

Appl Moorgate Tobacco Co Ltd v Philip Morris Ltd (No2) 156 CLR 414	Appl Faviera Leisurewear Pty Ltd v J Hepworth & Son plc 9 IPR 305	Appl Daimaru Pty Ltd v Kabushiki Kaisha Daimaru 19 IPR 129	Dist R H Macy & Sons Inc v Trade Accents (1991) 22 IPR 587	Soll Dunlop Olympic Ltd v Cricket Hosiery Inc (1991) 20 IPR 475	Dist Anheuser- Busch Inc v Castlebrae Pty Ltd (1991) 32 FCR 64	Cons Thund- erbird Prod- ucts Corp v Thunderbird Marine Prod- ucts (1974) 131 CLR 592	Appl Studio Srl v Buying Systems (Australia) Pty Ltd (1992) 26 IPR 503
75 C.L.R.]							203
dpl Sugar Cane Ltd v Roberts (1993) 1 IPR 530	Foll Alexander v Tait-Jamison (1993) 28 IPR 103	Foll Thai Gypsum Products Co Ltd v Waring & Gillow Pty Ltd (1994) 29 IPR 99	Appl Koh Electronics Trading v Libra Electronics Pty Ltd (1994) 29 IPR 562	Appl Alge v Dorminy (1994) 30 IPR 15	Appl Comlink Information Systems Inc v Technology One (1994) 31 IPR 578	Appl Thunderbird Re Registered Trade Mark (1974) 1A IPR 511	
ll Guthrie Huston SRL -ozolino (198) 43 IPR 5	Appl Whiting v Aust Bowhunters (2000) 52 IPR 250		Appl Dana Corporation v Unidrive Pty Ltd (1995) 32 IPR 163	Appl Unidrive Pty Ltd v Dana Corporation (1995) 32 IPR 155	Appl Howe Laboratories Incorporated v Daemar (1996) 36 IPR 638	Appl Qantas Airways Ltd v Chandru International Pty Ltd (1998) 41 IPR 182	Appl Fitzroy Milk Tanks Pty Ltd v Challenge Engineering Ltd (1997) 40 IPR 647
					Foll/Appl Malibu Boats West Inc v Catanese (2000) 51 IPR 134	Foll/Appl Malibu Boats West Inc v Catanese (2000) 180 ALR 119	Appl Geoffrey Inc v MHS Engineering (2005) 66 IPR 409

[HIGH COURT OF AUSTRALIA.]

THE SEVEN UP COMPANY . . . . . APPELLANT ;  
APPLICANT,  
  
AND  
  
O.T. LIMITED AND ANOTHER . . . . . RESPONDENTS.  
RESPONDENTS,

*Trade Mark—Rectification of register—Expunging mark—Similar mark used extensively in foreign country—No user in Australia—Absence of fraud—Knowledge of existence of similar foreign mark—Trade Marks Act 1905-1936 (No. 20 of 1905—No. 75 of 1936), ss. 71, 72, 114.*


In the absence of fraud it is not unlawful for a person to become the registered proprietor under the *Trade Marks Act 1905-1936* of a mark which has been used, however extensively, by another person as a mark for similar goods in a foreign country provided the foreign mark has not been used at all in Australia at the date of the application for registration.

The knowledge that a mark is registered in another country is irrelevant in considering whether the registration of the mark would be likely to cause deception in Australia.

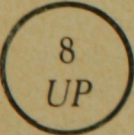
Decision of *Williams J.* affirmed.

APPEAL from *Williams J.*

Upon an application made on 12th March 1940 on behalf of the Seven Up Company, a corporation duly registered and incorporated under the laws of the State of Missouri, United States of America,

for the registration of the trade mark  (hereinafter referred

to as “7Up”) in class 44, the Registrar of Trade Marks stated that pursuant to s. 25 of the *Trade Marks Act 1905-1936* he would not register that trade mark because of the prior registration of the

trade mark  (hereinafter referred to as “8 UP”) in the

same class by O.T. Ltd. of Prahran, Victoria.

H. C. OF A.  
1947.

SYDNEY,  
May 16, 26.

Williams J.

SYDNEY,  
Aug. 19.

Latham C.J.,  
Rich and  
Starke JJ.



H. C. OF A.  
1947.  
}  
THE  
SEVEN UP  
Co.  
v.  
O.T. LTD.

The Seven Up Co. was at all material times registered pursuant to the laws of the United States of America as the proprietor of trade mark "7Up".

