

# INTELLECTUAL PROPERTY 2: TRADEMARKS AND PATENTS

## CLASS 1 – INTRODUCTION TO TRADE MARKS AND THE PROTECTION OF TRADE REPUTATION; PASSING-OFF AND CONSUMER PROTECTION LEGISLATION

### PASSING OFF AND AUSTRALIAN CONSUMER LAW

#### INTRODUCTION TO TRADE MARKS, PASSING OFF AND THE AUSTRALIAN STATUTORY CONSUMER PROTECTION REGIME: HISTORY AND JUSTIFICATIONS FOR PROTECTION

##### TRADE MARKS, PASSING OFF AND PROTECTING TRADE REPUTATION: HISTORY, JUSTIFICATIONS AND CONTEXT

- Two forms of trade mark protection in Australia:
  - 1) Tort of passing off, supplemented by consumer protection legislation
  - 2) Registered trade mark protection – *Trade Marks Act 1995* (Cth)

##### HISTORY OF PASSING OFF AND TRADE MARK PROTECTION

###### ORIGINS OF PASSING OFF

- Basis of common law for deceit, where a trader adopted the name or symbol of another trade with the intention of inducing its customers to believe its goods were those of the first trader
  - Second trader's actions thought to constitute a fraud on the public
  - 'Passing off' – element of fraudulent representation by the defendant that the goods are of the plaintiff
- Action later brought in the courts of Chancery with the fraudulent conduct by the defendant being the basis of the equitable action
  - *Millington v Fox (1838)* – injunction granted in case involving misrepresentation as to the origin of goods by the adopt of the plaintiff's mark, despite no fraud
  - Equitable intervention on the basis of the plaintiff's property right in the 'mark' itself

###### MODERN FORM OF THE TORT OF PASSING OFF

- 'Mark' as a form of legal property
- Passing off action provides a 'remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one's goods as the goods of another' (Lord Diplock in *Star Industrial Co Ltd v Yap Kwee Kor [1976]*)
- What constitutes a misrepresentation extends beyond of the classic use of another trader's mark to pass off own goods as those of the trader
  - Broader notion of misrepresentation established (*Erven Warnink*)
  - Fraud still relevant for passing off action

##### *Reddaway v Banham [1869] AC 199*

<b>Facts</b>	<ul style="list-style-type: none"><li>- Banham passed off his goods as those of Reddaway.</li><li>- Misrepresentation resulted in the diversion of potential customers from Reddaway to Banham</li></ul>
<b>Issue</b>	Whether there was a right of action in passing off

<b>Judgment</b>	<u>Lord Herchell:</u> <ul style="list-style-type: none"> <li>- What was protected by an action for passing off was not the proprietary right of the trader in the mark, name or get-up improperly used</li> <li>- Passing off only where the misrepresentation takes the form of something other than the deceptive use of trade names <ul style="list-style-type: none"> <li>• Right was protected if there were damages sustained as a consequence of the misrepresentation</li> </ul> </li> </ul>
<b>Conclusion</b>	At common law, tort of passing off is not protecting a property right in the mark itself

*AG Spalding & Bros v AW Gamage Ltd (1915) 84 LJ Ch 449*

<b>Judgment</b>	<u>Lord Parker:</u> <ul style="list-style-type: none"> <li>- Passing off action based on <b>‘the property in the business or goodwill likely to be injured by the representation’</b> <ul style="list-style-type: none"> <li>•</li> </ul> </li> <li>- Goodwill is broad – ‘benefit and advantage of the good, name, reputation and connection of a business... that brings in custom’ (<i>Inland Revenue Commissioners v Muller &amp; Co’s Margarine Ltd [1901]</i>)</li> <li>- Goodwill may be injured by someone else who sells goods which are correctly described as being made by that manufacturer, but being of an inferior class or quality are misrepresented as goods of a superior class</li> </ul>
<b>Conclusion</b>	<p>Extension of the nature of the misrepresentation (<i>Erven Warnink BV v Townend &amp; Sons</i>)</p> <ul style="list-style-type: none"> <li>- Use by a trader of a term which accurately described his own goods might nevertheless amount to passing off if that term was understood in the market to denote goods of a rival trader</li> <li>- Such misrepresentation is actionable and gives rise to an action in passing off</li> </ul> <p>Tort of passing off protects a property interest in the goodwill/reputation of the business</p> <ul style="list-style-type: none"> <li>- Cannot assign an unregistered trademark separate from the underlying goodwill (see <i>Kraft v Bega</i>)</li> </ul>

