

[HIGH COURT OF AUSTRALIA.]

W. H. BURFORD AND SONS LTD. . . . APPELLANTS;
PLAINTIFFS,

AND

G. MOWLING AND SON RESPONDENTS.
DEFENDANTS,

H. C. of A. *Trade injury—Action for passing off—Right to particular get up of goods—Liability*
1908. *to deceive—Care to distinguish.*

PERTH,
Nov. 18, 19.
O'Connor J.
1909.

The fact that A., a trader, had for many years put up his goods for sale in packages of a particular shape, size and colour, such packages not being used by others in the trade, does not prevent B., even with the object of capturing the trade of A., from putting up his goods of the same kind in packages of the same shape, size and colour, provided that B. sufficiently distinguishes on the packages his goods from those of A.

MELBOURNE,
April 1.

Griffith C.J.,
Isaacs and
Higgins JJ.

TRIAL of action in the High Court and appeal therefrom to the Full Court.

The plaintiffs, W. H. Burford & Sons Ltd., brought an action in the High Court against the defendants, G. Mowling & Son, in which they claimed:—(1) An injunction to restrain the defendants, their servants and agents from passing off goods not of the plaintiffs' manufacture as or for the goods of the plaintiffs; and in particular to restrain them from selling, offering for sale or disposing of any soap not of the plaintiffs' manufacture got up in oblong packets, cartons or boxes of a brown colour in any manner resembling the plaintiffs' said get up. (2) An account of the profits made by the defendants in selling or disposing of in Western Australia any soap not of the plaintiffs' manufacture sold in such or a similar get up. (3) Delivery up to the plaintiffs

by the defendants upon oath of all soap not of the plaintiffs' manufacture in the defendants' possession or under their control got up as aforesaid, and of all packets, cartons or boxes, and of all printing blocks got up in the manner herein described in their possession or under their control.

H. C. OF A.
1908.

BURFORD &
SONS LTD.
v.
MOWLING &
SON.
—

The action was tried before *O'Connor* J. in Perth. In addition to the evidence which is referred to in the judgment of *O'Connor* J., certain correspondence was put in evidence which passed between the defendants in Melbourne and their agents in Perth, R. Manning & Co., from which the following extracts are taken:—

R. Manning & Co. to defendants, 18th June 1907:—"Messrs. Warley & Co. These people are very pleased with the soap under 'Snow' Brand, but did not expect and do not wish the cartons to be white, they much prefer the yellow colour (as 'Signal') and would like the foreign advertising matter omitted."

Defendants to R. Manning & Co., 28th June 1907:—"Warley & Co. We note your remarks *re* soap and cartons and are sending you enclosed a sample of material out of which we would suggest making the balance of order. You will notice that this material is of far superior quality to that used for 'Signal' Soap and we are of opinion that you should persuade them to have it. . . . In case they will not, we would have to fall back on an inferior material (same as 'Signal'), but this would take time to get ready . . . The enclosed sample. This will make an excellent carton."

R. Manning & Co. to defendants, 25th August 1907:—"Tulip cartoned. We must have a line of this on a favourable basis to run against similar makes for the majority of the business is in packets and we can assure you of large support if you will lay yourselves out to capture the trade. Please go into the question earnestly, for we feel now that we have the measure of things after having spent largely of time and money in exploiting the business, in doing which we are left without doubt in our minds as to the position."

Defendants to R. Manning & Co., 4th September 1907:—"Warley & Co. Referring to ours of 28th June we beg to inform you that we are willing to send on the balance of their order in cartons made out of the heavier material, samples of

H. C. OF A
1908.

BURFORD &
SONS LTD.

v.
MOWLING &
SON.

which we sent you on 28th June, without extra charge . . . This cardboard will make an ideal carton similar to 'Signal' yet superior to it in every way."

R. Manning & Co. to defendants, 20th September 1907 :—
" 'Tulip Soap.' There is a big scope here for a line of certain soap done up similarly to that of Messrs. Warley's, and we would like you to go into the matter at once, and let us know if you are prepared to do this. We propose that the cartons should bear the brand 'Tulip' with whatever matter you wish to put on the wrapper in addition."