By a motion taken out under ss. 71 and 72 of the *Trade Marks Act* 1905-1936, the Seven Up Co. sought the rectification of the register of trade marks by expunging, or, alternatively, removing therefrom the entry relating to the trade mark "8 UP" on the grounds: (i) that the entry of that trade mark on the register of trade marks was wrongly made; and (ii) that there had been no bona-fide user of that trade mark for a consecutive period of three years since the date of the last registration thereof.

The facts appear in the judgments hereunder.

*R. L. Taylor*, for the applicant.

*Hardie and Macfarlan*, for the respondent company.

*Thomas*, for the Registrar of Trade Marks.

*Cur. adv. vult.*

May 26.

WILLIAMS J. delivered the following written judgment:—

This is a motion made by the Seven Up Company, which is incorporated in the United States of America, under ss. 71 and 72 of the *Trade Marks Act* 1905-1936 to rectify the register of trade marks by removing therefrom the trade mark "8 UP" of which the respondent, an Australian company incorporated in Victoria, is the registered proprietor for a term of fourteen years from the date of application on 17th August 1939. The trade mark is registered in class 44 in respect of mineral and aerated waters.

Two grounds are stated in the notice of motion, (i) that the entry of this trade mark in the register was wrongly made; (ii) that there has been no bona fide user of the trade mark for a consecutive period of three years since the date of the last registration thereof.

The second ground can be shortly disposed of. Counsel for the appellant did not abandon this ground, but said that he could not argue it. Regulation 13 (2) of the *National Security (Industrial Property) Regulations* provides that an order shall not be made under s. 72 of the *Trade Marks Act* 1905-1936 for the removal of a trade mark from the register if the court is satisfied that the want of bona fide user of the trade mark is due to circumstances attributable to the war. The *National Security Act* expired on 31st



December 1946, but this provision has been continued in force by the *Defence (Transitional Provisions) Act 1946*. The constitutional validity of this provision as an exercise of the defence power was not challenged. The respondent has not used the trade mark since it was registered, but the evidence satisfies me that this is due to circumstances attributable to the war. This ground therefore fails.

The contest has centred around the first ground. During the argument I was asked to extend the ground to include an entry wrongly remaining on the register, but there is not sufficient evidence to support an order that the register should be rectified on this extended ground. The evidence in support of the motion is contained in the affidavit of H. C. Grigg, the president of the applicant company. Counsel for the respondent objected to those portions of this affidavit which relate to events occurring after 17th August 1939, and this evidence is in my opinion inadmissible. Paragraph 14 of the affidavit relates to negotiations in 1939 between the applicant and one Guy Hutchinson of Melbourne, now deceased, with a view to placing its beverages and products on the Australian market. The paragraph states that, in or before the month of December 1939, a case of beverages and a quart jug of extract were imported into Australia by Hutchinson bearing the trade mark "7Up" to assist him in the steps he was taking to put these products on the Australian market. In the absence of evidence that the goods were imported prior to 17th August 1939, I rejected this evidence as inadmissible. Paragraph 15 of the affidavit states that products of the applicant have been advertised under the trade mark "7Up" in three publications which circulated in Australia prior to the year 1940, namely: "The National Carbonator and Bottler," "The Crown of Baltimore," and the "Journal of the Americal Medical Association." This evidence was objected to unless these journals were produced. The only journal produced was "The National Carbonator and Bottler," but the advertisements relied on in copies of this journal were not advertisements for the products of the applicant, although they did contain representations of bottles of beverages with "7Up" upon them. In the end counsel for the applicant did not seek to tender these copies in aid of par. 15, but he extracted an admission from H. W. Holmes, a director of the respondent that this company subscribed to this journal and sought to tender copies as evidence that the respondent knew that "7Up" was used as a trade mark in America at the date it applied for registration of the trade mark "8 UP". But the director only became a director of the respondent in 1942 and aware that the respondent

H. C. OF A.  
1947.

THE  
SEVEN UP  
Co.  
v.

O.T. LTD.

Williams J.