*Erven Warnink BV v Townend & Sons Ltd [1979] AC 731*

<u>Lord Diplock:</u>	<ul style="list-style-type: none"> <li>- Broadened notion of misrepresentation to include where a trader accurately describes own goods, but uses terms generally associated with the goods of a rival trader</li> </ul>
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**ORIGINS OF REGISTERED TRADE MARK LAW**

- Criminalisation of using another’s trade mark with the intention to defraud in 1862 through *Merchandise Marks Act (UK)*
  - Trade mark included – name, signature, word, letter, emblem, figure, sign, seal, label etc.
- Adoption of system of trade mark registration with *Trade Marks Registration Act 1875 (UK)*
  - Established trade mark registry
  - Registration of trade marks in relation to a specified class of goods
  - Restrictions on registration:
    - Need to be a ‘special or distinctive word(s), combination of letters, words or figures used as a trade mark’ consisting of essential particulars
    - Could not be identical with a mark already registered in respect of the same goods, or resemble a mark in a way likely to deceive
    - Could not consist of a scandalous design
  - Successful registration meant applicant becomes the ‘proprietor’ with exclusive right to use the mark
- Registered trade marks did not have all characteristics of other forms of property

- E.g. assessed separately from goodwill
- Explicit recognition of rights in the mark itself as a form of property meant action for trade mark infringement differed from passing off action
  - Infringement action does not require demonstration of any trading goodwill or reputation – proprietorship sufficient
  - Infringement of trade mark simply through its use in relation to the specified good
  - No need to show that the use of the mark was a misrepresentation
- *Trade Marks Act 1905 (Cth)*
  - Broad list of essential particulars of which a registrable trade mark could consist – incl. invented words and words with no direct reference to the character/quality of the applicant's goods
  - Allowed other marks to be registered if they became distinctive to the applicant's goods through the applicant's use of the mark (s 20)
  - Infringement to use a mark 'substantially identical with the trade mark or so nearly resembling it as to be likely to deceive'; no need to show an actual misrepresentation had taken place
- *Trade Marks Act 1955 (Cth)*
  - Definition of 'mark' and 'trade mark'
  - Register divided into various parts for each category of mark
  - Marks could be registered for services
  - Renewable registration after 7 years
  - Registered mark could be removed on the basis of non-use
  - Mark could be assigned separately from goodwill of the underlying business
- ***Trade Marks Act 1995 (Cth)*** – liberalisation of what can be registered as a trade mark
- Close symbiotic relationship between registered trade marks and tort of passing off
  - Passing off could be used to protect marks otherwise not covered
- Trade mark law does not only exist to prevent consumer confusion
  - Registered trade mark law serves a broad regulatory function – sets limits on what can be registered
  - Infringement does not turn on customer confusion though this may be one effect
  - Similar marks can co-exist on the Register
  - Defendants may have defences to infringement
  - *Campomar Sociedad Limitada v Nike International Ltd (2000) 202 CLR 45* – some degree of consumer confusion is tolerated
  - Statute attempts balance conflicting interests in regulating the conduct of competing traders and safeguarding consumers

### JUSTIFICATIONS FOR PROTECTING TRADE MARKS AND INDICIA

- More difficult to justify trade mark on the basis they are the product of creativity on part of the author, like in copyright and patent
- Trade marks receive legal protection largely for economic reasons
  - Does not so much incentivise creativity and investment in new brands

### 1) TRADE MARKS AND INDICIA AS SOURCES OF INFORMATION

- Principal justification for legal protection of trade marks and trade indicia is that they communicate valuable information that allow consumers to make informed choices about their purchases
- Trade marks operate as an **indication of origin**
  - Goods and services from a particular trade source
- **Product differentiation**
- **Quality guarantee**
  - Re-purchasing products by reference to their trade marks
  - Helps reduce consumer search costs and increase economic efficiency of marks