Defendants to R. Manning & Co., 1st October 1907 :—" *Re* 'Tulip' Soap. In answer to yours of 20th inst., we wired you on 27th inst. : 'Your letter 20th *re* Tulip Carton twenty-four will accept. Push all your worth ought to be large quantities to cover big outlay carton.' We then received your wire 'Ship earliest lading Perth five cases Tulip five Magic ten Household all forty-fives. One ton Tulip cartoned as our letter 20th. Hold balance Robinson's candles,' and further got another wire from you :— 'Ship two tons carton post earliest few samples cartons brown colour sell to arrive big business possible.' "

R. Manning & Co. to defendants, 4th October 1907 :—" 'Tulip' (cartoned). We are pleased indeed that you have been able to see your way clear to put us in the position of having a fighting line like this. We are certain as soon as the sample parcel of two tons arrives we will be able to place good business with you."

Perth,
Nov 18, 19.

Moss K.C. and *Barsden*, for the plaintiffs.

Pilkington K.C. and *Northmore*, for the defendants, at the close of the plaintiffs' case, moved for a nonsuit on the ground that no case was made out which required an answer. [They referred to *Lever Bros. v. G. Mowling & Son* (1); *Lever Bros. Ltd. v. Beddingfield* (2); *Payton & Co. Ltd. v. Snelling, Lampard & Co. Ltd.* (3).]

Barsden, in reply, referred to *Fairbanks v. Bell* (4); *Lever v. Goodwin* (5).

(1) 6 C.L.R., 136, at p. 142.

(2) 16 R.P.C., 3, at p. 10.

(3) 17 R.P.C., 48, at p. 54.

(4) 77 Fed. Rep., 869, at p. 872.

(5) 36 Ch. D. 1.

O'CONNOR J. The plaintiffs in this case are W. H. Burford & Sons Ltd., soap manufacturers, carrying on business in South Australia and Western Australia. It appears that for the last twenty years they have been selling a laundry soap under their special registered trade mark as "Signal Soap." They have been in the habit of putting it in packages called cartons, which are strawboard cases of about the shape and size of an ordinary brick and they appear to be a cheap, substantial, and enduring kind of package. For the last fourteen years they have been carrying on their business in Signal Soap in Western Australia, and it has always been sold here in these cartons. The defendants, Mowling & Son, are also soap manufacturers, and some four or five years ago they came into the Western Australian market selling a soap of practically the same kind—also a laundry soap. Up to November last their packages were in the form of long bars wrapped in strong paper marked "Tulip Soap," which was the name of their soap, just as the plaintiffs' packages were marked "Signal Soap." The defendants, however, in that month altered their packages to cartons of about the same size and shape as those of the plaintiffs. Correspondence has been put in between their agents in Perth and the head office of Messrs. Mowling & Son in South Australia to show their object. It is plainly disclosed in the letters, and it was this: They saw that Signal Soap was doing good business in that particular form of packet, and they determined that the same method of putting up their soap would be advantageous to them also. They therefore decided to put up their soap, which had previously been put up in long cartons, in the same form of carton as that of the plaintiffs. The result was that they put in the Western Australian market a carton containing their "Tulip Soap" of exactly the same shape, size and material as the plaintiffs' cartons. The colour was slightly different: the colour of the plaintiffs' strawboard being a dark yellowish brown, that of the defendants' being a light yellowish brown. Thereupon the plaintiffs wrote to the defendants complaining that their conduct amounted to an endeavour to pass off the goods of the defendants as those of the plaintiffs, and demanded that the selling of soap in their new packages should be discontinued.

H. C. OF A.
1908.

BURFORD &
SONS LTD.

v.

MOWLING &
SON.

O'Connor J.

H. C. OF A.
1908.

BURFORD &
SONS LTD.

v.

MOWLING &
SON.

O'Connor J.

The defendants at once took up the position that they had a right to use that form of package, and that there was no similarity which would be likely to deceive. That is the position which they now adhere to. The plaintiffs, on the other hand, claim that the defendants' action has been illegal, that they must be restrained from continuing to use the new form of package, and that they must compensate the plaintiffs for any damages which may have accrued to the plaintiffs in their trade from the use of these cartons by the defendants.

