

Appl. 86 ALR 556.

Foll. 14 IPR 27, 28

Appl. 13 IPR 302.

Foll. 14 IPR 173

Appl. 14 IPR 173

Appl. 15 IPR 90.

Appl. 15 IPR 188, 218, 237

Foll. 17 IPR 129.

Appl. 17 IPR 382.

Foll. 18 IPR 59

Appl. 19 IPR 299.

Foll. 17 IPR 667

Cons 18 IPR 265

Appl. 21 IPR 223.

Appl. 22 IPR 643.

Appl. 23 IPR 149.

[HIGH COURT OF AUSTRALIA.]

SOUTHERN CROSS REFRIGERATING
COMPANY }

APPELLANT ;

APPLICANT,

AND

TOOWOOMBA FOUNDRY PROPRIETARY
LIMITED }

RESPONDENT.

OPPONENT,

H. C. OF A. *Trade Mark—Registration—Application—Opposition by registered proprietor of*
1953-1954. *similar trade mark—"Same goods or description of goods"—Likelihood of*
deception—Trade Marks Act 1905-1948, ss. 25, 114.

1953,

SYDNEY,

Nov. 2, 3, 4,

5, 16.

Kitto J.

1954,

SYDNEY,

Nov. 10, 11 ;

Dec. 15.

Dixon C.J.,
McTiernan,
Webb,
Fullagar and
Taylor JJ.

It is not sufficient in order to reach the conclusion that an applicant's goods are of the same description as those of an opponent within the meaning of s. 25 of the *Trade Marks Act* 1905-1948, merely to find that in the course of marketing there is a likelihood of deception taking place ; the inquiry is much more limited and must be answered in favour of the applicant unless upon an examination of the material matters the conclusion is justified that the applicant's goods ought to be regarded as being of the same description as those of the opponent.

In determining whether the use of a trade mark is "likely to deceive", within the meaning of s. 114, consideration may be required of matters additional to and distinct from those which are relevant to an inquiry under s. 25. It may be of importance to see whether the registered mark is general or special in character and to ascertain the extent of its reputation. Again it may be important to see whether the goods in respect of which it is registered constitute a narrow class or a wide variety of goods, and whether the goods of both the applicant and the opponent will be likely to find markets substantially in common areas and among the same classes of people. The application should be refused if there is a real risk that as a result of the using of the mark a number of persons among those who might be expected to buy or use the goods will be caused to wonder whether it might not be the case that the two products come from the same source.

Decision of *Kitto J.* affirmed.

APPEAL from *Kitto J.*

An application for the registration of a trade mark consisting of the words "Southern Cross" in respect of gas absorption refrigerators and electric refrigerators and parts thereof was lodged on 23rd April 1947 by one R. A. Houghton under his trade name of Southern Cross Refrigerating Co.

The application was opposed by Toowoomba Foundry Pty. Ltd., upon the ground, in effect, that the registration applied for was precluded by the provisions of s. 25, or alternatively, of s. 114, of the *Trade Marks Act* 1905-1948.

The objection was upheld by the Registrar upon both grounds.

The Law Officer, however, considered that s. 25 did not apply, and that s. 114 did not prevent the registration of the mark if it were made subject to the condition that the mark should be applied to domestic refrigerators only. He granted the application subject to that condition.

The opponent, under s. 44 of the Act, appealed against that decision to the High Court and the appeal came on for hearing before *Kitto J.*

The relevant facts and statutory provisions are sufficiently set out in the judgments hereunder.

M. F. Hardie Q.C. and *C. P. T. Throsby*, for the appellant.

G. B. Thomas, for the respondent.

Cur. adv. vult.

The following written judgment was delivered by:—

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.

v.
TOOWOOMBA
FOUNDRY
PTY. LTD.

Nov. 16, 1953.

KITTO J. This is an appeal under s. 44 of the *Trade Marks Act* 1905-1948 against a decision of the Law Officer allowing an appeal from the Registrar of Trade Marks. The Registrar had before him an application, made by one R. A. Houghton under his trade name of Southern Cross Refrigerating Co., for the registration of a trade mark consisting of the words "Southern Cross" in respect of gas absorption refrigerators and electric refrigerators and parts thereof. The application was opposed by the present appellant, Toowoomba Foundry Pty. Ltd., upon the ground, in effect, that the registration applied for was precluded by the provisions of s. 25, or alternatively of s. 114, of the Act. The Registrar upheld the objection, being of opinion that both the sections mentioned stood in the way of the application. The Law Officer, on the other hand, considered that s. 25 did not apply, and he was satisfied that s. 114 did not prevent registration of the mark if it were made subject

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.
TOOWOOMBA
FOUNDRY
PTY. LTD.

Kitto J.

to the condition that the mark should be applied to domestic refrigerators only. He accordingly granted the application upon this condition.

