

[HIGH COURT OF AUSTRALIA.]

THE MOND STAFFORDSHIRE REFINING }
 COMPANY LIMITED } APPELLANT ;
 PLAINTIFF,

AND

ELLIS HARLEM AND ANOTHER TRADING }
 AS "MULSOL" LABORATORIES . . . } RESPONDENTS.
 DEFENDANTS,

ON APPEAL FROM THE SUPREME COURT OF
 VICTORIA.

Trade Mark—Passing off—"Monsol"—Registered trade mark of plaintiff's goods— H. C. OF A.
"Mulsol"—Used as description of defendant's goods—Likelihood of deception. 1929.

The plaintiff was the registered proprietor of a trade mark of the word
 "Monsol" in respect of chemical substances prepared for use in medicine
 and pharmacy, and had put upon the market in Victoria various medical
 preparations under that trade name. The defendants had put upon the
 market in Melbourne a medical preparation under the name "Mulsol." In
 an action by the plaintiff to restrain the defendants from using the word
 "Mulsol" upon goods manufactured or sold by them and from passing off
 their goods as those of the plaintiff,

Held, by Knox C.J., Gavan Duffy and Starke JJ. (Isaacs and Rich JJ.
 dissenting), that the words were not so similar as to be likely to cause any
 ordinary purchaser to confuse goods marked or described as "Mulsol" with
 goods marked or described as "Monsol."

Decision of Supreme Court of Victoria (Macfarlan J.) affirmed.

MELBOURNE,

Feb. 19 ;
 Mar. 11.

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 Isaacs,
 Gavan Duffy,
 Rich and
 Starke JJ.

H. C. OF A. APPEAL from the Supreme Court of Victoria.

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The Mond Staffordshire Refining Co. Ltd., a company incorporated under the laws of Great Britain, brought an action against Ellis Harlem and Isaac Cyril Harlem, trading as "Mulsol" Laboratories. In the statement of claim the plaintiff alleged that it was the registered proprietor of a trade mark registered in the Trade Marks Office of the Commonwealth on 20th January 1927 for the word "Monsol" in respect of "chemical substances prepared for use in medicine and pharmacy"; and that since March 1927 it had put upon the market in Victoria various medical preparations under the trade name "Monsol," and had caused advertisements of such preparations to be widely circulated whereby the said trade name had come to be known as indicating the plaintiff's preparations; and that the defendants had recently placed upon the market in Melbourne and offered for sale a medical preparation under the name "Mulsol," thereby infringing the plaintiff's registered trade mark and passing off their goods as and for the goods of the plaintiff. The plaintiff claimed (*inter alia*) an injunction restraining the defendants from infringing its registered trade mark and from passing off medical preparations not of the manufacture of the plaintiff as and for preparations of the plaintiff's manufacture, and restraining them from using upon goods manufactured or sold by them the word "Mulsol" or any other word so nearly resembling the plaintiff's trade mark as to be calculated to deceive.

The plaintiff moved the Supreme Court for an interlocutory injunction substantially in the terms of that sought by the statement of claim. By consent the motion was treated as the trial of the action. Affidavits were filed on behalf of the plaintiff and of the defendants respectively. The motion, which was heard by *Macfarlan J.*, was dismissed.

From that decision the plaintiff now appealed to the High Court.

Ham K.C. and *Arthur Dean*, for the appellant.

Robert Menzies K.C. and *King*, for the respondents.

