

Shell Company of Australia Ltd v Esso Standard Oil (Australia) Ltd [1963]
HCA 66

HIGH COURT OF AUSTRALIA

WINDEYER J
FIRST INSTANCE

DIXON CJ, MCTIERNAN, KITTO, TAYLOR AND OWEN JJ
FINAL INSTANCE

FIRST INSTANCE

WINDEYER J:

The plaintiff and the defendant are well-known oil companies. Each sells petrol and oils. Some sales are made directly to consumers. But retail sales of petrol and motor oil are, for the most part, made by service stations. Speaking generally, the present practice in Australia is for a service station to sell only one brand of petrol and oil; so that there are some service stations that sell the plaintiff's goods and others that sell the defendant's goods and others again that sell the goods of other oil companies. Therefore, in this trade, trade marks are important in advertising and as signs indicating where particular brands of petrol and oil may be purchased rather than as marks on containers in which goods are sold. The object of advertising is thus to keep the name of a particular brand before the public and to associate with it signs, colour schemes and lettering distinguishing the service stations and pumps where it is sold.

The plaintiff alleges that the defendant has infringed two registered trade marks, numbered 135,548 and 135,549, of which it is the registered proprietor. These trade marks are registered in class 47, that is in respect of products and preparations for lubricating, heating, illuminating and fuel and power generating purposes. Both marks are registered for a period of fourteen years from 4th February 1958. The registration was effected under the *Trade Marks Act 1905-1936* (Cth). But, as the *Trade Marks Act 1955-1958* (Cth) now applies to and in relation to trade marks so registered (s. 5 (4)), it is to its provisions that I shall refer. Both the marks are for a caricature of a man, having a large head, large hands and a comparatively small body—the whole being being delineated in outline and with little detail. This figure was described during the argument as a “humanized oil-drop”. In outline the head resembles a drop of fluid: and depicting inanimate objects with faces, arms and legs is, it seems, in the parlance of

advertisers who make use of such pictures, called “humanizing” them. The only difference between the two registered marks is that in one case, 135,549, the man displays, on what would be his chest if his anatomy were less grotesque, the word “Esso” in an oval. “Esso” is the trade name of the plaintiff’s lubricating oil. The word is said to have been derived from the initial letters S. and O., of “Standard Oil”. The figure in the two trade marks is commonly referred to by the plaintiff as its “oil-drop character”, or “oil-drop man” or as “the Esso oil-drop man”. I was invited by both parties to notice the expression of the man’s face, especially his upturned mouth, and to regard him as a cheerful person. The defendant said he was smug; the plaintiff, proud. I do not propose to speculate as to his emotions, beyond saying that he does seem comfortably satisfied. I do not say that the same figure but with a different facial expression might not be an infringement; but a cheerful expression is undoubtedly an important element in this oil-drop man’s make up. The plaintiff in practice has seldom, if ever, used the trade marks in precisely the form they have on the register. But a figure recognizable as the oil-drop man illustrated in the register has for some time past been extensively used by the plaintiff and has appeared on posters at service stations where the plaintiff’s goods are sold. From 1953, that is before registration, until the present time, such a figure has appeared in advertisements, often with an accompanying exhortation, “Stop at this sign”. The man has been depicted in various attitudes, variants of that in the registered form. Usually he has one hand raised in salute or greeting. He seems exuberantly cheerful and the words “Happy Motoring” were commonly used with him. Usually he has worn the word “Esso”, but not always.

The ultimate reference when infringement of a registered mark is in issue is the mark as registered, not the mark as used. Whether or not another mark is identical in form with a registered mark, or so substantially identical as to be an infringement, depends upon a comparison of it with the registered mark, rather than with any variants that the owner has preferred to use in practice: see *Tatem & Co. (1915) Ltd. v. Gaumont Co. Ltd.*¹ for an action to restrain the infringement of a trade mark is essentially different from a passing-off action. Nevertheless, the way in which the owner has used his mark, the form in which he has depicted it, the devices or legends by which he has commonly surrounded it, all these may become relevant in considering whether another mark is not only similar but deceptively similar. All

¹ (1917) 34 R.P.C. 181.

