the legal expression "trade mark," as used by the legislature, the Courts, and the commercial community in England and Australia at the time of the passing of the Constitution, necessarily involved the two essentials I have mentioned. It would follow that the power conferred upon the Commonwealth Parliament to make laws in respect of trade marks extends only to trade marks having these essential qualities, and that it cannot extend to any mark used in trade which is wanting in any of those essentials. Nor can the Commonwealth Parliament give itself jurisdiction merely by declaring that a mark created by its authority for use in trade is a trade mark within the meaning of the Constitution. It cannot thus expand its powers by its own legislative act and so assume a larger control over the internal trade of a State than the Constitution has conferred on it.

I come now to the next question, namely, whether the workers' trade mark which is the subject of these proceedings possesses those essential characteristics which the term "trade mark," as used in the Constitution, connotes. In so far as Australia is concerned the mark is entirely the creation of the Commonwealth *Trade Marks Act* 1905. The Act provides a special register for it, places it in a class by itself, and declares that a large number of the provisions relating to ordinary trade marks in the legal and commercial sense of the term shall not apply to it. Any individual Australian worker, or any association of workers corporate or unincorporate, or any number of associations acting together, may register a worker's trade mark, being a distinctive device, design, symbol or label registered for the purpose of indicating that the articles to which it is applied are the exclusive production of the worker or members of the association or of the association of associations, and then the worker or association or association of associations as the case may be shall be deemed the registered proprietors of the trade mark and may institute legal proceedings to prevent and recover damages for any contravention of the Act in so far as it relates to workers' trade marks. A penalty is imposed on any person who falsely applies the trade mark to any goods for purposes of trade or sale or knowingly exposes for trade or sale goods on which the mark is falsely applied, or who knowingly imports into Australia any goods not

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produced in Australia to which the mark is falsely applied. The mark shall be deemed to be falsely applied unless the goods to which it is applied are exclusively the products of the workers, or the members of the association of workers, or of the members of the association of associations, and unless it is applied to the goods by the employer for whom they are produced or with his authority by the worker or a member of the association of workers or association of associations.

It is to be observed that the proprietor of the trade mark is the worker who, or the association of workers or the association of associations, as the case may be, which registers it, but it is not to be placed on the goods by the proprietor of the trade mark, but by the employer for whom they are produced, or by the worker or member of the association with the employer's authority. In so far as the individual Australian worker is concerned, it is quite possible that all the conditions may exist necessary to constitute the workers' mark a trade mark in the sense in which I have pointed out the word is used in the Constitution. But that question does not arise at present. We are concerned with the Act in this case only in its application to workers' trade marks registered by associations of workers. Let us apply the test of the two essentials, as I have explained them, necessary to constitute a trade mark within the meaning of the Constitution. The proprietor of the mark is the association. But the association has no business connection with the goods. Individual members of the union may have such a connection as having taken part in one of the processes of manufacturing or handling them. But the individual members are not proprietors of the trade mark, nor can they apply it to the goods except when authorized to do so by the manufacturer. The latter, however, may apply it to his goods whether the members of the union or association consent or not, so long as the goods have been manufactured by union labour. It may be applied to the goods by the manufacturer, or it may be applied with his authority by the workmen who have assisted in the manufacture. But neither the manufacturer nor the workmen are proprietors of the mark. On the other hand, the proprietor of the mark, the association, has no business connection with the goods, nor has it

any right to apply the mark to them. So that the ownership of the trade mark is completely divorced from any business connection with the goods, and from any right to use it on them. The mark, therefore, fails in the first essential.

Again, assuming that the manufacturer or the men, members of the association, who have themselves taken part in the manufacture, place the mark on the goods as the association's agent, they do not do so for the purpose of informing the public that either the manufacturer or any individuals or any corporation have had any business connection with the goods, nor that the association has had any business connection with them, but for the purpose of indicating that the persons unnamed who took part in the different processes of manufacture were all members of the employes' union of the trade in question. There is obviously nothing in such a mark or in its application to distinguish the product of one brewery from that of another.

The different breweries of New South Wales, for instance, each selling its own manufacture, are, it must be assumed, in competition for the favour of the public. But the workers' trade mark in no way aids the public to distinguish one set of goods from another. Every brewer employing union labour may use the mark. Its use distinguishes those who do not from those who do employ union labour. But amongst those who employ union labour there is no distinction of goods or of manufacture. Indeed, it is no part of the object of the mark or its application to make any such distinction. Its object simply is to distinguish the breweries in which union labour is employed from those in which union labour is not employed, just as a mark might be used to distinguish goods made in Australia or by white labour from those made abroad or by coloured labour.

But that is not the kind of "distinctiveness" in a mark which enables the public to distinguish the goods with which one person or corporation has had a business connection, using that phrase in the sense which I have explained, from those with which another person or corporation have had a business connection of a like kind. The mark is wanting, therefore, in the second essential, that of "distinctiveness," which is inseparable from the very nature of a trade mark as known to the law at the time

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when the Constitution was passed. No doubt, the sections under consideration provide that the "device, design," &c., shall be "distinctive," but in the context that can mean nothing more than "distinctive" within the limits fixed by the Statute. And, as I have pointed out, it is impossible that the mark as created can have any "distinctiveness" in the sense in which the law understands that expression.

It may be argued that the failure of the mark in the first essential might, as far as trade unions are concerned, be remedied by State enactments investing those bodies with fuller powers of carrying on business. As far as the present case is concerned there is nothing to show that the defendant union could carry on a business in connection with which the mark in question could be used. And it is difficult to see how any trade union under the laws of the several States could lawfully carry on such a business. But I do not base my judgment on that ground. It is open to the legislature of any State to create trade unions or any other legal entities and to invest them with such powers of trading and business as it may deem necessary. And a trade union or association might be endowed with powers of business and trading which would enable it to use a trade mark of the ordinary commercial kind. But, whatever its powers might be, it would be impossible to make up for the absence in the workers' trade mark of that characteristic of distinctiveness inherent in the very nature of a trade mark in the recognized legal sense, but which is entirely foreign to the nature and purpose of the mark created by Part VII. of the enactment now under consideration.

Some observations of Mr. Justice *Devens*, delivering judgment in the Supreme Court of Massachusetts in *Weener v. Brayton* (1), are worthy of consideration in this connection. In that case it was sought to protect as a trade mark the use of a union label much the same as the workers' trade mark in this case. He said:—"However disreputable and dishonest it may be falsely to represent goods made by other persons to have been made by members of the union, upon which subject there can be but one opinion, those who do not carry on any business to which the

(1) 152 Mass., 101, at p. 104.

use of the label is incident, who have not applied it to any vendible commodity which has been placed upon the market in which they deal, or of which they are the owners or manufacturers, cannot maintain a bill to restrain the use by the defendant of the label as a trade mark. It wants every essential element of such a mark; it does not indicate by what person articles were made, but only membership in a certain association; there is no exclusive use of it, but many persons not connected in business and unknown to each other may use it; its rightful use is not connected with any business; it cannot be transferred with any business, but such use is dependent only on membership in the association."

The more the matter is examined the plainer does it become that the whole nature and purpose of the workers' trade mark is different from that of the ordinary trade mark as known to the law. The latter originated in its use by traders for trade purposes, and has for its sole object the benefit and interest of the trader in competition with other traders. It has no other purpose to serve, and it has won its recognition as a necessary incident of trade for the benefit and protection of traders and of the purchasing public. The workers' trade mark is not an incident of the business in which it is used; its object is not the benefit of the manufacturer who uses it, nor does the benefit to the workman who has taken part in the manufacture arise directly from the use of the mark in the business—his benefit is the indirect gain which may come to him by advancement of the interest of his union generally. In my opinion, therefore, the workers' trade mark is wanting in the essential characteristics of a trade mark within the meaning of pl. xviii. of sec. 51 of the Constitution, and the Commonwealth Parliament in enacting the provisions of Part VII. of the *Trade Marks Act* has exceeded the powers conferred upon it by that sub-section.

But it was argued that the legislation complained of is not all void, and that the registration of the workers' trade mark would stand good in respect of such use of it as it was within the power of the legislature to enact. Whether that argument can be allowed to prevail in any instance depends upon the form of the Statute the validity of which is questioned. It may be taken, as

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I have already pointed out, that the power to make laws in respect of trade and commerce with other countries and amongst the States involves the right of legislating in respect of marks used in that trade and commerce. But the Parliament could validly exercise that power only by an enactment which confined its operations within those limits. The decision of the Supreme Court of the United States in the *Trade Mark Cases* (1) is exactly in point. The United States Constitution conferred on Congress no special power of legislation in respect of trade marks. But that body, assuming to have the power under the authority which the Constitution has conferred on it of making laws relating to copyrights, passed an Act purporting to regulate trade marks generally. The Court held, assuming that the commerce power included the power to regulate trade marks used in the commerce under the control of Congress, that it could not be exercised except by a Statute which on the face of it confined within those limits the general expressions used in its provisions. Mr. Justice *Miller*, in delivering the judgment of the Court, says (2):—"When, therefore, Congress undertakes to enact a law, which can only be valid as a regulation of commerce, it is reasonable to expect to find on the face of the Statute, or from its essential nature, that it is a regulation of commerce with foreign nations, among the several States, or with the Indian Tribes. If it is not so limited, it is in excess of the power of Congress. If its main purpose be to establish a regulation applicable to all trade; to commerce at all points, especially if it is apparent that it is designed to govern the commerce wholly between citizens of the same State, it is obviously the exercise of a power not confided to Congress."

That principle is exactly applicable here. There is nothing in Part VII., the only portion of the *Trade Marks Act* 1905 brought into question, to confine its operation exclusively to inter-state trade or trade with other countries, and, as there is no way by which the Court could in the Statute separate that which is within from that which is without the powers of the legislature, the whole Part must be declared void.

It was also contended that the Act was at least valid as an exercise of the power to legislate in respect of trade and com-

(1) 100 U.S., 82.

(2) 100 U.S., 82, at p. 96.

merce with other countries inasmuch as the provisions of the Statute in this respect separated that which was within from that which was without the power. Sub-sec. (c) of sec. 24 makes it an offence knowingly to import into Australia any goods not produced in Australia to which there is applied the workers' trade mark, a provision which may be assumed to be within the power of the legislature as a law respecting commerce with other countries, and the argument is that the registration under sec. 75 which is attacked may well stand as being necessarily in aid of that provision. Following that view the Court is asked, in effect, to strike out all the other sections relating to the workers' trade mark, and to turn the enactment into one having for its sole object the making of an offence to import into Australia goods bearing when imported the workers' registered label. But the purpose and object appearing on the face of the Act as passed was to enable goods manufactured in Australia to be so marked, and thus to give the Australian worker the benefits which would follow. Sub-sec. (c) was only ancillary to and in aid of that main purpose. We are thus asked to declare constitutional a provision which is merely ancillary to the main object, which, for the purpose of this argument, is admitted to be *ultra vires*.

The rule which should guide a Court in determining whether a portion of a Statute may be allowed to stand, although other portions are beyond the powers of the legislature, is well stated by the learned author of *Black's Construction and Interpretation of Laws* (1896 ed.), p. 96. "In such cases," he says, "it is the duty of the Courts not to pronounce the whole Statute unconstitutional, if that can be avoided, but, rejecting the invalid portions, to give effect and operation to the valid portions. The rule is, that if the invalid portions can be separated from the rest, and if, after their excision, there remains a complete, intelligible, and valid Statute, capable of being executed, and conforming to the general purpose and intent of the legislature, as shown in the Act, it will not be adjudged unconstitutional in toto, but sustained to that extent."

How could it be said that, after striking out the portions of Part VII. that are invalid, there remained, to apply the words just quoted, "a complete, intelligible, and valid Statute, capable

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of being executed, and conforming to the general purpose and intent of the legislature?" To allow that portion of Part VII. to stand as valid, and to declare the rest of it unconstitutional, would be, in my opinion, to bring into operation a law entirely different in its general purpose and intent from that which the legislature enacted, a result which this Court has no jurisdiction to bring about. For these reasons I am of opinion that the whole of Part VII. must be declared void as being beyond the power of the Commonwealth Parliament. That being so, it would follow that the registration complained of by the plaintiffs is entirely illegal.

But that does not determine the controversy between the parties. There still remains the first ground of objection that the statement of claim, as explained by the particulars, discloses no cause of action maintainable by the plaintiffs or either of them against the defendants or either of them. This Court would not, of course, decide the matter on any mere question of form, and would make any amendments in the designation of the parties or otherwise which might be necessary to determine the question substantially at issue, which I take to be this:—Has the Attorney-General for New South Wales or have the plaintiff breweries on the facts before us any cause of action against the defendants? The defendants put their contention in two ways. First, that the plaintiff breweries have shown no facts entitling them to damages or relief of any kind at the hands of the Court; secondly, that on the facts and circumstances stated in the special case the Attorney-General for New South Wales has shown no right to bring the complaint of the plaintiff breweries as relators before the Court.

Before examining these objections it is necessary to determine what it is that the brewery companies complain of. I take it as established that the Commonwealth Parliament exceeded their powers in enacting Part VII. of the *Trade Marks Act* 1905. It follows that the establishment of the registry of workers' trade marks is without any authority, and that the Registrar of Trade Marks, a public officer of the Commonwealth, purporting to act under the authority of a Commonwealth Statute, has placed the defendant union trade mark on the register, and that the defendant

union threaten and intend to use the trade mark as a workers' trade mark duly registered pursuant to the Act; in other words, that they intend to exercise all the rights which registration of the trade mark purports to give them. The plaintiff breweries complaint is, in substance, that the illegal registration complained of will interfere with their freedom to carry on their business in their own way by compelling them to elect whether they shall use or shall not use the trade mark. They can acquire the right to use the trade mark only by employing in their respective businesses union men exclusively. If they do so they will incur the displeasure of many of their old customers; if they do not, they will displease all union men and their sympathizers. From these considerations they ask the Court to infer, and I think not unreasonably, that whatever course they may take must result in the loss of some of their present business, and they also ask the Court to infer that from this interference with their right to carry on their business in their own way they will suffer pecuniary damage. In addition to that the Attorney-General for New South Wales alleges that the establishment of the registry and the registration of the trade mark, being illegal acts in violation of the Constitution, are an infringement of the rights of the State in the control of its internal trade and commerce, and injurious to the people of the State, and in the circumstances that have arisen are especially so to the relators.

In my opinion, the plaintiffs' contention must be upheld on both grounds. As to the first, *In re Powell's Trade Mark* (1) is a strong authority in the plaintiffs' favour. In that case the decision of *Chitty J.* was affirmed by the Court of Appeal and afterwards by the House of Lords. The point there involved was, not whether the applicants had proved or could prove damage by reason of the presence on the register of the trade mark complained of, but whether they were "parties aggrieved" within the meaning of the English *Trade Marks Act*, and as such entitled to make application under the section which gave a special remedy. *Bowen L.J.* in the Court of Appeal (2) said:—"But then there is the other point made by the appellant, that the respondents to this appeal are not persons who are aggrieved.

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(1) (1893) 2 Ch., 388; (1894) A.C., 8.

(2) (1893) 2 Ch., 388, at p. 406.

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Persons who are aggrieved are persons who are in some way or other substantially interested in having the mark removed from the register, or persons who would be substantially damaged if the mark remained. It is very difficult to frame a nearer definition than that. In the *Apollinaris Case* (1) it was pointed out, not as a complete or exhaustive definition, that people would be aggrieved if they were in the same trade and dealt in the same article. To my mind, it is equally true that persons would be aggrieved if they are in the same trade, and might reasonably be expected to deal in the same article, though not prepared to prove at the moment that they had formed a clear determination to do so. Supposing that this mark ought not to be on the register, it hampers those who are in the trade and who might wish to consider the question of embarking in another branch of the trade if lawfully entitled to do so. It would be, to my mind, an unbusinesslike construction to place on the term 'aggrieved,' to say that it could only be applicable to those who actually had formed a fixed and crystallized intention of dealing in the particular article if permitted to do so. If a man is hampered in his arrangements of business matters in the future by the fact that a trade mark is on the register which ought not to be there, he is a person who, to my mind, is sufficiently aggrieved to come within the section."

