

## [HIGH COURT OF AUSTRALIA.]

JAMES MINIFIE AND COMPANY . . . APPELLANTS;  
DEFENDANTS,

AND

EDWIN DAVEY AND SONS . . . RESPONDENTS.  
PLAINTIFFS,

ON APPEAL FROM THE SUPREME COURT OF  
VICTORIA.

*Trade Mark—Infringement—Mark placed on bags containing goods for export—Use of mark in Australia—Similarity of mark to mark registered in Australia—Trade Marks Act 1905-1922 (No. 20 of 1905—No. 25 of 1922), sec. 53\*.* H. C. OF A.  
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MELBOURNE,

March 9, 10;

April 24.

Rich, Starke,  
Dixon, Evatt  
and McTiernan  
JJ.

In pursuance of a contract with a purchaser in Singapore, the appellant shipped flour from Melbourne in bags marked in a manner specified by the purchaser. The bags were filled and loaded into trucks at the appellant's mill and conveyed under cover to the wharf from which they were shipped. The respondent was the proprietor in Australia of a trade mark registered in respect of flour, and the mark used by the appellant so closely resembled that of the respondent as to be calculated to deceive.

*Held*, that the use of the mark by the appellant was an infringement of the respondent's mark within the meaning of sec. 53 of the *Trade Marks Act 1905-1922*.

Decision of the Supreme Court of Victoria (*Cussen A.C.J.*): *Edwin Davey & Sons v. James Minifie & Co.*, (1932) V.L.R. 477, affirmed.

APPEAL from the Supreme Court of Victoria.

In an action brought by the respondents against the appellants a special case was stated by the parties, pursuant to Order XXXIV.,

\* Sec. 53 of the *Trade Marks Act 1905-1922* provides: "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."

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rule 1, of the *Rules of the Supreme Court* 1916 (Vict.), for the opinion of the Court, in the following terms :—

1. The plaintiffs are and have been at all times material the original proprietors of trade mark number 4414 in the register of trade marks of the Commonwealth of Australia registered in respect of flour and other goods.

2. The defendant carries on business at Melbourne as a flour miller.

3. Prior to the year 1925 the defendant had not used the trade mark complained of in this action in any way. One F. J. Hallard of Singapore was in Melbourne about the beginning of January 1925 and had several interviews with the defendant in reference to a proposal that he should be appointed defendant's agent in Singapore and elsewhere. On 19th January 1925 a letter of which the following is a copy was sent by the defendant to Hallard :—"Jany. 19th 1925.—Mr. F. J. Hallard, Singapore.—Dear Sir,—As a result of our recent interviews we confirm having appointed you our agent for Singapore, Malay Peninsula, Siam, Ceylon and Dutch East Indies with the exception of existing regular customers on the following terms :—You will not sell any flour except through us. Commission.—We will allow you three-quarters of one per cent ( $\frac{3}{4}\%$ ) on the c.i.f. & e. price on all flour sold by your efforts. Such commission to be payable at your request after completion of each transaction. Cable Expenses.—We will pay all cable expenses incurred by you on our behalf. Travelling Expenses.—We will allow you £50 per annum, payable £25 in advance every six months. This agreement can be terminated by either party by one month's notice in writing."

4. Pursuant to the said letter the said Hallard thereafter acted as defendant's agent in Singapore. The terms of his employment were later varied in respect of minor matters. Commencing in May 1925 he effected contracts between the defendant and various persons in Singapore.

