

as joint owners " they could not have been taxed at all. On this portion of the case their Lordships' opinion is entirely in accord with the judgment of *Higgins J.* in the High Court.

Their Lordships will humbly advise His Majesty that the appeal be allowed with costs to the appellants both here and below, and that it be remitted to the High Court of Australia to direct that question 3 of the special case, namely, " Is the Commissioner estopped by judgment from contending that the trustees are not entitled to six deductions of £5,000," be answered in the affirmative, and that the other questions are thus superseded.

PRIVY
COUNCIL.
1925.

HOYSTED
v.
FEDERAL
COMMIS-
SIONER OF
TAXATION.

[HIGH COURT OF AUSTRALIA.]

THOMSON AND OTHERS APPELLANTS ;
OPPONENTS,

AND

B. SEPPELT & SONS LIMITED RESPONDENT.
APPLICANT,

Trade Mark—Registration—Geographical name—Distinctive mark—Trade Marks
Act 1905-1922 (No. 20 of 1905—No. 25 of 1922), secs. 16, 53A.

H. C. OF A.
1925.

"Great Western " was and had been for more than sixty-five years the name of a township in Victoria in the neighbourhood of which a number of vineyards had been established and the industry of wine-making had been carried on for over sixty years. One of these vineyards, called the "Great Western Vineyard," was the property of the respondent, and the respondent and its predecessors had for over thirty years made and sold wine from grapes grown in that and in other vineyards in the neighbourhood of Great Western. The respondent having applied for the registration of the words "Great Western " as a trade mark in respect of still and sparkling wines, the Registrar of Trade Marks granted registration of the mark " for use in respect of still and sparkling wines produced from grapes grown in that district of Victoria known as 'Great Western.' "

MELBOURNE,
Oct. 6-8, 29.
Knox C.J.,
Isaacs, Higgins,
Rich and
Starke JJ.

H. C. OF A.
1925.

THOMSON
v.
B. SEPPELT
& SONS LTD.

Held, that, on the evidence, the words "Great Western," which according to their ordinary signification were a geographical name, had not, when applied to wine, acquired the secondary signification of wine of the respondent produced from grapes grown in the district of Great Western and therefore were not "distinctive" within the meaning of sec. 16 (1) (e) of the *Trade Marks Act* 1905-1922, and consequently that the respondent was not entitled to registration of the words as a trade mark.

Per Higgins J. : If the respondent were registered as being entitled to the exclusive use of the words in connection with wine, sec. 53A of the Act would not protect the other vignerons of the district in using the words to show where their wine was produced.

APPEAL from the Registrar of Trade Marks.

On 8th December 1923 an application was made by B. Seppelt & Sons Ltd. for the registration of the words "Great Western" as a trade mark in class 43 in respect of still and sparkling wines. On 30th January 1924 the Registrar of Trade Marks made an order that the words be deemed a distinctive mark under sub-sec. 1 (e) of sec. 16 of the *Trade Marks Act* 1905-1922 in respect of still and sparkling wines. The application was, by notice dated 8th July 1924, opposed by Frederick Pinchon Thomson and nineteen other vignerons in the district of Great Western in Victoria, and by James Richardson, a wine and spirit merchant and hotel-keeper in Melbourne. On 8th April 1925 the Registrar dismissed the opposition, and granted registration of the mark "for use in respect of still and sparkling wines produced from grapes grown in that district of Victoria known as 'Great Western.'"

In giving his reasons the Registrar said :—"The two material questions for my determination which will decide the issue between the parties in this action are (1) whether or not this use of the words by the applicant company and its predecessors in business is so extensive and so widely recognized in the trade and by the public generally throughout the Commonwealth that when used upon or in connection with wine it denotes the product of the applicant company and none other ; and (2) whether the granting of the right to the exclusive use of the words to the applicant company for use as a trade mark for the purpose of denoting its wines in the market will cause any great inconvenience to, or affect the established rights of, other traders. Before determining that the mark is 'distinctive' within