The principle there laid down is, it seems to me, equally applicable to proof of the necessary damage or threatened damage necessary to support a claim to relief before this Court. If there is reasonable ground for supposing, as I think there is, that the registration of the defendant union's workers' trade mark is likely by interfering with the plaintiffs' right to carry on their trade in their own way to result in pecuniary loss in the manner which they ask the Court to infer, it cannot I think be said that damage flowing from such loss would be so remote as to prevent its being the foundation of their right to relief in this Court. The right of the Attorney-General for New South Wales rests, of course, upon a different ground. It is a principle well established in British law that when a corporation or public authority clothed with statutory powers exceeds them by some act which tends in

(1) (1891) 2 Ch., 186.

its nature to interfere with public rights and so to injure the public, the Attorney-General for the community in which the cause of complaint arises may institute proceedings in the Courts of that community, with or without a relator, according to circumstances, to protect the public interests, although there may be no evidence of actual injury to the public. *Attorney-General v. Shrewsbury (Kingsland) Bridge Co.* (1) was a suit for an injunction to restrain a company from constructing a railway bridge. The construction was authorized by a Statute which provided that the powers given under it would lapse if not exercised within five years. Notwithstanding that the period had elapsed, the company was proceeding with the work and was about to apply to Parliament for a renewal of their powers. There was no evidence of any actual injury to the public. *Fry J.* granted an injunction at the suit of the Attorney-General on the relation of two shareholders of the company (2). He said:—"One of the earliest cases on the subject is *Attorney-General v. Oxford, Worcester, and Wolverhampton Railway Co.* (3). There, at the instance of the Attorney-General, the Court restrained the opening of a railway not authorized by the Board of Trade, and Lord *Romilly*, M.R., said that 'the view he took of the case was this, that undoubtedly the Attorney-General might apply to the Court in cases of nuisance. It was properly said on the other side that in all such cases the Court required that the nuisance should be proved. But he was also of opinion that the Attorney-General, as *parens patriæ*,' (meaning thereby, I conceive, as the representative of the *parens patriæ*), 'might apply to the Court to restrain the execution of an illegal act of a public nature, provided it was established that the act was an illegal act and it affected the public generally.'"

In the same judgment (4) he quotes Lord *Hatherley* as saying in *Attorney-General v. Ely, Haddenham, and Sutton Railway Co.* (5):—"The question is, whether what has been done has been done in accordance with the law; if not, the Attorney-General strictly represents the whole of the public in saying that the law shall be observed."

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(1) 21 Ch. D., 752.

(2) 21 Ch. D., 752, at p. 755.

(3) 2 W.R., 330, at p. 331.

(4) 21 Ch. D., 752, at p. 756.

(5) L.R. 4 Ch., 194, at p. 199.

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Again, in *London County Council v. Attorney-General* (1), the same principle is recognized. The London County Council, purporting to act under their statutory powers to purchase and work tramways, were working lines of omnibuses in connection with their tramways. The Court of Appeal, in a suit by the Attorney-General on the relation of other omnibus proprietors, being ratepayers of the City of London, and carrying on lines of omnibuses in opposition to those of the County Council, granted an injunction against the further carrying on of the omnibus business. The decision was affirmed by the House of Lords. Lord *Halsbury* L.C., in giving judgment, in reference to a suggestion that it was within the power of the Court to control the Attorney-General's exercise of discretion on the cases in which he deemed it right in the public interest to interfere, said (2):—"If there is excess of power claimed by a particular public body, and it is a matter that concerns the public, it seems to me that it is for the Attorney-General and not for the Courts to determine whether he ought to initiate litigation in that respect or not."

In a unitary form of government, as there is only one community and one public which the Attorney-General represents, the question which has now been raised cannot arise. It is impossible, therefore, that there can be any decision either in England or in any of the Australian Colonies before Federation exactly in point. But it seems to me that in the working out of the federal system established by the Australian Constitution an extension of the principle is essential. The Constitution recognizes that in respect of the exercise of State powers each State is under the Crown an independent and autonomous community. Similarly the States must recognize that in respect of the exercise of Commonwealth powers all State boundaries disappear and there is but one community, the people of the Commonwealth. The proper representative in Court of each of these communities is its Attorney-General. That principle is in substance recognized by secs. 61 and 62 of the *Judiciary Act* 1903, enacted by virtue of sec. 78 of the Constitution, which provides that suits on behalf of the Commonwealth may be brought in the name of the

(1) (1902) A.C., 165.

(2) (1902) A.C., 165, at p. 168.

Attorney-General of the Commonwealth, and suits on behalf of the State may be brought in the name of the Attorney-General of the State. Where, therefore, the complaint is, not that the State or the Commonwealth as legal entities, but that the people generally of either State or Commonwealth have been injuriously affected by some illegal exercise of State or Commonwealth power, as the case may be, it would seem to follow that the Commonwealth Court must recognize the State Attorney-General as being entitled to represent the State in any claim for relief against an illegal act so affecting the people of the State. That being so, there can be no question that the establishment of a registry purporting to be by public authority of the Commonwealth, but really in excess of its powers, which may hamper the freedom of citizens of the State in the carrying on of their businesses—for this Act may apply to any business—is an Act injuriously affecting the people of the State. For these reasons I am of opinion that the Attorney-General for New South Wales is entitled to be heard in this Court as representing the public of New South Wales in such a case as this, where the illegal act is of such a nature as to affect not only the relator but the whole trading community of the State, and that in such a case it is not necessary that any actual injury to the public should be proved. Both grounds of objection to the plaintiffs' right to proceed therefore fail, and I hold that they have established a good cause of action. It follows that on both questions of law submitted the answers of the Court should be in the plaintiffs' favour, and they are entitled to the declarations and orders and the injunction asked for in their statement of claim.

ISAACS J. The plaintiffs contend that Part VII. of the *Trade Marks Act* 1905 is unconstitutional and void as being beyond the power of the Federal Parliament to enact.

They cannot succeed without establishing two things, first, their right to challenge the validity of the Act, and then its invalidity.

As to the first, the Court cannot be called on, or with propriety assume, to question the legality of what Parliament has enacted as the will of the nation unless such a determination is absolutely necessary. It is a duty that has to be discharged when necessity

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arises as fearlessly and fully as the lightest that presents itself, and is in one respect the special function of this Court, but the interference must be essential. The paramount law of the Constitution must be upheld whenever a judicial controversy in which it is involved comes properly before the Court, but this exercise of judicial power is only legitimate in the last resort: See *Bruce v. Commonwealth Trade Marks Label Association* (1); *Chicago and Grand Trunk Railway Co. v. Wellman* (2); and the learned Editor's note in the report of *Webb v. Outtrim* (3).

Unless, therefore, the plaintiffs, or one of them, can show some legal cause of complaint, the infringement actual or contemplated of some private right (see *per* Lord Cairns L.C. in "*Singer*" *Machine Manufacturers v. Wilson* (4)), or, in the case of the Attorney-General for New South Wales, some interference with the general community he represents, the Court should not proceed to determine the main question. If in the absence of such circumstances it expressed its view as to the legality of the Act, it would be overstepping its own constitutional functions, and offering an extra-judicial opinion as to the conduct of a co-ordinate branch of the Government.

Learned counsel for the plaintiffs have stated that they would be content with a mere declaration under Order III. r.1 of the *High Court Procedure Rules*. With a slight, but not unimportant, modification, it is in the form which the present English corresponding rule has assumed. But the declaration referred to in the rule even in its extended form presupposes the establishment of an existing right. Its present form was designed to meet such cases as were in *Jackson v. Turnley* (5) and *Rooke v. Lord Kensington* (6) pointed out as beyond the ambit of the older rule: See also Privy Council in *Rajah Nilmony Singh v. Kally Churn Battacharjee* (7) and *Sardut Ali Khan v. Khageh Abdool Gunnee* (8) and *per* Lord Collins M.R. in *Williams v. North's Navigation Collieries* (1889), *Ltd.* (9). If a present and

(1) 4 C.L.R., 1569.

(2) 143 U.S., 339, at p. 345.

(3) (1907) A.C., 81, at p. 88.

(4) 3 App. Cas., 376, at p. 391.

(5) 1 Drew., 617.

(6) 2 Kay & J., 753.

(7) L.R. 2 Ind. App., 83, at p. 85.

(8) L.R. Ind. App. Supp. Vol., 1800, at p. 171.

(9) (1904) 2 K.B., 44, at p. 49.

complete right is shown, or if facts supporting such a right are alleged as existing as between the parties though its enjoyment or enforcement may be deferred, a declaration may in a proper case be made whether the right be contractual: *Société Maritime v. Venus Steam Shipping Co.* (1); or non-contractual: *London Association of Shipowners and Brokers v. London and India Docks Joint Committee* (2). But the right must not be dependent for its existence on possible events in the future, for in that case how could the Court declare it? Possible breaches of existing rights are different.

The individual plaintiffs assert a *locus standi* in two ways. First, they set up a business right, that is, the right to carry on their business of making and selling beer unmolested and free from dictation, or, in other words, free from compulsion to employ union labour or lose custom if they do not. If compulsion existed I should think their claim good. But how does registration amount to or authorize compulsion? The fact that the defendants register their mark in a book in the Trade Marks Office, does not induce or deter a consumer as to the beer he drinks. The use by other persons of a union mark on their beer might affect plaintiffs' custom, but that can be done independently of registration, and registration gives no further right of user than exists without it; as *Buckley L.J.* said *In re Application of Lyle and Kinahan Ltd.* (3), the registration of a trade mark confers no right of user but only that of restraining others from using that trade mark.

The only contingency in which registration could possibly affect the plaintiffs prejudicially is this: should they attempt to deceive the public by affixing the mark so as to represent as union made any beer that is not so made, they would be at once exposed to statutory correction. To honest brewers, such as I assume the plaintiffs to be, that could be no possible ground for objection; a dishonest brewer intending to apply the mark untruly has no right to claim protection for his dishonesty. *Ex turpi causâ non oritur actio*. No right can form the basis of a cause of action if it rests on public deception: *Ford v.*

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(1) (1904) 9 Com. Cas., 289.

(2) (1892) 3 Ch., 242.

(3) 24 R.P.C., 249, at p. 262.

H. C. OF A. *Foster* (1). Therefore the plaintiffs' claim to protect a business right fails.

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The second right they assert is a right, should they ever desire to exercise it, of selecting a trade mark resembling the one sought to be registered by the defendants. I do not understand a claim to something which is non-existent and may never exist, which is yet unconceived and may never even be desired; which, if ever conceived, desired, and brought into existence by anybody, may come into existence as the exclusive property of some Australian brewer other than the plaintiffs. They might with even more reason assert an exclusive claim to fish still in the sea, because there, at least, the things already exist.

The case of *Powell v. Birmingham Vinegar Brewery Co.* (2) does not advance the plaintiffs' case. What was established there both in the Court of Appeal and the House of Lords, and formed the basis of the judgments, was this: that "Yorkshire Relish" was the name of the article itself, and no trader can validly assert an exclusive right to call articles of merchandise by their true names, for that would amount to a virtual monopoly in the sale of the things themselves. The objectors relied on an existing business right to sell the sauce. This view of *Powell's Case* (2), is fully borne out by the later case of *In re Trade Mark of Wright, Crossley & Co.* (3).

Neither does *Paine & Co. v. Daniells and Sons' Breweries* (4) carry the plaintiffs any further. That case was a decision with regard to "a party aggrieved" for the purpose of special statutory application, but is no authority for a right of action depending purely on the principles of the common law. Registration alone could not produce injury to business. It is not a condition of user, and therefore no component part of it. If mere distant possibility of impediment dependent on conjectural occurrences be enough to entitle a plaintiff to challenge the validity of an Act of Parliament, I do not see why any person in the community could not, immediately an Act was passed relating say to the incorporation of Banks, raise the question of its constitutionality, because he

(1) L.R. 7 Ch., 611.
(2) (1894) A.C., 8.

(3) 15 R.P.C., 377.
(4) (1893) 2 Ch., 567.

already has the legal power of associating with others to form a banking corporation, and if he should choose to exercise it at some date, however distant, the Act stands in his way.

So far as the individual plaintiffs are concerned I think they have shown no case whatever.

I next consider the position of the Attorney-General for New South Wales. The fact that he acts on the relation of another is not material. If a public right is infringed, and the whole community is thereby affected, the Attorney-General may protect the public interests by appropriate action. If the public interests involved are State interests, the State Attorney-General may sue; if Commonwealth interests are involved, then the Commonwealth Attorney-General, representing the larger community, may sue.

As determined recently in the steel rail and wire netting cases, it is a fundamental truth that Commonwealth legislation looks to the Commonwealth as a whole and draws no distinction between States. So far as the claim of the Attorney-General for New South Wales rests on the right of individuals to register trade marks, I am of opinion it should fail for want of interest, because under a valid Commonwealth Act the right to register is a right which they can only enjoy as Australians, that is, as members of the larger and not the smaller community.

But if under the assumed powers of a federal Statute—in fact invalid—some usurpation of State administration or judicial authority is attempted in the State, it would be a trespass on State territory, and the Attorney-General for the State, as representing the King, could apply to restrain it. His rights in this respect could not be lessened merely because a similar usurpation was asserted over the territory of other States. And if there is a legislative usurpation, if an Act of the Commonwealth Parliament unauthorized by the federal Constitution, occupies part of the legislative field exclusively reserved for the State of New South Wales, and by its commands, operative in all parts of Australia, prescribes to the citizens of that State the rules of conduct they must follow under penalty, I am of opinion that the case is parallel with that of administrative and judicial intrusion upon State territory. The Attorney-General for a State in such case does not depend upon the infringement of rights

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possessed by individuals as Australians under a federal Statute, but protects on behalf of the Crown those rights and functions with which the King, guided solely by his State representatives and advisers, is invested in respect of the State.

The fact that his rights and functions in other States are similarly affected is immaterial

If, therefore, Part VII. of the Act is beyond the power of the Parliament, its provisions constantly operating in New South Wales, and assuming to govern the conduct of residents of that State in relation to rights existing independently of Commonwealth legislation, the Attorney-General may protect the Royal powers from usurpation by obtaining a declaration that the legislation is unauthorized.

A question was raised during the argument, and may appropriately be dealt with here, whether sub-sec. (c) of sec. 74 and the provisions for registration were not sustainable under the trade and commerce power, even if other portions of Part VII. were *ultra vires*, as not being referable to that power, and not within the power as to trade marks.

Doubtless a good deal may be said for the validity of sec. 74 (c), which is decidedly severable in words, sense, and operation, from the rest of the Part, except mere registration, and that might be regarded as auxiliary to sec. 74 (c).

Protective provisions of this nature find a place in English and American legislation; and so in secs. 88 and 90 of the Act now under consideration.

The Court could, it is true, give perfect effect to every word of sub-sec. (c) without adding a word, or straining a word, and without calling in aid any power other than the trade and commerce power and its incidental powers. Therefore such cases as the *Trade Mark Cases* (1) are not applicable, because, as *Miller J.* pointed out, the Court was there asked, not to disregard words that had been used, but to *insert* into general words other words of limitation that had not been used. So in all the cases that have followed that decision—viz., *United States v. Ju Toy* (2) and the precedents cited by *Holmes J.*: *Illinois Central Railroad Co. v. McKendree* (3), and *The Employers Liability*

(1) 100 U.S., 82.

(2) 198 U.S., 253.

(3) 203 U.S., 514.

Cases (1). Consequently those cases are not relevant. But another principle comes into play. Though sub-sec. (c) is separate from sub-secs. (a) and (b), as one branch of a tree is separate from another, it is not an independent enactment. The same trunk, the same main purpose and idea, unites and supports them all. Sub-sec. (c) is a very important enactment, but it is clearly intended to guard against evasion of the proprietary rights in a trade mark, and would not have been enacted if it were thought the main purpose was unlawful. If the principal fails, its accessory, I conclude, cannot stand.

The Court is therefore bound to consider the validity of the provisions for registration of workers' trade marks. They are challenged on the ground that the marks are not and cannot under any circumstances be brought within the meaning of the expression "trade marks" as found in pl. xviii. of sec. 51 of the Constitution. If that is so, the objection is valid, for, the Commonwealth being a Government of enumerated powers, unless those powers are large enough of themselves to authorize such provisions, the legislation must fall. The Federal Parliament, in my opinion, based upon decisions of the Privy Council—*The Queen v. Burah* (2) and *Hodge v. The Queen* (3)—has within the limits of its conferred powers authority as great as the Imperial Parliament. I have expounded this view at length in the *Excise Cases*, and do not repeat my reasons. I adhere to them. But the Commonwealth Parliament cannot extend its powers; that would be breaking through the Constitution, and invading the domain reserved to the States. And no considerations of expediency or desirability springing from any source whatever are permissible to the Court in determining the limits of an express and substantive power. It is a mere question of dry law as to the extent of the power granted, to be determined on ordinary legal principles. Those principles have been plainly stated by Lord Selborne in *The Queen v. Burah* (4), and I still accept them as my guide here.

The burden of establishing illegality is on the plaintiffs, and they endeavour to discharge it by denying to these marks certain

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(1) 207 U.S., 463.

(2) 3 App. Cas., 889, at p. 904.

(3) 9 App. Cas., 117, at p. 132.

(4) 3 App. Cas., 889.

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characteristics which, it is contended, are essential to the fundamental concept of a trade mark. The essentials of a trade mark, according to the plaintiffs, are:—

(1) Ownership of the goods must co-exist with ownership of the mark used in connection with them.

(2) Personal identification of the proprietor of the trade mark.

(3) Exclusive ownership of the trade mark by the registered proprietor.

(4) An existing business actually carried on at the time the mark is acquired, the acquisition being possible only by user of the mark in the business; or, what is substantially the same thing, by means of preliminary registration followed by immediate business user of the mark.

(5) The business must be an independent commercial business.

(6) The proprietor must be a person or association capable by State law of owning a trade mark.

If these grounds of objection to the legislation are found not to be substantiated there is no reason for treating it as invalid.