- **SA CNL-SUCAL NV v HAG GF AG [1990] ECR 1-3711:**
  - Trade marks reward the manufacturer who consistently produces high-quality goods and they thus stimulate economic progress
  - Without trade mark protection, there would be little incentive for manufacturers to develop new products or maintain the quality of existing ones
  - TMs act as a guarantee to the consumer as to quality – not an absolute guarantee and although manufacturer can change quality, they do so at their own risk
- Scope of trade mark and passing off laws still limited
  - Owners do not have the absolute rights to stop other traders and parties from using their marks or indicia in all commercial circumstances
  - Trader's rights generally restricted to preventing use of that trader's marks or other indicia that would cause a degree of deception among consumers – impairs origin identification, product differentiation and quality guarantee functions
  - Passing off – trader must have engaged in misrepresentation as to the origin of the goods that damages the plaintiff's reputation
  - Trade mark – covers situations where a defendant uses an identical or similar mark in relation to identical or similar goods
  - Contrast to broader rights given to copyright and patent owners

## 2) PREVENTING MISAPPROPRIATION AS A STAND-ALONE JUSTIFICATION?

- Natural rights argument that a party should not be allowed to reap the benefits of another trader's labour
- Traders ought to be granted rights to prevent the use of their marks by rivals in relation to the same or similar goods as those provided by the mark owner – someone should not be allowed to take advantage of another's goodwill by using their mark
- Extension of this justification to situations where the user takes advantage of or harms the trade mark's reputation, even where there is no consumer confusion
  - Reflects rise of the advertising function of trade marks
  - Trade marks as the outward manifestation of a company's brand and brand image
  - Owners should therefore have protection against conduct that dilutes the value of their marks, irrespective of consumer confusion
  - Frank Schechter advocated this position (1927) – the real value of a trade mark lay in its selling power and psychological hold upon the public; rational basis for protecting trade marks in order to preserve its uniqueness

## 3) DILUTION

- Some EU and US jurisdictions offer legal protection against the dilution of trade marks – esp those which are particularly famous
- **Forms of trade mark dilution: *Ty, Inc v Perryman*, 306 F 3d 509 (7<sup>th</sup> Cir, 2002)**
  - (1) Blurring – concern that consumer search costs will rise if a trade mark becomes associated with a variety of unrelated products (e.g. Tiffany's high-end restaurant vs. store)
  - (2) Tarnishment – negative association of brand name with something else (e.g. Tiffany's store vs strip club)
  - (3) Free-riding on the investment of the trademark owner in the trademark – e.g. appropriation of Tiffany's name in a foreign restaurant resulting in neither blurring or tarnishment
- Although brands may have commercial or symbolic value, this does not necessarily mean the law ought to intervene by providing anti-dilution protection
  - Stronger advertising expenditure or investment in brand image ≠ stronger legal rights
  - Associations and express qualities of marks may be due to social responses rather than the owner's actions, though this is not always clear
- Anti-dilution laws tend to be based on the assumption that marks have uniformly positive associations which might be 'diluted' by a secondary use

- However, meaning is fluid
- No specific anti-dilution laws in Australia but brand value may be protected in other ways
  - Australian law is focused on conduct that impacts the origin or quality guarantee of trade symbols

## JUSTIFICATIONS FOR TRADE MARK REGISTRATION

- Register acts as a valuable source of public information as to the signs that are protected in a given commercial sphere
  - Includes information on initial ownership and subsequent assignment of parts
- Register needs to reflect as accurately as possible, the marks that enjoy legal protection so that those consulting the register can rely on the information conveyed
- However, registration of marks is not required, thereby undermining the information function of the Register

## CURRENT CONTEXT

### SOURCES OF LAW PROTECTING BUSINESS REPUTATION

#### (1) TORT OF PASSING OFF

- Action may be taken against a party whose adoption of a trade's distinctive sign or indicia constitutes a misrepresentation

