

[HIGH COURT OF AUSTRALIA.]

HENRY CLAY & BOCK & COMPANY } APPELLANTS;
 LIMITED }
 PLAINTIFFS,

AND

EDDY RESPONDENT.
 DEFENDANT,

ON APPEAL FROM THE SUPREME COURT OF
 NEW SOUTH WALES.

Trade Mark—Infringement—Use of mark resembling registered trade mark—Probability of deception—Mode of user of marks—Passing off—Trade Marks Act 1865 (N.S.W.) (28 Vict. No. 9), secs. 2, 7—Trade Marks Act 1905-1912 (No. 20 of 1905—No. 19 of 1912), sec. 53. H. C. OF A.
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Mar. 30, 31;
 April 1, 29.

In an action for infringement of a trade mark registered under the *Trade Marks Act 1865* (N.S.W.), where the mark used by the defendant is not an exact or substantially exact copy of the plaintiff's registered mark, but is a colourable imitation of it, the Court must be further satisfied that the use by the defendant of his mark is likely to lead to deception, and for that purpose the Court must take into consideration all the circumstances surrounding the use of both marks.

Griffith C.J.,
 Isaacs,
 Gavan Duffy and
 Rich JJ.

So held by Isaacs, Gavan Duffy and Rich JJ. (Griffith C.J. dissenting).

Therefore, where in an action for infringement of a trade mark and for passing off it was proved that the defendant used a mark which was a colourable imitation of the plaintiff's registered trade mark and likely to be mistaken for it, but that the plaintiff's goods were known in the market by the plaintiff's name irrespective of their registered mark,

Held, by Isaacs, Gavan Duffy and Rich JJ. (Griffith C.J. dissenting), that the probability of deception had not been established, and, therefore, that the claim for infringement failed.

Held, also, by the Court, that on the evidence the claim for passing off failed.

Decision of the Supreme Court of New South Wales (Harvey J.) affirmed.

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Henry Clay & Bock & Co. Ltd. were the registered proprietors under the New South Wales *Trade Marks Act* 1865 of a trade mark for cigars consisting of a representation of a crowned eagle with outspread wings perched upon a riband bearing the words "Bock y Ca. Habana," with the words "El Aguila de Oro" on its wings. They brought a suit in the Supreme Court against Stephen J. Eddy for infringement and for passing off.

The suit was heard by *Harvey J.*, who dismissed it with costs.

From that decision the plaintiffs now, by special leave, appealed to the High Court.

The material facts appear in the judgments hereunder.

Knox K.C. (with him *Maughan*), for the appellants.

Leverrier K.C. (with him *Jordan*), for the respondent.

During argument reference was made to *Finlay v. Shamrock Co.* (1); *Paine & Co. v. Daniell & Sons' Breweries Ltd.* (2); *Schweppes Ltd. v. E. Rowlands Proprietary Ltd.* (3); *Ore Concentration Co. (1905) Ltd. v. Sulphide Corporation Ltd.* (4); *Orr Ewing & Co. v. Johnston & Co.* (5); *Bourne v. Swan & Edgar Ltd.* (6); *Edwards v. Dennis* (7); *Upper Assam Tea Co. v. Herbert & Co.* (8); *Johnston v. Orr Ewing* (9); *Cochrane v. Macnish & Son* (10); *Orr Ewing v. Registrar of Trade Marks* (11); *Thomas Hubbuck & Son Ltd. v. William Brown Sons & Co.* (12); *Claudius Ash, Sons & Co. Ltd. v. Invicta Manufacturing Co. Ltd.* (13); *Schwerdtfeger & Co. Aktiengesellschaft v. Hart Publishing Co. Ltd.* (14); *Hennessy & Co. v. Keating* (15); *Halsbury's Laws of England*, vol. XXVII, pp. 766, 767.

Cur. adv. vult.

- (1) 22 R.P.C., 301, at p. 322.
- (2) (1893) 2 Ch., 567; 10 R.P.C., 217.
- (3) 11 C.L.R., 347.
- (4) 31 R.P.C., 206.
- (5) 13 Ch. D., 434, at p. 444.
- (6) (1903) 1 Ch., 211, at p. 222; 20 R.P.C., 105.
- (7) 30 Ch. D., 454, at p. 471.

- (8) 7 R.P.C., 183.
- (9) 7 App. Cas., 219.
- (10) (1896) A.C., 225.
- (11) 4 App. Cas., 479, at p. 494.
- (12) 17 R.P.C., 638, at p. 644.
- (13) 28 R.P.C., 597, at p. 606; 29 R.P.C., 465, at p. 475.
- (14) 29 R.P.C., 236, at p. 243.
- (15) 25 R.P.C., 361.

The following judgments were read:—

GRIFFITH C.J. The plaintiffs' claim, as is usual in such cases, is presented in two ways. They claim an injunction against an infringement of their registered trade marks, and, alternatively, an injunction against passing off the defendant's goods as of the plaintiffs' manufacture. I understand these two claims to be, as pointed out by *Lindley* M.R. in *Lever Brothers Ltd. v. Beddingfield* (1), and by *Stirling J.* in *Upper Assam Tea Co. v. Herbert & Co.* (2), essentially distinct. The point of the distinction, as I understand it, is in the registration.

The only mark dealt with in the argument before us was a New South Wales trade mark, registered on 3rd July 1890 under the New South Wales *Trade Marks Act* of 1865. That Act was repealed by the *Trade Marks Act* of 1900, but by virtue of the *Interpretation Act* of 1897 (61 Vict. No. 4), sec. 8, rights and privileges acquired under the repealed Act were not affected by the repeal. By the Act of 1890, sec. 9, the registration of a trade mark is to be "a proof" of the right of the person named in the certificate of registration or his registered transferee to use the trade mark. As I understand the law, this means proof of right to the exclusive use of it as against persons who cannot show an equal or better right, and it has been so interpreted in New South Wales. Otherwise, every suit for infringement of such a mark would resolve itself into an ordinary passing-off suit.