There is one governing principle which ought to be made clear at this point. To ascertain the really essential characteristics of a trade mark it is necessary to distinguish what is merely occasional, though frequent, and to strip the expression of everything that is not absolutely fundamental. If we find some attribute universally attaching to the idea in all circumstances, that attribute is probably indispensable; but if any feature, however usual its presence may be, is not invariably existent, if trade marks, well recognized and established and enforceable by English law, can be found without that feature, it cannot, I apprehend, be asserted that the fundamental concept includes the variable feature. The power of legislation is with respect to *trade marks*—that is, trade marks in the fullest sense, and not merely usual or ordinary trade marks. The fundamental concept once ascertained, the power is unlimited. I shall consider the various points in order, one by one.

(1) *Ownership of the goods.* Some of the cases—more particularly some of the American cases—do undoubtedly lead to the supposition that a trade mark cannot be owned except in conjunction with the ownership of the goods to which it is applied.

Most of the English decisions cited were cases where the two facts co-existed. But during the course of the case this argument for the plaintiffs weakened, in view of instances that were suggested, and in the face of a decision such as that of *Re Sykes and Co.'s Trade Marks* (1). That case, which was not and cannot be impeached, is decisive of the position that ownership of the goods is not essential to proprietorship in a trade mark. The material facts were:—Sykes and Co. were calico bleachers, who neither made bought nor sold calicoes, but merely bleached them for manufacturers or merchants. It was the custom in the bleaching trade to stamp the bleacher's mark in blue color inside the first fold of each parcel of calico, which was then stitched up, the trade mark of the manufacturer or merchant being stamped on the outside of the parcel. The bleacher's mark was looked for, not by the public, but by skilled wholesale buyers, as a guarantee that the calico was bleached by a particular house, and that the length of calico contained in the parcel was measured by them. The report says:—"Thus they differ from *ordinary* trade marks, and convey a meaning only to skilled persons, who can readily distinguish the difference between marks closely resembling one another." Points of importance may be noted:—

- (1) The bleachers had no ownership in the property.
- (2) Their contribution to its production was labour only, viz., bleaching and measuring.
- (3) The marks indicated bleaching and measuring by the applicants, and were looked upon as a guarantee in those respects.
- (4) The only right of bleachers to use the marks on other people's goods was *custom*, that is, a generally recognized permission.

Hall V.C. decided that they should be registered as trade marks, the limitation as to user being immaterial for present purposes. This case is a clear instance of what the law regards as the "lawful user" of a mark upon goods—a very material point when statutory definitions come presently under review.

Apart from the recognized authority of that decision, it must,

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(1) 43 L.T., 626, at p. 627.

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on reflection, be admitted that, in the known circumstances of trade and commerce, to deny to persons engaged in business the right to protect themselves by means of trade marks indicating their skill, whether of manufacture or otherwise, exerted upon goods passing through their hands, would be to ignore the necessities and facts of daily commercial intercourse.

It is, however, desirable, and having regard to the elucidation of others of the objections raised, essential to thoroughly examine this branch of the argument, because a clear comprehension of what is meant by "the goods of the proprietor of the trade mark" is I believe most helpful to a proper understanding of the rest. I go at once to the recent English *Trade Marks Act* 1905, and point to the definition of a trade mark in that Act.

In sec. 3, the definition section, we find that for the purpose of the Act:—"A 'Trade Mark' shall mean a mark used or proposed to be used upon or in connexion with goods for the purpose of indicating that they are the goods of the proprietor of such trade mark by virtue of manufacture, selection, certification, dealing with, or offering for sale."

It has been said that this Act, being later than the *Commonwealth Constitution Act*, is not to be taken as a reliable guide to discover the meaning of the term "trade mark" in the Constitution. In some respects that may be true, but for the present I think the definition I have quoted is a substantially accurate definition of a trade mark as it has always been known, that is to say in its essentials. The questions as to what persons can own a trade mark, how it can be created, its assignability, or method of assignment, and all other incidents, which may or may not attach to it, are entirely beside that which is here the primary and controlling problem, namely, "what is the thing itself, which is called a trade mark?" To any suggestion that the definition I have quoted is new, in the sense that it enlarges the former conception of a trade mark, I would refer to the opinion, none the less reliable for being stated under circumstances of more than ordinary responsibility, given by the learned principal promoter of the Bill which has now become the English Act. Lord Justice *Fletcher Moulton* (then a member of the House of Commons), was a member of the Select Committee appointed by

the House to examine and report upon the Bill, and he himself gave evidence before the Committee. His statements I refer to only as those of an eminent lawyer upon a subject with which he is conspicuously conversant. At that time, as the Bill stood, the definition was precisely as it stands now except that the word "certification" was not yet inserted. Mr. *Fletcher Moulton* was asked this question:—"Take trade mark, does that in your opinion introduce an alteration in the law as regards what is meant by trade mark?" The answer was "No, excepting this; it puts clearly what I think has not been always clear to the Courts that it is not merely manufacture that entitles a man to a trade mark in goods. Take the case of the trade mark of Whiteley, the universal provider; I think he has as his trade mark two hemispheres with a map of the world. Probably nothing on which this trade mark appears is his manufacture, but he offers it for sale, and he selects it and he is perfectly entitled to have a trade mark for that purpose. So that the only way in which the definition of trade mark possibly enlarges—but I should rather say ascertains—the meaning of trade mark is that I have formally used the words: 'manufacture, selection, dealing with, or offering for sale.' I may say that I put in 'dealing with' because it was pointed out to me that in some of our very large export trades, the export agent has a trade mark which he puts on goods that pass through his hands. The large export houses that work on indent from abroad, have marks of their own, which they use in this way and it was suggested that 'manufacture, selection, or offering for sale,' might not include that mode of use, so in order to meet the point I put in the words 'dealing with.'"

Further on Mr. *Fletcher Moulton* says of the expression "selection" that it might come under "offering for sale," but it might be that a person buys on indent for other people. "Selection," he adds, "has always been considered to be a very important part of the handling of goods." He says:—"It is a new expression, but it is a valuable one in that way." He was then pointedly asked, "How far, according to your view, is there any extension of the subject of trade mark *by this definition* beyond what the Courts have already decided under the existing

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law?" The reply was:—"I do not think that there is any real extension, but I think it recognizes the extension which the Courts have, when necessary, put upon it." Again the learned witness said:—"May I explain . . . why I have used the words 'they are the goods of the proprietor of such trade mark.' What I want to guard against is appearing to mean that they are the property of that man; *they are his goods, not in the sense of their being his property*"; *in fact a man may put his trade mark on goods worth thousands of pounds without having a penny of interest in them.*

The case of *Major Bros. v. Franklin & Son* (1) is a judicial decision that property in the goods as ordinarily understood is not essential to a trade mark. It perhaps will be convenient to state Lord Justice Moulton's concentrated view on the nature of a trade mark. He said: "*A trade mark is almost a concept: it is a thing capriciously chosen for the purpose of indicating origin, and therefore it must have a distinctive character, but it need have nothing else.*"

I think, therefore, it is clear that ownership of the goods is no necessary part of the concept of a trade mark.

2. *Personal identification of the trade mark proprietor.*—This objection is that, in order to be a trade mark, the mark must point to some particular person or persons of whose workmanship the goods are. If by this is meant that the workmen are to be personally identifiable by means of the trade mark the authorities are overwhelming against it. It is sufficient to refer to *Birmingham Vinegar Brewing Co. v. Powell* (2). If it means "a particular manufacture," as Lord Herschell in that case said it did, then I cannot see the point of the objection. The distinctiveness required by the Commonwealth Act is that the mark shall indicate that the articles to which it is applied are the exclusive production of the workers or of members of the association registering the trade mark. That is distinctive.

The degree of distinctiveness is immaterial. Once the position is grasped that the expression "the goods of the proprietor of the trade mark" does not mean the ownership of the goods or anything more than that the goods have in some way been

(1) (1908) 1 K.B., 712.

(2) (1897) A.C., 719, at p. 716.

“dealt with” by them—I leave out of consideration for the present who can be the owners of the mark—then it cannot be necessary that the mark should point to any particular individuals composing the proprietors of the mark as being the specific persons handling the specific articles. That would not be necessary in the case of a trading firm having branches, members and servants in various parts of the world. I am, of course, not now considering the actual mark tendered for registration in this case, for, on the point of constitutionality of the section, that is beside the question, and on that point of constitutionality it is the provisions of the Act alone that are to be regarded. We have to assume a worker or members of an association of workers who can possibly be considered the producers of goods in whole or in part. Whether a given mark or a given association answers the necessary requirement of the Act is quite another question. I see no reason for differentiating between the case of members of an association of workers, working for wages for an employer producing articles and indicating by a mark that the goods are the product of members of the association, and the case of the same persons being members of the same association of workers, but working by independent contracts for the same employer. Looking to the definitions already quoted there is as much distinctiveness of origin in the one case as in the other. If there were some special method of preparing or treating an article of merchandise, a method only known or practised by a particular association of wage earners, why would not a mark indicating that the article is prepared or treated by some member of the association be distinctive, and a most excellent guarantee to the public, and of the same character in all respects as if the association were in independent business?

(3) *Exclusive proprietorship of mark.* The next objection is that in order to be a trade mark the right to apply it must be *exclusive*. Lord Cranworth said in the *Leather Cloth Co. v. American Leather Cloth Co.* (1):—“The right which a manufacturer has in his trade mark is the exclusive right to use it for the purpose of indicating where, and by whom, or at

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(1) 11 H.L.C., 523, at p. 534.

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what manufactory, the article to which it is affixed was manufactured." This view is as a general rule, but not invariably, carried out in the Trade Marks Registration Acts. But the truth is that the Courts in restraining by injunction the use of another's trade mark as such—that is, without regard to passing off—required proof that the mark belonged to the plaintiff, in other words, that it was his exclusively, in the sense that its use was not of common right. I do not now specifically deal with the Three Mark Rule, which I shall more particularly refer to presently, but of the generality of cases. The word "exclusive" in Lord *Cranworth's* dictum requires some limitation of its literal meaning. If it be material, I deny that the exclusive right of one person or one firm to use a particular mark is essential to its character of trade mark at common law, if exclusive be understood in the strictest sense. In the vast majority of cases the right is exclusive, because the mark has been originated by the particular trader using it. And if a trade mark has been so employed in the market as to indicate that goods come from one particular firm to the exclusion of all others, that firm has what is termed *exclusive property* in the mark for the goods: *Somerville v. Schembri* (1). But circumstances can easily be conceived where, by acquiescence or concurrent user, the mark has either been allowed to be copied or is used as a trade mark by another or others, so that no Court could restrain the use of it. This seems to be assumed by the Privy Council in *Somerville v. Schembri* (1). Still it could not be truly said that it has ceased to be a trade mark of its own originator, though it had ceased to be *his* trade mark *exclusively*, or that it was not a trade mark of any of the persons concurrently using it. A valuable illustration bearing on this point is afforded by the written précis of the evidence to be offered by Mr. Chas. Bailey to the Select Committee, which is worth quoting in his own words. On p. 54 of the report appears a reference to the difficulties attending the registration of trade marks on goods belonging to the Manchester cotton classes. He there says:—

"28. When the Act of 1875 became law, and all trade marks then in use were called in, deposits were made in Manchester and

(1) 12 App. Cas., 453.

London of upwards of 44,000 marks upon Manchester cotton pieces goods and yarn. H. C. OF A.
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“29. Many of these marks had been originated by bleachers who placed them in their stamp books, from which their Manchester customers could select marks appropriate for the goods which they gave to the bleachers to bleach, finish, and make up. Thus the same mark might be used by more than one merchant for more than one market, and they could not in the majority of cases be considered the exclusive marks of any particular merchant.

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“30. Many other marks, however, had been originated by export merchants and were confined by them to particular goods, or to particular customers abroad, and until the 44,000 marks had been called in it was not discovered that the same, or very similar, marks had been used by several traders unknown to each other, with the result that these traders could not claim such marks as their exclusive property.

“31. As large numbers of these marks were of a very valuable character, and had been used upon goods, exported to various markets, without clashing with one another, it was felt that protection ought to be given to such of them as had not been in *too general use* in the trade.

“32. Accordingly the Commissioners of Patents, with whom rested the duty of drawing up rules for the application of the *Patents Act* of 1875, drew up what is known as “the Three Mark Rule” *under which three, or fewer, owners of the same, or very similar marks*, were allowed to register such marks as had been in use prior to the 13th August 1875.

“33. When there were more than three *owners* of the same, or very similar, marks, actual registration was withheld; but all such marks received quasi-registration by being placed in a separate list known at the Manchester office as the ‘B list,’ and the comptroller was authorized to grant to the owners of such marks ‘certificates of refusal to register’ in case such owners had occasion to take legal proceedings against infringers.”

Mr. Bailey’s *précis* affords much more information of an interesting character bearing on the question, but I have quoted sufficient to elucidate the matter in hand.

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It seems clear, then, that in a department of trade of great proportions there existed before the first Registration Act in England a large number of trade marks, including in its three classes, as appears in the documents before the English committee, more than one-third of all the effective trade marks in all the 50 classes put together, and recognized commercially as trade marks, though not exclusively the property of any one person or firm. These marks would have been protected as trade marks within the meaning of the English Act of 1862, and, if that Act had provided for registration, might have been registered under it. That being so, it at once establishes the point that exclusive ownership, however usual, is not an invariable characteristic of a trade mark, and not being invariable is no essential part of the concept. It is plain, too, that instead of adopting the Three Mark Rule, which was an arbitrarily selected number, the limit might have been fixed at any higher number without affecting the principle. Before the English Act of 1883 it was held by Jessell M.R., *In re Jelly, Son and Jones's Application* (1), that different persons up to three might register identical old trade marks in respect of the same goods, but if more than three were entitled to the mark then by "the rule of the Court" they could not be registered, since they came under the classification of common property. But a rule of the Court does not affect a legislature having plenary powers so as to constitute the rule a fundamental part of the concept of a trade mark.

Indeed, Lord Justice *Moulton* in his evidence spoke of a special difficulty in connection with registration, which was largely a difficulty arising out of historical considerations; in other words, as he said, "from the fact that trade marks existed long before there was any thought of registering them. That difficulty is the case of *identical trade marks*; trade marks so nearly resembling one another that if there were no special circumstances you would not allow them to be in different hands." And he continues: "The most common source of such trade marks is that before the first Act, 1875, there were no means by which one person could learn the trade marks adopted by another, so that a perfectly honest, independent *concurrent* user

(1) 51 L.J. Ch., 639.

of the *same trade mark* was not uncommon." The learned witness pointed out that the difficulty was endeavoured to be met in the Bill, and in secs. 18 and 21 of the Act of 1905 the Imperial Parliament has made certain provisions for the registration of identical marks (sec. 10), and of the same trade mark or nearly identical trade marks for the same goods or description of goods by more than one proprietor. Though the legislation is new, it is apparent from what has been said that the all important fact of concurrent rights to the same mark is of very old standing.

The English Act of 1862 was, with the addition of registration, copied in New South Wales by the Act of 1865. The English Act of 1883 recognizes this, because in sec. 72 it provided that—"Except where the Court has decided that *two or more persons are entitled to be registered as proprietors of the same trade mark*, the comptroller shall not register in respect of the same goods or description of goods a trade mark identical with one already in the register with respect to such goods or description of goods." This was followed by Queensland in 1884, Act No. 13, sec. 70; Western Australia in 1884, No. 7, sec. 29; Victoria in 1890, No. 1183, sec. 16; South Australia in 1892, sec. 16; and Tasmania in 1893, sec. 80.

Were it not for the desirability of dealing with these objections fully I should have under this third head contented myself with saying that, granting for the sake of the argument that exclusiveness was essential, it is obvious that the mark referred to in this Act as the adopted mark of any particular worker or association must in its nature be exclusive to the worker or to the members of the association as the case may be.

(5) *Independent commercial business.* This objection is that the applicants do not carry on an independent or commercial business, and are therefore not capable of owning a trade mark. This seems an appropriate point at which to refer to the various statutory definitions of a trade mark before 1905. In 1862 the English Parliament in the *Merchandise Marks Act* defined trade mark as follows:—"The expression 'trade mark' shall include any and every such name, signature, word, letter, device, emblem, figure, sign, seal, stamp, diagram, label, ticket, or other mark

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as aforesaid lawfully used by any person to denote any chattel to be an article or thing of the manufacture, workmanship, production, or merchandise of such person, or to be an article or thing of any peculiar or particular description made or sold by such person": the rest of the definition may be omitted. This was said by Vice-Chancellor Chatterton in *Wheeler v. Johnston* (1) to be the best definition he could adopt.

Similar definitions were provided in various Australian Acts relating to trade marks and fraudulent marks on merchandise. Thus in 1863 South Australia, in 1864 Victoria, Queensland and Tasmania, and in 1865 New South Wales passed Statutes of this nature. That of New South Wales remained unaltered until after the passing of the Federal Constitution.

From time to time, and more or less following the lead of English legislation on the subject, the Colonies except New South Wales, and except also, until 1884, Western Australia, passed prior to federation amending Statutes as to trade marks and their registration. Broadly speaking the definitions accorded with the English definitions.

