

***Koninklijke Philips Electronics NV v Remington Products Australia Pty Limited* [2000] FCA 876**

FEDERAL COURT OF AUSTRALIA

BURCHETT, HILL AND BRANSON JJ

BURCHETT J:

1 A fundamental issue of trade mark law is involved in this appeal. Under the new *Trade Marks Act 1995* (Cth), can a permanent monopoly for a product be obtained by the registration as a mark of a representation of one of its vital features? If a shield against all competition can be raised in that way, the proprietor of the mark will be in a better position than a patentee or the proprietor of a registered design, each of whom has a protection limited to the span of a relatively short time. Indeed, the effect would be to “interfere with the freedom of manufacturers to make an artefact of a desirable and good engineering design”, to borrow the words of Jacob J in *Philips Electronics NV v Remington Consumer Products* (1997) 40 IPR 279 at 290. The question could arise, but need not be pursued, notwithstanding the capacity for growth and development of expressions contained in a constitution: *Grain Pool of Western Australia v The Commonwealth* (2000) 74 ALJR 648, whether a new right, at once so powerful and so different from the right conferred by traditional marks, could fall within a “trade mark” with respect to which the Commonwealth Parliament’s legislative power extends under s 51(xviii) of the *Constitution*. However, that question would be academic if the creation of the right by Commonwealth legislation were able to be supported as an exercise of power under s 51(xxix) of the *Constitution* (the External Affairs power), on the basis that the relevant provisions of the *Trade Marks Act 1995* were enacted pursuant to international obligations accepted by Australia as flowing from the *Agreement Establishing the World Trade Organisation* and the *Agreement on Trade-Related Aspects of Intellectual Property Rights* annexed to it: see M Blakeney, *Trade Related Aspects of Intellectual Property Rights: A Concise Guide to the TRIPS Agreement* (1996), chap 5; B Elkington, M Hall and D Kell, *Trade Mark Law in Australia* (2000), 17-18; and cf *Grain Pool of Western Australia* at paras 86, 94-96.

2 This appeal also raises questions of design law, of some importance, and questions under s 52 of the *Trade Practices Act 1974* (Cth) and under the law of passing off.

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The circumstances which give rise to these questions have been fully stated by the trial judge, Lehane J, in the decision from which the appeal comes: *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* (1999) 44 IPR 551. For the purposes of these reasons, it will be sufficient to state them in summary form. The first appellant manufactures and the second distributes in Australia a well known and long established line of electric shavers. The first appellant's trade and reputation in these shavers, which are of the rotary kind, is world-wide. Particularly popular for more than thirty years has been a model featuring three rotary shaving "heads" arranged in the configuration of an equilateral triangle. Although this is not the only way in which to make an efficient rotary electric shaver, it is one of the best ways to do so, and this model has proved extremely successful. Until June 1997, all competing electric shavers sold in Australia were of a different type altogether, known as "foil" shavers, which are not constructed on the rotary principle, but utilise reciprocating blades covered by a metal foil. Consequently, in Australia, rotary shavers, particularly those with three shaving heads forming an equilateral triangle, have been exclusively associated with the name of Philips (by which the appellants have been known, and by which I shall refer to each and both of them, without distinction, as the trial judge did).

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In June 1997, the respondent (which I shall call Remington), a well known vendor of foil electric shavers, as well as other personal care products, throughout the world, began to sell in Australia a rotary electric shaver with three shaving "heads" equally spaced in a triangular formation. This shaver is clearly marked with the name Remington, but is otherwise similar to what I shall call the Philips triple rotary shaver. How similar, is a vital question for the design and other aspects of the appeal. There are significant differences: the Remington model is a "wet/dry" shaver which may be used in the shower and cleaned in water; the necessity to seal electrical apparatus intended to be capable of being immersed makes it bulkier than the Philips triple shaver; and each of the Remington shaving heads has what was called a "dual track" feature, involving a second concentric ring of cutters. The marketing of the Remington rotary shaver in 1997 was part of a world-wide attempt by Remington to wrest a share of the market for rotary shavers from Philips. This has produced litigation in a number of countries (I shall be referring to decisions in England and Canada), and Philips responded in Australia by obtaining an interlocutory injunction restraining Remington from marketing its rotary shaver. The question at the hearing below was whether there should be permanent declarations and injunctions on the causes of action to which I

have already made reference.

The Trade Marks Claims

5 The trade marks upon which Philips firstly bases its case were registered under the *Trade Marks Act 1955*, but became registered trade marks for the purposes of the *Trade Marks Act 1995* by virtue of s 233(1) of that Act. They were registered in class 8 for, *inter alia*, shaving apparatus. Each was registered as a device mark. One, referred to in argument as “the two-dimensional mark”, is:



This mark was two-dimensional, depicted so as



was also in fact two-dimensional mark” because it was

This mark was registered as of 20 May 1977, the registration being subject to an unusual note:

“Registration of this trade mark shall neither confer nor recognise any right to the use of its features as a design applied to an article of manufacture.”

In argument, the note was referred to as “the disclaimer”.

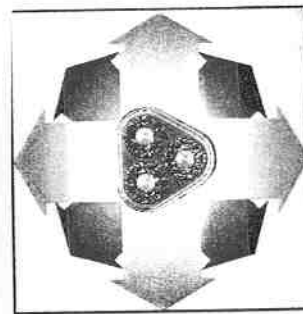
6 The contention put forward by Philips on the trade mark issue, as the trial judge summarised it, is that each of these trade marks has been infringed “by the use of the triple head configuration of the Remington product, the use of photographs or images of the triple head on packaging and in brochures and advertisements and the use of the device [that is, the three shaving heads grouped as an equilateral triangle] on packaging and in brochures and advertisements”. It is said that, in these ways, Remington has used as a trade mark a sign substantially identical with or deceptively similar to the registered marks. Remington, on the other hand, denied that the registration of the marks gave Philips an exclusive right in the design of a shaver, for which the relevant patents have long since expired. Nor, in Remington’s contention, is the respondent making a trade mark use of the design of the shaving surface of its triple rotary shaver, either in the product itself or in the marketing of it. The Remington triple rotary shaver in question has an appearance which has been represented in advertising as follows:



A particular aspect of the advertising material, to which I shall return, should be mentioned. It emphasises an effect of the triangular configuration of the dual track rotary cutters, that, in whichever direction the shaver moves over the user's face, no patches are missed; and this message is illustrated by the display of a diagram showing the shaving surface of the shaver with a series of arrows indicating the directions in which it might move, as follows:

Three independently floating heads
with 60 precision,
self sharpening blades.

- Effective on irregular, uneven
surfaces and contours.
- Cutting heads aligned to eliminate
gaps and ensure no hair is left
uncut regardless of shaving
direction



7 The packaging, in which, before the grant of interlocutory injunctions, the Remington triple rotary shaver was presented for sale, displays through clear plastic the front and shaving surface of the shaver. It is clearly and repeatedly marked with the word “Remington”. The details of the packaging are set out in the reasons of the trial judge at 562-564, and I shall not rehearse them at length. They include explanations of the technology involved, with references to the “wet/dry” capability of the shaver and the “dual track” feature. The diagram of the shaving surface with arrows appears on the back of the package, accompanied by the statement “three heads ensure no gaps when shaving”.