H. C. OF A.  
 1947.  
 {  
 THE  
 SEVEN UP  
 Co.  
 v.  
 O.T. LTD.  
 Williams J.

was a subscriber after that date so that he could not make an admission relating to the period prior to 17th August 1939. However it appears from his evidence that John Dickson, the managing director of the respondent, until his death in 1942, was in the habit of making business visits to the United States prior to 1939, and I have no doubt that in 1939 he was well aware of the existence of the applicant and that it was using the trade mark "7Up" in that and other countries in connection with its business.

Those portions of the affidavit which were not objected to prove that the applicant was incorporated under the name of the Howdy Company in 1921 and changed its name to the Seven Up Company in 1936. Since 1928 the applicant has continuously used the trade mark "7Up" in the United States and in a large number of other foreign countries to designate its goods including extracts and other ingredients for making beverages and syrups sold by it, and for designating beverages manufactured therefrom in the manner herein-after mentioned. The applicant commenced to use the mark in Canada in 1932, and soon had an extensive business there. Since 1938 its business in Canada has been conducted by a subsidiary company, Dominion Seven Up Co. Ltd. The applicant has been the registered proprietor in the United States of the trade mark "Seven Up" since 4th October 1928, and of the trade mark "7Up" since 24th September 1935. It has used these trade marks by itself producing or having produced for it the extracts and certain other ingredients which are used to manufacture the aerated beverages sold in bottles marked "7Up" and supplying these extracts and ingredients in appropriate packages bearing the trade mark "7Up" to plants independently owned and operated, known as bottlers. The bottlers are each allotted by agreement certain exclusive territory. The bottlers manufacture the beverages in accordance with a formula supplied by the applicant, and are required to maintain a standard of quality and purity under the supervision and tests of the applicant. The bottlers mix these extracts and other ingredients of the applicant with their own sugar and other ingredients and so produce a syrup. The beverage is manufactured by the bottlers from water, the syrup, and carbonating gas or carbon dioxide. It is the exception and not the rule for the applicant to handle either the syrup or the finished beverage. The bottlers bottle the beverage in standard bottles having thereon a label including the trade mark "Seven Up," the whole process being in accordance with standards fixed, supervised and enforced by the applicant. The bottlers and the applicant co-operate in the advertising of the goods under the "7Up" trade mark.



The whole of this evidence relates to the user of the trade mark outside Australia. There is no evidence that prior to 17th August 1939 the applicant had ever used the trade mark "Seven Up" in Australia, or that there was any association in the minds of the Australian public between the expression "Seven Up" or "7Up" and the business of the applicant. The respondent had never used the expression "8 UP" as a trade mark before it applied for registration. But it is sufficient if the applicant proposes to use the mark upon or in connection with goods for the purpose of indicating that they are its goods by virtue of manufacture, selection, certification, or offering for sale.

It appears that early in 1939 F. W. Holmes believed that war was inevitable in the near future, and that the respondent would be called upon to produce large quantities of goods for the armed forces, and suggested to the managing director that an appropriate trade mark for an aerated beverage for the armed forces would be a mark consisting of the words "Australian National Drink" at the top of a label, combined with the expression "2 Up" in the centre, and on the left hand side a figure tossing two coins in the air with the word "Heads" underneath. He produced a sketch to this effect, but the managing director did not approve of the sketch and the matter was dropped. Subsequently the managing director himself applied for the registration of "8 UP" but he did this on his own initiative and there is no evidence of the circumstances leading up to the application. But I have no doubt, as I have already said, that he knew of the existence of the applicant and its trade mark, and I have little doubt that his decision to register "8 UP" in class 44 was influenced to a considerable extent by the desire to make it difficult for the applicant to commence business in Australia in competition with the respondent.

Counsel for the applicant contended that the entry in the register was wrongly made because the respondent was not at the date of the application to register "8 UP" the proprietor of the mark within the meaning of the *Trade Marks Act*. He submitted that "8 UP" was a clear piracy of "7Up", and that the applicant was the proprietor of "7Up", and as such the only person entitled to register "7Up" or any mark so nearly resembling "7Up" as to be likely to deceive.

He also contended that "8 UP" was a mark which should not have been registered because it was a mark which was likely to deceive the public into believing that the goods upon which it was used were the applicant's goods and was therefore disentitled to protection in a court of justice within the meaning of s. 114 of the

H. C. OF A.  
1947.  
THE  
SEVEN UP  
Co.  
v.  
O.T. LTD.  
Williams J.



H. C. OF A.  
 1947.  
 {  
 THE  
 SEVEN UP  
 CO.  
 v.  
 O.T. LTD.  
 ———  
 Williams J.

Act. This section provides that no such mark shall be used or registered as a trade mark or part of a trade mark. He also contended that the application to register "8 UP" should have been refused because it was not made bona fide but in order to prevent the applicant from registering "7Up" as a trade mark in Australia and carrying on business here under its established mark.