5. The first occasion on which any business was done with Messrs. A. Clouet & Company of Singapore was in about September 1925. In about that month the following correspondence took place :—"Adelphi Hotel Singapore 27th July '25.—Messrs. Jas. Minifie & Co. Melbourne.—Dear Sirs,—Re A. Clouet & Co.—It is possible in the near future this firm will order flour but it may



have to be packed in either 150 lbs. or 280 lbs. Still on the other hand they may occasionally want 49 lbs. and if so I give you below a rough sketch of brand they will require and leave it to yourselves to put in proper order.—F. J. Hallard.” [In the judgments hereunder references are made to the nature of the mark appearing in the sketch which accompanied this letter, and to that of the plaintiff’s registered mark. For the purposes of this report, it is unnecessary further to describe either mark.] “Order.—Sept. 18th ’25.—From A. Clouet & Co. 7 Raffles Quay, Singapore.—To Minifie & Co., 410 Collins St., Melbourne.—25 Tons 1st Grade Flour @ £16/10/- c.i.f. & e. per ton of 2,000 lbs. packed in 49 lb. bags. Brand, ‘Rooster’ as per sketch sent July 27th 1925. Shipment per s.s. ‘City of Palermo’ early October. Documents at sight through Hong Kong & Shanghai Bank. Alb. C. For Jas. Minifie & Co.—F. J. Hallard.” “Order.—22nd Sept. ’25.—From A. Clouet & Co. 7 Raffles Quay, Singapore.—To Jas. Minifie & Co. 410 Collins St. Melbourne.—50 tons 1st Grade Flour @ £16/10/- per ton of 2,000 lbs. packed in 49 lb. bags. C.i.f. & e. Brand ‘Rooster.’ Shipment 25 tons about 3rd week in October. Shipment 25 tons about 1st week in November certain. Draw at sight. Documents through Hong Kong & Shanghai Bank. Alb. C. For Jas. Minifie & Co. F. J. Hallard.” On 23rd September 1925 the defendant received from Hallard a cablegram reading as follows:—“A. Clouet & Co. Singapore require additional 25 tons 2nd half October 1st half November 25 tons. £16/10/-.”

6. The expression “this firm” in the letter of 27th July 1925 set out above was a reference to Messrs. A. Clouet & Co.

7. When the said flour was despatched an invoice was prepared covering it. The invoice, bill of lading and insurance policy were handed to defendant’s bank in Melbourne, which also discounted a draft on Clouet & Co. with a right of recourse against the defendant in case of dishonour. The bank then presented these documents to Clouet & Co. at Singapore through the bank named in the order and received payment.

8. The defendant caused bags to be branded in the manner asked by the letter of 27th July 1925 set out above, and manufactured in

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Melbourne, and conveyed to the wharf there, and shipped therefrom to Singapore, flour as ordered, packed in such bags.

9. After the year 1925 the defendant has manufactured in Melbourne, and conveyed to the wharf there, and shipped therefrom, considerable quantities of flour packed in such bags to Singapore in fulfilment of contracts made between A. Clouet & Co. and Hallard as defendant's agent.

10. In 1930 Hallard retired from business, and thereafter A. Clouet & Co. have ordered flour direct from the defendant in the manner following. Defendant has cabled each week the ruling price for the week, upon which Clouet & Co. have cabled quantities required, and thereafter the defendant has manufactured at its mills in Melbourne, and conveyed therefrom to the Melbourne wharf, and shipped therefrom to A. Clouet & Co. at Singapore, considerable quantities of flour in bags bearing the mark complained of. A typical instance of such transactions appears from the following:—10th August 1931 defendant cabled Messrs. Clouet & Co.: "We quote c.i.f.e. £5/10/-." 11th August 1931 Clouet & Co. cabled defendant: "Accept if cannot do better 50 tons." 11th August 1931 defendant cabled Clouet & Co.—"We confirm cannot reduce." On 13th August 1931 defendant manufactured in Melbourne, and conveyed to the wharf there, and shipped in accordance with these cables, 50 tons of flour in the "Nieuw Holland" to Singapore. On 7th September 1931 defendant received from Clouet & Co. by mail their indent no. C/6649 as follows:—"From A. Clouet & Co. Ltd. Singapore.—Indent no. C/6649.—To Messrs. Jas. Minifie & Co., Melbourne, Australia.—Quantity—50 tons (fifty only) 2,040 bags of 49 lbs. Article—'Rooster' brand wheat flour. Quality—As usual. Price—£5/10/- per ton c.i.f. & e. Singapore. Shipment—per s.s. 'Nieuw Holland' sailing from Melbourne on 15th August 1931 and arriving in Singapore on September 17th 1931. Note.—This confirms our telegram of 10th inst. and yours of the same date." It was understood in all dealings that unless expressly mentioned otherwise shipment was to be by the next available boat. Payment was made in the manner described in par. 7 hereof.