It seems to have been assumed in the Supreme Court that the provisions of the Commonwealth *Trade Marks Act* 1905 were applicable to the plaintiffs' mark, and reference was especially made to sec. 53, which provides that "the rights acquired by registration of a trade mark shall be deemed to be infringed by the use, in respect of the goods in respect of which it is registered, of a mark substantially identical with the trade mark or so nearly resembling it as to be likely to deceive."

The Commonwealth Act, however, while it provides (sec. 6) that the State Trade Marks Acts shall continue to apply to trade marks registered under them so long as the registration remains in force, and allows them to be registered under the Commonwealth Act, does not expressly make the provisions of that Act

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(1) 16 R.P.C., 3.

(2) 7 R.P.C., 183.

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applicable to State trade marks, except as to certain proceedings pending at the commencement of the Commonwealth Act, and applications made by virtue of rights already acquired under the International Conventions. Apparently, therefore, the plaintiffs' rights are those conferred by the New South Wales registration, and I will deal with the case on that basis, which appears, indeed, to be the same as that on which it would be dealt with under the English Acts, which do not contain any express provision to the effect of sec. 53 of the Commonwealth Act.

I have already referred to the provisions of sec. 9 of the New South Wales Act. Before that Act it was necessary for a plaintiff complaining of an infringement of his trade mark to prove that he had acquired by user a property in the particular mark or device which he claimed, for which purpose it was, of course, necessary to prove the manner in which it had been used. If the mark as claimed in the suit had not been used except in conjunction with additional matter, a difficulty sometimes arose in separating the different parts of what had been in practice used as a single device for the purpose of establishing a case of infringement when a part of it only had been taken. One effect of registration, and perhaps the most important, was to segregate the registered mark from any accessories previously used with it, and to afford proof of the plaintiff's title to that segregated mark. A distinction between such accessories and the mark itself seems to me to have been assumed in all the decisions in which the test for deciding whether a registered trade mark has been infringed has been considered. The simplest form of infringement is, of course, an exact copy. The infringement complained of in the present case is what is commonly and conveniently called a "colourable imitation," by which I understand such an imitation as amounts to a substantial taking of the whole of the mark, or, in other words, taking so much of it as is likely to be mistaken for the whole.

In *Johnston v. Orr Ewing* (1) Lord Blackburn, quoting from the speech of Lord Kingsdown in *Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd.* (2), and, speaking of the defendants' rights and liabilities, stated the test in these words:

(1) 7 App. Cas., 219, at p. 229.

(2) 11 H L.C., 523, at p. 539.



"What is it that they have actually done, and in what respect have they infringed the rights of the plaintiffs? That depends upon the question how far the defendants' trade mark bears such a resemblance to that of the plaintiffs as to be calculated to mislead incautious purchasers." That case arose before the first of the Trade Marks Registration Acts was passed, and was therefore decided upon the common law, but it is not less applicable to registered trade marks than to marks the right of property in which has been acquired by user. This test is not, I think, distinguishable from that prescribed in sec. 53 of the Commonwealth Act. Indeed, counsel on both sides practically accepted that position. It has been frequently laid down that for the purpose of this comparison the ultimate appeal is to the eye only. In the case of *Bourne v. Swan & Edgar Ltd.* (1) *Farwell J.* was at pains to establish this criterion, and referred at length to cases in which it had been affirmed by Courts of the highest authority. The standard of comparison is a constant, namely, the registered trade mark, with which the alleged infringement, which is a variable, is to be compared. Amongst other authorities he cited the words of Lord *Westbury* in *Holdsworth v. McCrea* (2):—"Now, in the case of those things as to which the merit of the invention lies in the drawing, or in forms that can be copied, the appeal is to the eye, and the eye alone is the judge of the identity of the two things. Whether, therefore, there be piracy or not is referred at once to an unerring judge, namely, the eye, which takes the one figure and the other figure, and ascertains whether they are or are not the same."

In considering the question of resemblance in the case of an asserted colourable imitation, it is, of course, necessary to have regard to the whole of the defendant's device, which may be so contrived that the part of the plaintiff's mark which is imitated cannot, having regard to the surroundings, be mistaken for it. This was *Bourne's Case* (1).

In *Lever Brothers Ltd. v. Beddingfield* (3), already quoted, the Master of the Rolls, after pointing out some points of similarity between the label used by the defendant and the plaintiffs' marks,

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(1) (1903) 1 Ch., 211.

(2) L.R. 2 H.L., 380, at p. 388.

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



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one of which was a label containing the word "Sunlight" with accessories, and the other was a label of which the essential particulars were stated to be the word "Sunlight" with a combination of devices, said:—"But this alone is not an infringement of the plaintiffs' registered trade marks. If, notwithstanding this circumstance, the defendant's label as a whole is not a copy of the plaintiffs' labels, and is not as a whole a colourable imitation of them, it cannot truly be said that the defendant has infringed the rights conferred upon the plaintiffs by the registration of their marks." Here the comparison is made between the plaintiffs' registered marks (which in that case consisted of labels) themselves and the defendant's label as a whole, that is, as actually used by him.

I am not aware of any case of infringement, as distinguished from passing off, in which the comparison has been made between the defendant's device and the plaintiff's trade mark as used with accessories not forming part of the registered mark, such as his name if commonly used by him.