8 The core of the appellant’s case for infringement of its trade mark was put by Mr Bannon SC in the form of a rhetorical question: “Is Remington saying [in its advertising, marketing and packaging], when you see this particular configuration of heads in a triangular formation with the dual track, are they saying this is Remington and only Remington?” When he formulated his argument in that way, he was consciously alluding to what Kitto J

said (with the agreement of Dixon CJ, Taylor and Owen JJ) in *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited* (1963) 109 CLR 407 at 425, by way of stating the kind of response to the presentation of a symbol that would indicate there had been a trade mark use of the symbol: “There I see something that the Shell people are showing me as being a mark by which I may know that any petrol in relation to which I see it used is theirs.” But in counsel’s echo of Kitto J’s words, something has been lost. Counsel’s proposition refers to qualities of the product, claimed to be unique; it alone combines with the triangular configuration of heads a dual track (and, on the evidence, a wet as well as a dry shaving capability). For Kitto J, this was not enough to make a trade mark use; his formulation included vitally the words “as being a mark”. Those words did not slip in accidentally, but were of the essence of the law he was expounding. The context (at 425), both before and after, makes this perfectly clear. The question was whether the oil drop figures projected on the viewer’s television screen, some of which resembled Esso’s trade mark, “appear[ed] to be thrown on to the screen as being marks for distinguishing Shell petrol from other petrol in the course of trade”, whether they were being placed before the viewer “as a trade mark for Shell petrol” or “as being a mark which has been chosen to serve the specific purpose of branding petrol in reference to its origin”. That what resembled Esso’s trade mark was clearly used so that it “would be understood as representing Shell petrol” for “the purpose of conveying ... a particular message about the qualities of Shell petrol” was insufficient to show trade mark use, although the particular message was (as appears at 426) “that the chemical composition of Shell petrol gives it advantages over its rivals”, just as an application of a mark “to packaging of goods ‘so as to refer to those goods’” would not, without more, establish a trade mark use: *Johnson & Johnson Australia Pty Limited v Sterling Pharmaceuticals Pty Limited* (1991) 30 FCR 326 at 348, per Gummow J.

9 Kitto J, in *The Shell Company of Australia Limited* (at 424-425), stated the cardinal issue in the following way:

“The crucial question in the present case seems to me to arise at this point. Was the appellant’s use, that is to say its television presentation, of those particular pictures of the oil drop figure which were substantially identical with or deceptively similar to the respondent’s trade marks a use of them ‘as a trade mark’? With the aid of the definition of ‘trade mark’ in s.6 of the Act, the adverbial expression may be expanded so that the question becomes whether, in the setting in which the particular pictures referred to were presented, they would have appeared to the television viewer as possessing the character of devices, or brands, which the appellant was using or

proposing to use in relation to petrol for the purpose of indicating, or so as to indicate, a connexion in the course of trade between the petrol and the appellant. Did they appear to be thrown on to the screen as being marks for distinguishing Shell petrol from other petrol in the course of trade?"

In affirming that this was the true question, Kitto J made clear his acceptance of the correctness of a number of long-standing English decisions by which it was established that, in provisions such as ss 58 and 62 of the *Trade Marks Act 1955*, references to the use of a trade mark must be understood as references to the use of it *as* a trade mark. Kitto J referred (at 423) to this important limitation on the language of the 1955 Act as “the settled interpretation of the expression ‘use of the mark’ in this kind of provision”. In a discussion (at 424) of the difficulties which have arisen in England by reason of certain legislative amendments (as to which see now *Kerly’s Law of Trade Marks and Trade Names* 12th ed (1986) s14-05), his Honour referred to “the fundamental change which would be involved” in holding that the exclusive right of the registered proprietor of a trade mark “was no longer limited to use as a trade mark”.

10 At the heart of the present appeal is the question whether the *Trade Marks Act 1995* has brought about this fundamental change, not directly, but indirectly, by changing the character of use as a trade mark. Before turning to the provisions of the new Act, however, I should say something of the English decisions that were endorsed in *The Shell Company of Australia Limited*. Kitto J referred to *J.B. Stone & Co Ltd v Steelace Manufacturing Co Ltd* (1929) 46 RPC 406, which concerned the trade mark “Alligator”, held to have been infringed by the use of the expression “alligator pattern”. But the point made by Kitto J (at 426) was that if the word “pattern”, in the context, had been strong enough to modify the meaning of the infringing expression, so as to make it mean “only that the goods were of a type of which ‘Alligator’ goods were an example there would have been no infringement, because the context would then have shown that the word ‘alligator’ was being used otherwise than as a trade mark”. So the use, in reference to the qualities, not the origin, of the defendant’s goods, of the very word that constituted the trade mark would not necessarily be an infringement. Even more striking is the approval that was given to *Edward Young & Co Ld v Grierson Oldham & Co Ld* (1924) 41 RPC 548. There, the trade mark, registered in respect of wines and other liquors, consisted of a picture of a Portuguese bullock-cart laden with a large barrel and accompanied by two human figures. The alleged infringement pictured a quite similar

Portuguese bullock-cart and barrel with one human figure. Both carts were shown as drawn by two oxen. The Court of Appeal held (as Pollock MR put it at 574-575) that the infringing use alleged “was not distinctive of the Defendants’ goods or of any goods, but only indicative of a trade and association with Portugal”. What led to that finding was evidence of a usage in the port wine trade by which the fact that wine was produced in Portugal was indicated by the symbol of a Portuguese wine cart. As Warrington LJ said (at 577):

“On the construction of Section 39 [of the Trade Marks Act 1905] it seems to me clear that the right there defined is only infringed if the registered mark is used as a trade mark as defined by Section 3. And if it is only used, as in the present case I think it is, in accordance with a usage in the trade in port wine for the purpose of indicating the country from which such wine comes, then in my opinion the user is not an infringement of the Plaintiffs’ Trade Mark.”

Sargant LJ referred (at 579) to the “purpose and nature of the user of the Plaintiffs’ picture in connection with port wine”. It was, he pointed out, common for firms engaged in the port wine trade to use pictures of this kind “as symbolical or representative of the nature of their goods”. He held that this use was -

“incompatible with the use of the symbol or picture as a trade mark. For, so far from tending to indicate that the port wine so sold is the wine of any particular shipper, merchant or dealer, it cannot in the circumstances do any more than indicate that the merchandise is port wine; or in strict logical language the denotation of a picture of the kind to describe the port wine of all and sundry is so wide as to be incompatible with a connotation limited to describing the wine of one particular vendor. The case seems to me very much the same as if the Plaintiffs had managed to register the word ‘port’ in sloping capitals. In such a case they could not, in my judgment, succeed in preventing their competitors using the word ‘port’ in upright capitals or in ordinary type to denote the port wine dealt in by these competitors.”

This case obviously involved most unusual circumstances, perhaps not likely to be repeated; but it emphasizes, as Kitto J made clear in *The Shell Company of Australia Limited* (at 426), the crucial importance of the *purpose and nature* of the use involved in an alleged infringement (see also *Johnson & Johnson* at 347; *Musidor BV v Tansing* (1994) 52 FCR 363 at 372-377).

11 A trade mark is defined in the *Trade Marks Act 1995* by s 17 as “a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.”

When that definition - which accords with the basal doctrine of trade mark law: see the passage from the United States Supreme Court decision *Estate of P D Beckwith, Inc v Commissioner of Patents* (1920) 252 US 538 at 543 which is cited in *Johnson & Johnson* at 342 - is required to be applied, regard should be had to a so-called inclusive definition of the word “sign” which is to be found in s 6: the word “includes the following or any combination of the following, namely, any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent”. In so far as it is the use of a trade mark in relation to goods with which the Act is concerned, regard must be had also to s 7(4), by which it is provided:

“In this Act:

***use of a trade mark in relation to goods** means use of the trade mark upon, or in physical or other relation to, the goods (including second-hand goods).”*

The nature of the primary right conferred by the registration of a trade mark is stated in quite summary terms in s 20(1):

“If a trade mark is registered, the registered owner of the trade mark has, subject to this Part, the exclusive rights:

- (a) to use the trade mark; and*
- (b) to authorise other persons to use the trade mark;*

in relation to the goods and/or services in respect of which the trade mark is registered.”

It will be observed that this sub-section follows the practice, to which Kitto J alluded in *The Shell Company of Australia Limited*, of omitting to specify that the exclusive right of use is a right to use *as* a trade mark; however, having regard to the legislative history and the unvarying course of authority, the right must be understood to be so limited. In any case, and somewhat inconsistently, Parliament did decide to specify the nature of the use involved when it came to deal with the subject of infringement. Section 120 provides:

“(1) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.

- (2) *A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:*
- (a) *goods of the same description as that of goods (**registered goods**) in respect of which the trade mark is registered; or*
” (Emphasis added in subs (1) and in the opening part of subs (2).)