11. The method of conveying the bags of flour from defendant's mill to the boat was in one or other of the following ways:—(a) The



bags were loaded on to trucks at a railway siding at the mill and each truck when loaded was covered with a tarpaulin. The trucks were then drawn to the ship's side where the bags were loaded on to the ship from the trucks by means of the ship's slings. (b) The bags were loaded on to lorries at defendant's mill and so conveyed to the wharf where they were stacked in a shed on the wharf and loaded therefrom to the ship. While on the lorries the brands on the bags were hidden except to a person above the level of the top of the load.

12. No flour bearing the mark complained of has been offered for sale or sold in Australia by the defendant except in so far, if at all, as it has been so sold or offered for sale by reason of the matters stated herein. All flour was sold under contracts c.i.f.e. Singapore.

13. Messrs. A. Clouet & Co. are the registered proprietors in Singapore of the mark complained of and use the same upon goods put upon the market by them there but it is not agreed by the parties hereto that they have the sole right to use the mark there.

14. All the above facts are admitted subject to all just exceptions as to their relevancy.

15. Upon the argument of this case the Court and the parties shall be at liberty to refer to the whole of the documents referred to herein and the Court shall be at liberty to draw from the facts and documents stated herein any inference whether of fact or law which might have been drawn therefrom if proved at the trial.

The question for the opinion of the Court is :—

Assuming the brand on the bags referred to in par. 8 hereof so closely resembles the plaintiff's registered trade mark as to be calculated to deceive, has the defendant by reason of the acts aforesaid or any of them infringed the plaintiff's registered trade mark no. 4414 ?

The case came before *Cussen A.C.J.*, who answered the question in the affirmative : *Edwin Davey & Sons v. James Minifie & Co.* (1).

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

*Wilbur Ham K.C.* and *Dean*, for the appellants. In doing what they did the appellants were not infringing the respondents' trade

(1) (1932) V.L.R. 477.

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mark. The Act was passed to protect Australian trade. The mark is not put on to the goods to show that they are the appellants' goods or that they are the respondents' goods but to show that they are Clouet's goods in Singapore. In order to constitute an infringement there must be a user in a particular market indicating that the goods are the property of a particular trader. The purpose of the Act is not to protect the respondents here in a market in which they do not deal and in which the appellants do not deal. The mere putting of a device such as this upon goods is not a user of the trade mark. The mere copying of a device is not a user of a trade mark and does not constitute an infringement. The mark that is on the bags is not for the purpose of indicating that goods on which that mark is impressed are the respondents' goods, but that when the goods arrive in Singapore they are the goods of Clouet & Co. who are the owners of the mark in Singapore. If this were not so no one in Australia except the respondents could supply Clouet & Co. in Singapore with goods with this mark on them. The *Trade Marks Act* is not intended to confer new rights of property on the owner of the trade mark : it is only a statutory regulation of existing rights (*Champagne Heidsieck et Cie Monopole Société Anonyme v. Buxton* (1); *Attorney-General for New South Wales v. Brewery Employees Union of New South Wales* (2); *Schweppes Ltd. v. E. Rowlands Pty. Ltd.* (3); *Henry Clay & Bock & Co. Ltd. v. Eddy* (4); *George Banham & Co. v. F. Reddaway & Co.* (5) ). The mere putting of the trade mark on the goods in this country is not a user in Australia. There are no dicta against this view. The suggestion that there is, is due to a misunderstanding of the passage in *Kerly on Trade Marks* (1927), 6th ed., pp. 448, 449 ; and of *Sebastian on Trade Marks* (1911), 5th ed., p. 189. *Johnston v. Orr Ewing* (6) was simply a case of fraud and not of restraining user of a trade mark.