It will be seen that the statutory definition was on its face equally applicable to a workman as to an employer, provided the workman could "lawfully use" it by applying it to goods to indicate his workmanship, and would, I apprehend, have protected in England any of the Cutler's Company marks. The question resolves itself into what is meant by "lawful user?" Is it impossible for a worker who is an employé to "lawfully use" a trade mark to indicate "his goods" in the sense established?

One of the principal points—if not the principal point—made for the plaintiffs was that a trade mark is property, but property of such a nature as to be inseparable from goodwill, not assignable apart from it, inconceivable without it, and, therefore, that the trade mark of a worker, an employé who has no goodwill, was impossible because outside the fundamental concept of a trade mark.

Many cases may be found to bear out the argument of learned counsel that assignment of goodwill carries with it a right to

(1) 3 L.R. Ir., 284, at p. 290.

trade marks used in the business. But it does not follow that the rule is universal or a necessary part of the fundamental concept. Indeed, it is clear that, if the trade mark is one indicating personal acts or skill of the individual using it in his business, it is not recognized by common law as assignable at all, because it would be deceptive if used by the assignee, and so, in that case at least, it is not deemed part of the goodwill. See *Bury v. Bedford* (1); *Pinto v. Badman* (2); *Leather Cloth Co. v. American Leather Cloth Co.* (3); *Thorneloe v. Hill* (4). The English and Australian States Trade Marks Acts forbade assignment of a registered trade mark at all, except in connection with goodwill. So far it is established that, generally speaking, a trade mark is assignable with goodwill; in the cases of registered trade marks it is not assignable at all without the goodwill; in certain cases, by reason of possibilities of deception, it is not assignable even with goodwill. But still it is said that does not establish the assignability of a trade mark in any case without goodwill. Even that position is not, however, tenable. This, I repeat, is not a question of rule and exception; not a case of a majority of instances. One instance standing clear and well established of a class of trade marks assignable independently of goodwill, that is independently of a business, is sufficient to dispose of the argument that incapability of assignment apart from goodwill is proof that an independent business is indispensable to the existence of a trade mark. Under the *Cutlers' Company Act* marks granted were the assignable personal property of the grantee—at least of non-freemen, and where assignment would not deceive. See *per Turner L.J.* in *Bury v. Bedford* (5). *Kerly on Trade Marks*, 2nd ed., p. 103, says:—"In this respect they differed from ordinary trade marks, which are, and always have been, assignable or capable of transmission only in connection with the business in which they are used." As already pointed out, the Constitution gives power to legislate with respect to "trade marks," not merely ordinary "trade marks." The *Cutlers' Company Acts* (I quote them from *Sebastian on Trade Marks*, the only source available to me) have been in

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(1) 4 D. J. & S., 352.

(2) 8 R.P.C., 181.

(3) 11 H.L.C., 523.

(4) (1894) 1 Ch., 569.

(5) 4 D. J. & S., 352, at p. 370.

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existence since 1623, and have been recognized in all English legislation for the registration of trade marks down to the present time. I would here observe that I attach more importance to a well established English trade mark than to foreign definitions, there being as yet no international agreement as to what constitutes a trade mark. (See Lord Justice *Moulton's* evidence in the English Committee's report, at p. 9.) Foreign definitions vary greatly in scope. In passing, too, I may observe that in Victoria and Western Australia the legislature for some purposes went so far as to expressly include within the term "trade mark" even trade descriptions. So that it cannot be said there was any universally recognized and defined limit of "trade mark" in Australia so as to cut down whatever fundamental notion appertained to the expression under ordinary English law. Turning then to the Cutlers' Company Acts, one of them, 41 Geo. III. c. 97 (1801), afterwards amended but not materially for this purpose, we find that it empowered a freeman of the company to give his mark by will to any person, in the same manner as his other personalty, subject to his widow's life estate, and which she might sell; and in default of a will the mark passed like the owner's other personalty, subject to the widow's life estate.

The condition of assignability along with goodwill therefore fails as a universal element of a trade mark. But, apart from assignability, it remains to be seen whether a trade mark can be lawfully possessed by anyone not yet engaged in an independent business.

Again, the Cutlers' Company Acts afford an answer to this question. An Act of 1791 (31 Geo. III. c. 58), by sec. 7, provided that apprentices, who had served seven years, were to have at 21 years of age their freedom of the company and a mark assigned to them.

The Act of 1801 before referred to enacted by sec. 5 that parish apprentices, who proved to the satisfaction of a justice that they had regularly served a freeman for seven years, were to be entitled to their freedom and a mark.

There can be no doubt that the marks referred to were trade marks in the strictest sense, and if the workmen ever set up in

business they would have been protected as such, and further that no independent business was requisite to entitle the apprentice to an assignment of the mark. As already pointed out, once assigned, the mark was transmissible even apart from any business, that is, it was *assignable in gross* (see *Encyclopædia of English Law*, 1st ed., p. 234).

The mere assignment by the Cutlers' Company conferred the property in the trade mark (see *per Fry L.J.*, in *In re Hudson's Trade Marks* (1)), and the widow or the legatee under the will, or the beneficiary in intestacy of the owner of a cutler's trade mark may not have had any business at all.

No English case, so far as I know, excludes from the common law conception of the trade mark the possible notion of a paid workman owning one to indicate his workmanship. In *Leather Cloth Company v. American Leather Cloth Co.* (2), Lord Kingsdown says:—"If an artist or an artisan has acquired by his personal skill and ability a reputation which gives to his works in the market a higher value than those of other artists or artisans, he cannot give to any other persons the right to affix his name or mark to their goods, because he cannot give them the right to practice a fraud on the public." Apparently his Lordship was thinking of an artisan who placed his works on the market, but it is the personal skill and ability and reputation of the artisan which form the point of the observation.

This passage was quoted in *Pinto v. Badman* (3), by Lord Esher M.R., who added "There is the rule and the reason of it."

In *Burgess v. Burgess* (4), *Turner L.J.* says:—"No man can have any right to represent his goods as the goods of another person." Recollecting that the term "his goods" means not necessarily his property, but goods in respect of which he has performed some labour or in respect of which he is in some way identified, there seems to me no inherent objection to a paid workman being included in the very general terms used by the learned Judges. If Stradivarius had been a paid servant of some vendor of violins and working for a stipulated salary, but with the contractual or customary right of specially marking

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(1) 32 Ch. D., 311, at p. 325.

(2) 11 H.L.C., 523, at p. 545.

(3) 8 R.P.C., 181, at p. 192.

(4) 3 D. M. & G., 596, at p. 904.

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violins made by him, why should he not have the same right to the mark as if he were carrying on an independent business of making violins and remunerated by way of a fixed price, but under an engagement to work for no one else than the one merchant who employed him?

Why should these general principles be restricted to persons who carry on business independently? "Independently," though best expressing the contention, is a wrong word; for an employer manufacturer is no more independent of his workmen than his workmen of him. They are equally engaged in business in the large sense of the word, and the product is the product of their joint contributions. *Lindley L.J.* in *Rolls v. Miller* (1), speaking of the word "business" in a restrictive covenant, said:—"The word means almost anything which is an occupation, as distinguished from a pleasure—anything which is an occupation or duty which requires attention is a business—I do not think we can get much aid from the dictionary."

In *Cigar Makers' Protective Union v. Conhaim* (2), one of the cases most strongly relied on by the plaintiffs, even the majority of the divided Court admitted that the members of the union were all engaged "in the same kind of *business*, to wit, the making of cigars." The distinction drawn was:—"But they are not engaged in business together. The business and business interests of one are as distinct from those of another as though they followed entirely different kinds of business." I shall revert to that case in another connection, and only desire at this point to emphasize the fact of recognition that workers have a business.

In *Hetterman v. Powers* (3) the Court also recognized that the working men were engaged in the "*business*" of working for wages: and so with other cases.

In *Schmalz v. Wooley* (4) the Court, in words which seem to place the matter upon a perfectly satisfactory legal basis, says:—"The public object sought in the protection of trade marks is to bring upon the market a better class of commodities, and the means for attaining that object is by securing to those who are instrumental in supplying the market whatever reputation they

(1) 27 Ch. D., 77, at p. 88.

(2) 12 Am. S.R., 726, at p. 729; 40 Minn., 243.

(3) 102 Ky., 133; 80 Am. S.R., 348.

(4) 57 N.J. Eq., 303; 73 Am. S. R., 637, at p. 643.

gain by their efforts toward that end. The workmen by whose handicraft the commodity is made is one of these instruments, just as is his employer who furnishes the raw material and owns and sells the finished product; and if the former is permitted by the owner to place upon the commodity a mark to indicate whose workmanship it is and thereby commend his workmanship to other employers, *this licence from the owner should be deemed a right against everybody else.*" I pause there for a moment to observe that user of such a mark under such a licence would constitute a lawful user, and would satisfy every condition of a trade mark under the English Act of 1862 or the New South Wales Act of 1865. The Court proceeds to say:—"His aptitude in his trade is his property, and if by a mark he can have it identified as his in the market, he may enhance its saleable value and thus secure the same sort of advantage as his employer by similar means. No reason exists why this advantage should not be protected by the Courts in the same manner and to the same extent as is the like advantage of the employer. The mere fact that one rather than the other of these persons has placed the product upon the market has no rational bearing upon the matter, for both alike have had the market in view in the efforts they have made and through those efforts the market is supplied."

The lawfulness of application of the workers' trade mark to any articles made by the owner of the mark would depend entirely upon circumstances. A commission agent or a bleacher might be restricted by the prohibition of the owner of the goods from placing his mark upon them; or he might be permitted to do so. In the one case his application of the mark would be unlawful; in the other lawful—other conditions of lawfulness being observed, such as absence of imitation of another's mark.

4. *Existing business and prior user, or the equivalent.* Probably at common law prior user is essential to confer ownership of a trade mark. The English Act of 1875 allowed ownership by registration: See *In re Hudson's Trade Marks* (1), though, as decided by the House of Lords in *John Batt & Co. v. Dunnett* (2), unless the person registering the mark either deals in the goods for which the mark is registered or *bonâ fide* intends to deal in

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(1) 32 Ch. D., 311, at p. 325.

(2) (1899) A.C., 428.

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them, the registration is unauthorized. This case is relied on to support the objection now under consideration. The Lord Chancellor referred to "the trade which he (the appellant) had either begun or intended to begin." It was held that the Act, properly construed, conferred no right to register a trade mark under the circumstances of the case because on the facts the appellant at the time of registration had not and did not intend to have any trade whatever in the goods. The Act did not apply to such a case at all. But that was merely construing a piece of legislation, as to the extent to which, by the terms of the Statute, registration apart from user conferred the right of ownership of the mark. Once the stage is reached that registration can and does to any extent—independently of any actual present user, and actual present business—confer rights of ownership, it displaces the argument that prior user is inherently indispensable to the creation of a trade mark. The extent to which such a legislative provision may go is for the discretion of Parliament and not of the Courts to lay down.

6. *Capacity of an association to own a trade mark.* We are at last brought face to face with the final problem whether there is anything so inherently repugnant to the conception of a trade mark, in an association of workers possessing one for the purpose of distinguishing their productions from similar articles of other persons, that the federal legislature cannot confer any right to such proprietorship; or whether if not inherently repugnant, the capacity to hold trade marks must be given, if at all, by State law.

It may be useful to recall the steps by which we have reached this point. It has been shown by instances that cannot be disputed that none of the features specifically mentioned and dealt with above can be considered essential, that is to say:—

- (1) Ownership of the goods;
- (2) Personal identification of the trade mark proprietor;
- (3) Exclusive ownership of trade mark;
- (4) Independent commercial business;
- (5) Existing business or prior user of mark.

These points once established, it is difficult to understand how the provisions attacked are illegal.

In the case of an association of workers, it is plain that it is possible to clearly identify the membership at any particular moment—the method of entry into the association and qualifications are immaterial—and if so, why is the law that permits such an association to register a trade mark unconstitutional?

As regards the single workman, I am happy to think I have the support of the learned Chief Justice in the view I take. But I see no difference in principle between a law enabling an association to register, and one permitting a single workman to register.

Suppose that not merely a Stradivarius himself, but also nine others of his family possess and exercise the secret of an unrivalled method of manufacturing or varnishing violins, it is plain on precedents already cited—such as the concurrent cotton marks, that, equally with Stradivarius, each person separately, even though working for wages, may use, and if the law so provides, may register the same trade marks for violins. It would indicate, not the particular member of the family that produced or finished the instrument, but that it was one of the Stradivarius family. And if they may separately register, I do not see why a law may not permit them to jointly own and register the mark, for registration by an unincorporated association is nothing more than a joint registration by all the persons associated. Can it be truly said that such a law is inherently repugnant to the fundamental conception of a trade mark? An association of merchants might jointly use and register such a mark because each one might, and if so I cannot see why a difference in this respect should exist with regard to an association of workmen, if each one may adopt the mark selected. The doctrine said to be extracted from American cases, to the effect that at common law trades unions cannot have a trade mark, seems to me either irrelevant or fallacious if put forward as English law.

Conhaim's Case (1) held that a mark adopted by a cigar makers' union was not a legal trade mark—(1) "because it is not adopted nor used to indicate by what person the articles were made; (2) because its use is not enjoyed as an incident to any

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(1) 12 Am. S.R., 726, at p. 729.

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business, and the right to use it cannot be transferred, even with the transfer of the business in which it might have been employed ; . . . and (3) because there is no exclusiveness in the use, or right to use" it. The first reason is opposed to the highest English authority above cited ; the second reason was partly founded on the Court's opinion already noticed, that, though each workman had a business, the union as such had none, and the rest of that reason assumed that, unless the right to use a mark was transferable with the business, the mark could not ever be a trade mark—which is shown to be clearly against English law ; and the third reason, as we have seen, is not universal. The decision may have been right or wrong in the State of Minnesota ; I do not pretend to offer any opinion as to that.

Another case much pressed was *McVey v. Brendel* (1), in which the Court held that an unincorporated association, the Cigar Makers' International Union, formed "for promoting the mental, moral, and physical welfare of its members," but which is neither a manufacturer nor a dealer, cannot acquire a trade mark in a label adopted by it, distinguishing and discriminating between the work of union and non-union workmen. The Court rested its decision as to trade mark upon the ground that the union was not a business organization engaged in making cigars for sale, and was not a trader within the meaning of the common law or within the purview of the Act of Congress, and therefore could not have a distinctive label. That principle would deny such a right to a single workman equally with an association, and if unsustainable in the one case is equally so in the other. The ultimate decision may have been unassailable, but the reasoning upon which it is based is all that is of importance here. The rest of the case is immaterial. As opposed to these decisions there are others cited by the defendants, chiefly *Hetterman v. Powers* (2) and *Schmalz v. Wooley* (3). In *Hetterman's Case* (4) the Court says that they may admit that the label is not used as a trade mark in the *ordinary* sense of the word, as it is not a brand put on the goods of their owner to

(1) 144 Pa. St., 235 ; 27 Am. S.R., 625.

(2) 102 Ky., 135 ; 80 Am. S.R., 348.

(3) 57 N.J. Eq., 303 ; 73 Am. S.R., 637.

(4) 80 Am. S.R., 348.

separate or distinguish them from the goods of others. Now, so far, I think the Court was intending merely to indicate that the case in hand was not one of the usual cases where ownership of the mark coincided with the ownership of the goods. I arrive at that conclusion because the Court proceeds to say: (1)—“But we cannot agree on that account that it does not represent a valuable right which may be the subject of legal protection. Why may not those engaged in skilful employment so designate the result of their labour as to entitle them to the fruits of their skill when it is admittedly a source of pecuniary profit to them? And this, though they may not own the property itself?”

They are not, it is true, “in business” for themselves in the *ordinary* sense, but they have *property rights* nevertheless. They may not select a label and be protected in its use apart from its connection with some commodity; but they not only select it in this instance, they apply it to property, and it does not at all matter that the tangible property is that of another. So far it seems to me the Court was in perfect accord with the words quoted from the evidence of Lord Justice *Moulton*.

The judgment proceeds:—“In order to get the benefit of the superior reputation of cigars made by them, the appellees select and apply this label as a distinguishing brand or mark. And it would be strange if this thing of value, this certificate of good workmanship, and which makes the goods made by them sell and thus increases demand for their work, be entitled to no protection, because those making the selection and application are not business men, engaged in selling cigars of their own. The man who is employed for wages is as much a business man as his employer *in that larger sense in which the word ‘business’ has come to be used by statesmen and legislators.*”

Further on the Court says:—“The learned Chancellor below, in an exhaustive opinion reviewing all the authorities, among other things, said, and we can say it no more clearly, that ‘the known reputation of a particular kind of skilled labour employed in the development of a particular product or class of products determines to a large degree the value or price of such products when put on the markets. To stamp or label a commodity as

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(1) 80 Am. S.R., 348, at pp. 350, 351, 352.