12 In my opinion, merely to produce and deal in goods having the shape, being a functional shape, of something depicted by a trade mark (here the marks do depict, one more completely than the other, a working part of a triple rotary shaver) is not to engage in a “use” of the mark “upon, or in physical or other relation to, the goods” within s 7(4), or to “use” it “in relation to the goods” within s 20(1). “Use” and “use”, in those contexts, convey the idea of employing the mark, (*first*) as something that can be “upon” or serve in a “relation” to the goods, (*and secondly*) so as to fulfil a purpose, being the purpose of conveying information about their commercial origin. The mark is added, as something distinct from the goods. It may be closely bound up with the goods, as when it is written upon them, or stamped into them, or moulded onto them (see *The Coca-Cola Company v All-Fect Distributors Limited trading as Millers Distributing Company* (2000) AIPC 91-534), or, in the case of a liquid, it may be sold in a container so formed as to constitute at once both container and mark. But in none of these cases is the mark devoid of a separate identity from that of the goods. The alternative ways of using a trade mark in relation to goods do not include simply using the goods themselves *as* the trade mark. The reason is plain: it is to be assumed that goods in the market are useful, and if they are useful, other traders may legitimately wish to produce similar goods (unless, of course, there are, for the time being, subsisting patent, design or other rights to prevent them from doing so), and it follows that a mark consisting of nothing more than the goods themselves could not distinguish their commercial origin, which is the function of a mark: *Johnson & Johnson* at 342, 348-349. As Jacob J said of a “picture mark” in *Philips Electronics NV v Remington Consumer Products* at 292:

“A picture of an article is equivalent to a description of it – both convey information. If the picture is simply of an artefact which traders might legitimately wish to manufacture then to my mind it is just like the common word for it and, like the word for it, incapable of distinguishing.”

Even if such a mark achieves registration, that does not make the manufacture and sale of similar artefacts into a use of the mark as a trade mark; cf the remarks, quoted above, of

Sargant LJ in *Edward Young & Co Ld v Grierson Oldham & Co Ld* at 579 about the effect of the registration of the word “port” in sloping capitals, remarks which seem to me to apply *a fortiori*.

13 The nearest the appellants came, in argument, to finding an instance of a use of the goods as the trade mark, which could be supported by existing authority, was not the *The Coca-Cola Company* (for there the mark was something added by being impressed on goods that already had their identity as sweets of a particular flavour and texture, which remained unchanged); rather, it was in the example suggested by Branson J of a bottle of perfume. But in the case of a perfume or a drink, it is just because the bottle is only a container for the product the purchaser is going to apply or consume, that features of its shape are sufficiently variable to be capable of being made distinctive (see *Philips Electronics NV v Remington Consumer Products* at 290), and may therefore be used as a mark, though not if the capacity for distinctiveness is not exploited: *Procter & Gamble Ltd’s Trade Mark Applications* [1999] RPC 673 at 680-681, per Robert Walker LJ (with whom Peter Gibson and Tuckey LJ agreed). The point may be illustrated by imagining a case where the bottle became the essence of the commodity sold, being an expensive imitation gourd or reproduction of a particularly beautiful Grecian urn. In such a case, other traders might legitimately wish to produce like imitations or reproductions, and the use of the shape could not in itself distinguish the products of one person. Cf. the passage from the judgment of Kitto J in *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 514 which Branson J cited in *Blount Inc v Registrar of Trade Marks* (1998) 83 FCR 50 at 55. Whether the question of fact under s 41(6)(a) of the *Trade Marks Act 1995*, which is discussed in the lastmentioned decision, could ever properly be answered in favour of the manufacturer of a gourd or urn of the kind I have postulated, if he sought to register its shape as a trade mark, does not need to be determined in this case. But when it does come up for determination, consideration will need to be given to the meaning of the expression “it does distinguish” in s 41(6)(a). The word “distinguish”, as a glance at the *Shorter Oxford English Dictionary* will confirm, implies something other from which a differentiation is, or is to be, made. Where, therefore, a sole manufacturer uses a particular name or shape for a product no one else produces, how do we say whether it does in fact distinguish? Is it relevant that, if anyone else were to produce the same product, the name or shape could not differentiate between the two? Does that mean it never did *distinguish*, though it may have named or embodied a kind of product

of which there was but one example? Despite the differences between the 1995 Act and the English legislation, it may be that some light will be found to be cast on the matter by the reasoning of Aldous LJ in *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809 at 817-820; and of Jacob J at first instance in *Philips Electronics NV v Remington Consumer Products* at 292-293.

14 Certainly, before the enactment of the 1995 Act, Australian courts accepted the law expounded by Windeyer J in *Smith Kline and French Laboratories (Australia) Limited v Registrar of Trade Marks* (1967) 116 CLR 628 at 639-640:

*“A trade mark is defined in the Act as ‘a mark used or proposed to be used in relation to goods’ for the purposes stated. This definition assumes, it seems to me, that the mark is something distinct from the goods in relation to which it is used or to be used. It assumes that the goods can be conceived as something apart from the mark and that the mark is not of the essence of the goods. The goods are assumed to have an existence independently of the mark. As Sargant L.J. put it, in stating the difference between a design and a trade mark, ‘A trade mark is something which is extra, which is added to the goods for the purpose of denoting the origin of the goods’: Charles Goodall & Son Ltd. v. John Waddington Ltd. (1924) 41 R.P.C. 658, at p. 668. And Lord Lindley, then Lindley L.J., said in *In re James's Trade-Mark* (1886) 33 Ch. D. 392, at p. 395, ‘We must be careful to avoid confusion of ideas. A mark must be something distinct from the thing marked. A thing cannot be a mark of itself ...’. This does not mean that today a trade mark must be a mark to be physically applied to the goods. It may now be a mark to be used in other ways in relation to goods. A thing can always be described and distinguished in appearance by any visible characteristic which it has, its shape, colour or any mark which it bears. But the test is not – Can the goods be described or depicted without reference to their markings? As I see it, a mark for the purposes of the Act must be capable of being described and depicted as something apart from the goods to which it is to be applied, or in relation to which it is to be used. This view is supported by the provisions of s. 107 of the Act. It accords too with the various things included in the definition of ‘mark’. That list is not expressed as exhaustive but it is certainly illustrative. I do not think that a mere description of goods simply by shape, size or colour can be a trade mark in respect of those goods.”*

The same view was expressed by Lord Templeman, speaking for a unanimous House of Lords (Lords Keith of Kinkel, Brandon of Oakbrook, Templeman, Griffiths and Oliver of Aylmerton), in *Re the Coca-Cola Company* (1986) 6 IPR 275, a decision under the *Trade Marks Act 1938 (UK)*. His Lordship said (at 277):

“In my opinion the Act of 1938 was not intended to confer on the manufacturer of a container or on the manufacturer of an article a statutory monopoly on the ground that the manufacturer has in the eyes of the public established a connection between the shape of the container or article and the manufacturer. A rival manufacturer must be free to sell any container or article of similar shape provided the container or article is labelled or packaged in a manner which avoids confusion as to the origin of the goods in the container or the origin of the article. ...

The word ‘mark’ both in its normal meaning and in its statutory definition is apt only to describe something which distinguishes goods rather than the goods themselves.”

The earlier decision of the House of Lords in *Smith, Kline & French Laboratories Ltd v Sterling-Winthrop Group Ltd* [1976] RPC 511 was distinguished by Lord Templeman (at 278) as a case which “only related to the colour of goods and has no application to the goods themselves or to a container for goods”.

15 The trial judge discussed (at 558-560) the question whether the 1995 Act has changed all that. It is unnecessary to repeat the various conflicting indications of legislative intention detailed in that discussion. I think it is important to note, as his Honour does at 560, that the legislative background leaves a clear impression the inclusion of the word “shape” in the definition of “sign” was not understood to involve the effecting of a radical change in trade mark law. It seems to me that this is the reason there is so little assistance to be gained from ministerial statements or explanations. The amendment was simply not seen as important. Nor was the deletion of the provision made by s 39 of the repealed *Trade Marks Act 1994*. No change being contemplated to the nature of trade mark use, it followed that neither a shape “possessed, because of their nature, by the goods” nor a shape “that the goods must have if a particular technical result is to be obtained” (the categories of shape identified in s 39) could distinguish the goods of one trade source from the similar goods of another; and therefore such a shape could not function as a trade mark. Indeed, it is hard to imagine how such a shape of the goods themselves could be used, or be intended to be used, for the purpose set out in s 17 – its use would inevitably be nothing other than part of the use of the commodity itself. Section 39 was omitted from the *Trade Marks Act 1995* because it was unnecessary.

