

Musidor BV v Tansing [1994] FCA 541

FEDERAL COURT OF AUSTRALIA

DAVIES, GUMMO AND HEEREY JJ

DAVIES J:

The issues arising in the appeal and the relevant primary facts are fully described in the reasons for judgment of Gummow and Heerey JJ. I gratefully adopt their Honours' statement of them.

The amended statement of claim alleges only breach of the respondent's trademark, "Rolling Stones", which is registered in respect of, inter alia, "compact discs" and "sound recording media". No claim is made under the *Trade Practices Act 1974* (Cth) nor is there a claim for breach of copyright in respect of the music, the photographs or get-up which are used and no claim is made for passing off. Moreover, no claim is made based on the principles which are being developed in the United States of America with respect to personal privacy and a person's right to prevent the exploitation by others of the person's name, reputation and abilities.

A sound recording tendered in evidence as part of exhibit ASF3 is a compact disc ("CD") of a live performance by the Rolling Stones group, which occurred some 30 years ago. On the label within the transparent plastic case containing the CD, there is a photograph of the Rolling Stones and, in prominent lettering, the name "The Rolling Stones". That name is also prominently displayed on the CD itself. The label in the case, but not the CD, gives the information that the product is unauthorised, that "This live recording and its release, has not been authorised by THE ROLLING STONES or their record company" and that "This sound recording may not be of the same quality as an authorised release".

The learned trial Judge held that the name on the insert and on the CD, "The Rolling Stones", was not used as a trademark. His Honour cited from *The Shell Company of Australia Ltd v. Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407. At 422, Kitto J, with whom Dixon CJ, McTiernan, Taylor and Owen JJ agreed, said:-

"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* (1924) 41 RPC 457; *J.B. Stone and Co. Ltd. v. Steelace Manufacturing Co. Ltd.* (1929) 46 RPC 406; *Bismag Ltd. v. Amblins (Chemists) Ltd.* (1940) Ch 225 at p 235; (1940) Ch 667, at p 681; *Hardmuth (Great Britain) Ltd. v. Bancroft and Partners Ltd.* (1953) 70 RPC 179. 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."

A trademark, as defined in s.6(1) of the *Trade Marks Act 1955* (Cth) ("the Act") and as recognised in the community, must be used or proposed to be used so as to indicate a connection in the course of trade between goods or services and a person who has the right to use the mark. A trademark distinguishes the goods of one trader from those dealt in or produced by others. The mark informs members of the public of the source or origin of the goods or of their selection or authorisation and thereby assures them of the quality they may expect. The first edition of Kerly's *Law of Trade Marks* (1894) gave this definition at p.25:-

"A TRADE-MARK is a symbol which is applied or attached to goods offered for sale in the market, so as to distinguish them from similar goods, and to identify them with a particular trader or with his successors as the owners of a particular business, as being made, worked upon, imported, selected, certified or sold by him or them, or which has been properly registered under the Acts as the trade-mark of a particular trader."

This is often expressed by saying that a trademark is "a badge of origin". See *Levi Strauss and Co. v. Wingate Marketing Pty Ltd* (1993) 116 ALR 209 at 316, per Lockhart J.

When a trademark is used in relation to sound recordings, it informs the public of the type of music and of the quality which the public has come to associate with goods carrying that trademark. If the trademark be the name of a musical group, the use of the mark will ordinarily inform the public that the article is a recording of a performance by that group and that its release has been authorised by them or their organisation.

A trademark may be used as such on the goods themselves, in advertising promotions or in many other ways in connection with the goods. See *Angoves Pty Ltd v. Johnson* (1981) 43 ALR 349 at 359-60. The primary manner in which one would expect the trademark "Rolling Stones" to be used in relation to goods is on sound recordings, on the covers in which they are contained and in material advertising the recording.

The name of a person or organisation may be a trademark and registered as such provided that it has the capacity to distinguish. The name "Rolling Stones" is well suited to distinguish the products of the Rolling Stones group from products of other performers. *Musidor BV v. Great American Screen* 658 F 2d 60 (1981) demonstrates, indeed, how valuable the mark is. At 66, it is recorded that "... there was testimony that Great American had gross revenues of \$60,000 to \$75,000 from the illicit sale of Rolling Stones T-shirts at a single performance in Philadelphia".