questions concerning trade marks must be considered against the background of the usages in the particular trade. This is recognized by s. 66 of the Act which provides: "In an action or proceeding relating to a trade mark, evidence is admissible of the usages of the trade concerned and of any relevant trade mark, trade name or get-up legitimately used by other persons". Whether the words "other persons" there mean persons other than the parties to the proceedings, or persons other than the proprietor of the mark or name, I need not decide. The earlier part of the section is the material part here. I admitted evidence that before the date of registration advertisements had been published by various vendors of motor spirit and lubricating oils in which drops of oil with faces, arms and legs were represented as expressing sentiments or making statements extolling particular products. I refrain from describing all these as humanized drops, for in one case they seem to have wings in place of arms and are thus, it seems, not human but angelic, although capable of using oil cans while singing a non-celestial song. But personified drops, whether earthly or ethereal, do not seem to have been common creatures. The evidence shows their appearances in Australian publications were as follows—In 1930, in an advertisement for "Shellkol" that appeared in an issue of the Brisbane "Telegraph" an oil-drop explains his progress through a carburettor; he is accompanied by humanized bubbles of air wearing little top hats. In 1939 on three occasions (in May, June and July) the defendant published advertisements in the Melbourne "Sun" in which "drag-free drops" appear shouting "pistons awake" and singing a song; the drops, pistons and an alarm clock all have faces exhibiting emotions of pleasure or pain. Each of these advertisements appeared in one issue only of the papers, at all events no more were proved. In 1947 a drop with a face appeared in an advertisement for Golden Fleece, another brand of motor spirit. This also was, so far as appears, published on one occasion only, in the Melbourne "Sun". In 1957 an oil-drop, with a face and legs and arms of a sort, appeared in an advertisement for Energol motor oil, a brand sold by yet another oil company. One insertion of this advertisement was proved. The newspapers in which these advertisements appeared were proved to have all had large circulations. In addition to these Australian manifestations, oil-drops in so-called human forms had appeared from time to time in the United States. Copies of the "Saturday Evening Post", which has some circulation in Australia, were tendered. These showed that on several occasions in 1956 and 1957 advertisements had appeared for Pennsylvania Motor Oil, the main feature in which was an oil-drop person called "Pete Penn", a distinctive and readily recognizable character. And finally, two American trade journals, "Lubrication Engineering" and "National Petroleum News", that were available in Australia in 1956 and 1957, contained advertisements by the International Lubricant

Corporation for a grease called Inlucite 21; and in those too an oil-drop character of markedly cheerful countenance appeared. These occasional and sporadic appearances before 1958 of personified oil-drops simply as *dramatis personae* in advertisements fall short, I think, of establishing that such oil-drops were in the trade mark sense common to the trade. It is not suggested for the defendant that the plaintiff's marks are not distinctive. Most of the personified oil-drops that appeared in the other advertisements are quite unlike the plaintiff's marks. The significance of the evidence of these advertisements is that, in the light of them, the plaintiff's trade mark cannot be regarded as giving an exclusive right to personified oil-drops of all kinds. So that another mark that is or incorporates a device in the shape of an oil-drop is not, on that account alone, an infringement of the plaintiff's marks.

The plaintiff alleges four different matters as infringements. The first is an advertisement for Shell petrol published by the defendant in "Rydge's Journal" on 1st October 1959. It consists of a caricature of a man with an outsize head that is apparently intended to represent a distorted oil-drop. His body is clothed in the uniform of a seafaring officer; he is seen in profile not fullfaced as is the plaintiff's man; his mouth is wide open perhaps from cheerfulness, perhaps from surprise at the odd dimensions of his ship. I see nothing in this picture, looked at as a whole, that resembles the plaintiff's mark in any relevant sense, nor indeed anything which would call it to mind at all. For that reason, and apart from any other considerations, it is not, in my opinion, an infringement.

The second matter complained of is a newspaper advertisement—for Shell diesoline—published in the "Weekly Times" of 21st October 1959. It depicts two drops of oil, having faces and crudely drawn arms and legs, but without bodies separate from their heads. They are going through the mesh of a filter on an oil drum. Here too the picture, looked at as a whole, seems to me remote from the plaintiff's marks and to convey no real impression of resemblance to them. For this reason, and apart from other considerations, there is again, I think, no infringement.

The third and fourth matters alleged as infringements are of a different order. They arise from two advertising films, accompanied by monologues, displayed in the course of television programmes from commercial television stations. Each film runs for one minute only.