16 It does not follow that a shape can never be registered as a trade mark if it is the shape of the whole or a part of the relevant goods, so long as the goods remain distinct from the mark. Some special shape of a container for a liquid may, subject to the matters already discussed, be used as a trade mark, just as the shape of a medallion attached to goods might be so used. A shape may be applied, as has been said, in relation to goods, perhaps by moulding or impressing, so that it becomes a feature of their shape, though it may be irrelevant to their function. Just as a special word may be coined, a special shape may be created as a badge of origin. But that is not to say that the 1995 Act has invalidated what Windeyer J said in *Smith Kline*. The special cases where a shape of the goods may be a mark are cases falling within, not without, the principle he expounded. For they are cases where the shape that is a mark is “extra”, added to the inherent form of the *particular* goods as something distinct which can denote origin. The goods can still be seen as having, in Windeyer J’s words, “an existence independently of the mark” which is imposed upon them.

17 The conclusion of this discussion is not that the addition of the word “shape” to the statutory definition calls for some new principle, or that a “shape” mark is somehow different in nature from other marks, but that a mark remains something “extra” added to distinguish the products of one trader from those of another, a function which plainly cannot be performed by a mark consisting of either a word or a shape other traders may legitimately wish to use. That proposition has commonly been stated in connection with marks that seek to appropriate the actual name of the product or an apt description of it; but the principle equally applies in the case of a shape or picture representing the very form and appearance in which another trader might legitimately wish to make the product. In *Unilever Ltd.’s (Striped Toothpaste No. 2) Trade Marks* [1987] RPC 13, Hoffmann J (as Lord Hoffmann then was) dismissed an appeal against a refusal of registration of device marks containing representations of red and white striped toothpaste. His Lordship said (at 19-20):

“There are many cases which speak of the extreme difficulty which faces a trader who produces a new article to which he attaches a descriptive name in proving that the name has acquired a secondary meaning denoting an article made by him. As Lord Davey said in the Cellular Clothing Company Ltd v Maxton & Murray [1899] AC 326 at 344:

‘...the evidence of persons who come forward and say that the name in question suggests to their minds and is associated by them with the plaintiff’s goods alone is of a very slender character, for the simple reason that the plaintiff was the only maker of the goods during the

time that his monopoly lasted, and therefore there was nothing to compare with it...’.

There is in my view a similar obstacle in the path of a trader who has enjoyed a de facto monopoly of a product with a relatively simple feature chosen not as a badge of origin but on the ground that it was likely to appeal to the public. The fact that members of the public now associate that feature with his product tells one nothing about what they would think if a product with a similar feature came upon the market. It seems to me that if Colgate or any other manufacturer produced a new brand of red and white striped toothpaste in a get-up which was not otherwise confusing, the public would have little difficulty in distinguishing the new brand from SIGNAL. There may be a few children who want SIGNAL, ask for ‘the red and white striped toothpaste’, are given the new brand without realising that it exists and do not discover the mistake till they have taken it home. But these are likely to be very few and I think represent the kind of confusion which is bound to occur whenever an existing monopoly is broken. I do not think that it is a possibility which would deter an honest trader from marketing red and white toothpaste if he thought it would be attractive to his customers.

In my judgment, red and white stripes are a feature of toothpaste which other traders may legitimately desire to use. ...

It follows that the marks in suit are not in my view ‘adapted to distinguish’ the goods of Unilever within the meaning of s 9 [of the Trade Marks Act 1938 (UK)] and they do not qualify for registration in part A. The nature of the marks is such that I see no prospect of there being a time when it would not be legitimate for other traders to wish to use them and I therefore do not regard them as ‘capable of distinguishing’ the goods for the purposes of section 10. Accordingly they do not qualify for registration in part B either.”

Although this decision was concerned with whether the mark was registrable under the English legislation then in force, it is obvious that the reasoning I have quoted is relevant to the question of trade mark use which arises in the present case. It may also explain the purpose of the disclaimer, although the effectiveness of that is another matter. Cf. the remarks of Aldous LJ in *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809 at 817-818.

18 Here, the question is not whether a mark should be registered, but whether Remington has infringed Philips’ marks by using “as a trade mark a sign that is substantially identical with or deceptively similar to the trade mark in relation to goods ... in respect of which the trade mark is registered”. For this purpose, it is vitally important that the particular configuration of the rotary heads, like the bullock-cart in *Edward Young & Co Ld v Grierson*

Oldham & Co Ltd and the oil drop in *The Shell Company of Australia Limited*, does have plainly a recognisable significance and a purpose quite different from those of a trade mark. So far as the Remington shaver itself is concerned, the configuration is one of the best designs for a rotary shaver. Subject to the design issues in this case, to which I shall come later, there is no reason why a trader other than Philips should not set out to deal in such a shaver. Upon the similar facts in evidence in *Philips Electronics NV v Remington Consumer Products Ltd*, Aldous LJ (with whom Mantell and Simon Brown LJJs agreed) said (at 824):

“[T]he judge held that Remington’s use was honest. Philips submitted, as the judge found, that Remington had copied. Upon that basis they submitted that Remington’s use was not honest commercial practice. I believe the judge was correct. I accept that where there is a valid intellectual right copying may be a commercial practice which is not honest. But that is not the case here. If copying per se were to be held to be a dishonest commercial practice, the development of competition would be eroded.”

(Cf. the passage from the judgment of Gibbs CJ in *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* at 196 quoted *infra*; and the remarks of Lord Scarman, delivering the advice of the Privy Council, in *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* (1980) 32 ALR 387 at 393, 395-396.) In that situation, it seems to me that selling or otherwise dealing in a shaver of this type cannot, without more, constitute the making of a trade mark use of the appellant’s marks. Arguably, it may be said to involve the use of a “sign” as defined in the *Trade Marks Act 1995*, just as a two-dimensional design may be communicated by a manufactured article: see *In re Wolanski’s Registered Design* (1953) 88 CLR 278 at 280. But it is not a trade mark use of the sign. “Nor”, that being so, “is it sufficient for the registered proprietor to show that the defendant has applied the trade mark to its goods, or otherwise utilised the trade mark, in circumstances where the defendant may derive for itself commercial advantage from a subsisting goodwill built up around the registered mark”: *Musidor BV v Tansing* at 375, per Gummow and Heerey JJ.

19 Then the appellant refers to advertising, packaging and the like in which representations of the shaver appeared. However, on the evidence, these amounted to no more than a display of the features and qualities of the Remington shaver. Some of those features to which the advertising draws attention are features also possessed by Philips shavers, and they may well be features that Philips has taught the public to regard highly; but that cannot make Remington’s reference to the same features a trade mark use of

accompanying representations of the shaver. Other features (the “dual track” and the “wet/dry” capability) are peculiar to the Remington shaver; a consequent claim of the uniqueness of the product, again, cannot turn the use of illustrations of it into a trade mark use. While the use of the Remington mark, which is prominently displayed, would be of no avail if there were a trade mark use of Philips’ marks (*Mark Foy’s Limited v Davies Coop and Company Limited* (1956) 95 CLR 190 at 205), some indication that the use of the latter is not a trade mark use, but for a different purpose, is provided by the fact of “the use of the respondent’s mark in a way that a mark would be used for goods of this type”: *Musidor BV v Tansing* at 376; and see *Pepsico Australia Pty Ltd v Kettle Chip Company Pty Ltd* (1996) 33 IPR 161 at 182, 185. There is one aspect of the advertising which calls for special remark. This is the use of a representation of the triple rotary shaving surface with a series of arrows pointing in various directions. It is arguable that here the advertising departs from the pattern observed by it everywhere else, so as to make a trade mark use of the appearance of the triple headed shaving surface of the shaver, but I do not think that argument is correct. Immediately adjacent to each example of this kind in evidence, are words clearly indicating that the representation and arrows are illustrative of the proposition that movement of the shaver in any direction across the face of the user will leave no area over which the cutters will have failed to pass. In the context of the advertisements – and it will be remembered *Kitto J* in *The Shell Company of Australia Limited* emphasised (at 422) that “the context is all-important” – the use of the representation to make this point is not a trade mark use. Indeed, a precisely similar conclusion should be reached to that which *Kitto J* reached (at 425-426) – the “purpose and nature” of the use of the illustration, like the purpose and nature of the use of the oil drop figure, is to demonstrate the “advantages” of the product being advertised.