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the product of a particular kind or class of skilled labour determines the demand for and the price of such product or commodity. The marketable price of a commodity influences the scale of wages paid for its manufacture. The higher the price, the higher the wages paid ; hence it is indisputable that the employé whose skilled labour, in the production of a particular commodity, creates a demand for the same that secures for him higher remunerative wages, *has as definite a property right to the exclusive use of a particular label, sign, symbol, brand, or device, adopted by him to distinguish and characterize said commodity as the product of his skilled labour, as the merchant or owner has to the exclusive use of his adopted trade mark on its goods.*' "

In *Schmalz's Case* (1), after stating the principles previously adverted to upon which a workman may be considered entitled to protection in respect of his skill, the Court proceeded to point out how *Weener v. Brayton* (2) was faulty in its *ratio decidendi*, and thereby answered one of the objections in this case, viz., that the trade union mark did not indicate the particular persons by whom the articles labelled were made, but merely persons who were not connected with each other in any business. The Court said : " The first clause of this objection would unduly restrict the law of trade marks as everywhere recognized, for it is established that, whatever be the quality indicated by a trade mark, the *mark need not point out the particular person* from whom that quality is derived. The law has placed no limit upon the number of persons who may unite for business purposes and jointly acquire property in a trade mark, and yet it is evident that, if *there be many, some of them may have no personal share in producing the article identified by the mark.*"

In this, the Court was in exact line with the House of Lords in *Powell's Case* (3) above cited.

It continued :—" The second clause in the objection assumes what does not appear to be true in the case before us. We understand from the bill that the members of the association represented by the complainant are connected together as jour-

(1) 73 Am. S. R., 637, at p. 643.

(2) 152 Mass., 101.

(3) (1894) A. C., 8.

neymen hatters; that their skill in this trade and their mutual assistance in profiting by its practice form the motive and chief aim of their association. This connection is as clearly one for business purposes as is that of members in a partnership or of stockholders in a corporation. Although it is a comparatively novel species of relationship, it has become an established one, and therefore calls for the application of *those general principles of law and equity* which are applied to other species of business associations. According to these principles, we think a workman or a number of workmen engaged in the same branch of industry and banded together for their mutual profit in the pursuit of their common vocation, *may acquire a right of property in a trade mark designed to distinguish their workmanship from that of other persons, and that a trade mark so owned is entitled to the same protection as other trade marks.*"

In *Weener v. Brayton* (1), and, as I think, properly criticized in *Schmalz's Case* (2), the Court admitted that "Upon the question whether labels of this character are valid trade marks there has been some contrariety of opinion. In *People v. Fisher*" (3), said the Court, "under the New York Penal Code, which does not define a trade mark in essential particulars differently from the definition usually adopted independently of the Statute, it was held that the label was a valid trade mark." The Massachusetts Court however proceeded to declare its inability to agree with that view. It appears from the judgment in *State v. Bishop* (4) that *People v. Fisher* (3) was decided by the New York Court on very much the same lines as *Schmalz's Case* (2).

See also *per Folger J.* in the New York Appeal Court in *Congress and Empire Spring Co. v. High Rock Congress Spring Co.* (5).

In my opinion, the views presented in *Hetterman's Case* (6) and *Schmalz's Case* (2) are correct, and amply sustain the constitutionality of the enactment so far as it permits associations of workmen to register a trade mark which they, independently altogether of the Statute, have adopted.

In the report of the Select Committee upon the English Bill of

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(1) 152 Mass., 101, at p. 105.

(2) 73 Am. S.R., 637.

(3) 50 Hun., 552.

(4) 128 Miss., 373; 49 Am. S.R., 569.

(5) 45 N.Y., 291; 6 Am. Rep., 82.

(6) 89 Am. S.R., 348.

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1905, Mr. Griffin, who under Mr. Dalton acts, as I understand, as Registrar of Designs and Trade Marks, stated that there are frequent applications from trade unions to register a mark which is going to be used upon all goods made by the trade union, and he added:—"Of course it is not a trade mark in any sense; it is only a kind of hall mark, but at the same time there is no reason why it should not be protected. It would mislead the public just as much if it were forged or misstated as if it was a real trade mark." He calls it a "quasi-trade mark," and explains that neither it nor the Fisheries Board Mark had the ordinary qualifications of a trade mark, because it would not be put on by a trader to distinguish his goods from those of another.

Apparently, Mr. Griffin is stating the ordinary understanding of a trade mark arising from the working of the Acts, and the practice of the Courts.

It is because the practice of the Courts, to which text-writers have mainly turned their attention when considering the nature of the thing protected, has obscured the central notion of a trade mark that the present difficulty has arisen. The Common Law Courts gave a remedy by way of damages for deceit, then chancery first aided common law, and next undertook independently to enjoin on the ground of property. Property, in the sense of the right of applying the mark to certain goods and so guarding the trade in their goods, was—at all events till lately—almost always asserted where the same person owned both mark and goods. At times a case like *Re Sykes and Co's Trade Marks* (1) appeared, but the general case seemed to press itself forward as the only one, until the foundations of the matter come to be examined. The growing requirements of commercial and industrial life constantly demand the more extensive application by the Courts of well established principles. As Lord Cottenham L.C. in *Millington v. Fox* (2) applied an old principle, viz., the protection of property by injunction, to a somewhat new phase of human affairs, viz., the increased importance of trade marks as such, so the same principle seems to me to be capable of application in the later developments of industrial rights. The Courts might or might

(1) 43 L.T., 626.

(2) 3 My. & C., 338.

not prove equal to the occasion in the absence of legislation; but if legislation which exists assumes a certain class of business or trade as a condition of registration, (see *per Lindley M.R.* in *In re Batt & Co.'s Trade Mark* (1)), and forbids recognition of rights without registration, it leaves the Courts powerless even if the common law principle standing alone would suffice. Is there anything then in the inherent nature of a trade mark which stands in the way of the National Parliament, having express power to legislate "with respect to trade marks," meeting the possible, and as we must assume from the Act itself, the now existing needs of society, by protecting artisans and public alike in the way attempted? The power over trade marks, though undoubtedly a power to protect and regulate property, was not conferred for the sole benefit of the merchants or other business men owning marks, it was for the general good government of the people of the Commonwealth, and public protection from fraud which always was an element in the action of the Courts in cases of trade marks, (see, for instance, *per Lord Westbury* in *Hall v. Barrows* (2), and particularly *per Lord Herschell* in *Reddaway v. Banham* (3):—"The word 'property' has been sometimes applied to what has been termed a trade mark at common law. I doubt myself whether it is accurate to speak of there being property in such a trade mark, though, no doubt some of the rights which are incidental to property may attach to it." This, as *Sebastian on Trade Marks*, 4th ed., p. 168, says, represents the prevailing opinion in recent times, is in my judgment a consideration that is not foreign to the power of legislation conferred upon the Commonwealth Parliament with reference to the same subject matter.

Before Federation each State had the full and uncontrolled power of a unitary state to legislate with reference to trade marks, to regulate them, to protect them, to limit them, to prescribe the modes of acquiring them, to affix consequences to them, to enact who might possess them, to annex to them any condition of assignability or to annul any conditions already

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(1) (1898) 2 Ch., 432, at p. 440.

(2) 4 D. J. & S., 150.

(3) (1896) A.C., 199, at p. 209.

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existing, and, in short, to deal with the subject in any manner it thought fit. It had also the power arising from its unlimited right of legislation of transferring from any other distinct branch of law any subject however foreign, and of arbitrarily including it henceforth among trade marks. This last authority I do not hold the Commonwealth Parliament can exercise unless it has among its other granted powers jurisdiction also over the subject so transferred. But having cleared the term "trade mark" of the non-essentials which have clung around it by reason of certain remedial procedure and the notions which inevitably root themselves in the soil of every day practice, and thence branch out until at times they obscure the central object itself, we find that trade marks mean nothing more or less than marks used in trade and connected in some way with goods in order to identify the goods with persons, that is, to indicate their connection with some persons or class of persons who singly or in association have in some way dealt with or operated in relation to the goods. The British Parliament has acted upon this in sec. 62 of the Act of 1905 with regard to special trade marks, making exceptional provisions as to their registration, still treating them as fairly within the ambit of trade marks. This enactment the Commonwealth Parliament has followed in sec. 22 of the *Trade Marks Act* 1905. If the Commonwealth Parliament could validly pass that section, it seems decisive of the present question. If it could not, then could the State Parliament enact it, and so create side by side with the Commonwealth *Trade Marks Act* another branch of trade marks law, recognized as such by the Imperial Parliament, but altogether outside Commonwealth control? I do not think this diversity of jurisdiction was intended by the Constitution. With respect to trade marks defined as above, the Commonwealth Parliament has, as I think, complete jurisdiction, and if so, I fail to understand why it cannot lawfully enact that this or any other association of Australians might become the possessors of a trade mark. The State, it is true, has general power over the personal capacity of its citizens. If in exercise of that power it said that no person under 25 years of age or women should be capable of holding property, would the Federal Parliament,

though having full power with respect to trade marks, be incompetent to permit these classes of persons to become proprietors of trade marks? And if the Federal Parliament, on the other hand, enacted that such persons should not have the right of possessing trade marks, how could the State override that by enacting that they should? The Commonwealth has, for instance, express power with respect to bankruptcy and insolvency, sec. 51 (xvii.), and marriage (xxi.); but the State might enact that no person under 25 should have the capacity to become insolvent or to marry. Could the Commonwealth powers be so neutralized? I confess I do not understand the doctrine which acknowledges the plenary character of powers, and at the same time restricts them. Denying complete supremacy with regard to a power affirmatively granted is a doctrine which seems to me incompatible with sec. V. of the *Commonwealth of Australia Constitution Act*, and one which leads not merely to constant conflict, but also to inevitable uncertainty as to the respective spheres of national and State action and authority.

The power over trade marks is on the principle emphasized by the Privy Council as plenary as that of the Imperial Parliament; and though the planes of legislative action by Commonwealth and State may cross, whether on the field of criminal or civil law, as must sometimes happen by force of the interlacing circumstances of life, yet where they do, the former is supreme (sec. V. of the *Commonwealth of Australia Constitution Act*, and by the Privy Council in *Toronto Corporation v. Canadian Pacific Railway* (1)).

My opinion is that the Commonwealth Parliament may give to any existing person or persons, or deprive them of, the right of holding or transferring trade marks. Part VII. of the Act does not create any artificial person for the purpose—and it is unnecessary to say that if it did that would be invalid—but it accepts certain independently existing facts:—(1) workmen single or associated, (2) a mark indicating their labour, and (3) their adoption of the mark; and then, with all these facts pre-existing, it permits registration and confirms or confers legal ownership and protects it. In this I see no excess of legislative authority.

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The contention that an association of associations is incapable of being the owner of a mark is, in my opinion, of the same nature and open to the same answer as in the case of a single association. If the Parliament is once seised of legislative power over a subject, it can regulate it as it pleases. Further, the objection is immaterial, because the defendant association is not a compound association, and the provision as to compound associations is clearly severable if in itself invalid, and may be disregarded (per *Miller J.* in the *Trade Mark Cases*) (1), without in the least affecting the main purpose of the enactment. There can be no doubt the legislature would have enacted all the rest if compound associations were known to be outside its powers. The compound association is auxiliary only, and is the accessory, not the principal enactment.

In view of my former parliamentary connection with the Statute, I have been more than ordinarily solicitous to re-examine the challenged provisions *ab initio*, and have endeavoured to follow in detail the various objections raised to their legality and to state explicitly the reasons upon which my judgment is based. This has led to a somewhat extended exposition, but I am of opinion that, while not departing in the least from the principle of not enlarging enumerated powers, the plaintiffs' case is answered by reference to the strictest legal considerations. An observation of the Lord Chancellor in *John Batt & Co. v. Dunnett* (2), will illustrate my meaning. His Lordship said in effect that the appellant, in the circumstances appearing, might have been rather a dealer in trade marks than a dealer in rice, and was disposed to register attractive trade marks with a view of vending them to others. That was not permissible under the English Statute as it stood; but in what way would it be beyond the authority of a legislature having plenary power over the subject of trade marks to permit anyone to register labels or devices, to be used as trade marks, to constitute him the owner of the labels or devices with power to sell them to others, and to forbid others to use those labels or devices as trade marks unless with the per-

(1) 100 U.S., 82.

(2) (1899) A.C., 428, at p. 430.

mission of the owner? A contention of that nature appears to me unarguable, and yet the present case does not go so far.

The power to make such a law must exist somewhere in Australia. If not in the Commonwealth Parliament, it must still be in the States. If in the States alone, it must be because it is not legislation with respect to trade marks—but the mere statement of the proposition is its own answer. Nearly every argument of the plaintiffs is however contained in it. If it is unsustainable, it is because, to give legislative jurisdiction with reference to the registration and proprietorship of trade marks, actual trading is not necessary before registration, or before proprietorship can be conferred; and that it is not inherently foreign to the conception of a trade mark to give protection to the skill of a designer of a trade mark who does not happen to be a dealer in the particular goods. If these views be not faulty then why is it unconstitutional to allow workers, or an association of workers, to register as a trade mark any design denoting the origin of their productions and which shall belong to them exclusively, or, in other words, which no one else shall use at all, or if total prohibition be not sought, which no one else shall use unless truthfully? I am unable to assent to the argument that maintains the illegality of such an enactment. It is said that the States alone can do this. If so it would, as I think, be not only a restriction of the constitutional grant of power and a shortening of federal jurisdiction which might be required to effectually deal with the subject of trade marks, but also a commingling of powers assumedly equal, creating possibly conflicting provisions, and leading very probably to confusion in different States, on the one subject of trade marks. This is the very result, it seems to me, that the Constitution, by placing this power in a single hand for the guidance of the whole people, intended to avert. And in any case is it true that under State law a trade union is incompetent to own a mark?

The defendant union is formed under the New South Wales *Trade Union Act* 1881; and is also an industrial union duly registered under the State *Industrial Arbitration Act* 1901.

The New South Wales Act of 1881 is practically the same as English legislation. To the trade unions of New South Wales,

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the observations of Lord *Macnaghten* in the *Taff Vale Railway Co. v. Amalgamated Society of Railway Servants* (1) is perfectly applicable. His Lordship said:—"Parliament has legalized trade unions, whether registered or not; if registered, they enjoy certain advantages." The Act provides (sec. 5) that the *Companies Act* is not to apply to a trade union. In the result the union, so long as it pursues no unlawful object—and none is suggested—is a legal association existing independently of Statute, though legalized by Statute, and perhaps registered under the Statute. Its objects are not prescribed by Statute, sec. 31 not being exhaustive or limiting its powers. See *Steele v. South Wales Miners' Federation* (2); *Linaker v. Pilcher* (3). In the last mentioned case *Mathew J.* it is true said that publishing the newspaper was not trading, but that was because when he looked at the rules they gave no authority to trade. Having looked at the rules, and found that what they authorized was not trading but improving the condition and protecting the interest of the members, he held that there was no breach of the rules because as a matter of fact this was all that the newspaper was employed for.

I gather from his Lordship's judgment that, even if the union had been trading in fact, he would have held it good, if the rules had permitted it. He did not hold that it would have been *ultra vires* to trade if the rules so provided. It was argued in that case that a trade union was defined by sec. 23 of the Act, and that the definition showed that a trade union is not an association for the purpose of trade and could not carry on anything for business purposes or for profit, and therefore could not carry on a newspaper.

The learned Judge as to that contention said that the Act did not operate to cut down the rights and powers of the Society.

On the whole that case is, in my view, decidedly in favour of the position that, if its rules permit, a trade union may trade.

Steele's Case (4) is a very strong example. One of the objects of the trade union was "to provide funds wherewith to pay the expenses of returning and maintaining representatives to

(1) (1901) A.C., 426, at p. 437.

(2) (1907) 1 K.B., 361.

(3) 84 L.T., 421.

(4) (1907) 1 K.B., 361, at p. 367.

Parliament." Now, if that is a valid object, it is impossible, I think, to argue successfully that trading is unlawful. Yet it was held to be perfectly lawful. *Darling J.* held it was lawful on two independent grounds, one of which was the definition in sec. 16 of the Act (corresponding to sec. 31 of the New South Wales Act), but that definition was not intended to be exhaustive. He said that the lawful purposes of the union are not limited to the purposes set out in that section, and there was nothing to prevent the association from lawfully doing other acts beyond those there mentioned.

Phillimore J. rested his judgment solely on that view, and held that, as the object mentioned was not illegal at common law, there was nothing to prevent the union from prescribing it by its rules.

But all depends upon what the rules themselves provide (*Yorkshire Miners' Association v. Howden* (1)). Upon the authority of the cases cited it appears to me that a trade union is an unincorporated association of individuals with certain objects specified in the Act, which once were illegal but are so no longer; and that, unless forbidden by Statute, they may, like any other association of individuals, have any other objects not unlawful, and may define those objects by their social contract, that is, in their rules. And if trading by the owner of a trade mark were essential to its existence—though I have shown it not so—I can see no obstacle to trading by a trade union as that is not contrary to common law, nor, since the Companies Acts are expressly made inapplicable, to any Statute law.

This consideration has relevancy only to the extent of establishing that the union as a union is not struck with an inherent incapacity to trade, and that, for the purpose of owning a trade mark, it stands in substantially the same position as any single worker or any association of workers.

The legislation objected to here does not, in the view I have presented, attempt to create any new property, or do more than regulate in connection with goods in trade the use and registration of trade marks as fundamentally conceived.