There is no case among the many to which counsel referred me in which a mark was said to have been infringed by means of a cinematograph or television moving picture. There are thus in this case some considerations that seem to be novel. It was argued for the defendant that there could be no infringement of a trade mark by a moving reproduction of it. A registered mark, it was said, is a static thing; and if it be made to appear as a moving thing the impression of it is necessarily so different that it cannot amount to an infringement. I do not think this is so. If, for example, a trade mark was a picture of a man or beast running, then showing that man or beast in a moving picture could surely be an infringement? And in the same way a moving picture depicting a trade mark of a man who on the register was in one posture would not necessarily avoid infringement because the man was shown as changing his posture and moving his limbs: the question would be whether he could fairly be said to be the man in the trade mark. So here, if a figure recognizable as the oil-drop man of the plaintiff's mark appears on the screen, it matters not, it seems to me, that he engages in antics in the course of referring to and praising the defendant's goods. The comparison that has to be made, however, is not between a still photograph produced from one frame of the film and the registered mark. It is between the registered mark, or the impression of it that a person who knew it might retain in his mind when he was looking at a television screen, and the matter that he saw there. It is important to remember that in comparing static pictures the background and surroundings of a figure may blur or modify resemblances that would be obvious if the figure alone appeared: on the other hand, in a moving picture the moving elements attract most attention, so that the static background may do little to reduce the impression that the moving cynosure itself creates. Moreover, although quick movements may make momentary correspondences less obvious, they may also obliterate distinctions. But, bearing these things in mind, the question whether the use, in relation to goods, of a moving picture is or is not an infringement of a trade mark seems to me to be in essence the same as if a still picture were used.

The first of the films here in question deals with the adventures of an oil-drop character who has a small badge on his jacket. He goes to the Patent Office and there receives a scroll called a patent, this falls on his head, turns into a woman's hat, and he then becomes a female figure dressed apparently only in a hat; after dancing for a second or so the figure resumes male form, nails a document called an I.C.A. patent on a wall, and proudly points with one hand to the badge on his jacket. This badge then becomes enlarged by a process described technically as "zoom to E.C.U. (meaning extra close-up) of badge". It is then plainly a Shell badge. These inconsequential transformations are accompanied by a voice questioning the figure about itself

and establishing that it is a Shell drop and extolling it as different from other oil-drops. The viewer is apparently invited to infer that this difference comes from the presence of I.C.A. This, it was said in evidence, denotes something that the witnesses called an additive, meaning an addition—something added to Shell petrol which, it was suggested, gives it new merits. During part of this drop's brief career it clearly resembles in form and features the plaintiff's oil-drop man as depicted in the trade marks. And, especially on a small screen, the badge it is wearing would, I think, enhance the resemblance, until the extra close-up made it clear that it is a Shell badge.

In the second film five drops appear on the screen. One having acquired a face and a body has some similarity to the plaintiff's mark. It steps forward. Suddenly it acquires the body of a kangaroo and hops on to a microscope. Then it resumes a more or less human body into which something, presumably I.C.A., is injected by a syringe. It then puts up notices referring to Shell petrol. A voice explains how all this shows the superiority of Shell petrol over other petrols, because of the addition of I.C.A. During some of its activities this drop assumes attitudes that give it momentarily some similarity to the plaintiff's marks.

Both films demonstrate how much animated inanity can be packed into sixty seconds. I saw each of them more than once. I cannot imagine anyone wishing to do so. But I thought I should see them first with nothing in mind except an impression of the registered marks, and again after I had heard the evidence and arguments. The question is: does either film, seen for sixty seconds and with its accompanying words, constitute or contain an infringement of the plaintiff's marks?

The *English Trade Marks Act 1938* makes infringement depend upon the use of a mark identical with the registered mark, or so nearly resembling it as to be likely to deceive or cause confusion (s. 4). It says nothing expressly about substantial identity. The Australian Act is differently worded. Under it a trade mark is infringed if it be used by someone other than the registered proprietor in relation to the goods in respect of which it is registered. This follows from s. 58. It is also infringed by a person other than the registered proprietor who uses a mark which is substantially identical with or deceptively similar to it, in the course of trade, in relation to goods in respect of which it is registered (s. 62). It is not suggested here that the defendant has used a mark that is exactly the same in all details as the registered mark. So that

the question is whether there is either substantial identity or deceptive similarity. These are independent criteria. And, in my opinion, they are to be judged in different ways.