There is no doubt about the law in such a case. Every trader has *prima facie* a right to put up his goods in any packages which he may think attractive and convenient, and in any method which he may consider suitable for the carrying on of his trade. But that right is subject to limitations. He must not use the registered trade mark of another, and he must not put up his goods in such a form as to be likely to deceive ordinarily intelligent persons into mistaking his goods for goods known in the market as manufactured, put up, or sold, by another. Subject to these limitations every trader has a right to use any material or any shape he may think fit for packing of his goods and for putting them on the market. The plaintiffs have no monopoly in the particular kind of packing which they have adopted. It is a strawboard made up in the ordinary brick shape. Strawboard, as is well known, is used in putting up a great many articles not only of grocery, but also of ironmongery, medicines, and other commodities. It is a material of very common use for packages, and is becoming of more common use for that purpose every day. The use of strawboard for packages is therefore open to the trade, and no one trader can acquire a monopoly of it. Neither can the plaintiffs by adopting that particular form of package acquire a monopoly of that form. Its use is equally open to any person in the trade. I take it, therefore, that the material of the package, its shape, colour, size and method of make up, are all common to the trade, and may be used by any trader. But that which distinguishes the plaintiffs' packages from what is common to the trade is the large and distinctive lettering on the package "Signal Soap."

Now it must, I think, be admitted in the plaintiffs' favour that

where, as in this case, a certain method of get up, though open to all traders, has been for many years solely identified with the plaintiffs' goods in a particular market, it is incumbent on a trader, who adopts the same method of get up for the purpose of pushing his trade in a similar article in the same market, that he shall clearly differentiate his goods on the face of the package from those of the plaintiffs. The matter which I have to determine is, therefore, in substance, narrowed down to the question whether the defendants, in adopting cartons of the same material, colour, shape and size as the plaintiffs, have made the difference of manufacture and ownership clear on the face of the package. The principles applicable to the determination of that question were clearly laid down by Lord Justice *Lindley*, then Master of the Rolls, in *Payton & Co. Ltd. v. Snelling, Lampard & Co. Ltd.* (1). The case had been decided by a Judge of first instance, went to the Court of Appeal, and afterwards to the House of Lords. The judgment in the Court of Appeal, from which I am about to quote, was approved in the House of Lords. *Lindley* L.J. said:—"After all said and done, what have we to consider? What is it that the plaintiffs must make out in order to entitle them to succeed in this action? They must make out that the defendants' goods are calculated to be mistaken for the plaintiffs', and, where, as in this case, the goods of the plaintiff and the goods of the defendant unquestionably resemble each other, but where the features in which they resemble each other are common to the trade, what has the plaintiff to make out? He must make out not that the defendant's are like his by reason of those features which are common to them and other people, but he must make out that the defendant's are like his by reason of something peculiar to him, and by reason of the defendant having adopted some mark, or device, or label, or something of that kind, which distinguishes the plaintiff's from other goods which have, like his, the features common to the trade. Unless the plaintiff can bring his case up to that, he fails."

The next question is, what amounts to a misleading resemblance, a resemblance likely to deceive? The ultimate test of whether a package is likely to deceive must be how it is likely to affect the

H. C. OF A.
1908.

BURFORD &
SONS LTD.
v.
MOWLING &
SON.

O'Connor J.

(1) 17 R.P.C., 48, at p. 52.

H. C. OF A.
1908.

BURFORD &
SONS LTD.

v.

MOWLING &
SON.

O'Connor J.

customer. As to that we must see what kind of customer, in respect of intelligence and knowledge, the law considers in this relation. In the case from which I have already quoted *Romer* L.J. in the Court of Appeal makes these observations, which have been approved in many cases since (1): "It seems to be a sort of popular notion of some witnesses that in considering whether customers are likely to be deceived, you are to consider the case of an ignorant customer who knows nothing about, or very little about the subject of the action. This is a great mistake. The kind of customer that the Courts ought to think of in these cases is the customer who knows the distinguishing characteristics of the plaintiff's goods, those characteristics which distinguish his goods from other goods on the market so far as relates to general characteristics. The customer must be one who, knowing what is fairly common to the trade, knows of the plaintiff's goods by reason of these distinguishing characteristics. If he does not know that he is not a customer whose views can properly, or will be, regarded by this Court."