The application for registration was lodged on 23rd April 1947, and it is in relation to that date that I must consider the evidence which has been adduced on this appeal. It differs considerably from the material which was before the Registrar and the Law Officer, for the parties have taken full advantage of the fact that an appeal under s. 44, notwithstanding its name, is a proceeding in the original jurisdiction of the Court : *Jafferjee v. Scarlett* (1).

I shall put s. 25 out of the way at once, because I agree with the Law Officer in thinking that it is quite inapplicable to this case. It was relied upon for its provision that, subject to the Act, the Registrar shall not register in respect of goods a trade mark so nearly resembling one belonging to a different proprietor which is already on the register in respect of the same description of goods as to be likely to deceive. The appellant has trade marks on the register consisting of the words "Southern Cross" in respect only of (i) well-drilling and boring machinery hand or power ; (ii) milking machines ; (iii) engines and windmills. It has trade marks on the register consisting of the device "S" over a cross in respect only of (iv) windmills, engines, well-drilling machinery, pumps, pumping machinery, pump rods, pump rod joints, crab winches, saw benches, motor pull-out winches, belt-driven or gear-driven pumpheads ; (v) all kinds of tubing and valve cocks and fittings for same (of metal) ; and (vi) milking machines. None of these goods can be said to be of the same description as refrigerators.

I am concerned, therefore, to consider only s. 114, the material provision of which is that 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 shall be registered as a trade mark. The corresponding section of the English Act (s. 11 of the *Trade Marks Act* 1938 (Imp.)) is in the same terms with the addition of the words "or cause confusion" after "likely to deceive" ; but, while these words make the section more specific, they add nothing to its effect. In relation both to the English and to the Australian section there are certain propositions which I think may be accepted as established by the cases. I take them, substantially, from the judgment of *Romer J.*, (as he then was), in *In re Jellinek's Application* (2) : (i) In all applications for registration of a trade mark, the onus is on the applicant to satisfy the Registrar (or the court) that there is no reasonable probability of confusion.

(1) (1937) 57 C.L.R. 115.

(2) (1946) 63 R.P.C. 59, at p. 78.

(ii) It is not necessary, in order to find that a trade mark offends against the section, to prove that there is an actual probability of deception leading to a passing-off. While a mere possibility of confusion is not enough—for there must be a real, tangible danger of its occurring (*Reckitt & Colman (Australia) Ltd. v. Boden* (1); *Sym Choon & Co. Ltd. v. Gordon Choons Nuts Ltd.* (2))—it is sufficient if the result of the user of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt. (iii) In considering the probability of deception, all the surrounding circumstances have to be taken into consideration. (This includes the circumstances in which the marks will be used, the circumstances in which the goods will be bought and sold, and the character of the probable purchasers of the goods: *Jafferjee v. Scarlett* (3)). (iv) In applications for registration, the rights of the parties are to be determined as at the date of the application. (v) The onus must be discharged by the applicant in respect of all goods coming within the specification in the application (pursuant to s. 32 (2)) of the goods or class of goods in respect of which the registration is desired, and not only in respect of those goods on which he is proposing to use the mark immediately. And the onus is not discharged by proof only that a particular method of user will not give rise to confusion. The test is, what can the applicant do if he obtains registration?

The second of these propositions was said by Mr. *Thomas* to be inconsistent with some of the language used in the judgments in *Reckitt & Colman (Australia) Ltd. v. Boden* (4). The proposition means that a probability of confusion, if it is real, is sufficient under s. 114 even though the confusion may be unlikely to persist up to the point of, and be a factor in, inducing actual sales. I find nothing to suggest the contrary in the *Reckitt & Colman Case* (4). Of course, it is in relation to commercial dealings with goods that the question of confusion has to be considered, and the persons whose state of mind is material are the prospective or potential purchasers of goods of the kind to which the applicant may apply his mark. References to these persons as purchasers or customers, and to buying and selling, in the *Reckitt & Colman Case* (4) as in many others, indicate nothing more than a recognition of this fact. *Latham C.J.* (5) gave as the ground for denying the probability of deception that ordinary purchasers “purchasing with ordinary caution” were not likely to

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Kitto J.

(1) (1945) 70 C.L.R. 84, at pp. 94, 95.

(2) (1949) 80 C.L.R. 65, at p. 79.

(3) (1937) 57 C.L.R. 115, at p. 120.

(4) (1945) 70 C.L.R. 84.

(5) (1945) 70 C.L.R., at p. 90.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Kitto J.

be misled. Upon these words Mr. *Thomas* founded a submission which, as I understood it, amounted to this, that there cannot be a likelihood of deception sufficient to prevent registration under s. 114, if ordinary caution would lead an ordinary purchaser, in whose mind confusion had been engendered by the mark, to inquire into the origin of the goods, and if a competent seller of the goods, acting competently and honestly, would be likely to answer the inquiry in such a way as to dispel the confusion before a sale took place. I do not find any support for this proposition in the words of the Chief Justice, and I do not accept it as correct. His Honour had no occasion to advert in that case, and in using the word “misled” he was not in fact advertent, to the distinction between an initial confusion which may or may not be quickly dispelled and one which continues up to and enters into an actual sale. The second of the propositions I have set out has the authority, not only of *Romer L.J.*, but also of Lord *Morton*, who, as *Morton J.*, said in *Re Hack's Application* (1): “The question whether a particular mark is calculated to deceive or cause confusion is not the same as the question whether the use of the mark will lead to passing-off. The mark must be held to offend against the provisions of s. 11 if it is likely to cause confusion or deception in the minds of persons to whom the mark is addressed, even if actual purchasers will not ultimately be deceived” (2).