In the case of *Re a Trade Mark of the New Atlas Rubber Co. Ltd.* (1) an Italian firm trading in Italy had a trade mark there consisting of the word "Talisman" which it used on goods sold in Italy. It ordered rubber heels for some of these goods from a company in England which were manufactured in England stamped with this word and the initials of the Italian firm. The English company registered the word "Talisman" in England as its own trade mark. It did so to prevent the Italian firm ordering heels from any other company in England. The trade mark was ordered to be removed from the register. *Astbury J.* said:—"It was contended on behalf of the Respondents, that if territorial, the same mark may exist in different countries, registered in different people's names. That is quite true as a bald statement. There may be cases, of course, where a man in this country may innocently register a mark which happens to be a trade mark of some foreigner in some foreign country. It certainly is not a practice to be encouraged, and very little is required to prevent such a registration, if the facts are known to the registrar, from being permitted. But it is perfectly plain that, if there has been user in this country by, or on behalf of, the foreign owner of the mark, then the person who has so used that mark, as agent for and on behalf of the foreign owner, cannot appropriate it as his property by registration. . . . Although there had not been any public user in this country, there had been a limited user of the mark, and that, in my judgment, was sufficient to prevent the respondent from legally registering it" (2).

In a case in this Court, *Blackadder v. Good Roads Machinery Co. Inc.* (3) a company incorporated in the United States manufactured and sold there road-grading machinery under the trade marks "Winner" and "Champion." These machines were for several years imported into and sold in Australia by a local company. The machines were at first imported and sold under the word "Champion." Subsequently the goods arrived in this country bearing either word, but where the goods were marked "Winner" the local company obliterated or removed this word, and substituted the word "Champion," so that the machinery was always sold in

(1) (1918) 35 R.P.C. 269.

(2) (1918) 35 R.P.C., at p. 275.

(3) (1926) 38 C.L.R. 332.



Australia under the trade mark "Champion." Orders were however given and invoices and advertisements despatched to Australia describing the goods as "Winner" machines. Subsequently Blackadder and a partner who had been employed by the local company set up a business on their own account in the same kind of machinery, and obtained registration of the word "Winner" as a trade mark in respect of such machinery. The American company applied to rectify the register of trade marks. The application succeeded before *Starke J.* and an appeal to the Full Court was dismissed. *Starke J.*, after pointing out that the facts did not establish that the word "Winner" had become distinctive in Australia of the road-grading machines of the American company, said that:—"The American company had lawfully used the word in Australia in the limited way already mentioned, but had acquired no exclusive right to its use. The effect of the registration of the word by Blackadder is that the American company cannot register the word or use the name in Australia. The registration of the word will prevent the company which originated it from applying that word to machines sent to or sold in Australia. The cases establish, in my opinion, that Blackadder was not, in the circumstances stated, the proprietor of the mark or entitled to its exclusive use and registration" (1). His Honour then cited a number of cases including the above decision of *Astbury J.* (2). *Isaacs J.* said in the Full Court that:—"In a very real sense the name" (Winner) "was the trade property of the American company. It was so closely associated with goods sold, it is true, in America, but for shipment to Australia, that if the respondent were now applying for registration, I should feel constrained to exercise my discretion to refuse the application to register" (3).

In *Impex Electrical Ltd. v. Weinbaum* (4) it was held that an English Company was entitled to register as a trade mark in England the word "Dario," which was already being used as a trade mark in the same class of goods in France by a French company. *Tomlin J.* (as he then was) said:—"The argument presented to me by the defendant in support of the motion to rectify is, as I understand, in effect this: If a manufacturer in some foreign country has a mark registered in that foreign country, that is a mark which cannot be registered in this country, or at any rate which cannot be registered in this country by anybody who ever imports the goods manufactured by the owner of the mark in a foreign country ;

H. C. OF A.  
1947.  
THE  
SEVEN UP  
CO.  
v.  
O.T. LTD.  
Williams J.

(1) (1926) 38 C.L.R., at p. 337. (3) (1926) 38 C.L.R., at pp. 340, 341.  
(2) (1918) 35 R.P.C. 269. (4) (1927) 44 R.P.C. 405.