I shall proceed now to apply these general principles to the facts of this case. I will take the plaintiffs' package first. Its special characteristic distinguishing it from what is common to the trade is the description of the soap, "Signal Soap" on the face of it, in large letters. There is no doubt from the evidence that this soap was known in the market as "Signal Soap," and was always bought as "Signal Soap." Ordinary persons who wanted it asked for "Signal Soap," and I observe that on the side of the carton there is this notice:—"Beware of imitations. Ask for Burford's Signal Soap, and see that the name is on every bar and package." It is therefore the essential distinguishing characteristic of the plaintiffs' package that it had on it the name of the soap, "Signal Soap," in large plain letters.

I turn now to the defendants' package in order to ascertain, with special reference to that distinguishing characteristic of the plaintiffs' package, whether the defendants' package is calculated to deceive. I find it is of the same material, size, shape, and general get up. I assume in the plaintiffs' favour that it is of the same colour. But I see at once that, in the distinguishing

(1) 17 R.P.C., 48, at p. 57.

characteristic, the name of the soap on the package, it is impossible for anyone who can see to mistake the defendants' package for the plaintiffs'. To my mind that is perfectly clear. "Tulip Soap" is printed in very large letters on two sides. "Signal Soap" is printed in smaller letters on only one side of the plaintiffs' carton. Testing the two packages by the evidence of my own senses I look at them side by side the length of this Court away from me, some thirty feet I suppose. I can see the words "Tulip Soap" very much more plainly than the words "Signal Soap." It is impossible that any one with normal sight looking at the packages at this distance could make any mistake between them. It is said, however, that in the general shape and form of the lettering on the other sides of the packages there is a similarity. It is true there is a similarity in the shape of the lettering, but the lettering consists of directions for the use of the soap under different circumstances, and the evidence is that all soap manufacturers put similar instructions on their packages. At all events there is nothing in that similarity which can in any way detract from the effect of the clear distinction which is made by the words in black type "Tulip Soap" distinguishing it from the "Signal Soap" of the plaintiffs'. Nor do I attach any importance under the circumstances to the similarity in position and shape of the advertisement of candles and starch at the end of the cartons. The view I take of the case from my own observation of the packages may be stated in a few words. The plaintiffs' soap is sold on the market as "Signal Soap" and has always been known as "Signal Soap." The defendants' is sold as "Tulip Soap" and has always been known by that description. They are both, it is true, put up in the same kind of packages, but the words "Tulip Soap" are printed on the defendants' packages so clearly as to make it impossible for a person of ordinary eyesight to mistake that package for the package of the plaintiffs' "Signal Soap."

But a Judge, it is urged, must rely not only on the evidence of his own senses, but he must take into consideration the evidence of the witnesses. A number of witnesses have been called, but one only attempted to give evidence of anything like an instance of deception. That was Mrs. Regan. Her evidence established

H. C. OF A.
1908.

BURFORD &
SONS LTD.

v.
MOWLING &
SON.

O'Connor J.

H. C. OF A.
1908.

BURFORD &
SONS LTD.

v.
MOWLING &
SON.

—
O'Connor J.

to my mind the difficulty of mistaking one package for another. She appeared to be a very intelligent woman, and to know what she was talking about. Her story is this. She went into a store in North Fremantle, made some purchases, and amongst other things asked for Burford's No. 1. That is another class of Burford's soap, not "Signal." The shopman handed her "Tulip Soap." At that time she did not know there was any soap in the market except "Signal" which was put up in that form of package, and she said "Oh Signal? Yes, that will do," and she is quite positive she used the word "Signal." She assumed that what the shopman was giving her was "Signal Soap" apparently without looking at it. Her purchases were sent home, but directly her husband saw the package he noticed the difference, told her of it, and he sent it back again. She was deceived, not by the package, but because she took the word of the man who served her without looking at the package. It would be impossible for me on evidence of that kind to come to the conclusion against the evidence of my own senses that the package of the defendants could be mistaken for that of the plaintiffs.