Now, the undisputed evidence is that over the past fifty years the appellant company has built up throughout Australia a wide reputation for its goods, and especially for its windmills and other water-supply equipment, milking machines, internal-combustion engines and electric generators and motors, under the name “Southern Cross”. The device of an “S” superimposed on a cross has also been widely used on goods produced by the appellant. The name “Southern Cross” is particularly well-known in country districts. The appellant has caused subsidiary companies to be incorporated in order to take over the selling and servicing of its products in New South Wales (two companies), Victoria, Queensland (two companies), South Australia and Western Australia, and in each instance the words “Southern Cross” are the leading words of the subsidiary company’s name. These companies amongst them are represented throughout the continent by more than 600 distributors, many of whom sell, in addition to the appellant’s products, goods of other kinds including refrigerators. By means of the organization thus established, the appellant’s products,

(1) (1940) 58 R.P.C. 91.

(2) (1940) 58 R.P.C. 91, at pp. 103,
104.

practically all under either the name "Southern Cross" or the device of "S" superimposed on a cross, have supplied for half a century an important part of the needs of this country for pastoral and homestead equipment. It has advertised its goods by the name "Southern Cross" continuously and widely, and retailers also have advertised them by that name. I am satisfied that amongst a large section of country people, and amongst many city dwellers also, "Southern Cross" in relation to equipment of the general description I have mentioned means goods produced by the appellant.

This being so, I should think it *prima facie* probable that, if a refrigerator, even a domestic refrigerator, were to come onto the market under the name "Southern Cross", many people, and especially country people, would infer from the name that this represented an addition, and by no means an incongruous addition, to the items comprising the appellant's catalogue of products. It is apparent from the evidence that to commence supplying refrigerators would be not at all an unnatural extension of a business such as the appellant's. In fact during 1937 and 1938 the appellant itself distributed some electric refrigerators of both domestic and station types under the "Southern Cross" trade mark; and not only do a number of the appellant's active competitors in the market for the products it now distributes include refrigerators amongst their wares, but country retailers who deal in the appellant's products or competing products commonly display and sell refrigerators in the same stores and showrooms.

But the matter does not by any means rest there. Fourteen persons from various parts of the Commonwealth have made affidavits testifying that they themselves, having seen either refrigerators bearing the brand "Southern Cross" or advertisements for "Southern Cross" refrigerators, associated them at once with the business which produced "Southern Cross" windmills, lighting plants, milking machines and engines. Of these persons, all but three gave oral evidence and were cross-examined, and I found their evidence entirely convincing. Three of them actually completed purchases of refrigerators under a wrong impression created by the name "Southern Cross". Another six, who were not cross-examined, deposed on affidavit to having received inquiries from members of the public in contexts which showed that the inquirers had understood the "Southern Cross" name to indicate a connection with the appellant's business. Those who gained a wrong impression from the use of "Southern Cross" on the respondent's refrigerators included people in the trade, a refrigerator mechanic, a refrigerator salesman, several men on the land, and a wharf-checker.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING Co.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Kitto J.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.

v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Kitto J.

In the main, this class of evidence related to the period 1948-1949, but the inference as to the probability of confusion in April 1947 is irresistible.

A number of persons made affidavits which were read on behalf of the respondent. I do not propose to go through them in detail here, because, giving their contents the utmost attention, I fail to find in them any reason to doubt the correctness of the strong impression which the appellant's evidence creates on my mind, that in 1947 the use of the words "Southern Cross" on refrigerators produced by the respondent, whether station or domestic, would be very likely indeed to cause confusion amongst a substantial portion of the public.

Some reliance was placed by counsel for the respondent upon the fact that "Southern Cross" trade marks are found on the register in respect of quite a wide variety of goods, such as sheet iron, paper, wines and spirits, preserved ginger and preserved fruits, golf balls, binder twine, pickles, tobacco, hosiery, chemicals and matches. Subject to one exception, there is no evidence before me that such marks have been used upon any of these goods, but, in any case, the nature of the goods to which they are applicable provides a sufficient reason for ignoring them. The exception is the case of John Lysaghts Ltd., which is the proprietor of a "Southern Cross" mark in respect of galvanized iron and wire, fencing wire, sheet iron, plate iron, bar iron and boiler plates. This company has used its mark for galvanized and black iron sheets produced for manufacturing purposes. It supplies just such sheets to the appellant company for the manufacture of some of its goods. But I put aside altogether these "Southern Cross" marks owned by others than the appellant, because there is nothing in the evidence concerning them to lead me to discount the powerful case made by the appellant, to the effect that, because of the reputation its goods had acquired under its registered marks at the relevant date in 1947, there was then a serious likelihood that confusion would arise if a "Southern Cross" mark were to be used by anyone else upon refrigerators.