H. C. OF A.  
 1947.  
 {  
 THE  
 SEVEN UP  
 Co.  
 v.  
 O.T. LTD.  
 Williams J.

and the *Apollinaris Case* (1) is cited as an authority in support of that proposition. It seems to me that the whole contention rests on a misapprehension. For the purpose of seeing whether the mark is distinctive, it is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant, unless it be shown by evidence that in fact goods have been sold in this country with a foreign mark on them, and that the mark so used has thereby become identified with the manufacturer of the goods. . . . If that be shown, it is not afterwards open to somebody else to register in this country that mark, either as an importer of the goods of the manufacturer or for any other purpose. The reason of that is not that the mark is a foreign mark registered in a foreign country, but that it is something that has been used in the market of this country in such a way as to be identified with a manufacturer who manufactures in a foreign country. That, I venture to think, is the basis of the decision in the *Apollinaris Case* (1) ”(2).

In *Re an application by Notox Ltd.* (3) it was held that an English company was entitled to register as a trade mark in England the word “Notox” which was already being used as a trade mark in the same class of goods in the United States and other foreign countries by an American company. *Luxmoore J.* (as he then was), after referring to the evidence of user of the word “Notox” in the United States and other foreign countries said that this user “is really of no assistance, and I am satisfied that the evidence . . . is wholly irrelevant, for it relates to user abroad and does not relate in any way to user in this country ” (4).

In *Re the Trade Mark of Elaine Inescourt* (5) the goods of a Swiss trader had been imported into England and sold there by the importer under the trade mark of the Swiss trader which consisted of the words “Le Vampire.” The importer became the registered proprietor of this trade mark in England. The Swiss trader applied to rectify the register. *Eve J.* granted the application. His Lordship said :—“The result of the evidence is that the mark was used in this country in connection and as identified with the applicant’s goods before the application to register, and when that application was made it was not open to the respondent to claim successfully any right to the mark for herself. . . . This conclusion is in accordance with the decision of Mr. Justice *Stirling* in *Re the European Blair Camera Co’s. Trade Mark* (6) and in no way departs from

(1) (1891) 2 Ch. 186.

(2) (1927) 44 R.P.C., at p. 410.

(3) (1930) 48 R.P.C. 168.

(4) (1930) 48 R.P.C., at p. 178.

(5) (1928) 46 R.P.C. 13.

(6) (1896) 13 R.P.C. 600.



the principles applied by Mr. Justice Tomlin in the *Dario Mark Case* (1) " (2).

In my opinion the effect of these cases is that in the absence of fraud it is not unlawful for a trader to become the registered proprietor under the *Trade Marks Act* of a mark which has been used, however extensively, by another trader as a mark for similar goods in a foreign country, provided the foreign mark has not been used at all in Australia at the date of the application for registration. But the position is different if at that date the mark has become identified with the goods of the foreign trader in Australia because those goods have been brought into Australia by the foreign trader himself or by some importer or in some other manner. The court frowns upon any attempt by one trader to appropriate the mark of another trader although that trader is a foreign trader and the mark has only been used by him in a foreign country. It therefore seizes upon a very small amount of use of the foreign mark in Australia to hold that it has become identified with and distinctive of the goods of the foreign trader in Australia. It is not then a mark which another trader is entitled to apply to register under the *Trade Marks Act* because it is not his property but the property of the foreign trader. The registrar is entitled to refuse to register the mark for such goods. If it has been registered the court may rectify the register on the ground that the mark is wrongly entered on the register.

Further, if at the date of the application for registration, the mark of the foreign trader, although it has not been used in Australia, has nevertheless become associated in the minds of the Australian public with his goods because it has been advertised in publications which have circulated extensively in Australia or in some other manner, the registrar is entitled to refuse to register the mark for such goods because it is likely to deceive. If it has been registered the court may rectify the register on the ground that the mark is wrongly entered on the register. (*In re Remfry's Trade Mark* (3); *Radio Corporation Pty. Ltd. v. Disney* (4)).

But none of these circumstances exist in the present case. There were no business or other arrangements between the applicant and the respondent which made it fraudulent for the respondent to apply to register " 8 UP " on 17th August 1939. The mark " 7UP " had never been used on the goods of the applicant in Australia and had never become associated in the minds of the Australian public with its goods at that date.