In considering whether marks are substantially identical they should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison. "The identification of an essential feature depends", it has been said, "partly on the Court's own judgment and partly on the burden of the evidence that is placed before it": *de Cordova v. Vick Chemical Co.*² Whether there is substantial identity is a question of fact: see *Fraser Henleins Pty Ltd v. Cody*,³ per *Latham C.J.*,⁴ and *Ex parte O'Sullivan; Re Craig*,⁵ per *Jordan C.J.*,⁶ where the meaning of the expression was considered. Judging by the eye alone, as I think is proper for the determination of substantial identity, my opinion is that in each film there are one or more moments when the personified figure of the oil-drop appears in a form that is substantially identical with the registered mark. If the films were arrested at these moments and the image displayed in still form, I consider that use of a substantially identical mark would be established. But that is not what happens. The figure does not stand still. It does not hold its pose or expression for long enough, nor is it sufficiently isolated from its surroundings for long enough to establish infringement by the use of a substantially identical mark. That is my conclusion. But these fleeting glimpses of substantial identity are, I think, significant when one comes to consider deceptive similarity. To that I now turn.

On the question of deceptive similarity a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff's mark that persons of ordinary intelligence and memory

² (1951) 68 R.P.C. 103., at p 106.

³ (1945) 70 C.L.R. 100.

⁴ (1945) 70 C.L.R., at pp. 114, 115.

⁵ (1944) 44 S.R. (N.S.W.) 291.

⁶ (1944) S.R. (N.S.W.), at p. 298.

would have; and, on the other hand, the impressions that such persons would get from the defendant's television exhibitions. To quote Lord *Radcliffe* again: "The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him ... It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail, and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole": *de Cordova v. Vick Chemical Co.*⁷ And in *Australian Woollen Mills Ltd v. F. S. Walton & Co. Ltd.*⁸ *Dixon and McTiernan JJ.* said: "In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same".⁹ I must assume that among the viewers of the television advertisements there will be motorists, accustomed to buying petrol and capable of being influenced by suggestions that one brand of petrol may be superior to another. The advertisements are directed to them, not to those who are obstinately content to fill their tanks at any convenient station without caring which oil company supplied its wares. And I must assume them to be persons of ordinary intelligence acquainted with the plaintiff's marks, and that they will watch the films with some degree of attention, whether that springs from enjoyment of the pantomime activities of the oil-drop man or from irritation and impatience at the interruption of the programme. When the Act speaks of marks being "deceptively similar" to the registered mark, it propounds, I think, the same test as in the former Act was expressed by the phrase "so nearly resembling it as to be likely to deceive". The deceptiveness that is contemplated must result from similarity; but the likelihood of deception must be judged not by the degree of similarity alone, but by the effect of that similarity in all the circumstances. Doing the best I can to estimate what would be the impression created by the films on viewers of the sort that I have postulated, I am of opinion that the oil-drop man in each of the films is at various times so similar in body, build and

⁷ (1951) 68 R.P.C., at p. 106.

⁸ (1937) 58 C.L.R. 641.

⁹ (1937) 58 C.L.R., at p. 658.

expression to the plaintiff's mark that confusion is likely to arise. There is thus, I consider, a deceptive similarity.

It was argued for the defendant that no deception could occur in practice because, it was said, that it was made clear, by the moving pictures themselves and by the accompanying voice, that the oil-drop man appearing on the screen was a Shell oil-drop and not an Atlantic or Esso drop. But the deceptiveness that it is suggested arises here is not that which occurs in cases when a mark is placed on goods offered for sale. The plaintiff's complaint is not that the defendant, by using the plaintiff's mark or a similar mark on its goods, is deceiving prospective buyers into thinking that they are the plaintiff's goods. The plaintiff here complains that the defendant is representing that its mark is in some way associated with the defendant's goods. The effect in a business sense of the confusion that could be thus engendered may be hard to predict. Which party would be damaged and which would profit by it may be debatable. But I do not have to decide whether the result would be to lead Shell customers to Atlantic service stations or to persuade Atlantic customers that they would do better with Shell. The use by a trader of his rival's trade mark to advertise his own goods might mislead different people in different ways. It might here produce a belief, presumably mistaken, that both petrols come from the same source or that the two companies were in some way allied and their goods the same. The use of a registered mark in an advertisement for goods that are not the goods of the proprietor of the mark has long been recognized in English trade mark law as a possible manner of infringement. This is so in America also: see *87 Corpus Juris Secundum*, 305 .