20 Although the relevant Canadian statutory provisions are significantly different from the provisions of our Act, in terms of the general principles relating to trade marks, similar conclusions were stated by MacGuigan JA, speaking for the Federal Court of Appeal, in *Remington Rand Corp v Philips Electronics NV* (1995) 64 CPR (3d) 467. That case involved a Canadian registration of Philips’ so-called three dimensional trade mark. MacGuigan J said (at 477):

“It is clear that every form of trade mark ... is characterized by its distinctiveness.”

He went on to refer (at 478) to “the public policy basis [of trade marks] ... to distinguish wares from those of competitors, by monopolizing, not the wares, but the mark as used in relation to them.” And he concluded (*ibid*):

“A mark which goes beyond distinguishing the wares of its owner to the functional structure of the wares themselves is transgressing the legitimate bounds of a trade mark.”

21 During the hearing at first instance, the appellant sought to obtain by a notice to produce, and to introduce into evidence, documents relating to the filing of trade mark applications in Mexico and Argentina on behalf of a company said to be Remington’s parent company. These applications related to images of the shaving head of a triple rotary shaver. Lehane J refused to require this material to be produced, or to admit it into evidence. Philips pressed the matter as a ground of appeal, relying on s 55(1) of the *Evidence Act 1995* (Cth), which provides:

“The evidence that is relevant in a proceeding is evidence that, if it were accepted, could rationally affect (directly or indirectly) the assessment of the probability of the existence of a fact in issue in the proceeding.”

Section 55 is given practical effect by s 56:

“(1) Except as otherwise provided by this Act, evidence that is relevant in a proceeding is admissible in the proceeding.

(2) Evidence that is not relevant in the proceeding is not admissible.”

Counsel contended that the parent company’s applications would be relevant to the question whether Remington made a trade mark use of a sign similar to Philips’ mark. But the common law, as is pointed out in Julius Stone (revised by W A N Wells) on *Evidence Its History and Policies* (1991) at 60-62, has always excluded “the use of evidence which, though possibly relevant, would involve a waste of the court’s resources out of all proportion to the probable value of the results”. Such evidence has traditionally been described as too “remote” or as “only ‘collateral’ to the main enquiry”. Professor Stone cited the words of Baron Rolfe in *Attorney-General v Hitchcock* (1847) 11 Jur 478 at 482:

“The laws of evidence as to what is receivable or not, are founded on a compound consideration of what abstractedly considered is calculated to throw light on the subject in dispute, and of what is practicable. Perhaps if

we lived to the age of 1000 years, instead of sixty or seventy, it might throw light on any subject that came into dispute if all matters which could by possibility affect it were severally gone into”

Although, if ss 55 and 56 be read alone, it might seem that the practicality of the common law has been abandoned by the Act, s 135 provides:

“The court may refuse to admit evidence if its probative value is substantially outweighed by the danger that the evidence might:

...

(c) cause or result in undue waste of time.”

It is plain that the statute is speaking in extremely broad terms, of uncertain import, which must be construed as leaving a great deal to the judgment of the trial judge, but that judgment must be exercised on a ground of principle. In my opinion, the common law principle expounded in the text to which I have referred is the foundation of s 135(c). In *D F Lyons Pty Limited v Commonwealth Bank of Australia* (1991) 28 FCR 597 at 607, Gummow J accepted that there was a “discretion described in the authorities” which enabled him to refuse to enter upon a burdensome enquiry from which “there might be no substantial countervailing benefit in assisting the resolution of the primary issues”. Lehane J, in *Zaknic Pty Ltd v Svelte Corporation Pty Ltd* (1995) 61 FCR 171 at 176-177, treated *D F Lyons Pty Limited v Commonwealth Bank of Australia* as throwing light on the proper use of s 135. In my opinion, it is unnecessary to decide whether the evidence of the Mexican and Argentinian applications had some relevance within s 55; his Honour was fully justified in rejecting the evidence as so remote that it fell within s 135, a conclusion which would have been expressed in common law terms by saying that the evidence lacked sufficient relevance.

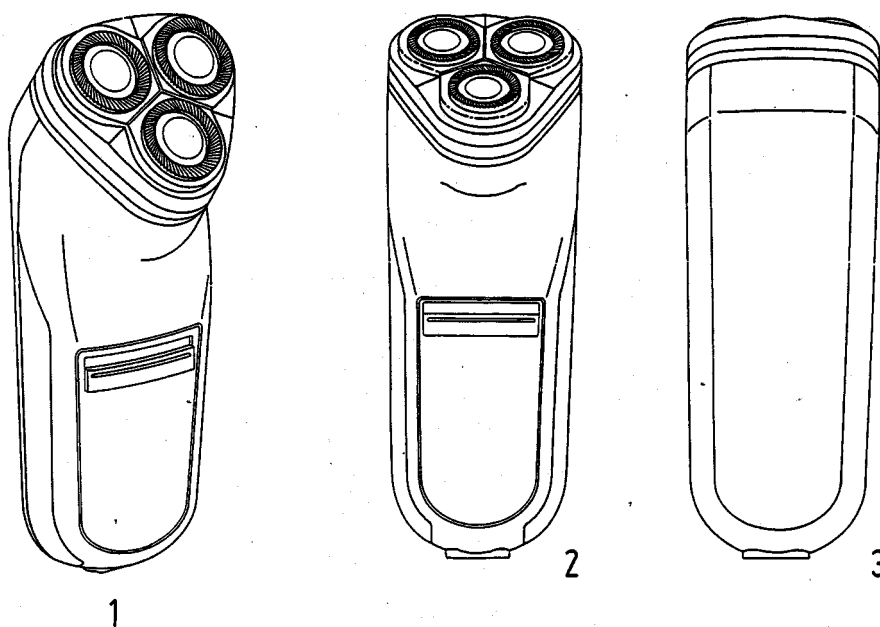
22 The trial judge considered (at 568-570) the effect of the disclaimer, on which Remington sought to rely. For the reasons there set out, he considered that it would not have provided an answer to Philips’ claim, had Remington’s use of the shaver been a trade mark use of a shape deceptively similar to the so-called three dimensional mark. Since, like his Honour, I have reached the conclusion that Remington did not use the mark as a trade mark, it is unnecessary to pursue this question. Certainly, his Honour’s reasons demonstrate that it would be extremely difficult to give any effect under the 1995 Act to the particular language which has been adopted in the disclaimer.

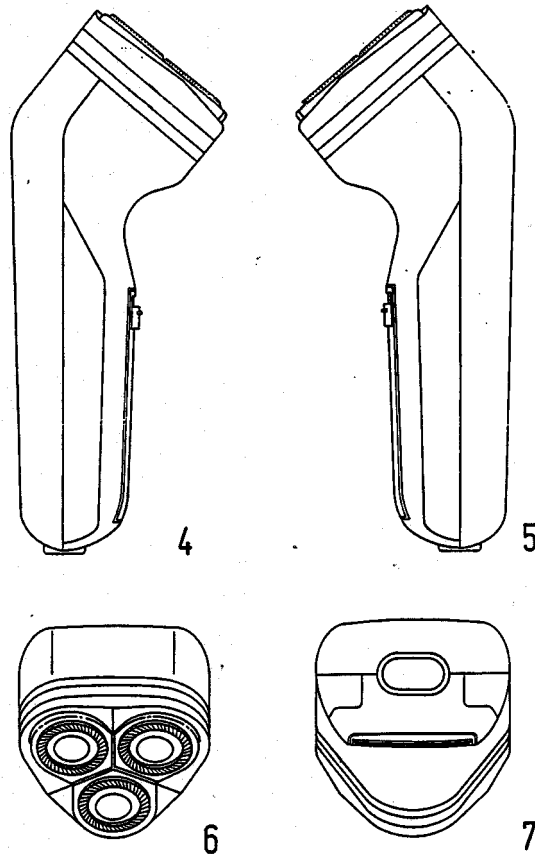
The Registered Design Claims

23 The next issue is whether the learned trial judge erred when he held that Philips had failed to show an infringement of its registered design by that of the respondent's shaver. The design relied on was registered under the *Designs Act 1906* (Cth) on 31 October 1989 for a "dry shaver". The Statement of Monopoly is in the following terms:

"Those features of the representations in respect of which the applicant for registration of the design wishes to claim a monopoly are the features of shape and configuration."