It is true that in *Bourne's Case* (1) *Farwell J.* referred to the fact that the plaintiff had used together two registered marks, one of which was a swan with two cygnets on a background of bulrushes, and the other the word "Swanbill," but the point to which this observation was addressed was the impossibility of mistaking the device used by the defendants for the plaintiff's registered mark, and cannot be taken as overriding the test of comparison of marks by eyesight, on which he had previously insisted.

On a complaint of passing off, on the other hand, using that term in its ordinary sense, the standard of comparison includes the whole of the get-up of the plaintiff's goods.

I have thought it necessary to point out this distinction at some length, because I understand that my learned brothers are of opinion that, when the infringement complained of is not a copy of the whole of the registered mark but only a colourable imitation of it, a different rule applies, and that in that case the standard of comparison is not the registered mark itself but the mark in conjunction with any accessories commonly used by

(1) (1903) 1 Ch., 211, at p. 229.



owner. As I understand the argument, it is said that the test in either case is whether the resemblance is such as to be likely to deceive, and that therefore the standard of comparison is the same in both cases. With all respect, this argument seems to me to involve the fallacy of assuming that the same words, namely, the words "likely to deceive," necessarily bear the same meaning in different contexts. The abstract meaning of the words is, of course, the same in all cases, but the subject matter of the deception is different. In the one case, it is the identity of the device used by the defendant with the plaintiff's registered mark, in the other, the *provenance* of the defendant's goods. In the latter case, therefore, the whole get-up of the plaintiff's goods is the material element for consideration, while in the former it is irrelevant.

The law is expressly so stated at p. 712 of vol. XXVII. of the *Laws of England*.

In another aspect, the fallacy consists in failing to distinguish between means and ends. A trade mark is used to distinguish the goods of the owner of it from those of other persons, and may, therefore, become important as a step or means in the proof of deception by passing off. But a registered trade mark is also an end in itself, and an action will lie for a colourable imitation of it without proof of anything more.

If the contrary view is correct, the only advantage acquired by registration of a trade mark under the New South Wales Act is to prove the registered owner's right to use the mark himself, without any right to complain of a colourable imitation of it by other persons, even though amounting to deliberate piracy, unless by doing so they in fact pass off their goods as his.

The rule that the plaintiff's use of his registered mark, and not the mark itself, affords the standard of comparison, would lead to singular results. The question whether a colourable imitation is or is not an infringement would not depend upon resemblance between the plaintiff's mark and the defendant's device, but upon resemblance between the defendant's device and the accessories used for the time being by the plaintiff with his mark. If he contented himself with the use of the registered mark alone without embellishments, the imitation might be an obvious infringement;

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but, if he afterwards added embellishments, or if his name became so well known in the trade as to obscure or overshadow the effect of the mark in the minds of customers, he would lose the right to complain of a colourable imitation of it. In other words, what is to-day a colourable imitation and an infringement would to-morrow become innocent, and next year might, I suppose but am not sure, again become an infringement.

Such matters are, as already pointed out, relevant in passing-off cases, but I have not been able to find any authority warranting their introduction in the consideration of a suit for infringement, although, as a complaint of passing off is usually added in such a suit, they have often been dealt with in the course of the decision of the whole case, and it has not always been thought necessary to point out so clearly as *Lindley* M.R. did in *Lever Brothers' Case* (1) what I conceive to be the essential distinction between them. In one sense, indeed, a colourable imitation is a form of passing off, as was pointed out by *Cotton* L.J. in *Edwards v. Dennis* (2). But, as used in that sense, the passing off is the passing off of the defendant's device as the plaintiff's registered trade mark, which is the whole complaint in a case of what is ordinarily called "infringement."

In my judgment, therefore, the only question for determination in this case, so far as regards the alleged infringement, is, in the words of Lord *Kingsdown*, how far the defendant's device bears such a resemblance to the plaintiffs' mark as to be likely to mislead incautious purchasers.

The plaintiffs' registered mark may be described as a crowned eagle, with wings outstretched, that has just alighted upon a riband, having on it the words "Bock y Ca. Habana," with the words "El Aguila de Oro" on the wings. These words are necessarily small as compared with the size of the eagle, and the words on the riband, although somewhat larger, are also small in the like comparison. When the mark is used upon the usual gilt cigar bands the words are still smaller, and may be almost illegible. The really distinctive features of the mark are, in my opinion, the shape and position of the eagle itself with its outstretched wings and the crown upon its head.

(1) 16 R.P.C., 3.

(2) 30 Ch. D., 454, at p. 471.



The device complained of as an infringement is an eagle with outstretched wings of substantially the same shape and in substantially the same position, with a crown poised in air close above its head but not actually resting upon it. On the riband, instead of the words "Bock y Ca. Habana," is the word "Melior," which is said to be a fancy name denoting a particular kind of cigar, and there are no words on the wings.

Comparing these two devices by the test of my own eyesight, I have no difficulty in finding as a fact that the defendant's device bears such a resemblance to the plaintiffs' registered mark as to be calculated to induce incautious purchasers to think it is the plaintiffs' mark. In my judgment, this disposes of the case so far as regards the complaint of infringement.

It appeared, however, on the evidence, that the plaintiffs, like many other persons, did not use their trade mark alone to distinguish their goods, but also put the name "Bock y Ca." in large letters in gold or black colour above it on their cigar boxes, not as part of their trade mark, but quite independent of it. The learned Judge has found as a fact that "it is the word 'Bock' that denotes the plaintiff Company's goods, and that the cigars are not bought on the faith of the reproduction of the plaintiff Company's trade mark of an eagle. Nor is the term 'Eagle' or 'Golden Eagle' used as in any serious way indicative of the plaintiff Company's cigars. Bearing this in mind, I do not think that there is any likelihood that a person going to buy a Bock cigar would take a box of the defendant's cigars, seeing that the names Melior and Ernest Tinchant are conspicuously displayed on it, nor if he went to buy a single cigar from the box would be likely to take one cigar for the other."