#### (2) CONSUMER LAW – *Competition and Consumer Act 2010 (Cth) Schedule 2 ('Australian Consumer Law')*

- Previously, s 52(1) of the *Trade Practices Act* provides, 'a corporation should not, in trade or commerce, engage in conduct that is misleading or deceptive, or is likely to mislead or deceive'
- s 18(1) of the ACL:
  - 'a person should not
- ACL only applies as a law of the Cth to the extent the conduct is by a corporation (s 131(1) CCA) and actions under s 18(1) by corporations can only be brought in the Federal Court (s 138(1))
- Remedies under s 18 ACL:
  - Interim or final injunctions
  - Damages
  - Other orders as the Court sees fit

### SOURCES OF TRADE MARK LAW

#### (1) INTERNATIONAL AGREEMENTS

- *Paris Convention on the Protection of Industrial Property* (1883)
  - Equal treatment for foreign and domestic nationals
  - Grace period for registration of certain marks that have been registered in another member state
- *Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks* (1957)
  - Standardisation of 43 classes for goods
  - Administrative convenience
- *Agreement on Trade-Related Aspects of Intellectual Property Rights* (the 'TRIPS Agreement') (1994)
  - WTO members to comply with Paris Convention (Arts 1-12 and 19)
  - Further obligations in relation to trade marks – definition, scope of rights, requirements to use etc.
  - Dispute resolution proceedings can be brought at the WTO against other members
    - e.g. action against Australia for *Tobacco Plain Packaging Act 2011* (Cth), which prohibits tobacco companies from using trade marks other than brand names on packaging
- Neither Paris Convention or TRIPS aims to harmonise substantive trade mark law
- International developments since 1995/ Australia as a member of:
  - *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks* (1989) ('Madrid Protocol') – streamlines the procedures for obtaining registration of the same trade mark in other Madrid Protocol countries

- Similar function to *Patent Cooperation Treaty* (1973)
- *Trademark Law Treaty* (1994) and *Singapore Treaty on the Law of Trademarks* (2006) – harmonisation of trade mark registration procedures

## (2) DOMESTIC LAWS

- **Trade Marks Act 1995 (Cth) and Trade Marks Regulations 1995 (Cth)**
  - Did not closely follow current UK *Trade Marks Act 1994*
- Domestic reviews and inquiries on the operation of the 1995 Act and Regulations
  - *Trade Marks Legislation Review Papers* (2003-04)
  - Advisory Council on Intellectual Property's *Review of Enforcement of Trade Marks* (2004) → legislative changes in 2006
  - IP Australia's *Options Paper on Review of Penalties and Additional Damages* (2008)

## (3) OTHER DIMENSIONS

- Under TRIPS Agreement, Australia required to protect 'geographical indications' ('GIs') (Arts 22-24)
  - Indicates geographic origin and quality/characteristic/reputation of that product attributable to its geographic origin
  - E.g. Proscuitto di Parma, King Island cheese
  - Australia complies with TRIPS obligations as a result of bilateral treaties with the EU and USA, through passing off, registered trade mark laws, consumer protection statutes and specific labelling laws
- **'Event specific' legislation** also used to regulate the use of names and indicia associated with particular sporting events
  - *Olympic Insignia Protection Act 1987 (Cth)* – Olympic rings and related words, symbols etc.
  - *Major Sporting Events (Indicia and Images) Protection Act 2014 (Cth)* – framework for the prevention of the unauthorised commercial use of indicia and images associated with major events (e.g. 2015 Asian Cup, 2015 Cricket World Cup and 2018 Commonwealth Games)
  - Aims to prevent 'ambush marketing' – attempts to leverage off the goodwill surrounding an event by suggesting some sort of association with that event
- **sui generis laws** regulating domain names
  - Potential conflict between domain names and rights of trade mark owners
  - Can be resolved through traditional doctrines (passing off or consumer protection laws) but 'cybersquatting' (registering a domain name to frustrate the mark owner's attempt to use it and later selling for a profit) present novel challenges to the law
  - *Uniform Domain Name Dispute Resolution Policy* (UDRP) (1999)
    - Forms contract between domain name registrant and licensee
    - Obliges licensee to submit to mandatory arbitration where a third party complains that: para 4(a)
      - The domain name is 'identical of confusingly similar' to a trademark;
      - Licensee has 'no rights or legitimate interests in respect of the domain name'; and
      - Domain name is registered and being used in bad faith.
  - Similar dispute resolution procedures for .au domains
  - Social media handles?