In the result I do not find it necessary to rest my decision on the onus of proof. Even if the onus were upon the appellant, I should regard it as satisfactorily discharged. The probability of deception which I have found to exist could not be removed by imposing the condition which the Law Officer, on the material that was before him, thought would provide a sufficient safeguard. For the reasons I have given, the determination of the Law Officer and his award as to costs should be set aside, and it should be determined that the respondent's application for registration ought to be refused. The

respondent must pay the appellant's costs of this appeal and the costs of the proceedings before the Law Officer (the latter costs being fixed, as the Law Officer fixed them, at seventy guineas). The award originally made by the Registrar as to the costs of the proceedings before him will be restored.

From that decision the applicant appealed to the Full Court of the High Court.

B. P. Macfarlan Q.C. (with him *G. B. Thomas*), for the appellant. The application is in respect of a word-mark. It is clearly not an invented word, but is a descriptive word associated with Australia and New Zealand. When one considers s. 25 of the *Trade Marks Act* 1905-1948, the area involved is the possible one of use, but when considering s. 114 of that Act the court is concerned with the reputation in relation to the goods. Owing to the cost of the goods concerned persons interested would give the matter greater consideration than if the articles were of small or trifling cost: see *In re Hack's Application* (1). If there is not any reputation in the opponent at the material date then, in the circumstances of this case, s. 114 cannot lie to bar registration. In *In re Jellinek's Application* (2) *Romer J.* reached a conclusion different from the one reached by the judge of first instance in this case. In determining the likelihood of confusion it is proper for the court to consider evidence by those who have been confused. The second proposition in *In re Jellinek's Application* (2) did not appear in *In re Hack's Application* (3). The test to be applied in determining whether the use of the trade mark "Southern Cross" upon domestic refrigerators by the appellant is likely to deceive within the meaning of s. 114 of the *Trade Marks Act* 1905-1948, is whether ordinary purchasers purchasing with ordinary caution are likely to be misled into believing that the goods of the appellant are the goods of the opponent (*Reckitt & Colman (Australia) Ltd. v. Boden* (4)). But a mere possibility of confusion is not enough; there must be a real tangible danger of confusion arising from the proposed registration (*In re William Bailey (Birmingham) Ltd.'s Application* (5)). Each case depends upon its own facts and the facts under consideration negative the danger of confusion. The five propositions set out in the judgment herein, and which are taken from *In re Jellinek's Application* (6), must be read with similar, but different, propositions set out in *In re Hack's Application* (7). Read together they amount

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

(1) (1940) 58 R.P.C. 91, at pp. 103, 104.

(2) (1946) 63 R.P.C. 59.

(3) (1940) 58 R.P.C. 91.

(4) (1945) 70 C.L.R. 84, at p. 90.

(5) (1935) 52 R.P.C. 136, at p. 153.

(6) (1946) 63 R.P.C., at p. 78.

(7) (1940) 58 R.P.C., at pp. 103-104.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

to the simple proposition whether, in the circumstances of the case, there is a real danger of confusion or deception. A mere momentary or fleeting query as to origin of the goods is not enough. The mere fact of "some" would not create a "real substantial danger" if that "some" be, say, an infinitesimal proportion. The position which follows in a case where four or five are shown to have been likely to be deceived is shown in *Rolls Razor Ltd. v. Rolls (Lighters) Ltd.* (1). There are striking similarities as to the facts between that case and this case. It is not sufficient that some persons should have been shown to have been deceived in order to justify an inference of likelihood of confusion. It must also be shown what were the circumstances that led to the confusion and what were the circumstances of the persons who were, admittedly, shown to be confused. The mental processes set up by perusing a newspaper advertisement, which is not before the Court, and recalled to mind some years later for the purpose of the case must be classed as a mere casual and unimportant mental confusion or deception: see *Australian Woollen Mills Ltd. v. F. S. Walton & Co. Ltd.* (2). The mere fact that there was credible evidence as to confusion from a few persons is not sufficient for the court to determine that there is, or that there is likelihood of, confusion. The evidence of the farmers on this issue cannot be accepted. They are not sufficiently representative. The application is not debarred by either s. 25 or s. 114 (*Reckitt & Colman (Australia) Ltd. v. Boden* (3); *In re Application by John Crowther & Sons (Milnsbridge) Ltd.* (4)). An opponent must show some reputation in respect of a particular mark in respect of particular goods. The Judge of first instance found in favour of the applicant as a fact the finding in relation to s. 25. In determining whether the matter is within s. 114 one must have regard to all the circumstances of the trade. The Judge said that the applicant's goods were not goods of the same description as those covered by the registration: s. 25 (*In re Application by Beck, Koller & Co.* (5); *Jafferjee v. Scarlett* (6)). All the various facts and matters must have been considered by the Judge in ruling that s. 25 did not bar the appellant's application. User is one element in determining whether goods are of the same description. The Judge considered under s. 25 the course of trade which is important under s. 114, and determined it in favour of the applicant. Clearly, some limitation must be applied upon the effect upon the public. The third proposition in *In re Jellinek's Application* (7)—course of trade and

(1) (1949) 66 R.P.C. 137.