This finding is of great importance so far as regards the complaint of passing off, and is, indeed, unless it can be displaced, conclusive on that part of the case. But, for the reasons I have given, it is, in my judgment, irrelevant to the question of infringement of the registered mark. I was, indeed, unable to apprehend clearly how far, if at all, Mr. *Leverrier* disputed this position.

The finding can only be relevant on the assumption that if the name of the owner of a registered trade mark has become so well known that his goods are sold on the faith of his name without

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regard to his mark, the mark becomes negligible, and may be pirated with impunity. I cannot think that this is the law either in New South Wales or in England.

I am, therefore, of opinion that the appeal should be allowed so far as regards the complaint of infringement. With regard to the complaint of passing off, I am unable to find any ground that would justify us in overruling the finding of the learned Judge on the question of fact.

ISAACS J. The case made by the appellants in the pleadings and maintained throughout is the usual twofold one: first, infringement of trade mark, and next, passing off.

The trade mark is one registered under the New South Wales Act of 1865, the rights in respect of which are, notwithstanding the repeal of that Act, preserved by sec. 8 of the *Interpretation Act of 1897* (No. 4 of 1897) and continued by sec. 6 of the *Commonwealth Trade Marks Act 1905-1912*.

Sec. 53 of the last mentioned Act does not apply to the case, although the result is the same as if it did.

The law to be applied is that contained in sec. 7 of the Act of 1865—or its equivalent, sec. 9 of the Act of 1900—and the common law applicable to trade marks. The statutory provisions referred to, as interpreted in *Walker v. Cargill* (1) and in *Parsons v. Gillespie* (2), make the certificate of registration conclusive evidence of the plaintiff's right to have the trade mark in an action like the present, where that right is not expressly attacked.

We have, therefore, to accept the plaintiffs as having a right to the use of the mark they claim as a trade mark, in respect of cigars denoting them to be the plaintiffs' cigars. That connotes exclusiveness. See *per Cotton L.J.* in *Orr Ewing v. Johnston* (3). The question on the first branch of the case is whether the defendant has infringed.

It is desirable at once to quote, as a succinct and authoritative enunciation of law, the following words of Lord Parker in *Régistrar of Trade Marks v. W. & G. Du Croz Ltd.* (4):—"Prior to the *Trade Marks Act 1875*, which was the first Act dealing with the

(1) L.R. 5 N.S.W. (L.), 243.

(2) (1898) A.C., 239, at p. 243.

(3) 13 Ch. D., 434, at p. 458.

(4) (1913) A.C., 624, at p. 636.



subject of trade marks, there existed, as indeed there still exist, trade marks which, though in fact owing their existence to the application of equitable principles, are sometimes described as common law trade marks, as distinguished from statutory trade marks. Independently of any trade mark legislation, whenever a person uses upon or in connection with his goods some mark which has become generally known to the trade or the public as his mark, and thus operates to distinguish his goods from the goods of other persons, he is entitled in equity to an injunction against the user of the same or any colourable imitation of the same mark in any manner calculated to deceive the trade or the public. Equity has never imposed any limitation on the kinds of mark entitled to this protection, but in every case it has to be proved that the mark has by user become in fact distinctive of the plaintiff's goods."

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The learned Lord proceeds to say that the Act of 1875 did not provide for the registration of all common law marks, but only of some, and as to these made registration equivalent to user, and granted the registered proprietor a monopoly.

But, though another mode of acquisition is provided by the Statute, yet the monopoly acquired by registration is not different in character or effect from the monopoly acquired by user. And registration of a trade mark already acquired by user does not alter rights: *Edwards v. Dennis* (1) and *In re Lyndon's Trade Mark* (2).

The foundation of the plaintiff's case as to infringement is that his mark "operates to distinguish his goods from the goods of other persons."

The defendant's wrong consists in (1) the user (2) of the same, or any colorable imitation of the same, mark (3) in any manner calculated to deceive the trade or the public. The statutory certificate here satisfies the requirement as to proof of right, and that the plaintiffs' mark as a whole distinguishes their goods from those of other persons.

On this branch, therefore, the question is whether the user of the defendant's mark complained of is user (a) of the same mark as the plaintiffs'; or (b) of a colourable imitation of the plaintiffs'

(1) 30 Ch. D., 454, at p. 470.

(2) 32 Ch. D., 109, at p. 117.



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(a) *Identity*.—As to identity, that is out of the question. Certainly meticulous correspondence with the plaintiff's mark is not necessary for infringement. The two marks have to be examined by the Court from the standpoint of the ordinary intelligent purchaser, and not from that of an expert artist or engraver. If the Court on inspection of the two marks comes to the conclusion that, though not actually identical, the difference between them is in minor details only, and that an unsuspecting person of ordinary intelligence and observation on seeing the plaintiff's trade mark in use and receiving whatever impression it conveys, would not, on also seeing at the same time, the defendant's trade mark in use notice the difference between them, but would take the defendant's mark to be identical with the plaintiff's mark, then for the purpose of trade mark law, the two marks are identical. It is a practical application of the maxim *De non apparentibus et de non existentibus eadem est ratio*. Of this identity the eye is the sole test.