H. C. OF A.  
1947.

THE  
SEVEN UP  
Co.  
v.

O.T. LTD.  
Williams J.

(1) (1927) 44 R.P.C. 405.

(2) (1928) 46 R.P.C., at p. 20.

(3) (1897) 23 V.L.R. 44.

(4) (1937) 57 C.L.R. 448.



H. C. OF A.  
1947.

THE  
SEVEN UP  
Co.

v.  
O.T. LTD.

Aug. 19.

For these reasons I must order that the motion be dismissed and that the applicant pay the costs of the respondent and of the Registrar of Trade Marks including reserved costs.

From this decision the applicant appealed to the Full Court.

*R. L. Taylor* (with *Barwick K.C.*), for the appellant. The entry was wrongly made because the respondent company was not entitled to register it. It was registered by that company for the purpose of preventing the appellant from using its trade mark within the Commonwealth. Prior to the making of the entry the then managing director of the respondent company knew of the existence in the United States of America of the appellant's trade mark. The appellant's trade mark is entitled to protection under s. 114 of the *Trade Marks Act* 1905-1936. Although the mere fact of a trade mark being registered in a foreign country is no ground for opposition, the registration of the same mark in this country, for the purpose for which the registration is sought here, amounts to a piracy of the foreign trade mark, the motive being to prevent the foreign proprietor from using his mark in this country. A mark registered in order to give effect to such a motive should not be allowed to remain on the register. A somewhat similar problem was considered by the Court in *Blackadder v. Good Roads Machinery Co. Inc.* (1).

The cases cited in the judgment under appeal were all cases in which the registration in England was an innocent one. Although the trade mark "7Up" was not used in this country there was a possibility of trade here which would be prevented. There are circumstances which fall short of fraud which disentitle a person from registering a conflicting mark. The respondent's mark was calculated to deceive the public and, therefore, is disentitled to the protection of s. 114 (*Eno v. Dunn* (2)). Apart from any question of deception, and apart also from user and reputation in this country, the court will not allow the register of trade marks to be used for the purpose of preventing other traders from coming here who otherwise lawfully might come here. The position dealt with in *In re Remfry's Trade Mark* (3) is the precise position in this case. Although there was a user in *Re the European Blair Camera Co's. Trade Mark* (4); *Re a Trade Mark of the New Atlas Rubber Co. Ltd.* (5); *Impey Electrical Ltd. v. Weinbaum* (6) and *Re the Trade Mark of Elaine Inescourt* (7) those cases left untouched the question whether it is necessary in every case that a foreign applicant should

(1) (1926) 38 C.L.R. 332, at pp. 337, 338.

(2) (1890) 15 App. Cas. 252.

(3) (1897) 23 V.L.R. 44, at pp. 49, 50.

(4) (1896) 13 R.P.C. 600.

(5) (1918) 35 R.P.C. 269, at p. 275.

(6) (1927) 44 R.P.C. 405.

(7) (1928) 46 R.P.C. 13.



establish user. For example, he can succeed if he can establish that the trade mark was taken from him in the circumstances outlined in *In re Remfry's Trade Mark* (1) that is, stolen with a dishonest motive. Priority of an application in point of time is not the sole and determining requisite; regard must be had to the motive which actuated the making of the application. The user in *Re a Trade Mark of the New Atlas Rubber Co. Ltd.* (2) was not a public user, and one of the grounds for expunging the mark from the register was the motive of the proprietor when he applied for the registration thereof. That case does not suggest that in every case there must be a user. User of the mark in the country in which the removal is sought merely makes the matter easier and more convenient to determine. Attention is invited to the observations in *In re Apollinaris Co's. Trade Marks* (3). The question as to who could register was dealt with in *In re Hudson's Trade Marks* (4). *Newman v. Pinto* (5) is an illustration of circumstances in which a mark would be disentitled to the protection of a court of justice. Such a mark could, no doubt, be expunged under s. 114. *Re an Application by Notox Ltd.* (6) turned on whether or not there had been such a user by the American company there concerned as would render the registration liable to cause confusion. In view of the finding of the judge of first instance that the respondent company, through its managing director, knew of the existence of the mark "7Up" and its reputation in America and that he obtained registration of the mark "8 UP" with a view to preventing the Seven Up Co. from trading in Australia, such mark is disentitled to protection under s. 114. The mark "8 UP" was used by the respondent company and it was not the registered proprietor thereof within the meaning of the *Trade Marks Act* in the sense that it was not something invented by that company or used by it, but was taken by the company from "7Up" therefore the respondent company cannot be registered as the proprietor of the mark "8 UP."