(2) (1937) 58 C.L.R. 641, at p. 658.

(3) (1945) 70 C.L.R., at p. 94.

(4) (1948) 65 R.P.C. 369, at p. 372.

(5) (1947) 64 R.P.C. 76, at p. 78.

(6) (1937) 57 C.L.R. 115, at p. 124.

(7) (1946) 63 R.P.C. 59.

dealing—applies. These goods are sold under the name of a mark ; not an invented word. It applies to a large number of other registrations. “Southern Cross” has never been peculiarly the opponent’s name ; it is only a descriptive name. The circumstances of the course of trade show that there is not likely to be deception in this case. The words are not words originated by the plaintiff. The Judge would not have reached the decision under s. 25 had he not had regard to the description in the course of trade. His Honour applied the principles in *Radio Corporation Pty. Ltd. v. Disney* (1). The facts in that case are very different from the facts in this case (*Eno v. Dunn* (2)).

[DIXON C.J. referred to *In re Lewis Thomas Edwards’ Application* (3).]

Refusal of registration would amount to an extension of the monopoly of the respondent in the subject trade mark well beyond the limits of its established trade and reputation. Whilst a trader has a right to have his legitimate trade protected, he is not entitled to a monopoly beyond what is necessary to protect his trade (*Reckitt & Colman (Australia) Ltd. v. Boden* (4) ; *Re United Chemists’ Association Trade Mark* (5)). The Judge of first instance erred in not taking into account the considerations put relating to the evidence of the opponent. The facts clearly show that the respondent’s trade is limited to heavy equipment, such as engines, pumps, windmills and milking machines normally classed as farm or station machinery. The appellant’s domestic refrigerators are household equipment or home appliances of the same kind as radios, washing machines, carpet sweepers, etc. The danger of confusion is slight and amounts to no more than an unimportant mental experience.

J. K. Manning Q.C. (with him *J. M. Linton*), for the respondent. This is essentially a question of fact. The statement of the law contained in the judgment of *Kitto J.* is not attacked and is conceded to be correct. The appellant’s contentions involve no more than that his Honour gave insufficient weight to the evidence called on behalf of the appellant and failed to give due weight to the fact that passing-off proceedings were instituted at a comparatively late stage and have not yet been heard. In regard to the passing-off proceedings the respondent has at all times asserted its right and the fact that it desired to litigate this matter in the first instance, results in any delay in the other proceedings being of no value. The fact is

(1) (1937) 57 C.L.R. 448, at pp. 453, 455, 460.

(2) (1890) 15 App. Cas. 252, at pp. 257, 262-264.

(3) (1945) 63 R.P.C. 19.

(4) (1945) 70 C.L.R., at p. 95.

(5) (1923) 40 R.P.C. 219, at pp. 223, 224.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

that the appellant has been guilty of causing serious delays in the proceedings now current. As regards the weight to be given to the case made in the court below by the present appellant, the fact is that the appellant was cross-examined. It appeared that he had previously attempted to use another name on his refrigerators which closely resembled that of a well-known brand. He was compelled to cease using that name. He also manufactured electric stoves and used a name which closely resembled that of another well-known stove manufacturing firm. His Honour was entitled to disregard the evidence given by the appellant himself.

[McTIERNAN J. Are such matters relevant to the present issue?]

Although not strictly relevant they do entitle the Judge to reject that portion of the appellant's case and may be of value in ascertaining whether the possibility of deception is a real probability. The appellant's case is that his refrigerators are made primarily for sale to the public in cities. Apart from the evidence of three people who actually bought the appellant's refrigerator under a mistaken belief that it was made by the respondent there is a large volume of evidence of other instances of deception. There is also evidence which was not denied from an executive person of each of the distributing companies of the "Southern Cross" organization in each State that the respondent's goods are sold throughout all country districts in stores which also sell refrigerators. Each of the affidavits contains a list of "Southern Cross" distributors who also sell refrigerators and a list of those who sell other machinery in competition with "Southern Cross" products who sell refrigerators. The evidence relied upon by the appellant establishes no more than that the market varies from place to place. At least two of the respondent's witnesses sell refrigerators to large numbers of farmers or persons on the land and it is apparent from the evidence as a whole that such people form a substantial body of those who buy refrigerators. They are the class of persons who are likely to be deceived. The word "deceive" in s. 25 and s. 114 of the *Trade Marks Act* 1905-1948 is not used in a sinister sense; it means where an innocent buyer is deceived into believing something. The use of the words "Southern Cross", in the circumstances in which refrigerators are sold in the country, would undoubtedly lead to people believing that the refrigerators were the products of the respondent. The latter part of s. 25 has been absorbed by s. 114. The real question for determination can be shortly stated by adapting the language of Lord *Herschell* in *Eno v. Dunn* (1) in the following terms:—It is not to be doubted that in the use of the name

(1) (1890) 15 App. Cas., at p. 260.