The representations are seven, in the following forms:





Section 30 of the *Designs Act* provides:

- (1) *A person shall be deemed to infringe the monopoly in a registered design if he, without the licence or authority of the owner of the design -*
- (a) *applies the design or any fraudulent or obvious imitation of it to any article in respect of which the design is registered;*
 - (b) *imports into Australia for sale, or for use for the purposes of any trade or business, any article in respect of which the design is registered and to which the design or any fraudulent or obvious imitation of it has been applied outside Australia without the licence or authority of the person who was the owner of the registered design at the time when the design or imitation was so applied; or*
 - (c) *sells, or offers or keeps for sale or hires, or offers or keeps for hire, any article -*
 - (i) *to which the design or any fraudulent or obvious imitation of it has been applied in infringement of the monopoly in the*

- design; or*
- (ii) *in respect of which the design is registered and to which the design or any fraudulent or obvious imitation of it has been applied outside Australia without the licence or authority of the person who was the owner of the registered design at the time when the design or imitation was so applied.*

(2) *If any person infringes the monopoly in a registered design, the owner of the design may bring an action or proceeding against him for infringement of the monopoly in the design.”*

25 The trial judge considered in some detail (at 573 *et seq*) the evidence upon which Philips relied to show that there had been either an obvious imitation or a fraudulent imitation of its registered design. His Honour came to the conclusion (at 582) that the Remington shaver in question was “based on or derived from the same design” as an earlier Remington model the design of which “was knowingly, consciously or deliberately based on or derived from the Philips design”. Nevertheless, he decided (at 587):

“As a whole there are in my judgment substantial differences of a material kind between the registered design and the Remington product which give the latter a distinctively different appearance from the former. Those differences are principally the size of the head base and the size and shape of the handle. The differences between the two fascia plates are, in my view, also significant.”

He held that the Remington shaver was not an imitation of the registered design, and therefore there was no infringement. Questions of the meaning of “obvious” or of “fraudulent”, in this context, disappear where an impugned product is just not an imitation: *L J Fisher & Company Ltd v Fabtile Industries Pty Ltd* (1978) 1A IPR 565 at 581; *Fisher & Paykel Healthcare Pty Ltd v Avion Engineering Pty Ltd* (1991) 22 IPR 1 at 12-13.

26 Had the Remington shaver been an imitation, though with differences sufficient to prevent it being an obvious imitation, the question would have arisen whether it was a fraudulent imitation, and the Court would have needed to consider the nature of the element of fraud involved in such an imitation. For, ironically enough, the principal difference contributing to the conclusion that there was not an imitation at all was not produced by a fraudulent attempt to disguise the copying which had taken place, but despite Remington’s best efforts to reduce that particular difference. As the trial judge put it (at 583-584):

“[O]ne of the differences – indeed the most striking difference – between the design in suit and the Remington product is the considerably greater size of the Remington product’s head base. The evidence ... establishes that Remington would greatly have preferred a smaller head but could not achieve it because of the size of the internal components and the need to waterproof the machinery. That difference thus exists not because Remington wished to disguise any copying but because the character of the particular machine dictated it.”

27 Where a product is alleged to constitute an infringement of a registered design, the question whether that individuality of appearance, which is the essence of a design, exhibited by the registered design, has been imitated by the impugned product is a question to be answered by the eye. As Taylor, Menzies and Owen JJ said in their joint judgment in *Malleys Limited v J W Tomlin Pty Limited* (1961) 180 CLR 120 at 125:

“The monopoly, if there be one, is for the particular appearance represented by the drawings and for nothing else.”

The eye of the Court must determine whether that particular appearance has been applied or imitated. It may indeed be that the eye’s perception is insusceptible of clear statement in words. In *In re Wolanski’s Registered Design* at 281, Kitto J explained, by reference to the *Pensées*:

“[T]he eye, like the heart according to Pascal, has its reasons that reason does not know”.

The corollary was stated by Lockhart J (with whom Gummow J agreed) in *Dart Industries Inc v Décor Corporation Pty Ltd* (1989) 15 IPR 403 at 412:

“Appearance to the eye is the critical issue, and the decision of the trial judge is to be given particular weight unless some error in his judgment has been demonstrated: Dalgety Australia Operations Ltd v FF Seeley Nominees Pty Ltd (1986) 6 IPR 361 per Fisher J at 367 and Beaumont J at 373-4.”

See also *S W Hart & Co Proprietary Limited v Edwards Hot Water Systems* (1985) 159 CLR 466 at 478; *Turbo Tek Enterprises Inc v Sperling Enterprises Pty Ltd* (1989) 23 FCR 331 at 350; *Commissioner of Taxation v Chubb Australia Limited* (1995) 56 FCR 557 at 560, 572-573.

28 In the present case, I do not think any error has been demonstrated in the judgment of the trial judge. Furthermore, for myself, I take the same view of the Remington shaver as he did. Its visual impact seems to me to be dominated by the solidity, even bulkiness, of the shaving head. That functional reasons account for this appearance is beside the point; it is the appearance itself that matters. The Remington shaver shows a palpable difference from the finer lines of the registered design.

29 Counsel for Philips argued that an error in the trial judge's approach had been demonstrated, in so far as his Honour did not give separate and particular attention to the appearance of so much of the Remington shaver as is revealed by the view of it obtained through the clear plastic of the packaging in which it would be found in a shop. The argument was that some persons, perhaps particularly gift buyers, might only see it thus until after a purchase had been made. But I can see no error in this respect. From the origins of the legal protection of designs, "arguably the first modern area of intellectual property law" (B Sherman & L Bently, *The Making of Modern Intellectual Property Law* (1999) at 76), in the *Calico Printers' Act 1787* ("an Act for the Encouragement of the Arts of Designing and Printing Linens, Cottons, Calicos and Muslins by Vesting the Properties thereof in the Designers, Printers and Proprietors for a Limited Time") and the later *Calico Printers' Act 1794*, "the focus of attention was upon the product on which the print or design was stamped – the fabric, dress and so on" (*ibid*, 37). The product has remained the focus of attention. In *Malley's Limited v J W Tomlin Pty Limited*, it was stated in the joint judgment (at 126):

"An infringement of copyright in a registered design occurs when another person, without the licence or authority of the owner, 'applies the design or any fraudulent or obvious imitation of it to any article in respect of which the design is registered' (s. 30(1)(a)). As has already been said, the article in respect of which the design is registered is 'Bottom for toilet pan' and if in this case there has been an infringement, it is because the appellant has applied the design or a fraudulent or obvious imitation of it in the making of 'articles' designated as bottoms for toilet pans. This can only be determined by looking at the bottoms as fabricated before the process of incorporating them in pans begins and determining whether they are of substantially the same shape as that represented by the registered design."

Later (at 128), their Honours reiterated:

"[A]s we have already indicated, the time at which the comparison must be made is when the bottom is completed and before the next step in the manufacture of pans commences."

To treat the problem as involving an examination of the product after it had been partly hidden by being enclosed in packaging would be the antithesis of what the High Court held to be required.

30 In *D Sebel & Co Ltd v National Art Metal Co Pty Ltd* (1965) 10 FLR 224 at 228, Jacobs J noted that there was not, as there is not here, any statement of the alleged novel features in respect of which the registration claimed protection for the design. His Honour said:

“The absence of any such statement means in effect that it is necessary to regard each article as a whole and see whether there is a substantial identity between them.”