[RICH J. referred to *Richards v. Butcher* (7).]

[Counsel referred to *Trade Marks Act* 1905-1922, secs. 4, 5, 53; *Jackson & Co. v. Napper*; *In re Schmidt's Trade Mark* (8);

(1) (1930) 1 Ch. 330, at p. 341.

(2) (1908) 6 C.L.R. 469.

(3) (1910) 11 C.L.R. 347.

(4) (1915) 19 C.L.R. 641, at pp. 651,

655.

(5) (1927) A.C. 406, at p. 415.

(6) (1882) 7 App. Cas. 219.

(7) (1891) 2 Ch. 522, at p. 543.

(8) (1886) 35 Ch. D. 162, at pp. 178, 179.



*Richards v. Butcher* (1); *George Banham & Co. v. F. Reddaway & Co.* (2); *Boord & Son (Incorporated) v. Bagots, Hutton & Co.* (3).]

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*Fullagar*, for the respondents. These goods are spuriously marked for export with a mark resembling the respondents' mark (*Kerly* on *Trade Marks* (1927), 6th ed., p. 489). In *Boord & Son (Incorporated) v. Bagots, Hutton & Co.* (4) the position was similar to that in the present case. The form of injunction in *Johnston v. Orr Ewing* (5) not merely prohibited the passing off abroad but prohibited the defendants from affixing the mark in England. *Re Neostyle Manufacturing Co.'s Trade Mark* (6) decided that a person who manufactures in England for export abroad can be a person aggrieved for the purpose of applying to expunge a mark from the register.

[STARKE J. referred to *Blackadder v. Good Roads Machinery Co. Incorporated* (7).]

In *re Trade Mark of La Société Anonyme des Verreries de l'Etoile* (8) contains a similar statement by *Stirling J.*. Persons may be aggrieved by the fixing of a mark on goods intended for export and not for use in the country in which the mark was affixed (*John Jameson & Son Ltd. v. R. S. Johnston & Co.* (9); *John de Kuyper & Son v. W. & G. Baird Ltd.* (10); *Andrew G. Barr & Co. v. Mair & Dougall* (11)). The cases cited for the appellants were cases of application for a trade mark. That is a totally different question from that raised here. A person applying for registration has to prove very much more than a person applying to restrain an infringement.

[EVATT J. referred to *Bass, Ratcliff & Gretton Ltd. v. Nicholson & Sons Ltd.* (12).]

In *Champagne Heidsieck et Cie Monopole Société Anonyme v. Burton* (13) the defendant had applied the plaintiff's mark to his own goods. In the present case the Court is dealing with the extent

(1) (1891) 2 Ch. 522.	(7) (1926) 38 C.L.R. 332.
(2) (1927) A.C. 406, at p. 415.	(8) (1894) 1 Ch. 61, at p. 67.
(3) (1916) 2 A.C. 382, at p. 392.	(9) (1901) 18 R.P.C. 259.
(4) (1916) 2 A.C. 382.	(10) (1903) 20 R.P.C. 581.
(5) (1882) 7 App. Cas., at p. 234.	(11) (1904) 21 R.P.C. 665, at p. 669.
(6) (1903) 20 R.P.C. 803, at p. 811.	(12) (1932) A.C. 130.
	(13) (1930) 1 Ch. 330.



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of the new remedy. The Act in this instance goes beyond the position of the common law. The judgment of *Cussen* A.C.J. is correct.

*Dean*, in reply. No representation that the goods are the appellants' is made in the market and if that is so there is no infringement (*Edward Young & Co. v. Grierson Oldham & Co.* (1)). The mark makes the representation in Singapore: it is not used for any purpose in Australia and does not conflict with the respondents' rights. No person can be induced to buy this flour in Australia by reason of the presence of this mark.