“Southern Cross” in the circumstances disclosed would induce the public to believe that the respondent is connected with the manufacture of refrigerators, the proposed trade mark will be open to objection.

It would be sufficient if a substantial body of purchasers of refrigerators believed that the respondent was either the manufacturer or the trade source from which the refrigerators came or the trade hands through which they passed on their way to the market. It is said for the appellant that in such cases as *Eno v. Dunn* (1) and *Radio Corporation Pty. Ltd. v. Disney* (2) there is significance in the fact that the reputation attaching to the name or mark in question attaches to the plaintiff and not to anybody else. There is not any substance in that contention. The fact that some other person had a reputation in respect of the same mark in relation to entirely different goods as to which there could not be any confusion is quite immaterial. The only question is one of degree as to whether the use of this particular mark will be likely to induce the public to believe that the respondent is connected with those particular goods.

B. P. Macfarlan Q.C., in reply. The reputation existing at the relevant date is the most important or material point (*In re Application by Pan Press Publications Ltd.* (3); *Re Application by Smith Hayden & Co. Ltd.* (4)). There is nothing in the last-mentioned case which conflicts with *In re Jellinek's Application* (5). The clear finding of the Law Officer that there had not been any *mala fides* on the part of the applicant was not disturbed by the Judge of first instance. The appellant is prepared to meet this case on the basis of the facts. This Court will make a proper evaluation of those facts. It does not follow that the appellant must fail if one instance of confusion or deception is shown. When the appeal came on for hearing in 1953 before the Judge below the evidence adduced by the opponent as to deception, confusion, etc. was substantially the same as it could have produced in 1949, and the court could have had regard as well to the inferences to be drawn as to the actual events. The conduct or belief of the opponent cannot be put out of mind. It is irresistible that in 1948 the opponent did not think there was any real risk of confusion. It must have known that there was another company carrying on under the name of “Southern Cross”. If there was a real risk of confusion it is reasonable to assume that the opponent would have taken suitable

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING Co.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

(1) (1890) 15 App. Cas. 252.

(2) (1937) 57 C.L.R. 448.

(3) (1948) 65 R.P.C. 193, at p. 197.

(4) (1945) 63 R.P.C. 97, at p. 101.

(5) (1946) 63 R.P.C. 59.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.
TOOWOOMBA
FOUNDRY
PTY. LTD.

action in 1948. It did not do so, either then or in 1951, nor did it make application for the appellant to be restrained from passing-off.

[DIXON C.J. referred to *Orange Crush (Australia) Ltd. v. Gartrell* (1).]

The delay of the opponent is important on the interlocutory application for an injunction; that application should have been made, if at all, in 1948. In 1949 the appellant informed the opponent's attorney that it intended to continue to use the same mark.

Cur. adv. vult.

Dec. 15, 1954.

THE COURT delivered the following written judgment:—

This is an appeal from an order made by *Kitto J.* in an appeal, pursuant to s. 44 of the *Trade Marks Act* 1905-1948, from a determination of the Law Officer made under s. 43 of that Act. The order appealed from set aside that determination and, in effect, upheld the initial refusal by the Registrar of an application by the appellant for registration of the words "Southern Cross" as a trade mark in respect of "Gas absorption refrigerators and electric refrigerators and parts thereof". Subsequently to the lodging of the application an amendment was sought to limit the application to "Domestic refrigerators", but this amendment was not granted before the hearing of the application for registration. In determining that the application should be granted the Law Officer, however, specified, as a condition of the granting of the application, that the mark should be applied only to domestic refrigerators, and the appellant did not either before *Kitto J.* or before the Full Court claim that the application should be granted in respect of any wider specification of goods.

The respondent company was incorporated in the State of Queensland in the year 1884 under the name of Toowoomba Foundry & Railway Rolling Stock Manufacturing Co. Ltd. In 1922 its name was changed to Toowoomba Foundry Co. Ltd. and in 1932 it assumed its present name. The principal objects for which the appellant company was formed were the carrying on of the business of hydraulic engineers, sawmillers, iron and brass founders, smiths, boilermakers and railway rolling stock manufacturers and for many years now it has manufactured and sold windmills and water supply equipment, internal combustion engines, milking machines, electric generating plants and electric motors. For the purpose of undertaking the sale and service of the company's products throughout New South Wales a company known as the Southern Cross Windmill Co. Ltd.—now the Southern Cross Engine and Windmill Co. Pty.