Judged by this standard, the defendant's trade mark cannot be said to be a copy of or identical with that of the plaintiffs'. Infringement must be of the trade mark as a whole: *In re Hudson's Trade Marks* (1); *per Lindley L.J. in Lever Brothers Ltd. v. Bedingfield* (2); and *per Parker J. in Schwerdtfeger & Co. Aktiengesellschaft v. Hart Publishing Co. Ltd.* (3). A person registering a trade mark as his, and securing statutory protection of that mark as a monopoly, must rely on it as a whole. The whole mark is what he asserts, and what he informs the public, denotes his goods, and he cannot claim the statutory protection for portion only of the mark. See *per Lindley L.J. in Lever Brothers Ltd. v. Bedingfield* (2) as to the word "Sunlight." The plaintiffs' trade mark contains, as integral parts of it and not as mere additions to it (*In re Clément & Cie's Trade Mark* (4)), the name "Bock y Ca. Habana" and the words "El Aguila de Oro." Those words are specifically mentioned in the plaintiffs' description of their trade mark—

(1) 32 Ch. D., 311.

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

(3) 29 R.P.C., 236.

(4) (1900) 1 Ch., 114.



a circumstance to be referred to later,—and those words are omitted from the defendant's mark. The first set of words indicate the manufacturers, and their importance cannot be ignored. Not only are the words referred to omitted, but their place is supplied by other and quite different words. These differences alone are sufficient to destroy identity.

(b) *Colourable Imitation*.—The main reliance of the appellants, however, is placed on this ground, viz., colourable imitation.

In my opinion a colourable imitation means that while such differences are introduced as that identity, perfect or substantial, is avoided on a careful comparison of the two marks, yet the defendant's mark bears such resemblance to the plaintiff's mark as in the usual course of trade to reproduce to the mind of an ordinary intelligent purchaser, either through the medium of the eye or the ear, the distinguishing characteristic, and therefore the distinctive impression of the plaintiff's mark, leading to the belief that the goods are those of the plaintiff. See, for instance, *In re Trade Mark of La Société Anonyme des Verreries de l'Etoile* (The "Red Star" Case) (1). This reproduction takes place, not when the purchaser is comparing the two marks side by side, but when he is carrying with him the mental impression previously created by the plaintiff's mark (see *Melachrino's Case* (2)), and leads him to mistake the defendant's mark for the plaintiff's mark, and in that erroneous belief to purchase the defendant's goods thinking he is getting the goods of the plaintiff (see *Seixo v. Provezende* (3)). By "distinguishing characteristic" I mean the feature or combination of features in the plaintiff's mark which results in conveying the distinctive impression that the goods are the plaintiff's goods.

The onus of proving the probability of deception is on the plaintiff who affirms it: *Per Lord Watson in Eno v. Dunn* (4). The onus of that issue as an issue always rests on him. But if one feature among several be a material and substantial part of the mark, its adoption may in itself amount to an infringement or it may not. In such case the onus, in an evidentiary sense, of showing it is not, rests upon the defendant; but that onus may be

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(1) (1894) 2 Ch. 26.

(2) 4 R.P.C., 215, at p. 223.

(3) L.R. 1 Ch., 192, at p. 197.

(4) 15 App. Cas., 252, at p. 257.



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satisfied by showing that omission of the rest results, in the circumstances, in avoiding deception, because the defendant's mark does not create the distinctive impression conveyed by the plaintiff's mark as a whole.

In the *Leather Cloth Co.'s Case* (1) Lord Cranworth said:—"No general rule can be laid down as to what is or what is not a mere colourable variation. All which can be done is to ascertain in every case, as it occurs, whether there is such a resemblance as to deceive a purchaser using ordinary caution." These words were expressly adopted by Lord Macnaghten in *Payton & Co. v. Snelling, Lampard & Co. Ltd.* (2). See also *Mitchell v. Henry* (3). If the distinguishing characteristic of the plaintiff's mark has been reproduced in the defendant's mark, that is practically equivalent to adopting the plaintiff's mark outright; and the defendant has thereby violated the monopoly which the law gives to the plaintiff in his mark.

The main controversy in this case has arisen how this question of whether the plaintiffs' distinguishing characteristic has been taken or not, is to be determined. The appellants say that to use a mark not identical, but so closely resembling it, as it appears on visual inspection of both marks irrespective of all extrinsic circumstances, as to be calculated to deceive a purchaser into mistaking one mark for the other is infringement; that any question of deceit respecting the goods themselves is foreign to the determination of this question; that consequently the findings of *Harvey J.* as to the *indicia* the public look for as denoting the plaintiffs' goods are immaterial; and finally, that on inspection, and without considering any act of the plaintiffs in connection with their mark, the Court can and ought to conclude that there is such resemblance between the two marks as to deceive. On the other hand, the respondent contends that, in determining the matter, all the differences of his get-up should be taken into consideration so as to dispel the notion of probable deception. Is, then, the Court to limit its consideration for this purpose to looking at the two marks, and coming to a conclusion on them alone? Should it look at the plaintiffs' mark, and the defendant's

(1) 11 H.L.C., 523, at p. 535.

(2) 17 R.P.C., 48.

(3) 15 Ch. D., 181.



mark, and all that accompanies the defendant's mark? Or should it look at the plaintiffs' mark, and any other evidence as to the effect of that mark on the public mind, in order to find what has been accepted and relied on by the public as the distinguishing characteristic of the plaintiffs' mark; and then, having found what are its *distinguishing characteristics*, compare with these the defendant's mark as used, and form the Court's own conclusion upon that comparison, aided by any evidence of appropriate witnesses as to whether they would be deceived into mistaking one mark for the other, whether the defendant's mark is a colourable imitation of the plaintiffs' mark? In my view, the last course is the right one. It must not be supposed that I consider imitation of accessories to the plaintiffs' mark enters in any way into this consideration. It is, in my opinion, however, a radical fallacy to regard the property in a trade mark as something entirely separate and distinct from the trade in connection with which it is used. It is only for the protection of that trade, and to prevent stealing that trade by deception (see *per* Lord Macnaghten in the *Claudius Ash Co.'s Case* (1) and *per* Lord Halsbury in *Reddaway v. Banham* (2)), that any property, so called, in a trade mark is recognized. (See also *per* Hall V.C. in *Cope v. Evans* (3).) The right of property in a trade mark is not, so to speak, an affirmative right, like the property in the goods. It is not a right in gross, or in the abstract; but is appurtenant to the trade in certain goods, and has no purpose that the law will recognize apart from them: *Hall v. Barrows* (4); *Leather Cloth Co.'s Case* (5). The case of *Batt & Co. v. Dennett* (6) makes this clear, notwithstanding the registration clauses of the Act. See also *per* Lord Shaw in *Bowden Wire Ltd. v. Bowden Brake Co. Ltd.* (7). The property in the mark is simply the right to exclude others from using it, or one likely to be mistaken for it, to the owner's prejudice; and that right is confined within certain limits similar in this respect to patent rights (see *Steer v. Rogers* (8)).