<b><i>Kraft Foods Group Brands LLC v Bega Cheese Ltd (No 8) [2019] FCA 593</i></b>	
<b>Facts</b>	
<b>Issue</b>	
<b>Judgment</b>	
<b>Conclusion</b>	

## TESTS FOR PASSING OFF/CONTRAVENTION OF THE STATUTORY PROHIBITION ON ENGAGING IN 'MISLEADING OR DECEPTIVE CONDUCT'

### PASSING OFF AND CONSUMER PROTECTION LEGISLATION

- Passing off – designed to safeguard a trader’s goodwill or reputation
- Statutory prohibition on deceptive and misleading conduct – consumer protection measure
- However, both provide traders with a degree of protection against other traders using trade marks, or similar indicia, in a manner that would mislead consumers
- Merged operation of both in Australian context

#### **Competition and Consumer Act 2010 (Cth), Sch 2 ('Australian Consumer Law')**

#### **18 Misleading or deceptive conduct**

(1) A person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.

(2) Nothing in Part 3-1 (which is about unfair practices) limits by implication subsection (1).

Note: For rules relating to representations as to the country of origin of goods, see Part 5-3.

## TESTS FOR PASSING OFF AND CONTRAVENTION OF CONSUMER PROTECTION LEGISLATION

### 1. THE *ADVOCAAT* TEST

#### ***Erven Warnink BV v Townend & Sons Ltd [1979] AC 731***

<b>Facts</b>	Makers of the spirit drink 'advocaat', made in accordance with a traditional Dutch recipe, brought against a trader selling advocaat not made in accordance with that recipe.
<b>Issue</b>	Whether there was a valid cause of action
<b>Judgment</b>	<p><u>Lord Diplock:</u></p> <ul style="list-style-type: none"> <li>- 5 characteristics for a valid cause of action for passing off: <i>AG Spalding</i> <ol style="list-style-type: none"> <li>1) Misrepresentation</li> <li>2) Made by a trader in the course of trade</li> <li>3) To prospective customers or ultimate consumers of the goods/services provided</li> <li>4) Calculated to injury the business or goodwill of another trader (as a reasonable foreseeable consequence and</li> <li>5) Which causes actual damage to a business or goodwill of the trader who brings the action</li> </ol> </li> </ul>
<b>Conclusion</b>	

### 2. THE *RECKITT & COLMAN* TEST

#### ***Reckitt & Colman Products Ltd v Borden Inc [1990] 1 WLR 491***

<b>Facts</b>	Dispute between trader who had packaged lemon juice in a lemon-shaped container for 30 years, and another trader who just started selling lemon juice in similar packaging.
<b>Judgment</b>	<p><u>Lord Oliver:</u></p> <ul style="list-style-type: none"> <li>- "No man may pass off his goods as those of another"</li> <li>- <u>3 elements:</u> <ol style="list-style-type: none"> <li>1) Establish goodwill or reputation attached to the goods or services supplied to the purchasing public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services</li> <li>2) Misrepresentation by the defendant to the public (intentional or not) leading, or likely to lead the public into believing the goods offered by D are the goods of P</li> </ol> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Public's knowledge of P as the supplier of the goods is immaterial, so long as the P is identified as the particular source</li> <li>3) Plaintiff must demonstrate they suffer, or are likely to suffer damage by reason of the erroneous belief engendered by D's misrepresentation</li> <li>- P need to prove: <ul style="list-style-type: none"> <li>• The get-up under which their lemon juice was sold since 1956 had become associated exclusively with P in the minds of a substantial number of the purchasing public</li> <li>• If yes, whether the get-up used by D amounts to a representation by D that the juice was P's (Jif) lemon juice</li> <li>• If yes, is it likely, on the balance of probabilities, if D is not restrained, a substantial number of members of the public will be misled into purchasing D's lemon juice on the belief it is P's juice?</li> </ul> </li> </ul>
<b>Conclusion</b>	