It was urged that there can be no infringement unless the infringing device is used as a trade mark. Stated in general terms that is so; but in my view s. 62 of the Act determines for most purposes what use as a trade mark means in this connexion. The plaintiff's marks are *ex hypothesi* capable of being used as trade marks. The decision in *Irving's Yeast-Vite Ltd v. F. A. Horsenail* ¹⁴ was relied on. That case arose out of rather special circumstances concerning a trade name, and the decision related to a section in the English Act that corresponds with s. 58 of the present *Australian Act*. The decision does not, I think, have much application to a case such as this. It is not necessary here to invoke any implications to ascertain what amounts to an infringement, nor to have resort to early cases on the nature of a trade mark. The Act, unlike the *English Act*, states in s. 62 what manner of use of a deceptive mark will be an infringement. It must be "in the course of trade, in relation to goods in respect of which the trade mark is registered". The publication of the television advertisements was, I have no doubt, in the course

of trade. It involved a visual representation such as is referred to in s. 6 (2). It was in relation to goods, namely petrol and oil, and these were goods in respect of which the plaintiff's marks were registered. I adopt the view and adapt the words used by *Williams J.* in his judgment in *Mark Foy's Ltd v. Davies Coop & Co. Ltd*,¹⁰ where he distinguished the *Yeast-Vite Case*.¹¹ That case does not assist the defendant here. The defendant is not using the oil-drop mark in the way that the defendant there was using the words "Yeast-Vite". It is advertising the plaintiff's marks and emphasizing them in relation to its own goods.

For these reasons—and acknowledging the considerable assistance I have had from the arguments of counsel on both sides—I have come to the conclusion that the exhibition of the films involved an infringement of the plaintiff's marks and that the plaintiff is entitled to an injunction to restrain the defendant from further infringing its rights.

¹⁰ (1934) 51 R.P.C. 110.

¹¹ (1956) 95 C.L.R. 190, at p. 204.

FINAL INSTANCE

DIXON CJ:

In my opinion this appeal should be allowed. I have had the advantage of reading the reasons of Kitto J. and I concur in them.

MCTIERNAN J:

In my opinion the conclusion which Windeyer J. arrived at in this action is correct. I agree substantially with his Honour's reasons.

KITTO J:

This appeal is from a judgment given in favour of the plaintiff upon the trial of an action brought in this Court for infringement of two trade marks. The trade marks are registered in respect of "products and preparations for lubricating, heating, illuminating, and fuel and power generating purposes". One mark consists of a grotesque drawing of a person with a head in the shape of a drop of oil which has just fallen from a container and by reason of its viscosity is drawn out to an asymmetrical peak at the top. A face is suggested by lines indicating eyebrows, eyelids and mouth (but no nose or ears), all so curved and disposed as to give the impression that the being depicted is immensely pleased with himself. There is no neck. The body is about as long as the head but narrower; and it is bifurcated to create a suggestion of short legs, each with a foot turned outwards. Arms and hands are indicated, and they assist the impression of self-satisfaction by being drawn as if the thumbs were hooked into braces near the armpits, though no braces, and indeed no indications of clothes, are to be seen. The other trade mark is identical, save that the figure displays an oval badge suspended immediately below the head and bearing the word "Esso", which is a name used by the respondent for some of its products.

The evidence proves a few instances, spread over twenty years or so, of the use in advertisements by various oil companies of an oil drop drawn out at the top as if to indicate viscosity, and "humanized" by the suggestion of facial features and by the addition of legs, either with or without a body. Obviously there was nothing new in the general idea of the respondent's trade marks, and if their validity had been in issue in these proceedings they could not have been upheld unless on the footing that a sufficient individuality is imparted to the drawings by their special features to make them, notwithstanding their general conformity to a type, adapted to distinguish goods connected with one person in the course of trade from goods

not so connected. But the defence made no challenge to validity. Infringement was the only issue.

