

Foll Dart Industries v Decor Corporation (1988) 11 IPR 134	Foll J Rapee & Co Pty Ltd v Kas Cushions Pty Ltd 90 ALR 288	Appl Dalgety Australia Operations Ltd v F F Seeley Nominees 79 FLR 457	Foll Firmagroup Aust v Byrne & Davidson Doors (Vic) Pty Ltd 61 ALJR 495	Appl Dalgety Australia Operations v F F Seeley Nominees (1985) 5 IPR 97	Appl Firmagroup Aust v Byrne & Davidson Doors (Vic) Pty Ltd (1987) 180 CLR 483	Foll Richsell Pty Ltd v Khoury (1995) 32 IPR 289	Appl Convol Pty Ltd v Meco McCall- um Pty Ltd & Straford Hall Pty Ltd (1996) 34 IPR 517	Foll/Appl L J Fisher & Co Ltd v Fabtile Industries Pty Ltd* (1978) 1A IPR 565
55 C.L.R.]		Appl Vinidex Tubemakers Pty Ltd v Key Plastics Pty Ltd (1998) 40 IPR 665	OF AUSTRALIA.		Appl Convol Pty Ltd v Meco McCallum Pty Ltd (1997) 40 IPR 9	Appl Convol Pty Ltd v Meco McCallum Pty Ltd (1997) 150 ALR 425	Appl Convol Pty Ltd v Meco McCallum Pty Ltd (1997) 40 IPR 9	725
Foll Convol Pty Ltd v Meco McCallum Pty Ltd (1997) 80 FCR 264								

[HIGH COURT OF AUSTRALIA.]

MACRAE KNITTING MILLS LIMITED . . . APPELLANT ;
PLAINTIFF,

AND

LOWES LIMITED RESPONDENT.
DEFENDANT,

ON APPEAL FROM THE SUPREME COURT OF
NEW SOUTH WALES.

Design—Registration—Validity—Want of novelty—Defence to proceedings for infringement—Designs Act 1906-1934 (No. 4 of 1906—No. 42 of 1934), secs. 17, 26 (3), 39.

In an action or suit for the infringement of a design registered under the *Designs Act 1906-1934* the defence may be taken that the registration is invalid because the design is not new or original.

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

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SYDNEY,
Aug. 19.

Starke, Dixon,
Evatt and
McTiernan JJ.

APPEAL from the Supreme Court of New South Wales.

Macrae Knitting Mills Ltd. brought a suit in the equitable jurisdiction of the Supreme Court of New South Wales for an injunction restraining Lowes Ltd. from infringing its copyright in a design in respect of a swimming costume, class 10, registered as from 31st August 1932. In the statement of the nature of the design which accompanied the application for registration, it was described as “the pattern, shape or configuration of a swimming costume having trunks, top edge seam, resilient back band, back strap and shoulder straps terminating in a medial brace to be applied in any way and by any means.” The design was described in the statement of claim as a new and original design,

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and, also, as not having been previously published in the Commonwealth of Australia. The defendant put the plaintiff to the proof of these matters, and also challenged the validity of the registration of the design relied upon by the plaintiff in that it lacked subject matter. The suit was heard before *Nicholas J.*, who said that, in view of secs. 17-20, 23 and 26 of the *Designs Act* 1906-1934, he was unable to hold that secs. 12 and 13, upon which the plaintiff relied, gave a person whose design was registered, and who was *de facto* the owner of the copyright in that design, the right to obtain an injunction without having the validity of his design questioned. He held that the plaintiff's design was not new and original, and was published in Australia before the lodging of an application for its registration; also, that it had been anticipated to the extent necessary to prevent its satisfying the requirements of sec. 17, in a design registered in February 1931, and in advertisements published during that year. His Honour held, further, that taking into consideration the knowledge which was common to the trade at the time the plaintiff's design was registered, besides drawing what inference he could from a comparison of the plaintiff's design and the costume sold by the defendant and put in evidence, the plaintiff's design, even if validly registered, had not been infringed as there were important differences between the two, particularly in the depth of the back and shoulder straps. The suit was dismissed.

The plaintiff appealed from that decision to the High Court.

Sponder K.C. (with him *May*), for the appellant. A defendant in an action or suit for infringement is not entitled to challenge, in that action or suit, the validity of the design relied upon by the plaintiff, without joining the Registrar of Designs. The only object of sec. 26 (3) of the *Designs Act* 1906-1934 is directed to the giving of evidence; that is, it enables the production of a certificate of registration instead of calling the registrar to produce the register. On production the certificate is evidence of the fact of the certificate and also of the validity of the registration. It is *prima facie* evidence that the design has been formally registered, but is not directed to whether the validity of the design can be contested. The ground upon which the validity of registration is challenged is immaterial. The

only way the statutory right conferred by registration can be divested is by the machinery provided by the Act (*Werner Motors Ltd. v. A. W. Gamage Ltd.* (1); *British Insulated and Helsby Cables Ltd. v. London Electric Wire Co. and Smiths Ltd.* (2)). The expression "subject to this Act" in sub-sec. 2 of sec. 26 has no reference to the question of determining the claim of novelty in a suit for infringement. Sub-sec. 3 of that section was not intended to give a right in a suit for infringement, to challenge the validity of the registration without a proper motion for rectification.