the meaning of sec. 16 of the Act, it is necessary for me to consider the effect which the geographical significance of the words 'Great Western' has upon the issue. Geographical names are excluded from registration only when they are merely such, and when the term in its entirety embraces primarily the notion of place. The meaning must be taken in connection with the goods on which the term is used, which in the present case is wine; and I am satisfied from the evidence that a secondary meaning has been acquired, and that so far as their association with wine is concerned the words have ceased to merely denote a place and have come to mean, to the public of Australia generally, wine of the applicant company produced from grapes grown in the district of Great Western, and that this latter signification is the primary one even though the name was originally geographical and regional at the time of its adoption as the name of a township or district in the west of the State of Victoria. After considering the voluminous evidence filed in this case and the arguments advanced by counsel thereon, I am of opinion that the first question must be answered in the affirmative, but subject to this limitation, that such words do in fact throughout the Commonwealth denote the wine of the applicant company produced from vineyards in the district known as Great Western. Although to some extent the significance of the words 'Great Western' is regional, and they are used and required by growers in the district for the purpose of denoting the place of origin of their goods, I am of opinion that their use simpliciter as a trade mark on wine other than that produced by the applicant company would be deceptive and mislead the public into thinking that such wine was wine of the applicant company's production. The rights of other persons who may require to use the words geographically are, in my opinion, amply preserved by the provisions of sec. 53A of the Act, which reads: '53A. No registration under this Act shall interfere with any bona fide use by a person of his own name or place of business or that of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods.' The rights of other traders to the use of the words in a manner which will not be likely to deceive being preserved as stated, I am of opinion that no inconvenience will be

H. C. OF A.
1925.

THOMSON
v.
B. SEPPELT
& SONS LTD.

H. C. OF A.
1925.

THOMSON
v.
B. SEPPELT
& SONS LTD.

caused to other traders by the registration of the trade mark, and therefore the second question must be answered in the negative. It is clear to my view that the reputation attached to Great Western wines was built up and fostered by the applicant company and its predecessors in business, and that members of the public generally throughout Australia invariably connect the words 'Great Western' with the applicant company's product. This being so, the applicant company is entitled to the reward which follows its industry, especially when the granting of such reward not only protects the applicant company's established rights but also guards the public from deception. As previously stated, the right to registration must be subject to limitation in respect of the goods to which the mark is to be applied, as I am of opinion that any attempt to pass off upon the public any wine under a geographical name other than the name of the locality or district where the grapes from which the wine is made are grown would deceive, and be intended to deceive, the purchasers as to the particular origin and characteristics of the wine purchased, and for the further reason that the reputation attached to the words in the public mind is restricted to their connection with wines produced at Great Western by the applicant company, and the acquired secondary significance does not extend beyond the association of the words with such products."

From that decision the opponents now appealed to the High Court. The material facts are stated in the judgments hereunder.

Owen Dixon K.C. (with him *Dean*), for the appellants. "Great Western" is a geographical term describing the place where the several appellants who are vigneron grow grapes and make wine. The evidence does not support the conclusion that the term "Great Western" had acquired a secondary meaning of such universality that the respondent was entitled under sec. 16 of the *Trade Marks Act* 1905-1922 to registration of the term as a trade mark either generally or with the restriction imposed by the Registrar. The order of the Registrar that the mark is distinctive does not stand in the way of the Court refusing registration. The limitation imposed by the Registrar may not have the effect of protecting other persons who use the words "Great Western" as describing

the district where their wines are produced. [Counsel referred to *H. C. OF A.*
In re Joseph Crosfield & Sons' Application (1); *In re R. J. Lea Ltd.* 1925.
(2); *In re Gramophone Co.'s Application* (3).]

[RICH J. referred to *Registrar of Trade Marks v. W. & G. Du Cros*
Ltd. (4).] *THOMSON*
v.
B. SEPPELT
& SONS LTD.

Cohen K.C. (with him *Nolan*), for the respondent. On the evidence the respondent was entitled to the registration which was granted. The rights of other persons who properly describe their wines as made from grapes grown in the Great Western district are not interfered with by the registration (*Montgomery v. Thompson* (5); *In re "Apollinaris" Trade Mark* (6); *McAndrew v. Bassett* (7); *In re Joule's Trade Marks*; *Thompson v. Montgomery* (8); *Ford v. Foster* (9); *Seixo v. Provezende* (10); *Grand Hotel Co. of Caledonia Springs Ltd. v. Wilson* (11); *In re National Starch Co.'s Application* (12)).

Cur. adv. vult.

The following written judgments were delivered :—

Oct. 29.

KNOX C.J. This is an appeal from a decision of the Registrar of Trade Marks granting registration of the words "Great Western" as the trade mark of the respondent for use in respect of still and sparkling wines produced from grapes grown in that district of Victoria known as "Great Western."