*Hardie* K.C. (with him *Macfarlan*), for the respondent company, and *Thomas*, for the Registrar of Trade Marks, were not called upon.

The following judgments were delivered:—

LATHAM C.J. Mr. *Taylor* has argued earnestly but I think the appeal must be dismissed.

The application before his Honour Mr. Justice *Williams* was an application to rectify the Register of Trade Marks by removing

(1) (1897) 23 V.L.R. 44.

(2) (1918) 35 R.P.C. 269.

(3) (1891) 2 Ch. 186, at p. 226.

(4) (1886) 32 Ch. D. 311, at p. 319.

(5) (1887) 57 L.T. 31.

(6) (1930) 48 R.P.C. 168.



H. C. OF A.  
 1947.  
 {  
 THE  
 SEVEN UP  
 Co.  
 v.  
 O.T. LTD.  
 Latham C.J.

from the register a trade mark consisting of the figure "Eight" and the word "UP" in a circle, registered by the respondent company, O.T. Ltd., in respect of class 44. The application was made under s. 71 (b) of the *Trade Marks Act* which provides that, subject to the Act, the court on the application of any person aggrieved, or of the registrar, may order the rectification of the register by the expunging of any entry wrongfully made in or remaining on the register.

The appellant company, the Seven Up Co., relied upon s. 114 which provides: "No scandalous design and no mark the use of which would by reason of its being likely to deceive or otherwise be deemed disentitled to protection in a court of justice, or the use of which would be contrary to law or morality, shall be used or registered as a trade mark or part of a trade mark."

It was contended for the appellant that the facts showed that the registration of this trade mark would result in a mark being registered which was either likely to deceive or which would otherwise be disentitled to protection in a court of justice.

The application for registration of "8 UP" as a trade mark was made on 13th August 1939; it was proved to the satisfaction of his Honour that the appellant company had a large business in beverages and soft drinks, in connection with which trade marks are used, in the United States of America and Canada and other countries. The American company is registered in the United States of America and other countries as proprietor of a trade mark consisting of the figure "Seven" and the word "Up" in a square; the company has no registered trade mark in Australia.

The case has been argued upon the basis that there is such a similarity between "Eight Up" in a circle and "Seven Up" in a square that, if an original application had been made for either when the other was on the register, the application should have been rejected because the registration of the other mark would be likely to deceive: *vide* s. 25 of the Act.

An objection based on non-user by the respondent was abandoned by reason of provisions of *National Security (Industrial Property) Regulations* which excused non-user due to war conditions.

It was found by his Honour that the applicant had never used what I call its American trade mark "Seven Up" in Australia and that the applicant company had no trade here. His Honour expressed his finding as to user in these words:—"The whole of this evidence" (the evidence for the applicant) "relates to the user of the trade mark outside Australia. There is no evidence that prior to 17th August 1939 the applicant had ever used the trade



mark "Seven Up" in Australia, or that there was any association in the minds of the Australian public between the expression "Seven Up" or "7Up" and the business of the applicant. The respondent had never used the expression "8 UP" as a trade mark before it applied for registration."

His Honour also found that the managing director of O.T. Ltd. knew of the existence of the applicant and of its trade mark in America. His Honour said:—"I have little doubt that his decision to register "8 UP" in class 44 was influenced to a considerable extent by the desire to make it difficult for the applicant to commence business in Australia in competition with the respondent."

If it had been shown that the applicant company had used its trade mark here, there would have been reason for withholding registration or now for rectifying the register on the ground that the registration of the trade mark "Eight Up" would be likely to deceive; however, there is no such ground.

The use of the trade mark elsewhere than in Australia is not in itself a relevant matter, nor is registration of the trade mark abroad in itself a relevant matter. His Honour referred to what was said on this subject by Mr. Justice *Tomlin* (as he then was) in the case of *Impex Electrical Co. v. Weinbaum* (1). *Tomlin J.* said:—"For the purpose of seeing whether the mark is distinctive, it is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant, unless it be shown by evidence that in fact goods have been sold in this country with a foreign mark on them, and that the mark so used has thereby become identified with the manufacturer of the goods."