[EVATT J. referred to *Vandervell & Co. v. Lundberg & Sons* (3).]

Application for rectification must be made in the manner indicated by sec. 39. This is a new and novel design as applied to swimming costumes. It is not necessary that it should be new and original in the sense that it had not been thought of before; if it is so in the sense that it is new and original as applied to a particular type of article, that is sufficient (*Saunders v. Wiel* (4)). A design is something as applied to a thing and is not the thing itself (*In re Clarke's Design* (5)). Whether a design is new and original is a matter of fact to be decided by a visual test (*Kestos Ltd. v. Kempat Ltd.* (6)). The question is not whether it has features common to another or other designs, but whether it is new and distinctive (*Heath & Sons v. Rollason* (7); *Walker, Hunter & Co. v. Falkirk Iron Co.* (8): See also *Russell-Clarke on Copyright in Industrial Designs* (1930), p. 66). It is not necessary that there should be a substantial degree of ingenuity; if the design is substantially distinctive, it is sufficient to entitle it to registration. This design is distinctive. Shape is not achieved until the article is completely manufactured. There is no evidence that the shape here is the result of a particular principle of construction. The Act does not give protection to a design which is the inevitable result of a principle of construction (*Kestos Ltd. v. Kempat Ltd.* (9); *In re Bayer's Design* (10)). *Pugh v. Riley Cycle Co.* (11) has no application to this case. The respondent has not discharged the onus of proving lack of novelty.

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(1) (1904) 21 R.P.C. 621, at p. 626.

(2) (1913) 30 R.P.C. 620, at p. 625.

(3) (1915) 33 R.P.C. 60.

(4) (1893) 1 Q.B. 470, at p. 475.

(5) (1896) 2 Ch. 38, at p. 44.

(6) (1935) 53 R.P.C. 139, at p. 152.

(7) (1898) A.C. 499, at pp. 501-503.

(8) (1887) 4 R.P.C. 390, at p. 391.

(9) (1935) 53 R.P.C. 139.

(10) (1906) 24 R.P.C. 65, at p. 74.

(11) (1912) 1 Ch. 613; 29 R.P.C. 196.

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Weston K.C. and *Miller*, for the respondent, were not called upon.

The following judgments were delivered :—

STARKE J. We are unable to agree with Mr. *Spender's* first argument that the defence of want of novelty—that the design is not new or original—cannot be taken in an infringement action and is only open upon proceedings to rectify the register. It is only a new or original design that can be registered, and mere registration cannot make it something that the law does not recognize. The case of *Dover Ltd. v. Nürnberger Celluloidwaren Fabrik Gebrüder Wolff* (1) is quite clear that the objection that a design is not new or original is open upon infringement proceedings.

For the rest, I am perfectly satisfied that all this design purports to do is slightly to alter the line of the strap which is attached to the skirt: instead of going up in two straight straps, there is one strap which branches off into two, but that does not constitute anything new or original, it is a mere variation of a common shape or form in the trade.

DIXON J. I agree. In an action or suit for the infringement of a design registered under the *Designs Act* 1906-1934 the validity of the design, in my opinion, may be put in issue. It is a good answer if it is shown that the alleged design is not registrable. The provisions of the Act contain nothing to make registration conclusive. There are no express words giving final and conclusive effect to the production of the register or a certified extract. The legislation is *in pari materia* with that relating to trade marks and patents. There are no general considerations making it reasonable to suppose that a design, if registered, should be considered as conferring a monopoly until removed from the register, although its presence there is not authorized by law.

On the other hand, there are distinct indications in the Act showing that validity may be put in issue. The description of the thing obtaining protection requires that it should be a design within the definition. It is called a “design” and, therefore, unless it

(1) (1910) 2 Ch. 25.

falls within that description it does not fulfil a necessary condition on which, according to the very form of the enactment, protection depends. Sec. 26 (3) refers explicitly to the certificate of the registrar being prima facie evidence of the facts stated therein and of the validity of the registration. It implies that the prima facie evidence may be displaced and registration held invalid. It is impossible to suppose that this provision was introduced with a view only to proceedings for rectification or cancellation. The English authorities in which effect has been given to a defence of invalidity appear to be numerous. The most remarkable and perhaps the most decisive is that of *Gramophone Co. Ltd. v. Magazine Holder Co.* (1). That was an appeal from a judgment given in an action for infringement of a registered design. At the trial the validity of the design had been admitted by counsel for the defendant. The House of Lords, consisting of Lord Loreburn L.C., Lord Halsbury, Lord Atkinson and Lord Shaw, refused to be bound by the admission. They said that in the interests of the public they must insist upon declaring that the design was one which was not new or original and could not be registered. For that reason the House decided that the action failed. Lord Halsbury (2) made some remarks which show quite clearly that, while he did consider it a mistake to endeavour to apply to designs, without any authority in the legislation itself, principles derived from the law of patents or of trade marks, yet the *Designs Act* threw open the whole question whether a design should have been registered. He also made some observations of interest on the questions of infringement and of novelty.