The following written judgments were delivered :—

KNOX C.J., GAVAN DUFFY AND STARKE JJ. The appellant registered the word "Monsol" as a trade mark in January 1927 in class 3 in respect of chemical substances prepared for use in medicine and pharmacy. The preparation is, according to the appellant, a powerful non-toxic germicide, and non-irritant. The word appears to have been formed from the surname "Mond" and the suffix "sol" or "ol" commonly used in germicidal or medicinal preparations, as, for instance, in such words as "Lysol," "Phenol," "Hypol," "Mucol" and "Nujol." About March 1928 the respondents commenced business under the style "Mulsol" Laboratories. This word, "Mulsol," was formed from the word "emulsion" and the common suffix already mentioned. At the time the respondents formed or selected the word "Mulsol" they were unaware of the appellant's trade mark or its use of the word "Monsol." The only medicinal or pharmaceutical preparations sold by the respondents under the name "Mulsol" are tablets, chocolate coated, presenting cod-liver oil extract and hypophosphites of lime and soda, in combination with beechwood creosote and other ingredients in a convenient and palatable form. Their preparation is, according to the respondents, a remedy for chest and lung troubles, coughs, and colds: it has some antiseptic qualities, but those are not its main qualities. Further, it appears that various words commencing with the syllable "mul" are registered trade marks, and used in Australia, such as Mulsine, Mulso and Mucol—the last named being an antiseptic for human use.

The appellant brought an action against the respondents for infringement of its trade mark, but the learned trial Judge (*Macfarlan J.*) dismissed it, and found that the words "Monsol" and "Mulsol" were not so similar as to be likely to lead to any deception of the public. The question is one of fact, and the opinion of the trial Judge, though not conclusive in this Court, is entitled to great weight. It is for the appellant to satisfy us that the learned Judge was wrong, and, for our part, so far from being so satisfied, we have formed the opinion that he was right. One is entitled to take into consideration the circumstance that the names of a number of these medicines and pharmaceutical preparations end in "sol" or

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“ol,” and also the fact that words commencing with the syllable “mul” have been registered as trade marks and used in Australia for some years, and, while the goods of both the respondents and the appellant belong no doubt to the same general category, one can nevertheless conclude, we think, that they will not appeal to the same class of customer. Finally, the words are not, apart from the common suffix “sol,” much alike, either in appearance or in sound; and, even taken as a whole, we cannot think that the words would or would be likely to cause any ordinary purchaser to confuse goods marked or described as “Mulsol” with goods marked or described as “Monsol.”

Consequently, the appeal should be dismissed.

ISAACS J. The appellant seeks protection for its registered trade mark “Monsol” for chemical products against the respondents’ use of the term “Mulsol” for precisely the same class of products. The question is whether there is likelihood of deception. *Macfarlan J.*, after some hesitation, came to the view that with reference to the first syllable of appellant’s trade mark, “as long as it is pronounced mon” there was no likelihood of deception. That, in itself, is a somewhat precarious safeguard, because the danger of careless vocalization is quite beyond the control of the appellant. The appeal to this Court is of right, and therefore our duty to the Constitution, the statute and the parties is to determine what, according to our own view of the matter, was the proper order to make in the first instance. There was no oral evidence; and so we are in precisely the same position to judge of the circumstances as the learned primary Judge. To cite the authorities defining this obligation of the Court would be pedantic.

Judging, then, for myself, I feel no hesitation in saying there is a very strong probability that incautious purchasers knowing little of medical distinctions would frequently, and even cautious purchasers would occasionally, confuse the spoken expressions “Monsol” and “Mulsol.” Either might be mistaken for the other, and the error either way might be important to both parties as well as to the public. In *Ouvah Ceylon Estates Ltd. v. Uva Ceylon*

Rubber Estates Ltd. (1), *Cozens-Hardy* M.R. said :—" ' Calculated to deceive ' is not a phrase which has reference to to-day or when the writ is issued. It means, according to the proper use of language, calculated in the ordinary sense of business, assuming business will be carried on in future not precisely and not exactly in the mode it is carried on to-day by this new company, but with one's knowledge of affairs how it is likely to be carried on." Applying these observations to the present case, we have to disregard the get-up of the respondents' goods. They may, if now successful, use the name "Mulsol" alone, or at all events without any get-up distinguishing their wares from the get-up of the appellant Company. And we have to bear in mind that get-up often plays a secondary part, if any, in a matter of this kind. The tongue and the ear are the chief channels of communication for the present purpose. The least slur or want of precision in speaking, the least failure to hear the exact pronunciation, and error is almost certain to arise.