My opinion upon the whole case, then, is that Part VII. of the

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HIGGINS J. As for the first question submitted to us, I am of opinion that the statement of claim, taken with the particulars thereunder, does not disclose any cause of action maintainable by the brewery companies, or by the Attorney-General for New South Wales.

I shall have to examine this question in some detail, not only out of respect for the opinion of my colleagues, but because I am profoundly impressed with the wisdom of the practice, so well established in the Supreme Court of the United States, never to decide against an Act as unconstitutional, except "in the last resort, and as a necessity in the determination of real, earnest, and vital controversy between individuals": *Chicago and Grand Trunk Railway Co. v. Wellman* (1). Nothing would tend to detract from the influence and the usefulness of this Court more than the appearance of an eagerness to sit in judgment on Acts of Parliament, and to stamp the Constitution with the impress which we wish it to bear. It is only when we cannot do justice, in an action properly brought, without deciding as to the validity of the Act, that we are entitled to take out this last weapon from our armoury; and the fact that the question raised in this case has not been argued before any other bench, and possibly may not be argued, or even arguable, on appeal from us, adds to the weight of our responsibility in making sure that there is a cause of action.

The plaintiffs are the Attorney-General for New South Wales and four brewery companies. Briefly stated, the plaintiffs' whole case is that the Registrar of Trade Marks has, in obedience to the directions of the federal *Trade Marks Act* 1905, registered the defendant union as proprietor of "a worker's trade mark" under Part VII. of the Act; that the Federal Parliament had no power to enact Part VII.; and that the registration and user of the mark will injure and interfere with the plaintiffs' brewery companies in the manner specified in the particulars. Under the form of the order made for disposing of the two ques-

(1) 143 U.S., 339, at p. 345.

tions before trial, the plaintiffs have the advantage of the assumption that all their statements of fact are true.

No injury is alleged to have been done as yet by the defendants to any of the plaintiffs:—"the registration and user (of the mark) *will* injure and interfere." This is purely a *quia timet* action—an action to prevent an apprehended injury. The plaintiff breweries fear the results to their business *if this mark should be applied to a rival brewer's goods. But the mark has not yet been applied to the goods of any brewer, and it cannot be applied without the brewer's consent* (sec. 74 (2) (c)). So far, no harm has been done, no damage has been suffered. For aught that appears in the statement of claim, no brewer will ever consent, and the mark may never be applied to any goods; and unless the facts show the injury to be imminent and inevitable—unless there be no obstacle between the defendants' alleged wrongful act and the alleged injury—the Court does not in a *quia timet* action grant an injunction, or any relief. Here the argument is that, *if* some rival brewer allow the mark to be used on his goods, the plaintiffs may be put in the dilemma of choosing between the custom of those who would be offended by the workers' mark and those who would be attracted by it; and they will suffer damage *if* they choose wrong, and *if* they decline to avail themselves of the invalidity of the mark by putting on the mark even though they do not employ union labour. Such speculative, hypothetical, statements are wholly insufficient as a basis for any judgment in any kind of action. The union and the Registrar—the only defendants—have done all that they can do, and there is as yet no cause of action, and there can be no cause of action, no injury, until some brewer allow the mark to be attached to his beer. How can an injunction be granted against people who have not done, and who cannot do, the injury apprehended? Putting out of sight all the other objections, how can the plaintiff breweries claim a declaration of right or a rectification of the register, against defendants who do not and cannot, without some outsider's concurrence, injure them? It must appear in a *quia timet* action that, if the remedy be not given, the damage (and very substantial damage) must *necessarily* be suffered: *Salvin v.*

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There can be no cause of action unless there be: (a) some wrongdoing on the part of a defendant, and (b) some actual damage—or, at the least, some imminent and inevitable and very substantial damage resulting therefrom. In lawyers' phraseology, there must be both *injuria* (wrongdoing), and *damnum* (loss). *If Part VII. is valid, there is no injuria.* For, if Part VII. is valid, the registration was proper, and the plaintiffs have no ground for complaint. On the other hand, *if Part VII. is invalid, there is no damnum*, for the plaintiff breweries are as free to put the union label on their beer as they were before the Act. No doubt, they would be making a false representation to the public, if they did not in fact use union labour; but the only object, and the only effect, of the provision for registration in Part VII. is to allow of a prosecution of brewers or others who make such false representations; and if Part VII. is invalid, the plaintiff breweries cannot be prosecuted for the false representation. If Part VII. is invalid, the plaintiffs are in just the same position as before. Where, then, is the *damnum* from registration and user, if Part VII. is invalid? Or, rather—as there has not been and may not be any user—where is the *damnum* from mere registration?

The alleged damage is expressed in five ways; but I think I may, not unfairly, sum it up under three heads, taking the most favourable view of the plaintiffs' meaning. I shall assume, in favour of the plaintiffs, that Part VII. is, as they urge, invalid. They say (1) that the registration and/or user of the mark will prevent the plaintiff breweries from using the same or a similar design. But the plaintiffs do not allege that they want to use such a design, and, if they did, then, on the assumption that Part VII. is invalid, there is no protection for this mark, and the plaintiffs can in that case use the same or a similar design. This is a matter of law; and the Court is not bound by the plaintiff's statement as to the effect in law of

(1) L.R. 9 Ch., 705.

(2) 5 Ch. D., 944.

(3) 28 Ch. D., 688.

(4) (1893) 2 Ch., 87.

registration and user. The plaintiffs say (2) that the registration and/or user of the mark will render the plaintiffs liable to actions and prosecutions for the infringement of the mark. This allegation shows no cause of action if the actions and prosecutions are not to be successful; and they cannot be successful if—as is assumed—Part VII. is invalid. But the plaintiffs say (3) that they will be embarrassed in their business by the registration and/or user of the mark; for, if some rival brewers use it, the beer-purchasing public will see that their beer is made by union labour; and this will attract one class and drive away another. The plaintiffs, it is said, will have to make up their minds whether to use the mark or not; and if they use the mark, they will have to employ union labour. It is not stated whether the plaintiffs will lose or gain more custom by not having the mark; and it is not alleged that to employ union labour, and union labour only, will be injurious to their business. I venture to say that to bring forward this embarrassment as a cause of action is preposterous. *No action lies for placing a person in a dilemma as to his commercial interests, for putting before him an inducement to use this or that kind of labour.* A union is entitled to embarrass a manufacturer who is not fair to his employés—unless they embarrass him by means of some wrong done to him. They can embarrass him by agreement with a rival brewer, or in any other way. *The embarrassment, if any, comes from the use of the label (which is lawful without the Act), not from the registration.* No action lies even for doing the plaintiffs harm in their interests, unless the act complained of is a legal wrong to the plaintiffs: *Mogul Steamship Co. v. McGregor, Gow & Co.* (1). If Part VII. is invalid (as must be assumed, or else the plaintiffs have no possible case) the plaintiffs can with impunity, so far as the Act is concerned, use the union label and yet not employ union men; and I have yet to learn that an action lies for so acting as that a plaintiff is tempted to tell an untruth. It is now further said that the registration of the mark interferes with the freedom of the plaintiffs to carry on their business without publishing to the world any statement as to the persons whom they

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(1) 23 Q.B.D., 598, at p. 613, per Bowen L.J.

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employ. It ought to be enough to say that the plaintiffs cannot go beyond the particulars of damage which they have furnished, and that this alleged damage does not appear in the particulars. But where is the interference with freedom to be found? If all that is meant is a strong commercial inducement to act in a certain way, this is not actionable—no more actionable than if one hatter sell a certain kind of hat for a cheaper price than another hatter. If there were no workers' mark legislation at all, a rival brewer could put on his goods the mark showing that they are made by union labour, and the plaintiffs would have no ground of complaint. These objections to the action are quite independent of the objection that no hurt can come until some brewer consent to have the mark applied to his goods. Moreover, the damage complained of is too remote—is not the natural and reasonable consequence of the defendants' acts. The defendant Registrar enters in a book in Melbourne a picture which the other defendant gives him. The entry is *ultra vires*, nugatory (the plaintiffs say). If the business of the plaintiffs be injured, it is not the natural result of the defendants' action. The registration does not cause the damage (if there should be any); the mere use by another brewer, without registration, would cause the damage (if any).

Order III. sec 1. of the High Court Rules does not help the plaintiffs. The words are even more guarded than the corresponding, much misunderstood, rule in England (Order XXV. sec. 5); for the declaration without other relief can only be granted in an action "properly framed." The rule does not mean, either here or in England, that a declaration will be made at the instance of a plaintiff who has no cause of action: (*Offin v. Rochfort Rural Council* (1); or who has no rights in himself against the defendants under the circumstances existing at the date of the writ: *Honour v. Equitable Life Assurance Society of the United States* (2); *Williams v. North's Navigation Collieries* (1889) *Ltd.* (3). The plaintiffs must have an existing right in themselves as against the defendants at the date of the writ: what is their existing right

(1) (1906) 1 Ch., 342, at p. 357.

(2) (1900) 1 Ch., 852.

(3) (1904) 2 K.B., 44.

here? The Court is certainly not going to declare that plaintiffs have a good ground of defence if and when the mark is used, and if and when the union sues them: *North Eastern Marine Engineering Co. v. Leeds Forge Co.* (1).

The case of *In re Powell's Trade Mark; Powell v. Birmingham Vinegar Brewery Co.* (2) is not, in my opinion, any authority for this action. It is cited, not as an answer to all the objections above stated, but only to some of them; and it does not answer even these. It is a mere decision as to the meaning of the words "person aggrieved" in the English *Trade Marks Act*. But a "person aggrieved" within that Act has not necessarily a cause of action. An action lies only where a wrong is done *to the plaintiff*—actual, or, at the least, imminent and inevitable. A motion under the Act to rectify the register is a special machinery devised to keep the register pure, and it may be made by a person who sees that a wrong to him is merely possible. In an action, the plaintiff sues because of wrong done in fact (or certain to be done) *to him*. In the motion to rectify, the mover moves because of the public mischief resulting from wrong entries in the register: *per Lord Herschell* L.C. (3); but, to prevent the time of the Court from being wasted by mere debating society arguments, the mover must have some possible interest in the entry in the register: *Paine & Co. v. Daniels and Sons Breweries; In re Paine & Co.'s Trade Marks* (4). Therefore the Court held that a rival trader, who finds that the mark constitutes *prima facie* a block to the free exercise of his immediate business, is a person sufficiently "aggrieved" to make the motion. But the order is made in the interests of the public, not of any private person. It is not made as between the applicant and the respondent: *Eno v. Dunn* (5). The issues raised are radically different from the issues raised in a litigation between parties; so that, for instance, the alleged fraud of the person "aggrieved," or his delay, or his acquiescence, or estoppel, is treated as irrelevant to the motion, although most relevant in an action: *Kerly on Trade Marks*, 2nd ed.,

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(1) (1906) 1 Ch., 324, at p. 329;
(1906) 2 Ch., 498.

(2) (1893) 2 Ch. 388; (1894) A.C., 8.

(3) (1894) A.C., 8, at p. 10.

(4) (1893) 2 Ch., 567, at p. 584.

(5) 15 App. Cas. 252, at p. 264.

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p. 271; *Re Hill's Trade Mark* (1). Besides, in *Powell's Case* (2), the applicant, the person "aggrieved" by the registration, was a rival in trade who might use the mark if the register did not prevent him: not so here. He was prevented by the registration from using the mark: not so here, if, as the plaintiffs say, the Act is invalid. In short, the fact that a rival trader might move to rectify the register does not show that he has a cause of action for damages or for anything else.

The case of *London Association of Shipowners and Brokers v. London and India Docks Joint Committee* (3) has been much discussed. It seems to me to confirm the view that there is here no right of action. The P. & O. Company had in London a permanent dock specially appropriated to it under an agreement. The dock committee had made regulations as to the admission of vessels to ordinary unappropriated docks. These regulations were held to be *ultra vires*; and it was held that the P. & O. Co. suffered no special damage from the regulations, and therefore *had no cause of action* (4), although it might choose to apply for a place in the unappropriated docks at any time. It was laid down (5) that the P. & O. Co. "is not entitled to sue on behalf of the public for the purpose of preventing the defendants from exceeding their statutory powers irrespective of any particular injury done to any particular individual. The P. & O. Co. must show that it is itself aggrieved before it is entitled to any declaration or relief in an action brought by itself." As the P. & O. Co. did not want unappropriated berths, the order (dismissing the action) "must stand." (6) *Bowen* L.J. thought that, even if the P. & Co. did want unappropriated berths, it was not entitled to an injunction, that its proper course was either to refuse compliance (with the excessive demand under the regulations) or to submit under protest, and bring action for the wrong (7). But a declaration was made "to prevent mistakes" (not expressly, so far as appears, "by consent"), which "does no more than record the concessions made at the Bar, and the admission to which the defendants'

(1) 10 R.P.C., 113, at p. 116.

(2) (1894) A.C., 8.

(3) (1892) 3 Ch., 242.

(4) (1892) 3 Ch., 242, at pp. 259,

265, 273.

(5) (1892) 3 Ch., 242, at p. 257.

(6) (1892) 3 Ch., 242, at p. 259.

(7) (1892) 3 Ch., 242, at p. 262.

counsel were prepared to consent." (1) The appeal from the judgment dismissing the action was *dismissed*. This case, therefore, is not of any use to the plaintiffs; and, in any view of it, the plaintiff was, in that case, at the immediate point of being hurt by the defendant. It would, if it applied for an unappropriated berth, be refused at once except on condition of its making the excessive payment. Here, until some rival brewer use the mark, there can be no possible damage.

The objections to the claim made by the four breweries apply *à fortiori* to the claim made by the Attorney-General for New South Wales; but there are also other objections peculiar to his case.

(a) The Attorney-General for New South Wales does not represent the public of Australia—the public to be affected by this Act. The Act does not affect people on one side of the Murray more than people on the other. An Attorney-General can sue for injury to the public—*his* public. He is the officer of the Crown; and, according to the principles of our law, the interest of the public is vested in the Crown. But the Attorney-General for New South Wales is not the officer of the Crown for the Commonwealth, that distinct juristic person referred to in *Municipal Council of Sydney v. Commonwealth* (2). If a public body is going beyond its powers, no doubt the Attorney-General may sue, in the interests of the public—*his* public. But the only official who has a right to represent the public of Australia is the Attorney-General for Australia; and this Court, the High Court of Australia, recognizes (as to federal Acts) no public interest smaller than the interests of the Australian people. All other interests, however important, are to be treated as private interests. It may be said that it is the interest of the present Attorney-General for Australia to support the federal Act, and to refuse to sue. But if he should refuse to act in the interest of the public, it is for the Federal Parliament, and ultimately for the electors, to deal with him and with the Government of which he is a member: *London County Council v. Attorney-General* (3).

(b) The only injury alleged is an injury that will be

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(1) (1892) 3 Ch., 242, at p. 266.

(2) 1 C.L.R., 208.

(3) (1902) A.C., 165, at p. 168.

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done to the four plaintiff breweries. It is not alleged that any injury will be done to New South Wales, or to the public of New South Wales. An injury to these four breweries is not necessarily an injury to the public of New South Wales. If these breweries are injured they have their right of action; but no Attorney-General can sue on their behalf. According to *Attorney-General and Spalding Rural Council v. Garner* (1) an Attorney-General cannot sue on behalf of a fraction of his public, however large. Even if the express allegation of injury in the statement of claim did not preclude us from implying an injury to New South Wales, or to the public of New South Wales, neither the State nor its Attorney-General would have a cause of action, unless the act complained of necessarily tended in its nature to injure the State or the public of New South Wales; and in this case the registration of the mark—or even the user of the mark, if it should ever take place—would not satisfy this condition. Of course, it is not necessary that injury shall have actually occurred; the Court will interfere before it has occurred. But what may be injurious to individual traders may often be beneficial to the public. In *Attorney-General v. Shrewsbury (Kingsland) Bridge Co.* (2) public rights of highway were actually interfered with; and so too in *Attorney-General v. London and North Western Railway Co.* (3). In *Attorney-General v. London County Council* (4) a public body was spending *public moneys* for unauthorized purposes—was running omnibuses in the *public streets*—a business which Parliament had in effect forbidden it to carry on in the *public interest*. Lord Halsbury L.C. put the case expressly on this basis (5). Neither a State nor an Attorney-General is exempted from the ordinary rule that a distinctive injury to the plaintiffs must be alleged or necessarily implied—in this case, an injury to New South Wales, or to the public of New South Wales.

(c) The passing of an Act by one Parliament on a subject as to which another Parliament has exclusive power, and the making of an entry in pursuance of the Act, do not constitute a matter for judicial cognizance at the suit of the Government of the State

(1) (1907) 2 K.B., 480.

(2) 21 Ch. D., 752.

(3) (1900) 1 Q.B., 78.

(4) (1901) 1 Ch., 781; (1902) A.C., 165.

(5) (1902) A.C., 165, at p. 168.

that has the power. There is no injury to property or other injury for which the Court can grant an injunction. The remedy against an invalid Act is to resist it when it comes to be enforced.