"Great Western" is, and has been for more than sixty-five years, the name of a township in the Western District of Victoria, in the neighbourhood of which a number of vineyards have been established and the industry of wine-making has been carried on for the past sixty years or more. One of these vineyards, now the property of the respondent, was established at some time not precisely specified before the year 1888 and was and still is called the Great Western Vineyard. The respondent and its predecessors in business have,

- | | |
|--|---|
| (1) (1910) 1 Ch. 130, at pp. 141, 148. | (7) (1864) 4 DeG. J. & S. 380; 33 |
| (2) (1913) 1 Ch. 446, at p. 452. | L.J. Ch. 561. |
| (3) (1910) 2 Ch. 423; 27 R.P.C. 689, | (8) (1889) 41 Ch. D. 35, at pp. 43, 46. |
| at p. 698. | (9) (1872) L.R. 7 Ch. 611, at p. 629. |
| (4) (1913) A.C. 624, at p. 630. | (10) (1865) L.R. 1 Ch. 192, at p. 195. |
| (5) (1891) A.C. 217, at p. 226. | (11) (1904) A.C. 103. |
| (6) (1907) 2 Ch. 178. | (12) (1908) 2 Ch. 698. |

H. C. OF A. at any rate since the year 1891, made and sold wine produced from
1925. grapes grown in this vineyard and other vineyards in the neighbour-
hood of Great Western, and other persons have for upwards of
THOMSON thirty years made and sold wine produced from grapes grown in
v. other vineyards in the same neighbourhood. The evidence shows
B. SEPPELT & SONS LTD. that wine made from grapes grown in this district has peculiar
Knox C.J. characteristics distinct from those of wine made from grapes grown
elsewhere. Both the respondent and its predecessors in business,
and some, if not all, of the other manufacturers in the district, have
applied to the wines so made and sold by them descriptions which
include the words "Great Western," and the Registrar has found
that "to some extent the significance of the words 'Great Western'
is regional, and they are used and required by growers in the district
for the purpose of denoting the place of origin of their goods." He
has, however, come to the conclusion that the words "Great
Western" as applied to wine "have ceased to merely denote a place
and have come to mean, to the public of Australia generally, wine of
the applicant company produced from grapes grown in the district of
Great Western." In my opinion this conclusion is not justified by
the evidence. The exhibits in evidence show that in almost every
label or advertisement the name of the manufacturer or dealer has
been used in conjunction with or in addition to the words Great
Western, and I think the fair result of the evidence is that ever
since the establishment of vineyards in that district the words
"Great Western" as applied to wine were used in their geographical
signification as denoting wine made from grapes grown in the district
of Great Western. By sec. 16 of the *Trade Marks Act* 1905-1912
it is provided that a registrable trade mark must contain or consist
of (*inter alia*) a word or words having no direct reference to the
character or quality of the goods, and not being according to its
ordinary signification a geographical name, and that a name or
words other than such as fall within the descriptions in pars. (a),
(b), (c) and (d) of sub-sec. 1 of the section shall not, except by order of
the Registrar, Law Officer or Court, be deemed a distinctive mark.
By sub-sec. 2 "distinctive" is defined as meaning, for the purposes
of the section, "adapted to distinguish the goods of the proprietor
of the trade mark from those of other persons."

On the evidence I think it is clear that the words "Great Western" are according to their ordinary signification a geographical name, and that, as applied to wine, they mean that the wine was produced from grapes grown in the district of Great Western. It follows that, in my opinion, the words are not adapted to distinguish the wine of the respondent from that made by other persons from grapes grown in that district.

H. C. OF A.
1925.
THOMSON
v.
B. SEPPELT
& SONS LTD.
Knox C.J.

For these reasons I am of the opinion that the appeal should be allowed.

ISAACS J. This is an appeal under sec. 45 of the *Trade Marks Act* 1905-1912 direct from the Registrar to this Court.

The respondent company on 8th December 1923 applied for registration under sec. 16 (1) (e) of the words "Great Western" as a trade mark in class 43 in respect of still and sparkling wines. The application was opposed by a number of vigneron in a district of Victoria called the Great Western District and by one hotel-keeper in Melbourne. The Registrar dismissed the opposition, and granted registration of the mark "for use in respect of still and sparkling wines produced from grapes grown in that district of Victoria known as 'Great Western.'"

It is important to bear in mind the function of the Court in a case of this kind. In the present case it is true there are parties before us who keenly contest the matter. There may, however, be cases where no one appears as a party but the applicant, or, if there be opposition, it may not be critically hostile. Whatever be the circumstances, the function of the Court is, in a very broad sense, on the one hand to guard fair trading by protecting traders in the use of their distinctive trade marks, and on the other hand to see that the public do not suffer from any improper monopoly. Bowen L.J., in *Paine & Co. v. Daniells & Sons' Breweries*; *In re Paine & Co.'s Trade Marks* (1), said: "The purity of the register of trade marks—if one may use the expression—is of much importance to trade in general, quite apart from the merits or demerits of particular litigants." In *Crosfield's Case* (2) Farwell L.J. observed: "The question is not merely one between the applicants and the

(1) (1893) 2 Ch. 567, at p. 584. (2) (1910) 1 Ch., at pp. 151, 152.