Ltd.—was formed in 1918. This company has counterparts bearing similar names in the States of Western Australia, Victoria and South Australia, whilst two other companies—Southern Cross Equipment Pty. Ltd. and Southern Cross Machinery Co. Pty. Ltd.—have been formed in recent years to take over from the appellant company the sale and service of the latter's products in Central and Western Queensland and Northern Queensland respectively. The shares in each of these selling and servicing companies are held by or on behalf of a company known as Industrial Investments Pty. Ltd., a company which was formed in Queensland in 1949. The shares in the latter company are held by or on behalf of those shareholders who hold the issued capital of the respondent company. In the year 1947 there were throughout Australia more than six hundred distributors of the respondent's products, each of whom was in close touch with one of the selling companies in the various States.

At the time of the appellant's application the respondent was the registered proprietor of the trade mark "Southern Cross" in respect of the following goods: (1) manual and power well-drilling and boring machinery; (2) milking machines; (3) engines and windmills. Additionally it had trade marks on the register consisting of the device "S" over a cross in respect of (1) windmills, engines, well-drilling machinery, pumps, pumping machinery, pump rods, pump rod joints, crab winches, saw benches, motor pull-out winches, belt-driven or motor-driven pumpheads; (2) all kinds of tubing and valve cocks and fittings for same (of metal); and (3) milking machines.

The respondent's opposition to the appellant's application for registration was based upon the provisions of s. 25 of the Act and, alternatively, upon the provisions of s. 114. Both the Law Officer and *Kitto J.* were of opinion that s. 25 had no bearing on the case because the application for registration was not made in respect of "the same goods or description of goods" as those in respect of which the respondent's mark "Southern Cross" had been registered. Little discussion took place on this appeal with respect to the applicability of s. 25 and, although counsel for the respondent did not abandon the objection based on this section, it is sufficient to say that we agree that this issue should be decided against the respondent. But in view of the primary argument which was addressed to us on the appeal it is not out of place to refer briefly to the matters which require consideration in cases where it is material to consider whether an applicant's goods are the same as or of the same description as those of an opponent.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Dixon C.J.
McTiernan J.
Webb J.
Fullagar J.
Taylor J.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Dixon C.J.
McTiernan J.
Webb J.
Fullagar J.
Taylor J.

The fact that examination of the nature of the applicant's goods may, by itself, induce an observer to conclude that they are different in character from those of an opponent, and designed to serve different purposes, is by no means conclusive. Nor is the fact that the applicant's goods are not specified by the regulations as being within the same class of goods: see *In re The Australian Wine Importers Ltd.* (1) and *Reckitt & Colman (Australia) Ltd. v. Boden* per *Latham C.J.* (2). There may be many matters to be considered apart from the inherent character of the goods in respect of which the application is made and some indication of what matters are relevant to this inquiry was given by *Romer J.* in *In re Jellinek's Application* (3). *Romer J.* thought it necessary to look beyond the nature of the goods in question and to compare not only their respective uses but also to examine the trade channels through which the commodities in question were bought and sold. Shortly after the decision in *Jellinek's Case* (3) the Assistant-Comptroller elaborated on the observations of *Romer J.* in the following manner: "In arriving at a decision upon this issue the reported cases show that I have to take account of a number of factors, including in particular the nature and characteristics of the goods, their origin, their purpose, whether they are usually produced by one and the same manufacturer or distributed by the same wholesale houses, whether they are sold in the same shops over the same counters during the same seasons and to the same class or classes of customers, and whether by those engaged in their manufacture and distribution they are regarded as belonging to the same trade. In the case of *Jellinek's Application* (3), *Romer J.* classified these various factors under three heads, viz., the nature of the goods, the uses thereof, and the trade channels through which they are bought and sold. No single consideration is conclusive in itself, and it has further been emphasized that the classifications contained in the schedules to the Trade Marks Rules are not a decisive criterion as to whether or not two sets of goods are 'of the same description': *In re an Application by John Crowther & Sons (Milnsbridge) Ltd.* (4). Much the same considerations are evident in the observation of *Dixon J.* (as he then was) in *Reckitt & Colman (Australia) Ltd. v. Boden* (5) when he said: "What forms the same description of goods must be discovered from a consideration of the course of trade or business. One factor is the use to which the two sets of goods are put. Another is whether they are commonly dealt with in the same course of trade or

(1) (1889) 41 Ch. D. 278, at p. 291.

(2) (1945) 70 C.L.R. 84, at p. 90.

(3) (1946) 63 R.P.C. 59.

(4) (1948) 65 R.P.C. 369, at p. 372.

(5) (1945) 70 C.L.R. 84.

business. In the present case, the goods are quite different, their uses are widely separated and they are not commonly sold in the same kinds of shops or departments" (1).

Giving full weight to all of these matters we are satisfied that s. 25 has no application to this case. The goods to be compared and their respective uses are vastly different and, though the evidence shows that in the course of marketing and distribution there may be substantial points of contact, the evidence does not lead to the conclusion that the goods of the appellant are of the *same description* as those of the respondent.