In a passage which is directly relevant to the argument I am presently considering, his Honour continued (at 228-229), after referring to “a distinctive difference from the registered design”, as follows:

“Mr Robinson in his evidence minimized this difference, but he did so by having regard not to the chair frame alone as a design [the registered design was for ‘metal chair frame’ - see 225], but to the chair as it would look when the upholstery was on it. Such an approach is not permissible since the chair frame is the subject of the registration and it is to the frame and that alone that one may have regard when considering the particular or distinctive features (Malleys Ltd v J W Tomlin Pty Ltd).”

(Here, of course, it is the shaver that is the subject of the registration.) His Honour added a comment on a particular feature, and said:

“This might not be particularly noticeable when the chair has its upholstery upon it, but it is noticeable in the chair frame in conjunction with the extension of the back supports. ... The shape and general appearance of the chair frame are to me quite distinct from the registered design in these respects.”

31 The appellant relied on a solitary dictum of Lloyd-Jacob J in *R B Watson & Co Ltd v Smith Bros (Wirewares) Ltd* [1963] RPC 147 at 151, which is quoted by Lockhart J, but is not referred to by Fox J (with whom Jenkinson J agreed), in *Firmagroup Australia Pty Ltd v Byrne and Davidson Doors (Vic) Pty Ltd* (1986) 6 IPR 377 at 386, that “the proper basis of comparison is that which will present itself in the normal channels of trade”. It does not

appear that this dictum has ever been the basis of a decision in any court. In this court, it cannot withstand the weight of the High Court authority to which I have referred. In my opinion, his Honour did not err when he compared the registered design with the Remington shaver, instead of concentrating upon a partial and obscured view of it. However, having looked at the packaged shaver presented to the Court, I am in no doubt that it would not have made any difference had his Honour performed the task in the way in which Philips says he should have performed it. The bulkiness of the shaving head of the Remington shaver would have remained a prominent feature, distinguishing it clearly and substantially from the registered design.

32 A question was raised in the argument concerning the nature of fraudulent imitation. In *Malleys Limited v J W Tomlin Pty Limited*, the joint judgment contains (at 127) the following comments:

“Turning to s.30 it is apparent that there is infringement in any one of three cases – that is, where the design which has been applied is: - (i) the registered design (ii) an obvious imitation of the registered design (i.e., not the same but a copy apparent to the eye notwithstanding slight differences) and (iii) a fraudulent imitation (i.e., a copy with differences which are both apparent and not so slight as to be insubstantial but which have been made merely to disguise the copying). Visual comparison will establish (i) or (ii) but a finding of fraudulent imitation must require something more because in such a case visual comparison is not of itself sufficient to establish imitation; otherwise it would be an obvious imitation.” (Emphasis added.)

This passage was referred to in *Firmagroup Australia Pty Limited v Byrne & Davidson Doors (Vic.) Pty Limited* (1987) 180 CLR 483 at 489, where Wilson, Brennan, Deane, Dawson and Gaudron JJ, in a joint judgment, said:

“Special leave was granted in this case chiefly to consider the distinction between ‘obvious’ and ‘fraudulent’ imitations. On analysis, that question does not arise. However, nothing that was submitted in argument before this Court casts doubt upon the brief but accurate description of obvious and fraudulent imitations in Malleys Case.”

At the same page, their Honours endorsed the view of the trial judge, King J, as a correct statement of the position:

“My conclusion is that although there are common features of construction in the compared designs, it must appear, to find fraudulent imitation, that the overall distinctive appearance of the registered design has been taken. In this case salient features of construction are taken, but the whole unit has been so

redesigned to incorporate them that a different design has been produced. Thus the change in balance of the features and the lengthening of the article are not mere disguise but are themselves salient features of the defendants' design which are novel and unique in that design."

33 In *Elconnex Pty Limited v Gerard Industries Pty Limited* (1991) 32 FCR 491 at 503, I said:

"It seems to me that what makes conduct of the relevant kind fraudulent is the infringer's dishonest concealment of the reality of copying in order to evade being held legally responsible for it. That form of dishonesty can only arise where the copier knows or suspects that his copying will infringe another's legal rights."

I went on to hold (at 504) that although the respondent, in one respect, deliberately copied, making changes with the intention of disguising its action, the ultimate result was distinctly different from the applicant's registered design, so that there was no infringement. A similar view was taken by Hill J in *Lift Verkaufsgerate GmbH v Fischer Plastics Pty Ltd* (1993) 27 IPR 187 at 195, where his Honour said:

"For a case of fraudulent imitation to be made out, the parties are in agreement that as a minimum it is necessary for the applicant to show that the respondent has actually made an imitation."

His Honour continued:

*"It is inherent in the concept of a fraudulent imitation that there will be an intention to copy but with differences which, at the end of the day are 'mere disguises to hide the fact of copying'. As the High Court put it in *Malleys* the differences will be 'both apparent and not so slight as to be insubstantial' in the case of a fraudulent imitation: see 354."*

His Honour also said (at 200):

"Clearly, a fraudulent imitation may display greater departures from the original design than would otherwise have been apparent if the case were one of obvious imitation, for there is involved an attempt to disguise the imitation."

34 Other cases which have referred, when discussing fraudulent imitation, to whether there were attempts to disguise the imitation include *Turbo Tek Enterprises Inc v Sperling Enterprises Pty Ltd* at 349 (Sweeney, Fisher and Sheppard JJ); *Wilson v Hollywood Toys*

(Australia) Pty Ltd (1996) 34 IPR 293 at 300 (Merkel J); *Gerard Industries Pty Ltd v Auswide Import Export Pty Ltd* (1998) 40 IPR 119 at 127 (von Doussa J); and *Fisher & Paykel Healthcare Pty Ltd v Avion Engineering Pty Ltd* at 12, 13 (Black CJ, Lockhart and Gummow JJ). In *Rose v J W Pickavant and Company, Ltd* (1923) 40 RPC 320 at 332, Romer J cited an old decision in which Manisty J had said of the word “fraudulent” in the expression “fraudulent imitation”:

“I think the word was introduced for the very purpose of meeting the case of an imitation, not an obvious imitation, but an imitation varied for the purpose really of perpetrating what is a legal fraud.”

Having referred (at 333-334) to the Defendants’ need of “a filler that should as far as possible, resemble the Plaintiff’s”, Romer J continued:

“In view of the fact that the Plaintiff’s Design was registered, it was equally necessary that their filler should exhibit some differences. But the Defendants’ purpose would be defeated if these differences were too apparent. The Defendants accordingly caused a filler to be constructed that exhibits the same general eccentricity of form as the Plaintiff’s Design, and one that on being viewed from at any rate one angle of view is practically indistinguishable from such Design, as appears from a photograph used at the trial. It is, however, a filler that, on comparison with that of the Plaintiff, does exhibit differences sufficient to prevent the one being an obvious imitation of the other. This, in my opinion, is exactly the kind of thing that the Legislature intended to prevent when making unlawful a fraudulent imitation of a registered Design”

35 In the *Report on the Law Relating to Designs* of the Designs Law Review Committee (the “Franki Committee”) (February 1973), the passage I have quoted from the decision of the High Court in *Malleys Limited v J W Tomlin Pty Limited*, in which the nature of a fraudulent imitation is indicated, is cited by the committee as being a summary of “the effect of” s 30. The committee commented (at 29):

“We are satisfied that the broad protection afforded by section 30 is appropriate and should remove any idea that if a design is copied infringement can be avoided by attempting to disguise copying by making apparent and not insubstantial differences. We do not recommend that there should be any major amendment of it.”

Discussing the report, Mr D C Pearce (as Professor Pearce then was), in an article entitled “DESIGN LAW REFORM” in *Australian Business Law Review* (1974) Vol 2, 112 at 120-121, wrote:

“In Malley’s Ltd v J W Tomlin Pty Ltd the High Court defined fraudulent imitation as a copy with differences which are both apparent and not so slight as to be insubstantial but which have been made merely to disguise the copying. ... The committee considered that the prohibition of fraudulent imitation provided a useful protection against the disguised imitation and should be retained.”