Evidence in support of the plaintiffs' position was also given by another witness, Mr. Hicks, of the Union Stores Perth. He gave his testimony very fairly indeed. I wish to say that all the plaintiffs' witnesses, although they seemed to be dealing exclusively in "Signal Soap," gave their evidence with singular fairness. He admitted, in answer to my direct question, that the only persons who would be likely to be deceived into mistaking the defendants' package for that of the plaintiffs were people who could not read, or who bought in dark stores where they could not see the lettering on the packages, or who were absolutely unintelligent. None of those persons come within the class of customers pointed out in the passage I have read in the judgment of *Romer J.*, whose opinion should be considered in a case of this kind.

On the whole case, therefore, giving full weight to the evidence of the witnesses, and applying my own eyesight and faculties of observation to the appearance of the rival packages, I find that it is impossible to believe that the packages used by the defendants can have the effect of deceiving any reasonably intelligent person

who uses his eyesight into believing that the defendants' packages are the plaintiffs' packages. As no evidence has been placed before me on which I could come to the conclusion that the plaintiffs have established their complaint, there is no case for the defendants to answer. And as Mr. *Pilkington* has moved for a nonsuit I cannot do otherwise than grant it. The plaintiffs must therefore be nonsuited with costs.

From this decision the plaintiffs now appealed to the Full Court.

Irvine K.C. (with him *Mann*), for the appellants. The learned Judge drew a wrong inference from the correspondence which passed between the respondents and their agents. The conclusive inference of fact from that correspondence is that the respondents adopted the particular get up of their soap with the intention of imitating that of the appellants, and of capturing the appellants' trade. Such an intention is the strongest evidence, and almost conclusive, that the probable result would be to deceive some people into believing that the respondents' goods were the appellants': *Kerly on Trade Marks*, 3rd ed., p. 523. The judgment appealed from is based upon a wrong application of the principle laid down in *Payton & Co. Ltd. v. Snelling, Lampard & Co. Ltd.* (1). That principle is that where the goods of the plaintiff and those of the defendant unquestionably resemble each other, "but where the features in which they resemble each other are common to the trade," the plaintiff must make out "not that the defendant's are like his by reason of those features which are common to them and other people, but he must make out that the defendant's are like his by reason of something peculiar to him, and by reason of the defendant having adopted some mark, or device, or label, or something of that kind, which distinguishes the plaintiff's from other goods which have, like his, the features common to the trade." There the words "common to the trade" mean "commonly used by the trade," and not "open to be used by the trade." Here the evidence does not show that this particular get up was commonly used by the trade. If the primary Judge, when he found that this get up was common to the trade,

H. C. OF A.
1908.

BURFORD &
SONS LTD.
v.
MOWLING &
SON.

O'Connor J.

Melbourne,
April 1.

(1) 17 R.P.C., 48, at p. 52.

H. C. OF A.
1909.

BURFORD &
SONS LTD.
v.
MOWLING &
SON.

meant that it was commonly used by the trade, his decision was contrary to the evidence. If he meant that the get up was open to be used by the trade, the principle he relied on did not apply, and he was wrong in eliminating from the comparison of the packages their colour, size and shape. The whole question then of whether the appellants should have been nonsuited is open to this Court. The appellants may not have a monopoly in any one of the particular things constituting the get up of their goods, but they may be so combined as to deceive: *Lever v. Goodwin* (1). Even if the respondents may use these packages there is evidence that they have not sufficiently distinguished them from those of the appellants.

[ISAACS J. referred to *Lever Bros. Ltd. v. Beddingfield* (2); *Grand Hotel Co. of Caledonia Springs Ltd. v. Wilson* (3); *Hennessey v. Keating* (4).]

Mitchell K.C. (with him *Levinson*), for the respondents, was not called on.

GRIFFITH C.J. I entirely agree with the judgment of the learned Judge which is appealed from, and I should not have thought it necessary to say anything more were it not that the case has been presented to us in a slightly different way from that in which it was presented to the learned Judge, as I infer from his judgment. At the trial a great point was made of the name of the plaintiffs' soap—"Signal Soap"—and it was contended that the defendants' soap, made up in the way it was, might be mistaken for the plaintiffs' Signal soap. But the case is put forward by Mr. *Irvine* in a somewhat different way. The contention is that the packages in which the plaintiffs' soap was put up and sold for many years, having regard to their shape, size and colour, had induced the public to believe that goods sold in such packages were the plaintiffs' goods. It may be that was so, but Mr. *Irvine* properly admits that the plaintiffs could not have a monopoly of packages of that shape, size and colour, and that it was perfectly free to any other person engaged in the same trade to use similar

(1) 36 Ch. D., 1.
(2) 80 L.T., 100, at p. 103.