The conduct of the appellant which the learned primary Judge held to have constituted infringement consisted in causing two advertising films, of the animated cartoon variety, to be exhibited to the public in the course of television programmes. The films were projected on to a screen during the hearing, on the agreed footing that what was there seen should be treated as evidence in the case. We have accordingly witnessed a screening of the films ourselves. In each film a "humanized" oil drop is made to personify the appellant's "Shell" petrol, and to perform a series of exuberant antics designed, in conjunction with some letterpress and the spoken word, to create in the minds of viewers a feeling of pleasure at recognizing desirable attributes in Shell petrol. In the course of his merry pranks, the Shell Eulenspiegel constantly changes in shape and expression. He always has a head the shape of an oil drop drawn to a peak at the top, and generally the head is supported, without a neck, by a body bifurcated to indicate short legs with feet turned outwards. Arms and hands take up varying positions, and what passes for a face expresses varying emotions. On some occasions the figure, in the course of its mutations, approaches fairly closely in appearance to the respondent's trade marks; but the name "Esso" is never seen, and the changes of appearance follow one another so swiftly that the viewer can hardly gain more than a general impression of a Protean creature who could be, having regard to some of his manifestations at least, the man whom the respondent has registered as its trade mark, but could equally be another member of the same tribe. It may be assumed for present purposes, however, that in the course of each film the figure takes on, at least for a moment or two now and then, an appearance substantially identical with that of the trade marks.

The question, then, is whether such a user of the oil drop figure as takes place by the exhibition of the films on television involves infringement of the trade marks. It is a question not to be answered in favour of the appellant merely by pointing to the brevity of the occasions when substantial identity is achieved. The assumption I have made means, of course, that if the oil drop figure as appearing in some of the individual frames of the films were transferred as separate pictures to another context the use of the pictures in that context could be an infringement. But the context is all-important, because not every use of a mark which is identical with or deceptively similar to a registered trade mark infringes the right of property which the proprietor of the mark possesses in virtue of the registration. Section 58 (1) of

the *Trade Marks Act 1955-1958* (Cth) defines that right as the right to the exclusive use of the trade mark in relation to the goods in respect of which the trade mark is registered; and s. 62 (1) adds that a registered trade mark is infringed by a person who, not being the registered proprietor, or a registered user using by way of permitted use, uses a mark which is substantially identical with or deceptively similar to the trade mark, in the course of trade, in relation to goods in respect of which the trade mark is registered. A use of a mark in an advertisement of goods is a use in the course of trade, and is of course a use in relation to the goods advertised: *Henry Heath Ltd. v. Frederick Gorringe Ltd.*;¹² *J. B. Stone & Co. Ltd. v. Steelace Manufacturing Co. Ltd.*;¹³ *Bismag Ltd. v. Amblins (Chemists) Ltd.*;¹⁴ *Hardmuth (Great Britain) Ltd. v. Bancroft & Partners Ltd.*¹⁵ But in my opinion it is implied both in s. 58 (1) and in s. 62 (1) that the use which is there referred to is limited to a use of a mark as a trade mark. In many cases of high authority that limitation was held to be implied in provisions, similar in terms to s. 58 (1), in the trade mark legislation of the United Kingdom in force before the enactment of the *Trade Marks Act, 1938* (U.K.): *Edward Young & Co. Ltd. v. Grierson Oldham and Co. Ltd.*;¹⁶ *Carless, Capel & Leonard v. F. Pilmore-Bedford & Sons*;¹⁷ *J. B. Stone & Co. Ltd. v. Steelace Manufacturing Co. Ltd.*;¹⁸ *Champagne Heidsieck et Cie. etc. v. Buxton*;¹⁹ *Irving's Yeast-Vite Ltd. v. Horsenail*;²⁰ see also *Saville Perfumery Ltd. v. June Perfect Ltd.*,²¹ and *Aristoc Ltd. v. Rysta Ltd.*²² The Imperial Acts before 1938 contained no provision corresponding with s. 62 (1); but in the *Australian Act of 1905*, which in s. 50 repeated the English provision, there was included a provision (in s. 53) that the rights acquired by registration of a trade mark should be deemed to be infringed by the use, in respect of the goods in respect of which it was registered, of a mark substantially identical with the trade mark or so nearly resembling it as to be likely to deceive. The case of *Mark Foy's Ltd. v. Davies Coop & Co. Ltd.*²³ arose under the 1905 Act, and two members of this Court, applying the reasoning

¹² (1924) 411 R.P.C. 457.

¹³ (1929) 46 R.P.C. 406.

¹⁴ [1940] Ch. 225, at p. 235; [1940] Ch. 667, at p. 681.