*Cur. adv. vult.*

April 24.

The following written judgments were delivered:—

RICH J. This appeal is from a judgment of *Cussen* A.C.J. by which he determined a question raised in a special case stated by the parties to an action. The action is brought by the respondents, as proprietors of a registered trade mark, for infringement. The acts of infringement relied upon are unusual. The appellants, flour millers, sell flour for export. Under an agreement or arrangement with a correspondent or customer in Singapore, the appellants ship flour in bags from Melbourne to Singapore on c.i.f.e. terms. The conditions of the arrangement require that the appellants should use bags bearing an imprint of a mark said to belong to their customer in Singapore. The mark, which consists of a crowing cock within a ring containing lettering which gives the name of the Singapore merchant and describes him as sole importer, is surmounted by the appellants' name and the word Melbourne. By the special case it is stated that the merchant is registered proprietor in Singapore of the mark complained of and uses the same upon goods put upon the market there by him, but the parties do not agree that he had the sole right to use the mark there. The case then asks this question: "Assuming the brand on the bags referred to in par. 8 hereof so closely resembles the plaintiff's registered trade mark as to be calculated to deceive, has the defendant by reason of the acts



aforesaid or any of them infringed the plaintiff's registered trade mark?" The acts of infringement relied upon consist of the use of the bags thus marked to enclose the flour, the transportation to the wharf of the flour in this condition in more or less closed trucks or vehicles, the handling on the wharf, the placing aboard ship and the circumstance that all this is done under an agreement or arrangement involving a sale of the flour. It is not disputed that the acts of infringement must be done within Australia. But *Cussen* A.C.J. was of opinion that what was done in Australia amounted to a use, within the meaning of sec. 53 of the *Trade Marks Act* 1905-1922, in respect of the goods in respect of which it is registered, of a mark assumed so nearly to resemble the respondents' mark as to be likely to deceive. This decision is attacked by the appellants upon the ground that in sec. 53 "use, in respect of the goods" regards use as a mark for the purpose of indicating that the goods are the goods of a particular proprietor of the mark used, by virtue of manufacture, selection, certification, dealing with, or offering for sale and that, whatever may have been done in Singapore, the mark was not used for this purpose in Australia. Upon the facts it is clear enough that the appellants did not use the mark to represent to anybody that the goods were theirs. On the contrary it would be reasonably clear to anybody who saw the mark that it was used for the purpose of indicating that a merchant in Singapore to whom they were being sent had imported the flour into that place. The wide words of sec. 53 need to be restricted in their meaning if they do no more than the appellants contend. It must be remembered that we are bound to proceed upon the assumption that the mark placed by the appellants on the bags so nearly resembles the respondents' mark as to be likely to deceive, and this must mean deceive in Australia. I have been unable to avoid some misgivings about this assumption. By dividing the question of infringement up in the way which the special case does it seems to me possible that the parties have split what may really be an indivisible issue. But, accepting fully the assumption stated in the special case, I cannot think that the language of sec. 53 should be so restricted as to exclude the acts complained of. No light appears to me to be thrown upon the

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expression “ use, in respect of the goods ” in the definition of infringement by decisions or dicta in cases relating to such provisions as those standing as secs. 16 (3), 28 and 72. What is done in Australia in the present case amounts to an application of the deceptive mark to the goods for the purpose of an ordinary transaction of trade. The fact that the appellants’ purchaser in Singapore of the goods treats the mark as his own and is not intended to understand from it that the goods are those of the appellants or of the respondents does not seem to me to displace the fact that it is placed upon the goods as an identifying mark and that with it on them the goods are put into a course of trade by the appellants. There is no authority requiring a construction of sec. 53, which would restrain its meaning to the exclusion of such a use of the mark and there is a number of dicta, which were cited in the argument, opposed to such a restriction. In my opinion the judgment of *Cussen A.C.J.* is right and the appeal should be dismissed.