In my opinion, the words "The Rolling Stones" stated prominently on the insert of the covers and on the CDs, exhibit ASF3, are typical examples of the manner in which one would expect the trademark to be applied. In *Re Polar Music International AB* 714 F 2d 1567 (1983), Circuit Judges Baldwin and Kashiwa, Circuit Judge Smith dissenting, held that the letters "ABBA" should be registered as a trademark. Judge Kashiwa, delivering the opinion of the majority, said at 1571-2:-

"(1) A trademark 'includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.' 15 U.S.C. section 1127. A trademark informs the public of a source of the goods and assures them of its quality. A trademark need not be the name of the manufacturer of the goods and the public need not know the name of the owner of the mark. See *Coca-Cola Co v. Koke Co of America*, 254 US 143, 146, 41 S Ct 113, 114, 65 LEd 189 (1920); *Saalfield Publishing Co. v. Merriam Co.*, 288 F 1, 8 (6th Cir.), cert. denied, 243 US 651, 37 S Ct 478, 61 LEd 947 (1917).

(2) Appellant submitted a license evidencing its right to control the quality of the sound recordings. Since appellant controls the quality of the goods, it is the source of the goods. Any trademark for the sound recordings can therefore only indicate source in appellant since no other entity is the source. The source of the goods does not depend on the public's perception; the public need not know appellant's role. Thus, the board's holding that 'ABBA' cannot function as a trademark for recordings because the public would not know that appellant owns the rights in 'ABBA' and that it exercises quality control over the records must be rejected. *E.I. Du Pont de Nemours and Co. v. Celanese Corp.*, 35 CCPA 1061, 167 F 2d 484, 77 USPQ 364 (1948).

...

(3.4) In the instant case we find certain factors determinative that 'ABBA' functions as a trademark and is not just an identification of the singers. It is well settled that the title to a series of records or books is able to function as and be registered as a trademark. *In re Cooper*, 45 CCPA 923, 254 F 2d 611, 615, 117 USPQ 396, 400 (1958); *In re First National City Bank*, 168 USPQ 180 (TTAB 1970). The reason for this is that

(T)he name for a series, at least while it is still being published, has a trademark function in indicating that each book of the series comes from the same source as the others. The name of the series is not descriptive of any one book and each book has its individual name or title. A series name is comparable to a title of a periodical publication such as a magazine or newspaper. While it may be indicative either specifically or by association in the public mind, of the general nature of the contents of the publication, it is not the name or title of anything contained in it.

In re Cooper, 254 F 2d at 615, 117 USPQ at 400. We find the present situation analogous. Every 'ABBA' album and single and tape has the word 'ABBA' on it in addition to its title. See, e.g., 'Arrival,' 'Dancing Queen and That's Me,' and 'Greatest Hits.' The public has come to expect and associate a certain quality, not just of sounds but of how the sounds are produced on the record and the physical qualities of the record itself, with the mark 'ABBA.' Thus the mark 'ABBA' indicates not just the source of the performance but a source of the records and tapes and the sound recorded thereon. Furthermore, the contract between appellant and Atlantic permitted Atlantic

to use the name 'ABBA' and other marks of 'ABBA' for only the term of the contract and recognized them as valuable assets owned by appellant."

It is not uncommon for musical groups to arrange for trademarks to be owned by an entity which is separate from the members of the group. This arrangement provides for the continuity of the trademark and for the continuance of its good will notwithstanding that there may be some change in the membership of the musical group. A member may die or leave the group. Another musician may join. The holding of the registration of trademarks in the name of a corporation assists in the avoidance of disputes such as that considered in *Rare Earth Inc v. Hoorelbeke* 401 F Supp 26 (1975).

The following are some of the cases in which, in the United States, principles of trademark law have been applied to protect the name of a musical group from an unauthorised exploitation:-

"The Platters": *The Five Platters Inc v. Purdie* 419 F Supp 372 (1976);

"The Rubberband": *Stuart v. Collins* 489 F Supp 827 (1980);

"The Drifters": *Marshall v. Green* 505 F Supp 1054 (1981);

"New Edition": *Bell v. Streetwise Records Ltd* 640 F Supp 575 (1986);

"Rolling Stones": *Musidor BV v. Great American Screen*, cited above.

Like principles have been applied in cases involving the exploitation of the personal names of musicians and other celebrities. See eg. *In re Carson* 197 USPQ 554 (1977); and *Estate of Presley v. Russen* 513 F Supp 1339 (1981).