In purchasing articles of this kind—it is not a question of a cup of tea or a yard of calico, but of an urgent remedy for what may be a serious illness—the Court ought, in my opinion, to be vigilant to prevent confusion. Where, on a field of competition already occupied, a new rival enters and, with the vast range of inventive possibility open to him, selects an assumed name, there is a duty on him to see that his invented designation does not destroy the distinctiveness of his competitors' marks. The Court should, as I view the matter, compel him to keep at such a distance from prior existing trade marks, as to prevent both unfair encroachment on competitors' trade, and unnecessary danger to the public. It may be conceded that in the first instance the respondents happened, however surprising it may appear, to get into a false position without bad faith, and entirely through ignorance of circumstances which ordinarily one would imagine were within the knowledge of those engaged in the business of chemists and druggists. Nevertheless, even conceding so much, that is by no means conclusive as to the respondents' good faith in resisting this application. The material facts are these :—The appellant Company, taking the first distinctive word of its name, Mond, from the surname of a celebrated chemist,

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has been in existence many years. It manufactures an antiseptic which has been placed on the market under the name "Monsol." This antiseptic is in four forms, namely, liquid, ointment, capsules and throat pastilles. The name of these preparations is fairly well known in Australia, and considerable quantities of free samples have been distributed, principally to medical men, chemists, veterinary surgeons and nurses, preparatory to a general distribution by way of sale. In April 1927 a shipment of the "Monsol" preparations arrived in Melbourne for submission to the Health Authorities, and for distribution to doctors, chemists and hospitals during the year. On 15th February 1928 Duerdin & Sainsbury Ltd. of Melbourne, wholesale chemists, received a consignment of "Monsol" preparations ordered in the previous November; and these were subsequently sold by that firm to various persons in Victoria. The next shipment arrived about 23rd March 1928. It was used partly for free distribution, as before, and partly for sale in Melbourne and Brisbane to various chemists. During 1927 and 1928 advertisements and circulars were distributed, the word "Monsol" and the expression "Monsol Brand" being very conspicuous, and the throat pastilles being specially mentioned, and among the conditions for which they are recommended are "throat infections" and the presence of streptococcus, as, for instance, in streptococcal tonsillitis.

The respondents, Ellis Harlem and Isaac Cyril Harlem, are pharmaceutical chemists, and one at least had eight years' experience. They commenced their present business on 15th March 1928 in Flinders Street, Melbourne, and registered their firm on 23rd March 1928. They took as an assumed firm name for registration "'Mulsol' Laboratories." They say it was evolved from "emulsion." Perhaps it was intended that all the products of the "Mulsol" Laboratories were to be of an emulsive character. At all events, the firm have put up and sold tablets containing various ingredients, including cod-liver oil, under the name of "Mulsol," and as a remedy for catarrh, bronchial affections, lung trouble, coughs and colds. It is stated in an affidavit of one of the respondents that "the risk of confusion is infinitesimal." I do not agree, for reasons stated. I think the risk of confusion

sufficiently great, and the possible consequences sufficiently grave, to make it the duty of the respondents to retire from the use of the name they adopted. They were asked to do so at a very early stage, and they declined, and still persist in retaining their trade designation. However free from moral blame a trader may be who has unintentionally adopted a trade name calculated to invade unfairly the trade domain of a prior competitor, he cannot rely for ever on his original innocence. Once he has become acquainted with the facts, if he persists in adhering to a course which may reasonably be expected to confuse the trade, and particularly if that trade concerns the safety of the public, he can no longer be regarded as innocent. That, in my opinion, is the present position of the respondents.

I think this appeal should be allowed.

RICH J. This was an infringement action tried by *Macfarlan J.* on a motion for injunction which was treated as the hearing of the action. His Honor dismissed the action, not being satisfied that there was sufficient "similarity" between the word "Monsol" registered as a trade mark by the plaintiff and that said to be an infringement. The plaintiff on 26th August 1927 registered the word "Monsol" under the Commonwealth *Trade Marks Act* 1905-1922 in class 3 in respect of chemical substances prepared for use in medicine and pharmacy. The defendants on 23rd March 1928 registered themselves as partners under the firm name of "Mulsol" Laboratories pursuant to Part II. of the Victorian *Partnership Act* 1915. The "Mulsol" Laboratories on 22nd March 1928 applied for registration under the Commonwealth *Trade Marks Act* of the word "Mulsol" in class 3 in respect of chemical substances prepared for use in medicine and pharmacy—the class in respect of which the plaintiff had previously obtained registration of the word "Monsol" and for similar substances and use. The plaintiff filed a notice of opposition to the defendant's application for registration, and the application has been suspended. The infringement alleged consists in the sale of "Mulsol" Tablets. These tablets are described as being "chocolate-coated and as containing cod-liver oil extract, hypophosphites of lime and soda, creosote and other tonic properties,"