H. C. OF A. 1925. ~
 THOMSON v. B. SEPPELT & SONS LTD.
 Isaacs J.

opponents who appear before the tribunal." The learned Lord Justice, after referring to what *Bowen* L.J. had stated, continued: "It is the duty of the tribunal to see that no word not 'adapted to distinguish' shall be put on the register in the interest of other traders, wholesale and retail, and of the public."

That brings us to the real issue in the case. Since the application is made under par. (e) of sec. 16, sub-sec. 1, the mark to be registrable must be a "distinctive" mark that does not fall within any other paragraph of the section. But to be "distinctive" it must comply with the statutory definition of distinctiveness in sub-sec. 2, namely, it must be "adapted to distinguish the goods of the proprietor of the trade mark from those of other persons." The statutory criterion looks wholly to the future, and seeks to know "What will be the effect of the mark after registration?" Is it adapted in future trade to distinguish the proprietor's goods from those of other persons? That, however, does not mean "is the word adapted to acquire distinctiveness?" but "is the word instantly adapted to distinguish the proprietor's goods in his future trade?" This is brought out very distinctly in the judgment of Lord Wrenbury (then *Buckley* L.J.) in *In re Leopold Cassella & Co.'s Application* (1), and quoted by *Kennedy* L.J. for the Court of Appeal in *In re W. N. Sharpe Ltd.'s Trade Mark; W. N. Sharpe Ltd. v. Solomon Bros. Ltd.* (2). That must in all fairness be so, because otherwise it would be enlisting registration itself as an aid in making a mark actually distinctive, and so preventing partly by statutory assistance other traders from using the mark if they so desired. (See Lord *Parker's* judgment in *Registrar of Trade Marks v. W. & G. Du Cros Ltd.* (3).) In determining that question sub-sec. 3 allows the past effect of actual user to be taken into consideration as an aid in determining the present adaptability of the mark to serve as a distinguishing symbol in the future. But that is the sole function of the past user.

There is nothing in the argument of expense or advertisement or amount of trade in bygone years except so far as all that has produced by the user of the mark some extent of distinctiveness.

(1) (1910) 2 Ch. 240, at p. 244.

(2) (1914) 32 R.P.C. 15, at p. 24.

(3) (1913) A.C., at p. 634.

And when some measure of distinctiveness arising from past user is found it is not necessarily conclusive. The following passage from the judgment of Lord *Parker* in *Du Cros' Case* (1) is important for the present case. Lord *Parker* said:—"But the tribunal is not bound to allow registration even if the mark be in fact distinctive. A common law mark is still not necessarily registrable. If the tribunal finds that a mark is anywhere, or among any class of people, in fact, distinctive of the goods of the applicant, it may be influenced by this fact in determining whether it is adapted to distinguish these goods from those of other persons, but distinctiveness in fact is not conclusive, and the extent to which the tribunal will be influenced by it must, in my opinion, depend on all the circumstances, including the area within which and the period during which such distinctiveness in fact can be predicated of the mark in question." Nor, may I observe, is the question determined by the "order" mentioned in par. (e). That is only a statutory condition before proceeding to make the substantive application to register. It is an essential part of the definition, but it does not weaken the word "distinctive" where it first occurs. *Crosfield's Case* (2) establishes this.

H. C. OF A.
1925.
THOMSON
v.
B. SEPPELT
& SONS LTD.
Isaacs J.

Applying those principles to the facts of this case, it seems to me the respondent must fail. The words "Great Western" as applied to wines whether still or sparkling were certainly a geographical term. The natural characteristics of the locality give a special quality to the wines produced there. Several vineyards were planted and maintained there by different vigneron. The name "Great Western" in connection with wines was recommendatory by reason of their place of origin, and therefore descriptive of the subject matter. It would require, to say the least, extremely strong and convincing testimony to show that the words had passed from their natural and primary signification to that of identifying wine produced there as the respondent's wine only. What would that mean unless the geographical sense had been entirely lost, which is not now asserted and is in fact denied by the order appealed from? It would mean that the respondent and its predecessor had succeeded in leading the public to believe that no one but

(1) (1913) A.C., at p. 637.