It is confined to the class of goods traded in, and no further

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(1) 29 R.P.C., 465, at p. 476.

(2) (1896) A.C., 199, at p. 204.

(3) L.R. 18 Eq., 138, at p. 144.

(4) 4 De G. J. & S., 150, at p. 159.

(5) 11 H.L.C., 523, at p. 534.

(6) (1899) A.C., 428.

(7) 31 R.P.C., 385, at p. 395.

(8) (1893) A.C., 232, at p. 235.



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monopoly—for monopoly it is (*Du Croz's Case* (1))—is permitted. The whole purpose of the monopoly being to protect the trade in the goods, it cannot in principle, as it seems to me, be an immaterial consideration that deception as to the goods is probable or improbable. As for authority, Lord *Westbury* in *Hall v. Barrows* (2) said that imposition on the public was the test of the invasion of the plaintiff's right of property in his mark.

The likelihood of the hypothetical purchaser being deceived by the defendant's mark into purchasing the defendant's goods thinking they are the plaintiff's, is accepted universally as the real test of liability. It is of necessity the only test of what is the essential feature of the plaintiff's mark.

The authorities on the point include the following:—In *Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd.* (3) Lord *Cranworth* dealing with colourable imitations says: "The gist of the complaint in all these cases is, that the defendants, by placing the plaintiffs' trade mark on goods not manufactured by the plaintiffs, has induced persons to purchase them, relying on the trade mark as proving them to be of the plaintiffs' manufacture." Lord *Kingsdown* (4) takes the likelihood of purchasers buying defendant's goods for plaintiff's as the test of infringement. In *Mitchell v. Henry* (5) all the Lords Justices thought that the test was necessary. In *Somerville v. Schembri* (6) Lord *Watson*, for the Privy Council, says:—"As soon, therefore, as a trade mark has been so employed in the market as to indicate to purchasers that the goods to which it is attached are the manufacture of a particular firm, it becomes, to that extent, the exclusive property of the firm; and no one else has a right to copy it, or even to appropriate any part of it, if by such appropriation unwary purchasers may be induced to believe that they are getting goods which were made by the firm to whom the trade mark belongs."

If imposition on the public as to the goods they are getting is the test, it follows necessarily that the opinion they have been led to form as to what is the distinguishing characteristic of the

(1) (1913) A.C., 624, at pp. 632-635.

(2) 4 De G. J. & S., 150, at p. 159.

(3) 11 H.L.C., 523, at p. 536.

(4) 11 H.L.C., 523, at p. 540.

(5) 15 Ch. D., 181.

(6) 12 App. Cas., 453, at p. 457.



plaintiff's mark is a question of fact not to be determined in all cases by reference solely to the mark, but, where extraneous circumstances have operated to fix some particular part or parts of it as the essential feature, by having regard also to those circumstances. The Lord President of the Court of Session in *Cowie Brothers & Co. v. Herbert* (1), an infringement action, said :—"What we have to determine is whether the pursuers have established that the defender's labels so *resemble the registered trade mark of the pursuers as to be apt to mislead purchasers into taking the defender's goods for the pursuers'.*" Similarly *per Lord Low* in *Dawson v. Stewart* (2). I may refer to four cases for the purpose of supporting the view that, where they exist, extraneous circumstances are relevant to the question of ascertaining the distinguishing feature of the plaintiffs' mark. They are *Hennessy & Co. v. Keating* (3), *Schwerdtfeger & Co. &c. v. Hart Publishing Co.* (4), *United Kingdom Tobacco Co.'s Case* (5) and *Bourne v. Swan & Edgar Ltd.* (6).

In *Hennessy & Co.'s Case* (3) Lord *Macnaghten* said it may be necessary to inquire what is common to the trade. He pointedly observed that you may be beginning at the wrong end by visually comparing the marks side by side, and then picking out points of resemblance and points of difference, and jumping to a conclusion. Visual comparison, said Lord *Macnaghten*, does not of itself necessarily present the real question. The mind of the Judge needs information, for instance, as to what is common to the trade. But why? it may be asked. The answer is, to ascertain what impression the public form from seeing the plaintiff's trade mark in operation. How does it affect their minds, in view of all other knowledge they have on the subject? What do they regard as the distinguishing characteristic of the mark? Is it the whole mark, that is, every part of it; or is it any one particular portion of it? If they have, so to speak, fastened on to one feature and disregard the rest as immaterial, resemblance between the plaintiff's mark and the defendant's mark on any immaterial feature will not cause deception, any more than

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(1) 14 R.P.C., 436, at p. 446.

(2) 22 R.P.C., 250, at p. 256.

(3) 25 R.P.C., 361.

(4) 29 R.P.C., 236.

(5) 29 R.P.C., 489.

(6) (1903) 1 Ch., 211, at p. 228.