36 I adhere to the view that the element of fraud, in a fraudulent imitation, is to be found in a dishonest concealment of the reality of copying in order to evade responsibility for it. As, in this case, the principal difference from the registered design was produced, not by an attempt at concealment, but by a substantial making over of the design to deal with an intractable technological problem, there was no fraudulent imitation. With respect to those who think otherwise, I find nothing unsatisfactory about this position: for cases where a registered design is not simply applied by the defendant, there is a special test to deal with disguised copying, which can accommodate not insubstantial differences, but otherwise, there is the one test, which looks to obvious imitation.

The Claims under s 52 (*Trade Practices Act*) and for Passing Off

37 The appellants also relied on causes of action under s 52 of the *Trade Practices Act 1974* and for passing off. These were argued together, reliance being placed on the same evidentiary material. The foundation of Philips’ contentions was the long period of effective monopoly it had enjoyed in respect of the production and sale of triple rotary shavers. There is no doubt this has led to an association between Philips and triple headed rotary shavers in the minds of many persons. That association has been assiduously cultivated by advertising images and marketing campaigns, in which the configuration of the head of the shaver has been emphasized (as one might expect, since it distinguishes the type of shaver from foil shavers, and constitutes a visible working feature), though always the shaver has been held up to the public as an appealing *Philips* product, not simply as an appealing product. Attempts have been made, in advertising, to heighten the appeal by a “masculine” association with a fantasy world of fast sports cars – Jaguars and Porsches.

38 One of Philips’ most strongly urged contentions centred upon the complaint that Remington had taken up the motoring theme, by referring to the three heads as three wheels, and generally. According to Philips, this associated the Remington shaver with the Philips, so as to deceive purchasers and appropriate Philips’ goodwill.

39 Remington’s response robustly asserted its right to produce a proven product in all its features – including its technology and anything belonging to the public’s perception of the product itself. What Remington could not and did not do was to suggest that its triple rotary shaver was in any sense a Philips shaver. On the contrary, the Remington shaver was very clearly marked with the Remington name, a well-known brand. In practice, it was to be expected that the rival shavers would be displayed in shops as competing products, each plainly identified as a Philips or as a Remington.

40 The respondent relied on the leading High Court case, *Parkdale Custom Built Furniture Proprietary Limited v Puxu Proprietary Limited* (1982) 149 CLR 191, and on *Dr Martens Australia Pty Ltd v Rivers (Australia) Pty Ltd* (1999) 95 FCR 136, where a Full Court (Sundberg, Emmett and Hely JJ) refused to distinguish the former authority on the ground urged by counsel (see 149) “that a distinction should be drawn between the copying of design and the copying of trade dress or get-up”. See also *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd ubi cit supra*. The principle for which the decision in *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* stands is stated by Gibbs CJ in passages at 196 and 199-200:

“[I]t is difficult to escape from the conclusion that the appellant deliberately copied the design and appearance of the respondent’s chairs. However, it does not follow that the appellant had any intention to mislead or deceive. One manufacturer may copy the product of another, because that product has proved successful and with the intention of taking advantage of an available market for a product of that kind, but with no intention of passing off his own product as the product of the original manufacturer. The fact that the appellant sold its products to retailers, and labelled them before delivery, and the absence of any evidence of any improper agreement between the appellant and any retailer, support the conclusion that the appellant had no intent to mislead or deceive.

...

Speaking generally, the sale by one manufacturer of goods which closely resemble those of another manufacturer is not a breach of s. 52 if the goods are properly labelled. There are hundreds of ordinary articles of consumption which, although made by different manufacturers and of different quality, closely resemble one another. In some cases this is because the design of a particular article has traditionally, or over a considerable period of time, been accepted as the most suitable for the purpose which the article serves. In some cases indeed no other design would be practicable. In other cases, although the article in question is the product of the invention of a person who is currently trading, the suitability of the design or appearance

of the article is such that a market has become established which other manufacturers endeavour to satisfy, as they are entitled to do if no property exists in the design or appearance of the article. In all of these cases, the normal and reasonable way to distinguish one product from another is by marks, brands or labels. If an article is properly labelled so as to show the name of the manufacturer or the source of the article its close resemblance to another article will not mislead an ordinary reasonable member of the public.

See also, per Mason J, at 210-211 and, per Brennan J, at 224-226.

41 In *Dr Martens Australia Pty Ltd v Rivers (Australia) Pty Ltd* (see also *Windsor Smith Pty Ltd v Dr Martens Australia Pty Ltd* [2000] FCA 756), there was a finding (as appears at 144) “that the respondents had deliberately set out to copy the trade dress or get-up of the Dr Martens footwear”, but nevertheless the respondents’ brandings, marking and labelling of their products were sufficient to defeat claims of the kind now made against Remington. With reference to an attempt by Dr Martens Australia Pty Ltd to distinguish *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd*, the Full Court, having rejected it, added (at 150) a reference (with evident approval) to the decision of Lehane J upon the interlocutory application in the present matter, when his Honour held there was no serious question to be tried of contravention of s 52 or of passing off: *Philips Electronics NV v Remington Products Australia Pty Ltd* (1997) 39 IPR 283 at 294, 296.

42 I accept that, in view of the similarity of the Remington triple rotary to the Philips, and in view of the similarity of the image each competitor sought to project for its product, it was incumbent upon Remington to distinguish the shaver it was putting on the market from the rival shaver that was already there: *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 491 at 507-508, 515; *United Biscuits (UK) Ltd v Asda Stores Ltd* [1997] RPC 513 at 524. However, I can see no error in the trial judge’s approach to this issue, or in his conclusion in Remington’s favour. Given that Remington desired to produce a shaver like the Philips shaver in most respects not the exclusive property of Philips by virtue of some right of intellectual property, it is difficult to see what more Remington could reasonably be expected to have done to emphasize that the product was its own triple rotary shaver. And what it did, on the judge’s findings which I think should stand, was in fact sufficient to achieve the purpose.

43 The appellants presented a number of arguments the common theme of which was that some persons might have built up in the past a favourable impression of triple rotary shavers without connecting them with the name Philips; if contemplating a purchase, they might assume the Remington is the shaver they had in mind (which, of course, would not have been a Remington), despite the prominence of the Remington brand. But arguments of this kind could always be raised when an incoming competitor seeks to break a monopoly. Of course, some people might, probably unjustifiably, and probably transiently, associate the new product in some way with the only product of that sort previously available. However, if anyone were misled as a result, it would not be by the conduct of the intruder upon the monopoly, but by virtue of an inherent problem of the situation. Nor is such a difficulty to be attributed to passing off, provided the goods in question are appropriately and clearly branded. Here, the Remington brand is prominent and virtually ubiquitous.

44 In any case, arguments of this kind float, dreamlike, in an atmosphere of unreality. It is not to be assumed that actual purchasers will, other than exceptionally, see the Remington shaver in circumstances so insulated from information that the suggested misconception might be nourished. Generally, Philips shavers (holding 30% of the world market for electric shavers and, up to now, 100% of the Australian market for rotary shavers) will be displayed in shops and stores alongside the newcomer. It will be plain to anyone that here are two rival brands.

45 Nor is there any more reality to the suggestion that the mere similarity of the goods, combined with a similar “masculine” tone pervading the advertising of each, might lead some persons to assume the Remington shaver is produced under licence, or is a sub-brand of Philips. The Remington brand is well known in its own right, and, in Australia, sells more personal care products, though fewer electric shavers, than Philips. The public is thoroughly accustomed to competing brands of almost identical products, which may or may not have some link – or may not today, but may tomorrow, share an over-all owner, by virtue of a takeover or purchase. A similar suggestion, made in the *Dr Martens* case, was there described (at 148) as “fanciful” and “bizarre”.

46 Accordingly, the claims of passing-off and of infringement of s 52 both fail.

47 The appeal should be dismissed with costs.

HILL J:

48 I have had the advantage of reading Justice Burchett's reasons for judgment in draft form and I agree with his Honour's conclusions and his reasons for them.

BRANSON J:

49 I have had the advantage of reading in draft the reasons for judgment of Burchett J. I agree with his Honour's reasons and with the order which he proposes.