¹⁵ (1953) 70 R.P.C. 179.

¹⁶ (1924) 41 R.P.C. 548.

¹⁷ (1928) 45 R.P.C. 205.

¹⁸ (1929) 46 R.P.C. 28, at p. 35.

¹⁹ (1929) 47 R.P.C. 28, at p. 35.

²⁰ (1934) 51 R.P.C. 110.

²¹ (1941) 58 R.P.C. 147, at p. 174.

²² [1945] A.C. 68, at p. 94.

²³ (1956) 95 C.L.R. 190.

of the English cases, there held that the use referred to both in s. 50 and in s. 53 was use as a trade mark.²⁴ They treated s. 53 as having no other effect than to make clear on the face of the Act what formerly had been left to case-law, that identity was not necessary for infringement: substantial identity or deceptively close resemblance would suffice. I did not myself have occasion in that case to express an opinion on the point, but I respectfully agree in the view their Honours stated. The present Australian Act differs somewhat from its predecessor of 1905, but not, I think, in any material respect. In particular, s. 58 (1), defining the right conferred by registration as being the right to the exclusive use of the mark, adds never a word to displace the settled interpretation of the expression “use of the mark” in this kind of provision. This is the more significant because the *Trade Marks Act, 1938* (U.K.) had made a provision which, in consequence of a marked difference of judicial opinion as to its meaning, had drawn attention pointedly to the very topic some seventeen years before. That Act had made in s. 4 (1) provisions which may be described, with sufficient accuracy for present purposes, as combining what is found in ss. 58 (1) and 62 (1) of the present *Australian Act*, but with an important addition to the description of the use which should constitute infringement, namely that it should be use in such a manner as to render the use of the mark likely to be taken either (a) as being use as a trade mark or (b) in certain cases as importing a reference to some person having the right either as proprietor or as registered user to use the trade mark or to goods with which such a person should be connected in the course of trade. These added words gave a clear foothold for a contention that the use referred to in the definition of the exclusive right was no longer limited to use as a trade mark. But even so, some eminent judges considered that the cases under the older legislation still applied, being unable to persuade themselves that so unsatisfactorily drafted a piece of legislation really meant to make the fundamental change which would be involved in converting the right formerly protected by trade mark law into what *Simonds J.* described as “something akin to a limited form of copyright”: *Bismag Ltd. v. Amblins (Chemists) Ltd.*²⁵ A majority of the Court of Appeal thought the intention to make the change sufficiently evinced.²⁶ We have not here to choose between the opposing views. What is important is to notice that the draftsman of the *Australian Act of 1955* not only refrained from adopting the particular provisions which in England had been held to enable a use

²⁴ (1956) 95 C.L.R. 190, at p. 204.

²⁵ [1940] Ch. 225, at p. 230.

²⁶ [1940] Ch. 667.

otherwise than as a trade mark to be an infringement but, using words to which the earlier English cases had for so long assigned a meaning, abstained from all direct attempt to modify or exclude that meaning. He did introduce into s. 62 (1) the expression “in the course of trade”, following in this respect s. 4 (1) of the 1938 Act of the United Kingdom; but presumably the purpose was to ensure that (to take an example) anyone who put petrol not being “Shell” petrol into a can marked “Shell”, but without any intention of supplying it to anyone else, should not be held to infringe the trade mark “Shell”: see *Kerly on Trade Marks*, 8th ed. (1960) p. 272. See also *Kerly on Trade Marks* (1960) p. 272. See also *Ravok (Weatherwear) Ltd. v. National Trade Press Ltd.*²⁷ It is not possible, I think, to conclude from this that an intention appears to free the expression “uses a mark” from the limitation which so often and for so long has been recognized as necessarily to be read into it in such a context.

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?