The name "Rolling Stones" or "The Rolling Stones", which is substantially identical, is well suited to distinguish the products of the Rolling Stones group from products of others. One cannot fail to be aware that the name has become a very distinctive name which is widely recognised in the community. When applied to sound recordings, it informs the public that the performance was that of the musical group and that the recording was produced or authorised by its organisation. When used in promotional material in relation to sound recordings, it will generally be used as and serve the function of a trademark, indeed a very effective trademark.

As the application of the name on sound recordings and in promotional material are typical uses for a registered mark, it appears to me that the use by the respondent of the name "The Rolling Stones" on its CDs and on the label in the CD cases was an infringing use of this mark. The fact that the promotional material listed performances of "The Rolling Stones" on the same

page as performances by other musical groups does not carry with it the implication that the name was not used as a trademark. In each case, the respondent infringed the appellant's right to the exclusive use of the name as a mark in relation to CDs and sound recording media.

The highlighting by the respondent of the fact that its CDs are unauthorised does not prevent the use of the name from being an infringing use of the registered mark. An infringer does not avoid liability by making it plain that his product is not authorised. In *Mark Foy's Ltd v. Davies Coop and Co Ltd* (1956) 95 CLR 190 at 205, Williams J, with whom Dixon CJ agreed, said:-

"In *Aristoc Ltd v. Rysta Ltd* (1945) AC 68 Viscount Maugham cites the following appropriate passage from the judgment of Lord Greene MR in *Saville Perfumery Ltd v. June Perfect Ltd.* (1939) 58 RPC 147, at p 161: 'In an infringement action, once it is found that the defendant's mark is used as a trade mark, the fact that he makes it clear that the commercial origin of the goods indicated by the trade mark is some business other than that of the plaintiff avails him nothing, since infringement consists in using the mark as a trade mark, that is, as indicating origin.'

The remarks were cited by Gummow J In *Wingate Marketing Pty Ltd v. Levi Strauss and Co.* (1994) ATPR par 41-303 at 42,053. Gummow J went on to say that, though the decision in *Mark Foy's* was based

"...upon the 1905 Act ... the same construction has been placed upon the present statute: *Caterpillar Loader Hire (Holdings) Pty Ltd v Caterpillar Tractor Co.* (1983) 77 FLR 139 at 141-142, *Johnson and Johnson Australia Pty Limited v Sterling Pharmaceuticals Pty Limited* (1991) 30 FCR 326 at 349. Thus, it is too wide a proposition that a use of a trade mark which simply tells the truth cannot be restrained or that a user will only be restrained if it does not tell the truth."

In the present case, the respondent seeks to exploit the mark and its goodwill. It is sufficient that there has been a use as a mark of the registered mark, or of a mark which is substantially identical with or deceptively similar to the registered mark, in the course of trade in relation to goods in respect of which the trade mark is registered. As Clauson J said in *Champagne Heidsieck et Cie Monopole Societe Anonyme v. Buxton* (1930) 1 Ch 330 at 339:-

"... the proprietor of a registered trade mark is to have the right exclusively to use such trade mark in the sense of preventing others from selling wares which are not his marked with the trade mark."

I should, in any event, reiterate that the CDs themselves, in contrast to the label in the case, do not carry the description that they are not authorised.

Needless to say, the addition of the respondent's own name and marks on the goods will not avoid an infringement if there has been an unauthorised use of the registered marks: *Wotherspoon v. Currie* (1872) LR 5 HL 508; *Reddaway and Co Ltd v. Stevenson and Brother Ltd* (1903) 20 RPC 276; *Boord and Son v. Thom and Cameron Ltd* (1907) 24 RPC 697; *Wright Crossley and Co v. Blezard* (1910) 27 RPC 299.

The position with the other group of CDs, exhibit ASF4, is more complex. In place of the name "The Rolling Stones" in large print, they carry the description "Songs performed live by the Rolling Stones group", in smaller print. The name "Rolling Stones" is not emphasised. However the description I have set out is prominent.

The respondent was entitled to publish sound recordings referring to the individual members of the Rolling Stones group by their personal names, for those names are not registered trademarks. However, what the respondent has done is to refer to the musicians by their trade name, which is the subject of registered marks.