STARKE AND EVATT JJ. Under the *Trade Marks Act 1905-1922* of the Commonwealth, Edwin Davey & Sons are registered as the proprietors of a trade mark in class 42 in respect of flour, &c. The essential particulars of the mark are the device of a cock and the word “ Chanticleer.” Minifie & Co. are flour millers carrying on business in the State of Victoria. A. Clouet & Co. Ltd. of Singapore order and purchase from Minifie & Co. considerable quantities of flour at a price per ton c.i.f. & e., Singapore. The flour is manufactured in Victoria, packed in bags made or obtained by Minifie & Co., and shipped to Singapore. On the bags Minifie & Co. print or cause to be printed, between the words “ Minifies Melbourne ” and the words “ Best Roller Flour,” the device of a crowing cock, surrounded by a circle in which appear the words “ Sole Importers A. Clouet & Co. Ltd. Singapore.” The device of the crowing cock, or rooster as it is called by A. Clouet & Co. Ltd., is registered as their trade mark in Singapore, and it requires the mark to be put upon the bags of flour sold and shipped to it by Minifie & Co.

A special case was stated for the opinion of the Supreme Court, and the question was : Assuming that the brand placed by Minifie & Co. upon the bags of flour sold and shipped to A. Clouet & Co.



Ltd. at Singapore so closely resembles Davey & Sons' trade mark as to be calculated to deceive, did Minifie & Co. by reason of the acts aforesaid infringe Davey & Sons' trade mark? *Cussen A.C.J.* resolved that question, and in our opinion rightly, in the affirmative. Under the *Trade Marks Act* 1905-1922, sec. 50, the registration by Davey & Sons of their trade mark gave them the exclusive right to the use of the mark upon or in connection with the goods in respect of which it is registered. It is a proprietary right. And, by sec. 53, that right is 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.

But it was argued that there would be no infringement unless the infringer used the mark in Australia as a trade mark, that is to say, for the purpose of indicating that goods are the goods of the proprietor of the trade mark (see *Trade Marks Act*, sec. 4, "Trade Mark"). Mr. *Dean* referred us to the case of *Edward Young & Co. v. Grierson Oldham & Co.* (1), in which the Court of Appeal held that the corresponding English enactment ought to be construed as implying that there would be no infringement unless the alleged infringer used the mark as a trade mark: that is to say, as indicative of the origin of manufacture (see *J. B. Stone & Co. v. Steelace Manufacturing Co.* (2)). In the present case the assumption is that Minifie & Co. put Davey & Sons' registered trade mark on the bags shipped to Singapore, and it is clear that they did so in Australia, and in connection with the same class of goods as those in respect of which that mark was registered and as indicative of the origin of manufacture. They used it in their business and for the purpose of their export trade. And, if it were necessary to go so far, we think that the manner in which the mark was used would improperly indicate that Minifie & Co. themselves, and not Davey & Sons, were the proprietors of the mark.

The infringement of the plaintiffs' proprietary right in the mark is thus clear on the assumption made, and the appeal should be dismissed.

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(1) (1924) 41 R.P.C. 548.

(2) (1928) 45 R.P.C. 127; (1929) 46 R.P.C. 406.



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DIXON J. The appellants are flour millers carrying on business in Melbourne. They have been selling flour to a merchant at Singapore upon c.i.f. & e. terms, to be shipped from Melbourne to that port. Under the terms of sale the bags containing the flour are branded in Melbourne by the appellants with a trade mark of which the merchant is in Singapore registered proprietor. The respondents are the proprietors in the Commonwealth of Australia of another trade mark registered in respect of flour, and they allege that the mark of the Singapore merchant so closely resembles it as to be likely to deceive. The respondents sued the appellants for infringement of the Australian mark. The parties have agreed upon a special case which states as additional facts that the appellants, after manufacturing the flour and packing it in bags which they caused to be so branded, load it at their mill into trucks or lorries by which it is conveyed under cover to the wharf where it is either slung direct from the trucks into the ship's hold or else stacked in sheds and thence put on board.