Clearly they were used so that the figure in all its varying forms would be understood as representing Shell petrol for the purposes of the disjointed tale that is told. But the connexion in the films between the oil drop man and the petrol he symbolizes is a connexion limited by the purpose of the occasion. At every point of the exhibition, whether the resemblance to the respondent's trade marks be at the moment close or remote, the purpose and the only purpose that can be seen in the appearance of the little man on the screen is that which unites the quickly

²⁷ [1955] 1 Q.B. 554.

moving series of pictures as a whole, namely the purpose of conveying by a combination of pictures and words a particular message about the qualities of Shell petrol. This fact makes it, I think, quite certain that no viewer would ever pick out any of the individual scenes in which the man resembles the respondent's trade marks, whether those scenes be few or many, and say to himself: "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." And one may fairly affirm with even greater confidence that the viewer would never infer from the films that every one of the forms which the oil drop figure takes appears there as being a mark which has been chosen to serve the specific purpose of branding petrol in reference to its origin. No doubt if, later, the viewer were to come across the respondent's trade mark used in relation to petrol his recollection of the films might lead him to think that the appellant, taking advantage of a reputation created for the oil drop figure by means of the films, had adopted the figure, in one of its forms, as a mark for its petrol. But that would be quite a different matter from inferring, while sitting in front of his television set, that the figure in one or more, some or all, of its exhibited forms was being placed before him there as a trade mark for Shell petrol.

In my opinion this case is covered in principle by the English decisions I have cited. One or two may be particularly mentioned. In *J. B. Stone & Co. Ltd. v. Steelace Manufacturing Co. Ltd.*,²⁸ a registered trade mark which consisted of the word "Alligator" was held infringed by a use of the expression "alligator pattern"; but the judgments make it plain that if the second word had been clear enough in meaning to make the whole expression signify 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. The *Yeast-Vite Case*²⁹ is a striking example of a context precluding a conclusion that a use complained of as an infringement was a use as a trade mark. The case of *Edward Young & Co. Ltd. v. Grierson Oldham & Co. Ltd.*³⁰ is perhaps the case most usefully to be compared with the present. There the use complained of was a use of a static picture; here it is of a series of pictures. The only purpose served by the use of the single picture there was, as the only purpose of the use of all the pictures here is, to convey a particular

²⁸ (1929) 46 R.P.C. 406.

²⁹ (1933) 50 R.P.C. 139; (1934) 51 R.P.C. 110.

³⁰ (1924) 41 R.P.C. 548.

message to those who should see it. There the purpose became apparent when the single picture was considered in the light of a usage common in the relevant trade; here it appears when each picture is considered in the light of all the other pictures amongst which it has a place in the sequence and of the accompanying letterpress and spoken word. There the message was simple: that the goods came from Portugal; here it is simple also, though the method of conveying it is complicated and incoherent; it is that the chemical composition of Shell petrol gives it advantages over its rivals. There, once the “purpose and nature” of the use were understood—that is the expression of *Sargant L.J.*³¹—the action for infringement failed. In my opinion the purpose and nature of the use complained of in the present case are such that this action should fail also.

For these reasons I would allow the appeal.

TAYLOR J:

I have had the advantage of considering the reasons prepared by Kitto J. and I agree that the appeal must be allowed. In particular, I agree that in order for the respondent to succeed in the suit it was necessary that it should appear that the use by the appellant of the animated figure or device which it employed was use by it as a trade mark. It was not, in my view, sufficient merely to show that, in the language of s. 62, it was used “in the course of trade”.

The fact that it was not used by the appellant as a trade mark is sufficient to dispose of this somewhat unusual case but I desire to add for myself that I doubt whether it can properly be said, in the circumstances of the case, that the animated figure or device, if it may be so described, as used by the appellant constituted, as the learned trial judge found, a mark deceptively similar to the respondent's mark. The problem presents difficulty because it involves a comparison between a static device and an animated figure which is constantly moving and changing its expressions and attitudes. I do not doubt that the rights of the proprietor of a trade mark may be infringed by television displays of this character but when the question is whether the device which is used is deceptively similar to a registered mark it cannot be resolved without considering the effect which the display in its entirety would be

³¹ (1924) 41 R.P.C., at p. 579.

calculated to produce. To my mind, there is much to be said for the proposition that this question cannot be answered in favour of the registered proprietor where—as is the case here—it is impossible to perceive any resemblance between the moving figure and the device the subject of the mark except for a few fleeting moments on one or two occasions. The basic idea, i.e. a representation of a so-called humanized oil drop, is, of course, constantly present but the rights of the respondent as the registered proprietor of the mark in question do not include an exclusive right to the use in any form of a humanized oil drop.

OWEN J:

I have read and agree with the reasons of my brother Kitto for allowing the appeal. I should add that I share the doubt expressed by my brother Taylor whether, in the circumstances of the case, the moving figure as seen on the television screen constituted the use of a device deceptively similar to the respondent's registered mark.