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and are alleged to be an effective tonic for a catalogue of assorted ailments. These goods fall within the class of substances in respect of which the plaintiff has obtained a registered trade mark. The plaintiff's right to protection in respect of goods of this description was not contested. Presumably the facts would not support the arguments suggested by the decision under the old law of *Edwards v. Dennis*; *In re Edwards' Trade Mark* (1); *Kerly*, 6th ed., p. 382. At any rate no such arguments were raised. In these circumstances the question for consideration must be whether, if and when the word Monsol is applied by the plaintiff to goods of the description in which the defendants at present trade, the probability of a purchaser being deceived into believing that in buying the defendants' goods under the word Mulsol he is buying the plaintiff's goods described by the trade mark Monsol is sufficiently high to satisfy the test prescribed by sec. 53 of the *Commonwealth Trade Marks Act* 1905-1922. "If infringement is proved, it is not a defence to show that by reason of the class of goods sold by the plaintiff and defendant respectively, or the markets in which they trade, there is no risk of confusion. The existence of fraudulent intent is only material as evidence of infringement, and is not a necessary part of the cause of action" (*Halsbury's Laws of England*, vol. XXVII., par. 1281, p. 710).

These two propositions were not, of course, denied at the Bar, but, together, they appear to me, by determining what the real issue is, to go some distance towards the decision of the case. The second shows that the intentions of the defendant are unimportant. "It has been pointed out by many Judges that the injury to the plaintiff is the same whatever the intentions of the defendant may have been; and there are cases in which the defendant either did not know of the existence of the plaintiff's mark when he originally took it, or honestly believed that he had not in fact done anything which could mislead the public" (*Bourne v. Swan & Edgar Ltd.*; *In re Bourne's Trade Mark* (2)). The first proposition shows that it is immaterial that the plaintiff's trade is not such as to cause a present risk of confusion. Upon the supposition that, in the future, goods in which the plaintiff as

(1) (1885) 30 Ch. D. 454.

(2) (1903) 1 Ch. 211, at p. 223, *per Farwell J.*

well as the defendants trade are described by the word Monsol, it seems undeniable that the use of the word Mulsol must at least give rise to great confusion in the minds of purchasers. The question is whether the word Mulsol so nearly resembles Monsol as to be likely to deceive. In deciding this question of fact decided cases afford no assistance. The method in which business is done, probable modes of pronunciation and the appearance of the words to the eye may be taken into consideration. Attending to these considerations I feel satisfied that the words are likely to deceive by reason of their near resemblance.

This opinion is contrary to that of the learned primary Judge, and no doubt before setting his view aside an appellate Court should be satisfied that it was wrong. But, although the question is in one sense one of fact, it involves no question of evidence, oral or documentary, nor does it, so far as one can see, involve any question as to degree of resemblance of the two articles. That is a matter fixed by the nature and character of the words themselves. Once it is determined that the words must be compared upon the hypothesis that the plaintiff and defendants will attach them to the same description of goods, the only remaining question relates to the likelihood of deception. This depends on one's general notions of the world's affairs and the character of the human mind. Assuming that the learned primary Judge adopted the hypothesis that I have done—and it does not appear that he did not—then it is only upon the likelihood of deception in this sense that I differ from the learned Judge and find myself sufficiently sure of my conclusion.

In my opinion the appeal should be allowed.

Appeal dismissed with costs.

Solicitors for the appellant, *Pavey, Wilson & Cohen.*

Solicitors for the respondents, *Davis, Cooke & Cussen.*

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