(2) (1910) 1 Ch. 130.

H. C. OF A. 1925.
THOMSON v. B. SEPPELT & SONS LTD.
Isaacs J.

themselves produced wine in Great Western. That would, of course, be untrue. But unless that is established by the evidence how can the respondent satisfy the statutory definition of distinctiveness? The evidence does certainly establish that by enterprise and the command of capital the respondent and its immediate predecessor in business far outdistanced competitors and popularized wines produced in the district and by means of labels and advertising associated their own names as well as the geographical term with the wines they placed on the market. But never did the words "Great Western" cease to mean "produced in the Great Western district," and, therefore, never did they cease to bear a descriptive signification. At no time were the words accepted in what may be termed the Australian market as sufficient in themselves to distinguish the respondent's wines from similar Great Western wines of other traders. Distinctiveness in the statutory sense is, therefore, not proved. The Court in exercising its proper function is, in my opinion, bound to refuse the registration on the ground that it would be a wrong to other vigneron in the district and to the public generally.

The appeal should, therefore, be allowed.

HIGGINS J. I concur in the opinion that this appeal should be allowed. The Registrar has fairly stated the two material questions to be determined; but as to (1) I do not regard the evidence as establishing that the words in question, "Great Western," have come to denote, when used upon or in connection with wine, the product of the applicant company and none other; and as to (2) I think that to grant to the applicant the right to the exclusive use of the words would cause grave inconvenience to and affect the established rights of other traders.

As to (1), it is unnecessary for me to repeat or amplify the reasons expressed.

As to (2), the Registrar relies on sec. 53A of the *Trade Marks Act* 1905-1912: "No registration under this Act shall interfere with any bona fide use by a person of his own name or place of business or that of any of his predecessors in business, or the use by any person

of any bona fide description of the character or quality of his goods." There is a district known as "Great Western," between Stawell and Ararat. It is alleged in the declarations for the appellants, and not denied in the declaration for the respondent, that wines grown in this district are noted for their fine qualities; and many vigneronns have been producing wines therein for many years. But "Great Western" is not, in my opinion, a "*place of business*" or that of any of his predecessors in business," of any of these vigneronns, within the meaning of sec. 53A; nor is it a description of the character or quality of his wines. If we grant to the applicant the exclusive right to the use of the words "Great Western" in connection with wines (sec. 50), sec. 53A will not, in my opinion, protect the other vigneronns in using the words to show where their wines are produced; and the grant will, on any construction, seriously interfere with this legitimate use of the words. It would be as absurd in the same way, though not to the same degree, as if a wine-grower in Champagne in France were forbidden to say that his wine is a Champagne wine. Nor can "Great Western" be treated as a description of the *character* or *quality* of any vigneron's wine (cf. sec. 16 (1) (d)).

As for the order made *ex parte* by the Registrar on 30th January 1924, under sec. 16 (1) (e), Mr. *Cohen* for the respondent does not contend that it is binding or conclusive subject to appeal therefrom. The order was that the mark consisting of the words "Great Western" be deemed a distinctive mark in respect of still and sparkling wines. There is no appeal from this order (see *Crosfield's Case* (1)).

RICH J. I am always reluctant to grant anyone a monopoly in a geographical name. I doubt whether "Great Western" is a proper registrable name to denote wines, any more than in England "Leicester" would be registrable in connection with boots or "Burton" in connection with ale (*In re Berna Commercial Motors Ltd.* (2)). However this may be, the evidence shows that the name "Great Western" is "according to its ordinary signification a geographical name" and has not acquired a secondary meaning.

(1) (1910) 1 Ch., at p. 141.

(2) (1915) 1 Ch. 414, at p. 420.

H. C. OF A.
1925.

THOMSON
v.
B. SEPPELT
& SONS LTD.
Higgins J.

H. C. OF A. 1925. It is not distinctive of the respondent's wines, that is, is not adapted to distinguish those wines from those of other vigneron in Great Western.

THOMSON

v.

B. SEPPELT & SONS LTD. The decision of the Registrar should be reversed and the application for registration dismissed.

Starke J.

STARKE J. I concur in the judgment of the Court, and cannot usefully add anything to the opinions which have already been delivered.

Appeal allowed. Order of Registrar of Trade Marks discharged. Application for registration dismissed. Respondent to pay costs of application and of this appeal.

Solicitors for the appellants, *Arthur Phillips, Pearce & Just.*

Solicitors for the respondent, *Braham & Pirani.*

B. L.