That principle was applied by my brother *Starke* in the case of *Blackadder v. Good Roads Machinery Co. Inc.* (2).

It was found that the managing director of O.T. Ltd. knew of the use of the appellant's trade mark in other countries and that he intended by obtaining registration here to prevent or limit competition by the appellant in Australia. In my opinion the knowledge that a trade mark is registered in another country or used in another country is irrelevant in considering whether or not the registration of a mark would be likely to cause deception in Australia or in considering whether the mark is otherwise disentitled to protection in a court of justice. User in Australia would be relevant. So also would facts establishing a breach of confidential relations or any fraud. There were no relations between the parties in this case before or at the time when the application

H. C. OF A.  
1947.

THE  
SEVEN UP  
Co.

v.  
O.T. LTD.

Latham C.J.

(1) (1927) 44 R.P.C., at p. 410.

(2) (1926) 38 C.L.R. 332.



H. C. OF A.  
1947.  
THE  
SEVEN UP  
Co.  
v.  
O.T. LTD.  
Latham C.J.

for registration was made and there is no ground for suggesting fraud. The desire to use in Australia a successful trade mark in competition in trade with a person who may come here and who uses that trade mark in another country cannot be described as fraud or as involving any breach of the law.

Accordingly I agree with the words in which his Honour summed up his decision as to the effect of the cases which he considered, namely, "In the absence of fraud it is not unlawful for a trader to become the registered proprietor under the *Trade Marks Act* of a mark which has been used, however extensively, by another trader as a mark for similar goods in a foreign country, provided the foreign mark has not been used at all in Australia at the date of the application for registration."

Agreeing as I do with that statement of the law, I am of opinion that the appeal must be dismissed.

RICH J. The only ground in the notice of motion argued in this Court is that the entry on the register of the trade mark "8 UP" was wrongly made. The second ground was not pressed. At the hearing it was suggested that the use of this trade mark was an endeavour by the respondent to go as close as it could to "7Up" without fraud. But, as his Honour pointed out, if fraud were charged, an issue of fraud must be raised. Before this Court Mr. *Taylor* disclaimed fraud, but suggested that the action of the company could not be justified in a court of justice. His Honour, however, found that there were no business or other arrangements between the parties which made it fraudulent for the respondent to apply to register "8 UP" on 17th August 1939.

Although the mark "7Up" had been extensively used in the United States, there had been no user of it in Australia. It is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant unless it can be shown by evidence that in fact goods marked with the foreign mark have been imported into this country and the foreign mark thus acquires this characteristic that it is distinctive of the goods of the manufacturer: *Impex Electrical Ltd. v. Weinbaum* (1); *Re an Application by Notox Ltd.* (2) and cases cited by Mr. Justice Williams, to which I would add *Rolls v. Isaacs* (3).

In the absence of fraud or unfair dealing on the part of the applicant, and in the face of the finding that the foreign mark "7Up" has not been used on the goods of the applicant in the market

(1) (1927) 44 R.P.C. 405, at p. 410.

(3) (1881) 19 Ch. D. 268, at p. 276.

(2) (1930) 48 R.P.C. 168, at p. 178.



of this country in such a way as to be identified in Australia with the goods of the applicant at 17th August 1939, it was open to the respondent to claim registration of the mark "8 UP".

For these reasons I agree that the appeal should be dismissed.

STARKE J. The Seven Up Co. has not acquired any trade mark in Australia either by registration or by user of the mark "7Up" nor has it imported any goods into Australia or advertised any goods in Australia on or in which the mark "7Up" appears.

In these circumstances, there is no legal objection to the registration by O.T. Ltd., of the mark "8 UP" as a trade mark, whatever one may think of the propriety of its action.

I agree that the appeal should be dismissed.

*Appeal dismissed. Appellant to pay costs of the respondents.*

Solicitors for the appellant, *Owen Jones, McHutchinson & Co.*

Solicitors for the respondent company, *Moule, Hamilton & Derham*, Melbourne, by *Dawson, Waldron, Edwards & Nicholls*.

Solicitor for the Registrar of Trade Marks, *H. F. E. Whitlam*, Crown Solicitor for the Commonwealth.

J. B.

H. C. OF A.  
1947.

THE  
SEVEN UP  
Co.

F.  
O.T. LTD.