The question submitted by the special case for decision requires the assumption that the brand on the bags so closely resembles the respondents' registered trade mark as to be calculated to deceive, and asks whether the appellants by reason of the acts stated infringe the respondents' trade mark. *Cussen* A.C.J. gave an affirmative answer to the question. I agree in his conclusion.

Sec. 53 of the *Trade Marks Act* 1905-1922 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. Upon the assumption required by the special case, the matter is reduced to the question whether the mark of the Singapore merchant is, within the meaning of this provision, used in Australia in respect of the goods. The appellants maintain that the phrase refers to use as a trade mark in Australia, in the sense of a mark used for the purpose of indicating in Australia that they are the goods of the person using it, by virtue of manufacture, selection, certification, dealing with, or offering for sale (compare sec. 4, definition of "Trade Mark"). Sec. 50 states the rights acquired by registration, namely, "the exclusive



right to the use of the trade mark upon or in connection with the goods in respect of which it is registered." Again it is suggested that "use" in this provision means use as such trade mark in Australia. It is said that the acknowledged policy of the *Trade Marks Act* is to strengthen and protect with new remedies a form of property or proprietary right already existing and not to create a new one, and, accordingly, that what is forbidden is a use of the mark analogous to that which would amount to passing off. But this method of reasoning is of little assistance because the very question may be said to be whether, for the protection of the existing form of proprietary right or interest, the statute has not made it an infringement to use the mark in respect of goods in any way in the course of trade. It is, perhaps, true that the words are capable of an application which would go beyond use in trade or business and extend to use in the hands of ultimate consumers or utilizers of the goods. But, while it is natural to understand the language of a provision in the *Trade Marks Act* as restricted to commercial and trading operations, some firmer ground is needed to support an implication further restricting its meaning. There is good reason for preventing any use of a trade mark upon or in connection with goods which tends to confuse the public as to what it signifies and so to impair the reputation which the registered proprietor has obtained or is seeking to obtain under it.

In the present case, the application of the Singapore mark to the goods is for the purpose of identifying them and it is done pursuant to an agreement for sale. It is essentially a commercial use of the mark, and, although as between the appellants and the merchants at Singapore, it was not intended to signify anything and to no one was it intended to represent or suggest that either the respondents or the appellants were associated with the goods, nevertheless it was affixed in Australia to the goods as and for a merchandise mark. I think we are not warranted in restricting the general expressions employed in sec. 53 so as to exclude such a use of the mark in respect of the goods. This opinion seems to be supported by such judicial dicta as exist dealing with the exact point and by the opinions of text writers.

I think the appeal should be dismissed.

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MCTIERNAN J. The question for decision is whether, upon the assumption made in the special case that the brand on the bags of flour, with which the appeal is concerned, so nearly resembled the respondents' registered trade mark as to be calculated to deceive, the appellant has, upon the facts stated in the special case, infringed that trade mark. Sec. 53 of the *Trade Marks Act* 1905-1922, says 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. Sec. 50 of the Act says that, subject to the reservation in the section, the registration of a person as proprietor of a trade mark shall give to such person the exclusive right to the use of the trade mark upon or in connection with the goods in respect of which it is registered. The case therefore turns upon the question whether there was a use by the appellant of the "impugned device" within the intendment of sec. 53, or, in other words, whether the use by the appellant of that device conflicted with the exclusive right which, under sec. 50, the respondents acquired by the registration of the trade mark. The right which is dealt with by sec. 50 is the right to use the registered trade mark as a trade mark, and the use which constitutes infringement under sec. 53 is the use of the offending mark as a trade mark (*Edward Young & Co. v. Grierson Oldham & Co.* (1); *J. B. Stone & Co. v. Steelace Manufacturing Co.* (2)). The question whether the impugned word in the latter case was "used as a trade mark" was held to turn upon the construction of the defendant's advertisement which embodied it.