In my opinion, the respondent has used the words "The Rolling Stones group", which are substantially identical with or deceptively similar to "The Rolling Stones", as a badge of origin of the goods. See *Berzins Specialty Bakeries Pty Ltd v. Monty's Continental Bakery (Vic) Pty Ltd* (1987) 12 IPR 38. The inclusion of the name within other words does little to reduce its effect as a trademark. Cf. *Kolotex GLO Australia Pty Ltd v. Sara Lee Personal Products (Australia) Pty Ltd* (1993) 26 IPR 1.

The respondent's description does not suggest that the actual transcription onto the CDs was carried out by the Rolling Stones organisation or that the producer of the CDs was part of the Rolling Stones organisation. However, the use of the name "Rolling Stones" identifies the musicians and the music with the Rolling Stones group. The value of the product lies in that connection. This is not a case such as *Irving's Yeast-Vite Ltd v. F.A. Horsenail* (1934) 51 RPC 110 where the allegedly infringing product was distinguished as "a substitute for Yeast-Vite". Here the words "The Rolling Stones group" are used in relation to the goods themselves.

To exemplify the infringement, assume that "Pierre Cardin" and "Gucci" are registered marks and that the Pierre Cardin organisation or the Gucci organisation manufactured goods but declined to put them on sale being not satisfied with their quality. It would, in my opinion, be

an infringement for some other person without authority to put the goods on the market with the description that they were manufactured by Pierre Cardin or by Gucci but that the sale had not been authorised. Yet that is what the respondent seeks to do in the present case. It seeks to avail itself of the goodwill in the name "Rolling Stones" by using that name to identify the goods and it seeks to defend the infringement by stating that the release was not authorised by the Rolling Stones.

In my opinion, the owner of a trademark is entitled to protection against such a use of the mark.

Section 64(1)(b) of the *Trade Marks Act* provides that infringement of a mark does not encompass "the use in good faith by a person of a description of the character or quality of his goods or services". In my opinion, the use by the respondent of the words "Rolling Stones" is not a use in good faith. The respondent is deliberately exploiting the goodwill in the name by applying it to goods which have not been authorised by the Rolling Stones or their organisation.

I would allow the appeal. I would set aside the orders made by the trial Judge and would order in lieu thereof that the application to the Court be dismissed and that declarations be made in accordance with paragraph A of the cross-claim with liberty to apply for further relief reserved. I would order that the respondent pay the costs of the appeal and the costs below.

GUMMOW AND HEEREY JJ:

Is it an infringement of the trade mark "Rolling Stones" to sell compact discs with covers containing those words? The trial judge (Beaumont J) answered that question in the negative. The appellant, the registered proprietor of the Australian trade mark, appeals, by leave, against that decision.

PROCEEDINGS AT FIRST INSTANCE

The proceedings were instituted by the respondent who sought declarations that his use of the words the subject of the trade mark did not constitute an infringement. His Honour was invited to deal with the issue on the basis of agreed facts. For present purposes those agreed facts can be summarised as follows.

The respondent carries on the business of selling, by wholesale and retail, compact discs of live musical performances by a wide range of performing artists and musical groups. He arranges for the manufacture of the discs and sells them throughout Australia.

The appellant, a Netherlands corporation, at all times has been registered under the *Trade Marks Act 1955* (Cth) (the *Trade Marks Act*) as the proprietor of the following trade marks:

(a) A569165 "Rolling Stones" registered in respect of goods or services: Sound and Video recordings; films prepared for exhibitions; records; tapes; video and tape cassettes; compact discs.

(b) A293526 "Rolling Stones" registered in respect of goods or services: Sound recording media, grooved phonograph records, video recording media, magnetic recording tapes, cartridges and cassettes, sound recording and sound reproducing apparatus and equipment, magnetic recording apparatus and equipment, and tape recorders.

"The Rolling Stones" is the name of a very well known rock group formed in the early 1960s. The group has recorded and performed music for more than two decades under that name, although the personnel have changed from time to time. Records of the group's performances have been amongst the highest selling popular music recordings in the world. Those recordings (including in more recent times compact discs) have been released bearing the words "Rolling Stones".

Since 1976 the appellant has, with the consent of the members of the group, been the proprietor of the trade mark "Rolling Stones" and has entered into license agreements with a succession of record companies giving them the right to manufacture and sell records of performances by the group. Under those licensing agreements the record company has to apply the trade mark "Rolling Stones" to all records of the group and the quality of all goods bearing the trade mark is subject to the appellant's approval. Examples of compact disc packaging used under licence from the appellant were in evidence. It is sufficient to say that the words "The Rolling Stones" figure prominently.