- Australian courts have preferred the *Reckitt & Colman* test.
  1. Goodwill or reputation;
  2. Misrepresentation; and
  3. Damage, or the likelihood of damage.
- Despite the utility of the test, the tort contains gaps which make it difficult to formulate any satisfactory definition in short form (Gummow J in *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302)
- There is an interrelationship between the three elements
  - E.g. extent of the reputation will significantly impact on question of whether D's conduct involves a misrepresentation and cause damage to P's interests
- As a result, passing off and actions for contravention of consumer protection legislation can be seen as coterminous
  - Although it may seem like the P only needs to establish misleading or deceptive conduct under s 18, for passing off to be actionable, the trader needs to have a protectable reputation that attaches to the sign or other indicia
  - In a passing off action it is necessary to identify the features of the applicant's packaging in which a reputation is said to inhere for it is the existence of that reputation which passing off protects (*Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606; (2009) 81 IPR 354)
    - Corresponding claim under s 52 (s 18) where it is the public who are deceived by a particular imitation
    - Both actions require features known to the public mind – identification of the 'get-up' necessary in passing off action and claim under [s 18]
  - Establishing damage not necessary under s 18, however, if the applicant is seeking an injunction or damages, they will nevertheless need to show likely or actual damage to their trading reputation
- Neither passing off action or consumer protection law can extend to all forms of 'copying' names or images that might be 'unfair'
  - Unfairness, without misrepresentation, will not be actionable despite flexible approaches to 'misleading or deceptive conduct'
  - Calls for common law tort of 'unfair competition' to fill in gaps (*Moorgate Tobacco Co Ltd v Philip Morris Ltd [No 2]* (1984) 156 CLR 414)
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*Equity Access Pty Ltd v Westpac Banking Corp* (1989) 16 IPR 431



## ELEMENTS OF PASSING OFF AND THE ACL

### 1. REPUTATION

#### 1) ESTABLISHING REPUTATION

- Goodwill – the attractive force that brings in custom (*Inland Revenue Commissioners v Muller & Co's Margarine Ltd [1901] AC 217*)
- Goodwill = reputation
  - No minimum level of reputation that P needs to establish
- Whether P has sufficient reputation will turn on factors such as:
  - Nature of the sign or other indicia that reputation is attached to
    - Degree of distinctiveness
    - Descriptiveness of that sign
  - Geographical area in which P is claiming to enjoy the reputation
  - Length of time the trader has been trading
  - Intensity of trade
    - Evidence required of:
      - Volume of sales of its products
      - Extent of advertising
      - Advertising expenditure

#### 2) TO WHAT DOES THE REPUTATION ATTACH?

- *Reckitt & Colman*
  - Tort of passing off concerned with protecting a trader's reputation 'attached to the goods or services which the trader supplies in the mind of the purchasing public by association with the identifying 'get-up' of those goods or services'
  - Get up can take a variety of forms – including:
    - Trade marks
      - Brand name
      - Logo
      - Labelling or packaging of a product
    - Images
    - Characters
    - Advertising themes
  - Concerned with protecting P's reputation manifested in the get-up, rather than the trade mark itself

#### (a) REPUTATION IN DESCRIPTIVE TERMS

<b><i>Reddaway v Banham [1896] AC 199</i></b> <b>[PRECEDENT]</b>	
<b>Facts</b>	<ul style="list-style-type: none"><li>- Reddaway has manufactured 'Camel Hair Belting' since 1879 and Banham started to make a similar product with the same name in the early 1890s</li><li>- Jury found Banham had engaged in passing off and ordered an injunction against him<ul style="list-style-type: none"><li>• Use of words 'Camel Hair' was in a way which deceived purchases they were buying Reddaway belting</li></ul></li><li>- Court of Appeal overturned; Reddaway appealed to House of Lords</li></ul>
<b>Issue</b>	Whether the use of 'Camel Hair' in Banham's belts constituted passing off
<b>Judgment</b>	<u>Lord Herschell:</u> <ul style="list-style-type: none"><li>- In the market, 'Camel Hair' belting was not applied to belting of a particular material, but to belting made by a particular manufacturer</li><li>- Name of a person, or words forming a part of the common stock of language, may become so far associated with the goods of a particular maker that its unqualified</li></ul>