(d) If New South Wales as a State has a cause of action against these defendants, the action should be brought in its name. This is expressly provided in the *Judiciary Act* 1903, sec. 62; and see *Penedo (Baron) v. Johnson* (1); *United States of America v. Wagner* (2).

It is not for the Court to indicate to these four breweries what they can do to test the validity of the registration of the workers' mark. But for my part I see no reason why one of the plaintiffs should not apply for registration of a similar design as a trade mark to be applied to his goods; or why the plaintiffs should not simply use the mark, and defend themselves in a proceeding for the penalty. I mention these as possible means of testing the validity of the Act, because it is urged that, unless an action lie of the kind before us, the plaintiffs cannot bring before the Court the question at all.

Inasmuch as the view which I have expressed, that the plaintiffs have no cause of action, is not the view of the majority of the Court, I proceed to consider the second question, as to the validity of Part VII. of the *Trade Marks Act* 1905.

Does sec. 51 (xviii.) of the Constitution give to the Federal Parliament power to enact the provisions of Part VII. of the *Trade Marks Act* 1905, which allow what the Act calls "workers' trade marks" to be registered and enforced?

Now, according to Part VII., the "workers' trade mark" is a mark which may be registered by a worker or a workers' union (or other association) to show that the goods marked are the workmanship of members of the union; and it is to be the property of the union. But the mark is not to be applied to any goods without the sanction of the owner of the goods. It is to be used by the owner of the goods for the purposes of his trade, as it is believed that many people will prefer to buy goods which bear a mark such as this, a mark which is a guarantee that the goods have not been produced by "sweated" labour. The mark is, in

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(1) 22 W.R., 103.

(2) L.R. 2 Ch., 582.

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short, a device to enable the public, if they so desire, to discourage "sweating" of human beings—to give to purchasers the opportunity of carrying out the moral duty which "Parson Lot" (Charles Kingsley) inculcated sixty years ago, in burning words, in his pamphlet, "Cheap clothes and nasty." The mark is legal even without the Act; so that even if there were no Part VII. at all, such a mark could be applied to the goods by the owner of the goods or with his consent. Without any legislation at all this mark could be used by the owner of the goods for the purposes of his trade, for the purpose of attracting purchasers who are in sympathy with the objects of unions. But Part VII. is necessary for the purpose of punishing a manufacturer who untruthfully applies the mark to his goods. If Part VII. is void, that penalty cannot be enforced, and the manufacturer cannot be restrained by the union from applying it to his goods untruthfully. The plaintiffs' contention is, in short, that the Federal Parliament has no power to punish the untruthful application of a workers' mark to goods.

The case as put for the plaintiffs is short and simple. They say that, though the Federal Parliament has power to legislate about "trade marks," a "workers' trade mark" was not a "trade mark" within the accepted definition in 1900, the date of the Constitution, and that therefore the Parliament has no power to make any law as to "workers' trade marks." It is said that, though the mark is to be used by or with the consent of a trader, for the purposes of pushing trade, it is not a trade mark.

If the argument for the plaintiffs is right—if the powers of the Commonwealth Parliament are so rigidly and narrowly circumscribed as is contended—there will be some curious results, not merely as to trade marks, but as to most, if not all, of the subjects of legislation in sec. 51. No matter how circumstances may change, no matter what may be the developments of science, of the arts, of business enterprise, and of society to the end of time, the Parliament is confined for ever (unless there be an alteration in the Constitution) to such trade marks as the Court enforced in the year 1900. Even since that year the class of trade marks which the Court will enforce has been extended in Great Britain and Ireland so as to include marks such as the

plaintiffs deny to be "trade marks" (English *Trade Marks Act* 1905, secs. 3, 62); and sec. 62 has been incorporated in our *Trade Marks Act* 1905 (sec. 22). But though the British legislation is, of course, valid, the Commonwealth legislation, to the same effect, for Australia, is to be treated as invalid. The Commonwealth is to be tied down to the practice in 1900. According to the plaintiffs' argument, the Federal Parliament having covered all the ground for trade marks as enforced by the law in 1900, the State Parliaments may, each for its own State, make such laws as they think fit, varying in character and in machinery, as to any marks to be used for purposes of trade, excepting only such trade marks as the Courts enforced in 1900. The several State Parliaments may, it is said, legislate even for "workers' trade marks," may create any new kinds of enforceable trade marks; and if the plaintiffs' argument be successful, we shall have as a result a position which must be confusing and baneful to traders and to the public—we shall have seven different bodies of law makers in Australia laying down laws as to marks used for trade purposes. But, if the plaintiffs are right, it cannot be helped. It is a flaw in the Constitution.

This doctrine of the plaintiffs, if it is to be accepted, cannot be confined to the subject of trade marks. It means that the Federal Parliament cannot give validity to any kinds of patents, or to any kinds of copyrights, which were not recognized in 1900. Copyright in designs is a recent and useful development in the law of copyright. If it had not been accepted before 1900, it could not—according to the plaintiffs—be now adopted by the Federal Parliament. Nor, if the developments of industry should render a further extension of copyright expedient, is it possible for the Federal Parliament to meet the want—if the plaintiffs are right. The argument means also that the Parliament cannot make the slightest alteration in the meaning of bills of exchange or of promissory notes—cannot, for instance, enact that a document shall be a promissory note even though it have some slight condition annexed to the promise. Again, the Parliament has power to make laws as to "marriage." But, according to the plaintiffs, if marriage with a deceased wife's sister had not been validated before Federation, the Federal Parliament could not

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validate it. For the word "marriage" did not, strictly speaking, include such a union—the union was voidable by judicial proceedings (absolutely void in Britain, since the 5 & 6 Wm. IV. c. 54). Then, Parliament is given power to make laws with respect to "parental rights;" is it to be restricted to parental rights as recognized in 1900? If it should ever be thought well to follow the example of other countries which treat infancy as continuing till 22, or 25 or even 30, is the Federal Parliament, in exercising its powers as to the "custody and maintenance of infants," bound for ever to the present meaning of infancy, as ending at 21? Many other illustrations may be given on a consideration of the other subjects entrusted to this Parliament as to the effects—or probable effects—of holding the plaintiffs' contention to be good. But the case of trade marks contains excellent illustrations within its own bounds. Text-writers have found themselves compelled to include in their treatises on "trade marks" dissertations on mere "trade names," and on "passing off" cases; for these matters are treated by the Courts on the same principles as those trade marks which satisfy the plaintiffs' definition; but, according to the plaintiffs, these matters have still to be left to the States. Yet the majority of so-called "trade mark" cases brought to the Courts are "passing off" cases—imitations of the "get-up" of goods. Before Federation, if the New South Wales Parliament, or any other of the Colonial Parliaments, saw fit, it could have allowed descriptive words to be used as a trade mark, and some of the Parliaments did in fact include "trade descriptions" under the term "trade marks;" but the Federal Parliament has not, it is said, any such power. Before Federation, any Colonial Parliament could have passed a law with regard to such a mark as the "hammer mark." This was only to be put on cutlery, &c., if wrought or forged (59 Geo. III. c. 7). So with hall marks for jewellery or for plate; so with marks for gunbarrels indicating proof. So with Sheffield marks, cotton marks, &c., which were originally dealt with in the English Trade Marks Registration Acts. So with misuse of the royal arms, false representations on shop fronts, &c., that the trader is successor in business, &c., to a well known name. So with marks on imported goods representing that they were made in Australia (cf. 39 & 40 Vict.

c. 36, secs. 42 (a), 153). Unless such marks come within the rigid definition of enforceable trade marks in 1900—and (according to the plaintiffs) very few, if any, of these do so—the Federal Parliament is powerless.

If the plaintiffs are right in their argument, the Court is bound to treat the boundaries of the class of trade marks, and the boundaries of the other subjects, as finally settled and stereotyped in 1900, so far as the Federal Parliament is concerned. There may be development everywhere else; but so far as Australia and its Federal Parliament is concerned, there is an arrested development. In place of Australia having by its Constitution acquired for the Australian Parliament the power of dealing with the whole subject of marks used for the purposes of trade, it turns out that the Federal Parliament can deal only with the trade marks enforced by the Courts as property in 1900, and that each of the States separately must deal with the other parts of the subject. That is to say, although the Federal Parliament is not limited in its power to trade marks used in inter-state or foreign commerce, although it has admittedly power to regulate the internal commerce of any State so far as relates to trade marks—although it can, for instance, regulate a trade mark used by a maker of ploughs within a mere district of New South Wales—it cannot regulate the law as to trade names, or as to “passing off” cases, or as to any of the other marks (I must not beg the question by saying “trade mark”) used on goods for purposes of trade. Even that offspring of timidity, the Federal Council, under the *Federal Council of Australasia Act* 1885, had wider powers. True, it did not get the power to make laws as to trade marks; but it got power to make laws as to copyrights and patents and as to “any other matter of general Australian interest with respect to which the legislatures of the several Colonies can legislate within their own limits, and as to which it is deemed desirable that there should be a law of general application” (sec. 15 (i)). There is no doubt as to what is desirable; there is no doubt as to the plenary power of each of the separate Colonies before Federation over the whole subject of trade marks and quasi-trade marks; and there is no doubt that under the *Federal Council Act* every mark, or name, or “get-up” that can be used for the

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purposes of trade could be dealt with by the Council. But we are told that the Federal Parliament has not the power of the Federal Council. Perhaps this result is unavoidable; and the plaintiffs are, of course, entitled to have the Constitution expounded and applied as it stands.

There are two questions involved in our inquiry. The main question is what is the ambit, the circumference, of the power "to make laws with respect to trade marks." The subsidiary question is, what was the meaning in 1900 of the two words "trade marks." It is curious that this latter question has been almost the sole subject of discussion. Of course, if it could be shown that this workers' trade mark contains all the essential attributes of a trade mark as understood in 1900, Part VII. of the Act is valid. But, as I shall show hereafter, it by no means follows that, if it does not contain all the essentials, Part VII. is invalid. Part VII. may possibly still be a valid exercise of the power to "make laws with respect to trade marks." Taking the subsidiary question first, if the two words "trade marks" be considered in their ordinary unsophisticated sense, as English words, they would mean merely marks used for purposes of trade; but the word "marks" shows that they are used to mark something, to identify something, to distinguish some things from others. Has this primary meaning been ever lost? The burden lies on the plaintiffs of showing that the meaning has become narrowed and limited. If the words can be treated as technical at all, they make up a trade term, a commercial term. They are not a technical legal term (at all events where—as in the Constitution—the words are not made one word or hyphenated). Trade marks—both the phrase and the things—were used by men of business long before the Courts took up the subject in the last century. To my mind the unfounded assumption that these words in themselves constitute a technical legal term (apart from their use for particular purposes, such as the purposes of particular Statutes), is at the root of much of the difference of opinion in this case. Owing to the form in which this case comes before us, we have not any evidence of any non-legal technical meaning for the words; and the burden of proof lies on those who affirm that

a word is technical: *Mansell v. The Queen* (1). As was said by Lindley L.J. in *Chatenay v. Brazilian Submarine Telegraph Co.* (2), the meaning of the words is a question of fact in all cases. But here we have no evidence on the question, and we have to fall back on the ordinary, grammatical, primary meaning in the English language; and that meaning is plain.

It is true, however, that this primary meaning is too wide for purposes of enforcement in the Courts. In 1838 the right to a trade mark was for the first time recognized and enforced by an English Court—the Court of Chancery. Now, the Court of Chancery could only enforce a right of property; and as property involves exclusive rights, the Court only applied its remedies in favour of the owner of the goods, or of the owner of some business with which the goods were identified. “The jurisdiction of the Court in the protection given to trade marks rests upon property, and . . . the Court interferes by injunction, because that is the only mode by which property of this description can be effectually protected.”: *Per Lord Westbury L.C. Leather Cloth Co. v. American Leather Cloth Co.* (3). It is hard to see how the Court could, without legislation, have found property in a trade mark in any one who had neither ownership nor *quasi*-ownership of the goods or of the business. None but the owner (or *quasi*-owner) of the goods had a right to mark them; and it was he who got the benefit of the mark in trade. The legal text-writers have, therefore, confined their attention to such trade marks as the Courts will enforce—the only kind of trade marks which concerns lawyers—and they have laboured to frame satisfactory definitions of the enforceable trade mark. It is quite a common practice for experts in any calling to narrow the denotation of a class name to the purposes of their calling. To anglers “fish” often means “salmon;” to a horse dealer “beast” means “horse;” to a lawyer “trade mark” means a trade mark that fulfils the conditions necessary for legal enforcement. But conditions of legal enforcement do not enter into the definition of the expression “trade mark.” All the logicians, I believe, manage to agree to this small extent, that any definition is

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(1) 8 El. & Bl., 54, at p. 109.

(2) (1891) 1 Q.B., 79, at p. 85.

(3) 4 D. J. & S., 137, at p. 142.

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imperfect if the class name is defined by its *accidents* instead of by its essential *differentia* (*Mill's Logic* vol. I., pp. 146, 156). There were many trade marks which could not be enforced in the Courts simply because no one could show that he had acquired an exclusive right to use them. Two or more traders might hit upon the same trade mark, independently; and—apart from legislation—they could not prevent other traders from using it too. It was for this reason that in the British Act of 1883 (sec. 72), Parliament, in forbidding the registration of identical marks, made an exception of cases “where the Court has decided that two or more persons are entitled to be registered as proprietors of the same trade mark.” This language recognizes that there may be trade marks which do not fulfil the condition of exclusiveness as property. It is to be noticed—as *Kerly on Trade Marks*, 2nd ed., p. 26, points out—that the Courts, although they have frequently made expositions pointed to the difficulties of a particular case, have never yet formulated an exhaustive definition of “trade marks.” Text-writers, it appears, have rushed in, where Judges have feared to tread. Some recent compilers of dictionaries have evidently followed up the gallant text-writers into the breach. *Richardson*, in 1855, does not refer to “trade mark” at all. But *Worcester*, in 1878, defines “trade mark” as “a particular mark, sign, device, writing, or ticket, put by a manufacturer upon his goods, to distinguish them from those of others.” Even the plaintiffs’ counsel would probably admit that it is wrong to limit the idea to manufacturers, or to the owners of goods. *Webster* (1892) puts it as “a peculiar distinguishing mark or device affixed by a manufacturer or a merchant to his goods, the exclusive right of using which is recognized by law.” This is better, but it refers to enforcement by the Courts. But the *Standard Dictionary* (1901) says that the “trade mark” must be “secured to the user by legal registration.” So this dictionary makes registration part of the definition, which is also wrong. It is evident that the learned compilers extracted these definitions from legal text-writers, the only place where they could find anything definite; but the text-writers had in view the practice of the Courts only. Dictionaries,

as *Hardcastle on Statutory Law* (3rd ed. p. 165) tells us, are sometimes delusive guides, and "the best dictionary . . . can never be an absolute authority on so varied and fluctuating a subject as language." It is our duty to look for the meaning of the words "as they would be understood by plain men who know nothing of the technical rules" of the Courts: *Cargo ex Schiller* (1); and see *Attorney-General v. Winstanley* (2).

If we are at liberty, without evidence, to look beyond the ordinary grammatical meaning of these two words in conjunction, it seems to be a fair thing to examine the various meanings of the words as used, in order to find what attributes are common to all the meanings, and to see whether this workers' trade mark has all the common attributes. This mark is a distinctive device; it is to be attached to goods by or by the authority of the manufacturer, to identify the goods as being made by a certain body of journeymen; and it is to be used for purposes of trade, to attract buyers. What attribute is wanting? It used to be said (a) that the owner of the mark must own the goods. But that is not so, even for purposes of enforcement. The bleacher of linen which another has manufactured may have his trade mark for that linen: *Sykes v. Sykes* (3); and *per Jelf J. in Major Brothers v. Franklin and Son* (4). So may the selector of goods have his mark: *Hirsch v. Jonas* (5); and *per Kay J. in In re Australian Wine Importers Ltd.* (6). But it is said (b) the mark must identify one particular trader, one sole concern. This is true, in the main, as to marks enforceable in the Courts. Yet even the Courts have recognized separate rights in two independent persons to the same mark by virtue of a devise of two separate business establishments: *Dent v. Turpin* (7); and see *Southorn v. Reynolds* (8). But the practice of the "Three Mark Rule," and the whole case of cotton marks, referred to at length by my brother *Isaacs*, are, to my mind, conclusive. If a mark had not been used by more than three firms (before the Act of 1875) it was treated as the old mark of each firm, and each firm was entitled to registration. Therefore, there were certain trade marks which did not identify

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(1) 2 P.D., 145, at p. 161.

(2) 2 Dow & Cl., 302, at p. 310.

(3) 43 L.T., 626.

(4) (1908) 1 K.B., 712, at p. 717.

(5) 3 Ch. D., 584.

(6) 41 Ch. D., 278, at p. 281.

(7) 2 John. & H., 139.

(8) 12 L.T.N.S., 75.