Reading the imprint on the flour bag put in evidence, in the light of the facts, I think that the device indicates flour of the appellant's manufacture which is exported to Singapore and imported there solely by A. Clouet & Co. The device was, in my opinion, used by the appellant as a trade mark. But a further critical question remains, whether the use of the impugned device which in the present case did not involve the passing off of the goods in Australia was a use which by sec. 53 is deemed to be an infringement of the exclusive right to use the registered trade mark which was given

(1) (1924) 41 R.P.C. 548.

(2) (1928) 45 R.P.C. 127.



by registration in this country. This contention was based upon the view of the Act which the following statement from the judgment of Cotton L.J. in *In re Lyndon's Trade Mark* (1), may be adopted to express: "It was the general object of the *Trade Marks Act* not to give new rights, but to regulate the use of, and the means of protecting, trade marks." Secs. 50 and 53 regulate the use of, and the means of protecting, trade marks. There is nothing in these sections or in the Act to warrant the conclusion that any use of a mark identical with or resembling a registered trade mark, which would not have been an infringement of a common law trade mark, proved to be such before the Act, should not be regarded as an infringement of a registered trade mark. In the course of his judgment in *In re Worthington & Co.'s Trade Mark* (2), where the section under consideration was sec. 6 of 38 & 39 Vict. c. 91, which provided against the registration in respect of the same goods of a trade mark so nearly resembling a trade mark already on the register as to be calculated to deceive, James L.J. said:—"In dealing with the words of the Act of Parliament, it appears to me (though I do not usually like to use general maxims in considering Acts of Parliament or any other instrument) that this Act is one as to which we may fairly say, that its provisions ought to be construed liberally, so as to advance the remedy and repress the mischief. It appears to me that the intention of the Legislature was to prevent a person having a trade mark from being liable to be injured by another trade mark, which might be used to imitate his or be passed off as his." In the same case, Brett L.J. (3) said:—"There again there is nothing about form or outline, it is the trade mark taken as a whole. That being so, and the mischief to be guarded against being a mischief to be done to one person by another in the course of trade and in the use of these marks in trade, it seems to me that it would be a narrow construction of the statute to say that we are only to look at the mark as it is printed in the advertisements, and that the proper construction is to say that we are to look at the trade mark as it will be used in the course of trade." The object of the present sec. 25 of the Australian *Trade Marks Act* is similar to that of sec. 6

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(1) (1886) 32 Ch. D. 109, at p. 117.

(2) (1880) 14 Ch. D. 8, at p. 13.

(3) (1880) 14 Ch. D., at p. 15.



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of the Act in relation to which these decisions were given. Sec. 50 and sec. 53 should, I think, be construed respectively to extend to the use of a registered trade mark in the course of trade and to the use in the course of trade of a mark identical with or resembling the registered trade mark in question. That, in my opinion, is the natural scope and operation of these sections. A narrower construction would leave any person other than the registered proprietor free to a limited extent to use in the course of trade a trade mark identical with or resembling a registered trade mark. No rule is expressed in the Act for defining what would be the area of that immunity.

Moreover, it may be noted that sec. 25 would not effectively prevent the mischief that has been described being done to the registered proprietor in the course of trade, if sec. 53 does not strike at the use in the course of trade of a device to which registration had been denied under the former section.

The appellant used the device in this case as a trade mark in the course of trade. In my opinion he thereby infringed the respondent's registered trade mark. This conclusion is in accordance with the dicta of *Stirling J.* and the opinion of *Kerly* which were cited in argument.

The appeal should, in my opinion, be dismissed.

*Appeal dismissed.*

Solicitors for the appellants, *E. P. Johnson & Davies.*

Solicitors for the respondents, *Waters & Stewart.*

H. D. W.