The design in this case was not, in my opinion, registrable. It was neither original nor new within the meaning of those terms as they are employed in the Act.

The *Designs Act* shows a marked economy in the statement of its principles. It does not explain what it means by the very general expressions employed. The case law, as might be expected, cannot reduce to certainty the vagueness which the legislation exhibits, but the cases do contain statements which I think afford some guidance in the application of this rather peculiar Act.

(1) (1911) 28 R.P.C. 221.

(2) (1911) 28 R.P.C., at p. 226.

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In *In re Clarke's Design* (1) *Lindley* L.J. says:—"The Act does not apply to the things to which a design is applied; the Act applies to the design applied to them. The distinction is obvious enough when the design is for a pattern or ornament; but when, as in this case, the design is for the shape of a thing, the distinction is reduced to the difference between the shape of a thing and a thing of that shape. A design applicable to a thing for its shape can only be applied to a thing by making it in that shape. A design for the shape of something is what is meant by sec. 60 when shape is in question, and a registered design for shape of a thing is infringed if that thing is made in the shape shown by the registered design."

In the case of *Dover Ltd. v. Nürnberger Celluloidwaren Fabrik Gebrüder Wolff* (2) *Buckley* L.J. says:—"The words 'new or original' involve the idea of novelty either in the pattern, shape, or ornament itself or in the way in which an old pattern, shape, or ornament is to be applied to some special subject matter. There must be the exercise of intellectual activity so as to originate, that is to say suggest for the first time, something which had not occurred to anyone before as to applying by some manual, mechanical, or chemical means some pattern, shape, or ornament to some special subject matter to which it had not been applied before."

In the case which I have already cited of *Gramophone Co. Ltd. v. Magazine Holder Co.* (3) Lord *Halsbury* points out that in order to amount to infringement because of the nature of the thing protected a closer resemblance, a greater imitation, or a more faithful reproduction of the design is necessary than might be the case under trade mark or patent law.

In the present case the object of the design, considered independently of the Act, is plainly to produce a bathing garment which not only will have a particular appearance but in fit and fastening will have also a particular practical effect. The latter element is, of course, to be disregarded in considering the questions of novelty and infringement which we are to decide. The *Designs Act* is concerned with shape and configuration, not function. The whole bathing garment is registered as a design and, therefore, the whole

(1) (1896) 2 Ch. 38, at p. 43.

(2) (1910) 2 Ch., at pp. 29, 30.

(3) (1911) 28 R.P.C., at p. 226.

bathing garment must be considered. The part for which novelty is now claimed is the strapping at the back. Of the modes of strapping which were in practice many have been placed before the court by means of pictures put in evidence. As might be imagined, they exhibit a great variation in detail. Doubtless, form, configuration and appearance did not constitute the sole motive which led people to adopt one or the other of the various arrangements of straps. More substantial considerations played their part. But configuration and shape would not be disregarded.

In the present design the configuration is not an exact reproduction of any shown in the pictures. But the configuration does not, in my opinion, show any distinctiveness in its departure from prior models. The general appearance presented by many of the entire garments formerly in use is the same. Innumerable variations in the relative sizes and positions of back and shoulder straps are possible. However varied, in function they are a mere equivalent. In appearance also they are substantially equivalent. Originality or novelty are not qualities to be ascribed to the configuration produced by the variation. In my opinion the bathing garment is not a new or original design.

If a contrary opinion had been formed by the court, the question of infringement might have presented some difficulty. The view which *Nicholas J.* took of infringement was necessarily hypothetical. His hypothesis was that novelty or originality was discovered in slight variations. If, so, there could not be an infringement without a very exact resemblance between the two things. But it is unnecessary to say more on the subject of infringement.

In my opinion the suit failed because the registration of the alleged design was invalid.

The appeal should be dismissed with costs.

EVATT J. I agree that the appeal should be dismissed. As to the point first raised—that the registrar should have been made a party to the proceedings before the Supreme Court so that an application might be made to remove the certificate from the register—it is concluded against the appellant by sec. 26 (3) of the Act. That sub-section shows clearly that the question of the validity,

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as distinct from the fact, of registration is an issue which may be raised before the Supreme Court. If it is an issue that may there be raised, then either party must be able to raise it. Therefore it is open to the defendant to prove invalidity before the Supreme Court.

As to the merits, despite Mr. *Sponder's* strenuous argument, I am of opinion that the design as registered is a mere trade variation from the previous designs of swimming costumes which were previously in use.

The appeal should be dismissed.

McTIERNAN J. I agree.

Appeal dismissed.

Solicitors for the appellant, *Arthur H. Garratt & Co.*

Solicitors for the respondent, *Turner, Nolan & Co.*

J. B.