	<p>use by another manufacturer would deceive a purchasers into the belief they were getting goods from the original maker</p> <ul style="list-style-type: none"> <li>- Mere proof that D was using the name, word or device which P had adopted to distinguish their goods is not sufficient for grant of injunction – need to further prove D was using this under circumstances to put off his goods as the goods of the plaintiff</li> <li>- Court of Appeal judgment (P not entitled to relief on the basis D had used a descriptive word employed by P as his trade mark to induce purchasers) is not supported by authority</li> </ul> <p><u>Lord Halsbury:</u></p> <ul style="list-style-type: none"> <li>- In trade, particular words, even though descriptive of the article sold, may have acquired a kind of technical signification which would give them the character of being made by a particular manufacturer, as if stamped with his trade mark</li> <li>- Letter from Banham showed he desired to ‘take this order from Reddaway’</li> <li>- Clear that one man’s goods are being sold as if they were the goods of the other</li> </ul>
<b>Conclusion</b>	Appeal allowed – particular, descriptive words can form a part of a manufacturer’s trade mark

<b>Hornsby Building Information Centre v Sydney Building Information Centre (1978) 140 CLR 216</b>	
<b>Facts</b>	<ul style="list-style-type: none"> <li>- Sydney Building Information Centre had been trading for 30 years</li> <li>- Sydney granted an interim injunction to restrain Hornsby Building Information Centre from trading under their name, pursuant to s 52 <i>Trade Practices Act</i></li> <li>- HBIC appealed to the High Court</li> </ul>
<b>Issue</b>	Whether HBIC contravened s 52 TPA – misleading or deceptive
<b>Judgment</b>	<p><u>Stephen J (Barwick CJ, Jacobs and Aickin JJ agreeing):</u></p> <ul style="list-style-type: none"> <li>- Focus of s 52 is on misleading others rather than injury to competitor – need to identify the respect to which the conduct is misleading or deceptive</li> <li>- Sydney concerned that by using a name so similar to their own, customers may be lead to believe Hornsby’s Centre is a branch of, or associated with the Sydney Centre</li> <li>- Issue was the use of 3 descriptive words to constitute its corporate name <ul style="list-style-type: none"> <li>• SBIC cannot claim monopoly over these words but seeks to impose conditions on another’s use of those words</li> </ul> </li> <li>- Convenient use of the words by SBIC to describe its activities <ul style="list-style-type: none"> <li>• Appreciation of value of these words – e.g. signage limited to ‘Building Centre’</li> </ul> </li> <li>- Price to pay for advantages flowing from an eloquently descriptive trade name <ul style="list-style-type: none"> <li>• Descriptive nature means it is equally applicable to any business of a like kind</li> <li>• Descriptiveness shows it is not distinctive so as its application to other businesses will not generally mislead the public</li> </ul> </li> <li>- In cases of passing off, a P which uses descriptive words in its trade name will find that small differences in a competitor’s trade name will render competitor immune from action</li> <li>- Where descriptive words used by two traders, it is possible that the public will be confused <ul style="list-style-type: none"> <li>• Such confusion must be accepted or the trader who appropriates the descriptive words will be given an unfair monopoly in those words and deter competition</li> </ul> </li> <li>- To allow s 52(1) TPA to create a monopoly in descriptive names would be to mock the manifest intent of the legislation</li> <li>- <b>Where a name is no more than merely descriptive of a particular kind of business, its use by others who carry on that same type of business does not deceive or mislead as to the nature of the business described</b></li> <li>- Any deception arises from the fact the Sydney Centre initially chose the descriptive words and was the only business for many years of that description</li> </ul>