The respondent has released in Australia for sale two compact discs embodying sound recordings of live performances given by the group. The respondent sells the discs by mail order and to retailers. Both the packaging and the discs bear a mark comprising the word 'Banana' written in a particular manner and a drawing of a partly peeled banana. The respondent describes this as the Banana Label. The sale of the respondent's discs has not been approved

by the appellant or any member of the group or its record company or any other party on behalf of the group.

The cover of the first of the respondent's discs displays a photograph of The Rolling Stones when youthful, above the words "LIVE IN USA 63/66".

The second disc was in the same format except that the words "VOL 1" were replaced by "VOL 2". There was a different photograph of the group and instead of "LIVE IN USA 63-66" there appeared the words "LIVE IN EUROPE 1963-65".

At the stage of the proceedings before his Honour the respondent's intention was to release the same discs with a different version of the cover. We were told that by the time of the hearing before us this had in fact occurred. The new version has in place of the words "THE ROLLING STONES" the words "SONGS PERFORMED LIVE BY THE ROLLING STONES GROUP" in slightly smaller letters.

Manufacture and sale of the respondent's discs do not contravene copyright law. When enacted, the *Copyright Act 1968 (Cth)* (the *Copyright Act*) failed to afford performers of musical and dramatic works any copyright or similar proprietary right for live performances. From 1 October 1989 Part XIA of the *Copyright Act* (ss. 248A - 248V) has provided civil remedies for the unauthorised sound recording of certain live performances in Australia by Australian citizens or residents, and for the unauthorised sale of recordings made from such live performances.

Sections 248U and 248V confer power (upon reciprocal protection) to make regulations for the provisions of Part XIA to apply to performances given in a foreign country, and to performances given by persons who are not Australian citizens or residents. The *Copyright (International Protection) Regulations* make extensive provision in that behalf, but not in relation to performances before the commencement of reg. 10B on 2 January 1992.

The result is that the performances, the recordings of which are the subject of this litigation, fall outside Part XIA.

The compulsory licence scheme for use of musical works by manufacturers of sound recordings under s. 55 of the *Copyright Act* provides, in summary, that a manufacturer who makes in Australia a record of a musical work which previously has been the subject of commercial exploitation by the copyright owner, and who pays royalties in the manner prescribed by the legislation, does not infringe copyright in the musical work; see *RCA Limited v The Commissioner of Taxation* (1977) 137 CLR 583 at 590-593, per Aickin J.

The absence of a performer's right, coupled with the compulsory licence scheme, has the effect that the respondent in this case may make recordings of live performances prior to 1 October 1989 or of live performances in a foreign country, and market them without the authorisation of the performer or the owner of copyright in the musical works, subject only to compliance with the compulsory licence scheme.

Attempts by owners of intellectual property rights in a position comparable to that of the appellant to prevent similar sales by reliance on Part V of the *Trade Practices Act 1974* (Cth) (the *Trade Practices Act*) have been unsuccessful, at least at the interlocutory level; see *Sony Music Production Pty Ltd v Tansing* (1993) 27 IPR 640 (Einfeld J), 27 IPR 649 (Full Court).

THE DECISION UNDER APPEAL

His Honour referred to the provisions in Part VII of the *Trade Marks Act* relevant for the proceedings. By s.58(1), subject to the provisions of the Act, the registration of a trade mark in Part A of the Register, if valid, gives to the registered proprietor of the trade mark the right to the exclusive use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement in the manner provided by the Act.

By s.6(1)(a) "trade mark" is defined, relevantly, to mean a mark used, or proposed to be used, in relation to goods for the purpose of indicating, or so as to indicate, a connexion in the course of trade between the goods and a person who has the right, either as proprietor or as registered user, to use the mark, whether with or without an indication of the identity of that person.

By s.62(1), a registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or a registered user, uses a mark which is substantially identical with, or deceptively similar to, the trade mark, in the course of trade, in relation to goods or services in respect of which the trade mark is registered.

By s.64(1), notwithstanding anything contained in the Act, the following, inter alia, does not constitute an infringement

"(b) The use in good faith by a person of a description of the character or quality of his goods or services."