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if that feature were common to the trade. Lord *Ashbourne*, in the case last mentioned, in order to discover the distinguishing characteristic, not only set aside the portions common to the trade, but also took for his guidance an advertisement by the plaintiffs, in which they stated what features the public should look for in a mark as indicating their goods.

In *Schwerdtfeger & Co.'s Case* (1) Lord (then Mr. Justice) *Parker*, in considering whether the defendants' mark infringed the plaintiffs' mark, first looked at the marks and as an ordinary individual formed the view that he would never mistake one for the other. But his Lordship also considered the evidence on which the plaintiffs relied, to convince him that deception was probable. He weighed what the witnesses said, as to what they considered the distinguishing part of the plaintiffs' mark, and he said (2):—"That that is the distinguishing part" of the plaintiffs' trade mark "appears to me to be abundantly proved, not only by the evidence of the witnesses but by the line which the plaintiffs themselves have taken in their own advertisements. It appears to me that they have done what they could to get, and have succeeded in getting, their goods known as the 'E.A.S.' goods, or the 'E.A.S.' cards, and that the heart which forms the outline round these letters, as appears in the advertisements and as appears also on the face of the cards, is not that part of the mark which strikes the trade, or, if the public are to be considered, the public. Having regard to what I have said, it appears to me that certainly there can have been no deception and there can be no likelihood of deception, such as to induce me to grant an injunction. It also appears to me that, having regard to the nature of the evidence as to confusion between the two marks which has been given, I am not at liberty to ignore what I feel strongly upon myself, namely, that no one would be likely to mistake one mark for the other."

In precisely the same way, *Farrell J.* in *Bourne v. Swan & Edgar Ltd.* (3) had taken into account and attached importance to the fact that the plaintiff had for twenty-five years never used his trade mark of the swan without the addition of his other

(1) 29 R.P.C., 236.

(2) 29 R.P.C., 236, at p. 244.

(3) (1903) 1 Ch., 211, at p. 228.



trade mark, "Swanbill," underneath it, so that the public mind had been affected by the constant combination of the two.

In the *United Kingdom Tobacco Co.'s Case* (1) Lord Parker, in order to determine whether two competing marks would probably give rise to deception, took into consideration even the tendency of the public to abbreviate trade designations, and held that in consequence of that tendency the probability arose, notwithstanding the fact, as he also held, that the words themselves distinctively differed.

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It is clear to me, therefore, that the principle when identity fails is to ascertain what distinctive feature in the plaintiff's mark has from any circumstances imprinted itself on the public mind, as indicative of his goods; and then by that standard to judge whether the defendant's mark is an infringement.

3. *User of Defendant's Mark.*—No question here arises as to the way in which the defendant's mark has been used, or is intended to be used.

It is used on the same class of goods, in the same manner, as the plaintiffs' mark, and with very similar surroundings, and if the defendant's mark reproduces the distinguishing characteristics of the plaintiffs' mark, there is no reason why the plaintiffs should not succeed.

I turn then to the facts, so far as they are relevant to the question of distinguishing characteristics. *Harvey J.* answers that by saying "the evidence establishes to my mind that it is the name 'Bock,' and that only, that sells the plaintiff company's cigars in the New South Wales market; that name is the distinguishing feature by which the boxes are recognized." His Honor goes on to negative the allegation made by the plaintiffs in the statement of claim that it is the Eagle by which the public know the plaintiffs' cigars.

Whatever might have been the *à priori* expectation to which a Court would have been led, in the absence of actual experience, as to the probable distinctive impression to be formed in the public mind from seeing the plaintiffs' trade marks, the result of actual experience is that the impression of the name "Bock" is



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It matters not how that impression has arisen, whether by chance or by reason of the plaintiffs pressing the name "Bock" on the attention of the public. They have apparently indicated "Whatever else we have in our mark, the real thing to attach importance to is the name 'Bock' appearing in our trade mark." And so the public have grown to believe. The defendant's mark (I call it the defendant's mark though he is not the manufacturer, and is only an ordinary retailer) not only contains nothing approaching the name "Bock," but does contain a negation of the cigars being Bock's. Notwithstanding the similarity of the eagle and the crown, the resemblance of impression does not exist. There is, therefore, no infringement of the trade mark.

*Passing Off.*—There remains the case of passing off. The findings of fact were not attacked. So much depends on the credibility and general reliability of the witnesses, so much on the way they testified, a circumstance adverted to by *Harvey J.*, that we are not in any position to reverse him or his conclusions of fact, even if we were invited to do so. His finding that "Bock" and that alone is the criterion as regarded by the public and that, notwithstanding even the red frontal band, no one is likely in the absence of "Bock" to be deceived, is conclusive and decisive; and there is an end of this part of the case also.

I, therefore, am of opinion that the appeal should be dismissed.

The judgment of GAVAN DUFFY and RICH JJ. was read by

GAVAN DUFFY J. The present appeal is from a decree of the Supreme Court of New South Wales in its equitable jurisdiction (*Harvey J.*) dismissing with costs a suit in which an injunction was sought to restrain the alleged infringement of certain trade marks, of which one was registered under the New South Wales *Trade Marks Act* 1865, and the others under the Federal Act, and also to restrain the alleged passing off by the respondent of his goods as the goods of the appellants.

On the question of infringement, the only trade mark on which the appellants have relied before us is the New South Wales trade mark. No copy of the mark as registered is in evidence,



but it is admitted that part of the representation on the inside of the appellants' cigar box accurately reproduces the appellants' registered mark.

The New South Wales Act of 1865 provided that a mark is not to be recognized as a trade mark until registered (sec. 2), and that the certificate of registration shall be a proof of the right of the person named therein to use such trade mark, except in the case of any suit instituted to try the right of any person to have had such trade mark registered (sec. 7). This Act was repealed and consolidated by the *Trade Marks Act* 1900, sec. 2; but by virtue of sec. 8 of the *Interpretation Act* of 1897 the repeal does not affect any right acquired under the enactment repealed. Sec. 6 of the Federal Act provides that the State Act shall continue to apply to a State trade mark, so long as the registration remains in force.