(3) (1904) A.C., 103.
(4) (1908) 1 I.R., 43.

packages provided he took proper care to say that the goods he was selling were his own goods and not the plaintiffs' goods. Therefore the only question which has to be considered is whether the defendants took sufficient care to distinguish their goods from those of the plaintiffs? The learned Judge below says that, in his opinion, upon the evidence there was nothing to suggest that they had not taken proper care, and that there was no evidence to show that the defendants' packages, marked as they were, were calculated to deceive purchasers into believing that the soap they contained was soap manufactured by the plaintiffs. I quite concur in that conclusion. That is all that is necessary to be determined in this case. I therefore think that the nonsuit was right, and that the appeal should be dismissed.

H. C. OF A.
1909.

BURFORD &
SONS LTD.

v.

MOWLING &
SON.

Griffith C.J.

ISAACS J. I agree with that. There is always, in my opinion, a feeling against any person being a trader who, seeing another successfully carrying on his trade by means of a certain get up of his goods, imitates that get up. The burden is undoubtedly cast upon a person who does so of showing that he has sufficiently distinguished his goods from those of the person whose method he has imitated. But the necessary care to preserve or establish that distinction may appear upon the evidence for the plaintiff who complains of the invasion. Here I think it does. Seeing that this is a nonsuit point, I think it does not upon the whole sufficiently appear that the defendants had by their get up imitated the plaintiffs' get up in such a way as that the former is calculated to deceive.

It was urged by Mr. *Irvine* that there was some evidence to go to the jury and that there ought not to be a nonsuit. That is always qualified to this extent that there must be such evidence that the jury can reasonably give a verdict for the plaintiffs. That is the way in which it was put by the Privy Council in *Hiddle v. National Fire and Marine Insurance Co. of New Zealand* (1). There there had been a nonsuit, and the question was whether the evidence ought to have been submitted to the jury. The Privy Council adopted the principle of *Ryder v. Wombwell* (2), and said (1) that they thought the nonsuit was

(1) 17 N.S.W. L.R. (L.), 46, at p. 49.

(2) L.R. 4 Ex., 32, at p. 38.

H. C. OF A.
1909.

BURFORD &
SONS LTD.
v.

MOWLING &
SON.

Isaacs J.

proper, "although there may have been some evidence to go to the jury, if the proof was such as the jury could not reasonably give a verdict for the plaintiffs." That appears to be the case here. As I said during the argument, a nonsuit does not shut out the plaintiffs if in future they can obtain evidence of actual deception. No nonsuit will shut them out from submitting a stronger case to the Court or a jury, or the tribunal to determine the matter. On the case as it stands I think the nonsuit was right, and that the appeal should be dismissed.

HIGGINS J. I concur, although Mr. *Irvine* has certainly done justice to a very difficult case. The case put is that the use of these cartons is calculated to deceive purchasers of soap into the belief that they were buying soap of the plaintiffs' manufacture, and that many persons had been so deceived (paragraph 8 of the statement of claim). Now there is evidence that the defendants wanted to capture the trade in such soap from the plaintiffs by making up their soap like that of the plaintiffs. But there is no evidence that the trade was to be captured by anything calculated to deceive in the cartons issued by the defendants. I cannot see that the defendants could have done anything better or stronger to avoid misleading in this case unless they were to avoid having such cartons at all. Certainly this Court has no right to say that they should not use such cartons. I cannot see, either, anything which would justify the learned primary Judge in saying, in the words of the rule, that the plaintiffs had established by their evidence such a case as to call for an answer from the defendants. For these reasons I agree that the appeal should be dismissed.

Appeal dismissed with costs.

Solicitors, for the appellants, *F. G. Smith & McEacharn* for *Moss & Barsden*, Perth.

Solicitors, for the respondents, *Braham & Pirani* for *James & Darbyshire*, Perth.

B. L.