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one particular concern only. Then it is urged (c) that the mark must identify a trading business of some sort carried on by the owner of the mark, and be inseparable from that business. This is met by the case of "Sheffield Marks." The British Act of 1883 (sec. 81) provided for a new register of *trade marks* at Sheffield. Every mark registered in the Sheffield register was to be registered in the general register of "trade marks." Every apprentice who had served for seven years was entitled to get a mark and to be made a freeman of the company of cutlers. The mark might be devised by will (subject to an alienable life estate in the widow) and in default of a will was to pass as personalty (21 Jac. 1 c. 131). If granted to a non-freeman of the Cutlers' Company the "trade mark" was clearly assignable in gross: *Bury v. Bedford* (1). It is clear, then, that the words "trade mark" were applied before 1900 to marks belonging to journey-men workers, to marks which did not identify any separate trading business, and which were assignable in gross. In short, the only attributes that I can find to be common to these words in all their varying uses, the only essential *differentia* from other marks is this—the marks must be used to identify the commodities with some person or body of persons and for the purpose of attracting trade; and these attributes are all found in this "workers' trade mark."

A consideration of the history of the words in the United States confirms this view. There, the Courts of Chancery were subject to the same limitations as in England; and they necessarily confined their relief to such trade marks as would be enforced in England. About 1889, in California, the cigar-makers' union sought to check sweating and its resulting evils by adopting a union label, and putting it on cigars made by unionists under wholesome conditions. The example of California was followed in several other States. But some manufacturers, who did not use union labour, sought to get the advantage of the label by putting it, falsely, on their goods. The unions took proceedings for infringement of their labels; but in most of the Courts appealed to it was held (and, as I think, rightly held) that the union label was not enforceable, as it did

not identify any particular maker, or vendor, or any particular business. Then the legislatures of the States took the matter in hand (for there is no power in Congress, such as there is in our Federal Parliament, to legislate as to trade marks, except as to those used in inter-state or foreign commerce); and Acts were passed by most of the States prescribing registration of the union label as a trade mark, calling it a trade mark, and providing for its enforcement as a trade mark. All this took place before 1900; so that, when our Constitution was passed, union labels, of the same nature as these "workers' trade marks," were actually called in public Statutes "trade marks." I suppose it will not be contended that we are not to take into consideration the English language as used in America—the country where most of those who use the English language live. Probably, as our Constitution is contained in a British Act, if the British meaning were in conflict with the American meaning, that meaning should be adopted which the language would bear as coming from a British legislature in preference to the meaning which it would bear as coming from an American legislature. But this is not a case of conflict; and we are entitled, I think, to take into account the use of the English language wherever that language is heard—even if the sound have the *timbre* of a gramophone. Moreover, the Privy Council has recognized as legitimate an argument as to the meaning (in the Canadian Constitution) of the word "licences," based on the use of the word in the United States as well as on the use in Britain and Canada: *Attorney-General for Quebec v. Queen Insurance Co.* (1); and it is not a violent assumption to suppose that the framers of our Constitution and the British Parliament know something of the long controversy as to the union label in the Courts and in the legislatures of the United States, and meant to give the Australian Parliament full power, under the head of "trade marks," to deal with the whole subject as it saw fit—power as full as each State of the Union had, as each Australian Colony had, as the British Parliament had, and as the British Parliament has since to a great extent exercised (Act of 1905, sec. 62).

On this part of the subject I have only to add that any defini-

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(1) 3 App. Cas., 1090, at p. 1099.

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tions in the British Acts of 1862, 1875, 1883, and 1887 are merely definitions for the purposes of the Acts; and the International Convention of 1883 is similarly limited. These definitions and this Convention do not settle the meaning in our language of "trade marks."

I pass now to the main question—what are the limits of the power "to make laws with respect to trade marks"? Power to "make laws with respect to trade marks" is not the same thing as power to enforce trade marks, or even power to regulate trade marks. Under the power to make laws with respect to "marriage" I should say that the Parliament could prescribe what unions are to be regarded as marriages. Under the power to make laws with respect to "parental rights," I should say that it could define what those rights are to be. Under the power to make laws with respect to "promissory notes," I should say that it could increase the class of documents which in 1900 were known as promissory notes. Under the power to make laws with respect to trade marks, I cannot see why Parliament cannot, at the least, bring into the class of trade marks printed trade names and the "get up" of goods—rights in the nature of trade marks, things which were treated on the same principles as trade marks, but not hitherto called "marks" in current language.

What is committed to the Federal Parliament is not the *class* of things called trade marks, but the whole *subject* of trade marks. No doubt, we are to ascertain the meaning of "trade marks" as in 1900. But having ascertained that meaning, we have then to find the extent of the power to deal with the subject of trade marks—or, what is the same thing, to find the meaning of the "power to make laws with respect to trade marks." The usage in 1900 gives us the central type; it does not give us the circumference of the power. To find the circumference of the power, we take as a centre the thing named—trade marks—with the meaning as in 1900; but it is a mistake to treat the centre as the radius. As an instance of my view, if the "Hammer Mark" did not come within the meaning of "trade mark" in 1900, I think that the Federal Parliament would have power to deal with it as a trade mark, and to say that it shall be called a trade mark. Under the Act 59 Geo. III.

c. 7, the "Hammer Mark" was not to be put on cutlery unless wrought or forged. There is no doubt that such a mark aided the trade of such cutlers as wrought or forged. In my opinion, the Federal Parliament could prohibit, by a penalty, the false use of the mark, and could give to these cutlers a proprietary right to the mark, enforceable by injunction. As already stated, the text-writers on the subject of trade marks always find it necessary to deal with rights resembling trade mark rights as well as with trade marks proper. There is no doubt as to their view of the ambit of the subject of trade marks. The name of the subject is taken from an example possessing pre-eminently the characteristics of the things comprised within the subject. As Dr. Whewell said of classification, "the class is determined, not by a boundary line without, but by a central point within."

The plaintiffs in their argument treat the power of the Federal Parliament to make laws with respect to trade marks as if it were a power to make laws with respect to cattle. In such a case, if a beast does not come under the term "cattle," as understood in 1900, there is no power, it is said, to make any laws about it. But I am clearly of opinion that this narrow doctrine propounded by the plaintiffs is, in construing a constitutional power to make laws, unwarrantable and absolutely wrong. In the first place, there is a vital distinction arising from the nature of the subject. Cattle are concrete, physical objects, and the boundaries of the class are fixed by external nature; whereas "trade marks" are artificial products of society, and dependent upon the will of society. The class "cattle" cannot well be extended by man; the class "trade marks" can be extended. Power to make laws as to any class of rights involves a power to alter those rights, to define those rights, to limit those rights, to extend those rights, and to extend the class of those who may enjoy those rights. In the same clause of sec. 51, power is given to make laws with respect to "copyrights" (rights of multiplying copies of books, &c.); with respect to "patents" (rights to make or sell inventions); and with respect to "trade marks" (rights to use marks for the purposes of trade). The power to make laws "with respect to" these rights, involves a power to declare what shall be the subject of such rights. In the second place, although we

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are to interpret the words of the Constitution on the same principles of interpretation as we apply to any ordinary law, these very principles of interpretation compel us to take into account the nature and scope of the Act that we are interpreting—to remember that *it is a Constitution, a mechanism under which laws are to be made, and not a mere Act which declares what the law is to be*. Story pointed this out well (*Commentaries*, 2nd ed., sec. 455):—"While, then, we may well resort to the meaning of single words to assist our inquiries, we should never forget, that it is an instrument of government that we are to construe." In the United States *Marshall* C.J. in his famous judgment in *M'Culloch v. Maryland* (1) recognized the same truth:—"In considering this question, then, we must never forget, that it is *a Constitution* we are expounding." The case of *Re Klein* (2) is a good instance of the application of this principle. At the making of the United States Constitution, the word "bankruptcy" had the original English meaning of an adverse proceeding by a creditor against a fraudulent debtor. This was the meaning from the beginning (34 & 35 Hen. VIII. c. 4), and at the time of the American Constitution. Yet it was held that Congress, under its power "to establish uniform laws on the subject of bankruptcies throughout the United States," had power to make a law for the voluntary sequestration of their estates by debtors—power to allow a voluntary bankruptcy at the instance and for the benefit of the debtor. It was also held that the Act was valid, although the word "bankruptcy" was properly applicable only to traders: *Kunzler v. Kohaus* (3); and see *per Marshall* C.J. in *Sturges v. Crowninshield* (4). In short, Congress had the same power to widen the scope of bankruptcy law as the English Parliament possessed, and as it in fact exercised after the American revolution. In Canada, the Court of Appeal of Ontario followed suit: *R. v. Frawley* (5). Under the *British North America Act* 1867 the provincial legislatures had power to make laws with respect to "the imposition of punishment by fine penalty or imprisonment for enforcing any law of the province made in relation to any matter coming

(1) 4 Wheat., 316, at p. 407.

(2) 1 How., 277 (n.)

(3) 5 Hill N.Y., 317.

(4) 4 Wheat., 122, at p. 194.

(5) 7 Ont. App. R., 246, at p. 265.

within any of the classes of subjects coming within the section " (sec. 92). The question arose, was a sentence of imprisonment *with hard labour* valid (in a case of selling liquors without a licence). *Spragge* C.J. pointed out that, if a mere Act of Parliament prescribed "imprisonment," hard labour could not be added; but that they had to deal *with a constitutional power*. "*Imprisonment was one of the subjects with respect to which power of legislation had been conferred.*" The learned Judge quotes *Vattel* (*qu. Story*) and *Marshall* C.J. in *McCulloch v. Maryland* (1), in support of his decision that the sentence was valid. The Judicial Committee of the Privy Council also held that the sentence *with hard labour* was valid: *Hodge v. The Queen* (2). The same principle was recognized *obiter* in *Re Lake Winnipeg Transportation Lumber and Trading Co.* (3), where an argument was overruled that the power of the Dominion Parliament to legislate as to "insolvencies" was confined to insolvencies as recognized at the passing of the *British North America Act* 1867. So, too, I presume, if a Parliament had powers conferred on it to make laws with respect to "police," that power would not be confined to making laws with respect to police as understood and defined at the creation of the power. There might be two kinds of police provided (as in France) with different functions and status. So, too, if the Parliament were granted power to make laws with respect to wills, I take it that a law could be made defining what documents are to be treated as wills, and would not be cramped for ever within the limits of the present meaning of the word—documents which are signed by the testator at the end and attested by the signatures of two witnesses in the presence of the testator.

It is not necessary for the purpose of the decision of this case to decide precisely what is the outer limit, the ring fence, of this power. But at present I am strongly inclined to the view that the grant of such a power, made by the British Parliament to the Federal Parliament, confers on the Federal Parliament as wide a power, with regard to Australia, as the British Parliament could

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(1) 4 Wheat., 316, at p. 407.

(2) 9 App. Cas., 117, at p. 133.

(3) 7 Manitoba R., 255.

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itself have exercised, provided that the laws made would come fairly under the description of "trade mark laws," in ordinary parlance, if made by the British Parliament. It will also be found, I believe, ultimately, that the phrase under which powers are granted to the Federal Parliament gives to that Parliament even wider scope for its action than is given to the United States Congress by the corresponding grants of power in the United States Constitution. "Power to lay and collect taxes" is not as sweeping as our "power to make laws with respect to taxation." Power "to regulate commerce" may not be so wide as our power "*to make laws with respect to trade and commerce.*" Power to "fix the standard of weights and measures" is more limited than our power "to make laws . . . with respect to weights and measures." Moreover, the fact that in one case—the power with regard to piracies &c.—there is express power in the United States Constitution to *define* piracies &c. as well as punish them, may tend to show that the power of definition was excluded in the case of other powers. Yet I know of no instance in which the power to increase the area of a subject by definition—genuine, not colourable—has been denied; and, as I have already shown, the power has been actually recognized.

It is urged, of course, against this broader view of the powers, that, if it is right, the powers of the Federal Parliament would be practically unlimited—that the Federal Parliament would only have to call a spade a "trade mark," and then legislate as to spades. This is a mistake. I gave an instance during the argument. Suppose that the Federal Parliament desire to arrogate to itself the control of wills—a subject which is clearly not entrusted to the Federal Parliament. Suppose that it define "trade mark" as including a will, and enact that no will shall be valid unless registered as a trade mark. In such a case we should have no hesitation in treating such a law as invalid. It would be a sham. *It would not be a law with respect to trade marks at all. It would be a law as to wills, under cover of a law as to trade marks.* In such a case the Courts would have no difficulty in pronouncing that the Parliament had transgressed the boundary, had not applied itself to the exercise of its power

at all. This is what the Privy Council decided in *Attorney-General for Quebec v. Queen Insurance Co.* (1). A provincial legislature in Canada had power to raise revenue by business licences, but no power to impose stamp taxes. It imposed a stamp tax, and called it a licence tax, and the Privy Council, looking at the substance of the Act, and not accepting as conclusive the name which the legislature chose to give it, said that the Act was void. It was not an Act "in relation to (insurance business) licences" at all. In some cases the task of the Court would be much more difficult, but it would have to be performed with such light as the circumstances in each case afford. We have some guidance on the matter from English cases, in which the limited powers of municipalities have come up for discussion. I apprehend that it is our duty to construe the powers of the Federal Parliament as liberally at least as the powers of municipalities to make by-laws. If there is power for a municipality to make by-laws as to nuisances, the municipality is not confined to the nuisances recognized by the law at the date of the grant of the power. In the case of *White v. Morley* (2) the municipal council had power to make by-laws for the prevention and suppression of *nuisances* not already punishable by virtue of any Act in force throughout the borough. A by-law was passed to the effect that any person who used the street for betting should be liable to a penalty. Such user was not in itself a common law nuisance, apart from the by-law; but the Court held the by-law to be valid under the power to prevent and suppress *nuisances*. "Where a thing is of such a character as that it can be a nuisance, it is to rest with the local authority to say whether it shall be considered to be a nuisance in the particular locality for which they have power to make by-laws. The Court can say whether it is reasonably possible for the prohibited act or thing to be a nuisance." In *Kruse v. Johnson* (3) also, Lord Russell of Killowen C.J. said (as to a by-law against playing or singing in the streets) that it was not necessary that the by-law should be confined to cases where the playing or singing amounted to a

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(1) 3 App. Cas., 1090.

(2) (1899) 2 Q.B., 34, at p. 39.

(3) (1898) 2 Q.B., 91.

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nuisance, or caused annoyance in fact. In those cases the power was merely to prevent or suppress *nuisances*; yet, if the plaintiffs in this case are right, the act should first be proved to come within the word "nuisance," as defined by the common law, before the by-law could be applied to it. But the Court declined to adopt any such narrow view of the powers conferred.

I am, therefore, of opinion that, even if the characteristics of the "workers' trade mark" did not bring it strictly within the class "trade marks" as understood in 1900, there is nothing in Part VII. of the Act which transgresses the power conferred on the Federal Parliament "to make laws with respect to trade marks." This opinion may not be quite necessary for the purpose of my judgment, inasmuch as I hold the view that the workers' trade mark does contain all the essential characteristics of a trade mark; but it is my duty not to let the narrow view of the nature of the federal powers pass without protest and by silence into unquestioned law.

I am also of opinion that there is nothing whatever in the law of New South Wales with regard to trade unions which render them incapable of owning or registering or using a trade mark. They can carry on a newspaper business: *Linaker v. Pilcher* (1); they can raise funds for parliamentary representation: *Steele v. South Wales Miners' Federation* (2); and the true view seems to be that, if an association has the objects referred to in sec. 31 of the *Trade Union Act* 1881 (New South Wales) it has (subject to its own rules) unlimited freedom of action for the benefit of its members. The Trades Union Acts are Acts removing, not creating, disabilities. The defendant union is not even an artificial person created by the Federal Parliament for the purpose of holding this mark. It existed before the federal Act, and can carry on any business allowed by its rules, and hold any trade mark, if not prohibited by the law.

For these reasons I am of opinion that the second question should be answered in favour of the defendants.

Lamb, for the plaintiffs, asked for an order dismissing the action, as the decision of the point of law substantially disposed

(1) 84 L.T., 421.

(2) (1907) 1 K.B., 361.

of the whole action: Order XIV., rule 27. The allegations in the statement of claim cannot be disputed, and there is no necessity for the consent of the defendants.

[GRIFFITH C.J. This Court has before decided that there is no need for consent.]

Costs should be given against both defendants. The Registrar really represents the Commonwealth, so that it is a question between State and Commonwealth, and the plaintiffs were compelled to come to Court by the action of the other defendants in seeking to register their mark.

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Bavin, for the Registrar of Trade Marks.

Holman, for the Brewery Employés Union. The Union were justified in applying for registration under the law as it then stood. There should be no order for costs against them.

Lamb referred to *Peterswald v. Bartley* (1).

Declaration (1) that the defendant Registrar has no authority to keep a register of workers' trade marks; (2) that the defendant union's mark is not a trade mark within the meaning of the Constitution. Order that the defendant Registrar cancel the registration of defendant union's mark. Order restraining defendant Registrar from continuing to keep a register of workers' trade marks. Defendant Registrar to pay the plaintiffs' costs.

Solicitors, for the plaintiffs, *Derham & Derham*.

Solicitor, for the defendant Registrar, *Crown Solicitor for the Commonwealth*.

Solicitors, for the other defendants, *Brown & Beeby*.

C. A. W.