It was admitted that by virtue of these Statutes the appellants were entitled to the sole right of using the New South Wales trade mark as applied to cigars, but it was urged that there had been no infringement by the respondent. In case of trade marks registered under the *Trade Marks Act* 1905-1912, sec. 53 of that Act supplies what was said to be a definition of infringement, and some confusion was introduced into this case by the assumption in the Court below that that section applied to the present case. This assumption is now admitted to be unwarranted, and it therefore becomes necessary to consider what amounts to infringement of a trade mark in the absence of any such statutory definition.

The law of trade mark is really an offshoot of the law of passing off. The rule that a man may not pass off his goods as the goods of another became clearly recognized both at law and in equity in the early part of the nineteenth century. In such a suit the plaintiff might have succeeded by proving that his goods had become known by the user of a particular mark, and that the defendant had used, in connection with his goods of a similar class, a mark which was likely to cause his goods to be mistaken for those of the plaintiff. In order to obtain relief by way of damages at common law, the plaintiff originally had to prove

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Gavan Duffy J. Rich J. In *Johnston v. Orr Ewing* (1) Lord Blackburn said:—"I think the true guide is given by Lord Kingsdown in the *Leather Cloth Co. Ltd. v. American Cloth Co. Ltd.* (2), where he says: 'The fundamental rule is that one man has no right to put off his goods for sale as the goods of a rival trader; and he cannot therefore (in the language of Lord Langdale in the case of *Perry v. Truefitt* (3)) be allowed to use names, marks, letters or other *indicia* by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person.'" In that case, as in nearly all the decided cases, the practical question for discussion was whether one mark bore such an inherent resemblance to another as to be calculated, when used in connection with marketable goods, to mislead incautious purchasers; and hence the use in the cases and in the text-books of the expression "colourable imitation" as a convenient phrase either to denote or connote such a resemblance. But the mark used by a defendant may not have such an inherent resemblance to that of a plaintiff as to be calculated to mislead incautious purchasers, though its user by the defendant may be so calculated because of circumstances other than the inherent resemblance; or a mark may have such an inherent resemblance and its user, because of other circumstances, may not be calculated to deceive. In all such cases what has to be considered is the consequence which the user complained of is calculated to produce.

The New South Wales *Trade Marks Act* of 1865 made no alteration in the legal concept of infringement, and the proprietary right to a mark, acquired by registration, is undoubtedly infringed by the use of a copy exact or substantially exact, of the registered mark. In such a case the law assumes that the result will be confusion and deception.

It is no less true that infringement takes place if a person, other than the proprietor of a registered mark uses a mark which resembles the registered mark, without being an exact or substantially exact copy of it, if it is established that the use of

(1) 7 App. Cas., 219, at p. 228.

(2) 11 H.L.C., 523, at p. 538.

(3) 6 Beav., 66, at p. 73.



the unregistered mark is calculated to deceive, so as to lead purchasers to believe that the goods of the one person are the goods of the other, and thus deprive that other of the benefit he might legitimately anticipate from the sale of his goods under his trade mark.

In considering whether such an infringement has occurred, the first question to be determined is whether the two marks in fact resemble one another; this involves a comparison of the marks by means of the senses. But mere resemblance not amounting to substantial identity, if found, is not sufficient. A further question arises as to whether the use complained of is likely to lead to the deception of purchasers. Unless it is, there is no infringement. In deciding this question the Court is entitled, and bound, to look into all the surrounding circumstances. We cannot see upon what principle the Court can shut its eyes to any circumstance which is likely to throw light on the probability of deception, this being of the very essence of this type of infringement. If the public, either because of the manner of user by the plaintiff of his trade mark on his goods—as by his having garnished it by other or more striking devices—or for any other reason, had come to disregard the whole or part of the trade mark or to identify his goods in some other manner, this is, clearly, an element which must be taken into account in considering whether the user by the defendant of a mark resembling the plaintiff's registered mark is calculated to deceive. We now proceed to apply these principles to the facts of the present case. On a comparison of the mark used in connection with the cigars sold by the defendant, with the registered mark of the appellants, it is obvious that the former is not a substantially exact copy of the latter. There is, however, an undoubted resemblance. Is there, then, taking all the surrounding circumstances into account, a likelihood that the user of this mark by the respondent will lead to deception? *Harvey J.* found as a fact that what identifies the appellants' goods in the New South Wales market is the name "Bock," and that this name, and this alone, is the distinguishing feature by which they are bought. In view of this finding of fact, which the appellants have not attempted to disturb, we think that they have failed to make

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out a case of probability of deception. The appeal therefore fails so far as it is based on infringement.

The next question is whether the appellants can succeed on passing off as distinguished from infringement of the trade mark. It is not alleged that there were any representations by words or conduct in the course of the respondent's business, and to succeed the appellants must show that the get-up of the respondent's goods is likely to cause them to be mistaken for theirs. The resemblance of the marks already dealt with is, of course, important as an element in this inquiry, but only as an element. There are certainly many resemblances between the get-up of the appellants' and respondent's boxes, but in view of the finding of fact above referred to, we see no ground for differing from the learned Judge's conclusion that, in the circumstances, these resemblances are not likely to deceive purchasers. In our opinion, therefore, this part of the appellants' case fails also.

*Appeal dismissed with costs.*

Solicitors, for the appellants, *Minter, Simpson & Co.*

Solicitors, for the respondent, *McDonell & Moffitt.*

B. L.