We have thought it necessary to make some reference to the matters proper for consideration in relation to this issue under s. 25 for the argument of the appellant seizes upon them and asserts that once these matters have been considered and the relevant issue answered in favour of an applicant it is impossible to say that the use by him, with respect to his goods, of the trade mark in question would be "likely to deceive" within the meaning of s. 114. Whilst conceding that the likelihood of deception is not as great where, in no sense, can it be said that an applicant's goods are the same or of the same description as those of an opponent, it is quite clear that the latter finding by no means disposes of the relevant inquiry under s. 114. To suggest that it does really confuses the nature of the inquiry which arises under s. 25 for it is not sufficient in order to reach the conclusion that an applicant's goods are of the same description as those of an opponent, merely, to find that in the course of marketing there is a likelihood of deception taking place; the inquiry is much more limited and must be answered in favour of the applicant unless upon an examination of the material matters the conclusion is justified that the applicant's goods ought to be regarded as being of the same description as those of the opponent. This is far from saying that if the evidence shows a probability or likelihood of deception such a conclusion would be justified. Indeed, if it were not a distinct and separate inquiry it would be impossible to reconcile the multitude of cases—of which *In re Jellinek's Application* (2) and *Reckitt & Colman (Australia) Ltd. v. Boden* (3) are themselves examples—in which it has been thought necessary to consider the likelihood of deception notwithstanding a finding that the respective goods of the applicant and the opponent were not the same or of the same description.

The question whether it is likely that deception will result from the use of a mark which is the same as, or which closely resembles,

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING Co.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Dixon C.J.
McTiernan J.
Webb J.
Fullagar J.
Taylor J.

(1) (1945) 70 C.L.R., at p. 94.

(2) (1946) 63 R.P.C. 59.

(3) (1945) 70 C.L.R. 84.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Dixon C.J.
McTiernan J.
Webb J.
Fullagar J.
Taylor J.

a trade mark already in use may, and frequently will, require the consideration of matters additional to and distinct from those which are relevant to an inquiry under s. 25. It may be of importance to see whether the registered mark is general or special in character and to ascertain the extent of its reputation. Again, it may be important to see whether the goods in respect of which it is registered constitute a narrow class or a wide variety of goods as also will be the question whether the goods of both the applicant and the opponent will be likely to find markets substantially in common areas and among the same classes of people. It is, of course, for the person applying for registration to establish that there is no likelihood of confusion and we agree with *Kitto J.* that registration should be refused if it appears that there is a real risk that "the result of the user of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products came from the same source"; it is, of course, not necessary that it should appear that the user of the mark will lead to passing-off: see per *Morton J.* (as he then was) in *In re Hack's Application* (1). Further, it is not enough for the applicant "to negative the likelihood of confusion in relation to the actual trade carried on by the opponent at the time of registration and to the manner in which the latter then uses his mark. The applicant must also take into account all legitimate uses which the opponent may reasonably make of his mark within the ambit of his registration": *Reckitt & Colman (Australia) Ltd. v. Boden* per *Dixon J.* (as he then was) (2).

The second branch of the appellant's argument asserted that the question of fact under s. 114, which was decided adversely to him, should, upon the evidence, have been decided otherwise. In our opinion, there was, however, abundant evidence to justify his Honour's conclusion; there was evidence which his Honour found "entirely convincing" and we find it of equal cogency. Not only was there evidence which established the probability of confusion but, also, quite substantial evidence of actual confusion. But the appellant claims that any actual or probable confusion had proceeded or would proceed from a belief that the respondent had a monopoly of the "Southern Cross" mark. This mistaken belief, it was said, alone had led to the actual confusion deposed to and this circumstance operated to strip the evidence of real weight. We do not agree. In part the confusion resulted from the use by the appellant of a mark which had long and widely been used by the respondent, in part from the fact that it was a mark which had been used by the

(1) (1940) 58 R.P.C. 91, at p. 103.

(2) (1945) 70 C.L.R., at pp. 94, 95.

latter with respect to such diverse objects as both manual and power well-drilling and boring machinery, milking machines and engines and windmills, in part from the fact that in the course of business those articles frequently are and have, for a long time, been sold in country stores where, side by side with them, domestic refrigerators are stocked and sold, and last, but not least, from the circumstance that the name "Southern Cross" is a mark of a general character and—as appears from what we have already said—of a wide and varied significance. A careful scrutiny of the evidence convinces us that the respondent made out a clear case, not only that a user of the mark by the appellant for the purposes proposed by it would be likely to deceive, but that it has already done so in a not inconsiderable number of cases. In those circumstances we do not propose, nor do we think it necessary to traverse the whole of the facts again.

For the reasons given we are of opinion that the appeal should be dismissed.

Appeal dismissed with costs.

Solicitor for the appellant, *J. R. Thomas.*

Solicitors for the respondent, *Perkins, Stevenson & Linton.*

J. B.

H. C. OF A.
1953-1954.

SOUTHERN
CROSS
REFRIGER-
ATING CO.
v.

TOOWOOMBA
FOUNDRY
PTY. LTD.

Dixon C.J.
McTiernan J.
Webb J.
Fullagar J.
Taylor J.