His Honour referred to a number of authorities and in particular the decisions of the High Court in *Mark Foys Ltd v Davies Coop and Company Ltd* (1956) 95 CLR 190 and *The Shell Company of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407. Those authorities were recently applied by the Full Court of this Court in *Johnson and Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326. In that case Burchett J said (at 342, citations omitted):

"The claim for infringement turns upon the nature of the use made by the appellant of the word 'Caplets'. But before attempting a measure of that use, I must state the standard against which it is to be measured. What is use as a trade mark? In *Beckwith* ... the Supreme Court of the United States described 'the function of a trade mark' as being 'to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied'. An acceptance of this view is the foundation of the well-known judgment of Kitto J in *Shell* ... Kitto J (at 425) considered whether a mark had been used 'as a trade mark' by asking whether it was used 'for the purpose of indicating, or so as to indicate, a connection in the course of trade between the petrol (the product there in question) and the appellant' and whether representations of it had been used 'as being marks for distinguishing Shell petrol from other petrol in the course of trade'. More colourfully, Whitford J in *Mars GB Ltd v Cadbury Ltd* ... pictured the use of a trade mark ... as the planting of a flag 'to identify the fact that you are in a particular trader's territory'. ...

In the *Shell* case, Kitto J (at 424) denied that the right protected by trade mark law is 'something akin to a limited form of copyright'. He was prepared to assume the mark had been used, and that, in another context, that use could have been an infringement. However, he said (at 422):

'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.'

Although the mark was used with reference to Shell petrol, in context, the message conveyed related to the qualities of that petrol and not to its brand or origin. Accordingly, there was no infringement."

Gummow J said (at 347-8):

"When the issue is one of infringement, a pivotal question is whether the use complained of is use by the alleged infringer as a trade mark. The answer to that question requires an understanding of the 'purpose and nature' of the impugned use: see Shell... at 426 per Kitto J. As his Honour there points out, with reference to *Edward Young and Co Ltd v Grierson Oldham and Co Ltd* ... and as s.66 of the present Act also indicates, the nature of the allegedly infringing use may be considered in the light of a usage common in the relevant trade. The relevant context, where the mark is a word mark, includes a consideration of the way in which the word has been displayed in relation to the goods and advertisements of which complaint is made: ...

Where the trade mark allegedly used by the defendant comprises ordinary English words (such as 'Page Three', considered by Slade J in *New Group Newspapers Ltd v The Rocket Record Co. Ltd* ... then, as this decision illustrates, that circumstance may be taken into account by the court in the process of reasoning by which it accepts or rejects a submission that the use in question is not a trade mark use but a description of the goods in question. To say that is not to gainsay the point made by Dixon CJ in *Mark Foys Ltd v Davies Coop and Co Ltd* (the *Tub Happy* case) ... that language is not always used to convey a single, clear idea; a mark may have a descriptive element but still serve as a badge of trade origin. However, where the issue is one of infringing use by use of a word mark (as in the present case), the fundamental question remains, to paraphrase what was said by Williams J in the same case ... (at 205), whether those to whom the user is directed are being invited to purchase the goods (or services) of the defendants which are to be distinguished from the goods of other traders 'partly because' (emphasis supplied) they are described by the words in question.

Upon the present appeal, counsel for the respondent submitted that there is a trade mark use if the defendant applies the mark to packaging of goods 'so as to refer to those goods'. Counsel for the appellant submitted that this was to put the matter too widely and was an illegitimate attempt to expand the exclusive rights given by the Trade Mark legislation to something akin to a literary copyright. I agree."

(In the above passages the emphasis, other than in the last instance, has been added by Beaumont J)

As these authorities indicate, and as is significant for the present appeal, the position under the present Australian legislation that the phrase in s. 58 'the right to the exclusive use of the trade mark ...' carries with it the implication of use of the mark as a trade mark to denote origin in the person using it, derives from the construction placed by the House of Lords upon s. 39 of the British Trade Marks Act 1905 in *Irving's Yeast-Vite Limited v Horsenail* (1934) 51 RPC 101 at 116. Subsequent British legislation has taken a different course. This is explained as follows by Mr Shanahan in his work 'Australian Law of Trade Marks and Passing Off', 2nd ed., p. 336. There, after referring to *Yeast-Vite*, the learned author continues:

"However, representations were made to the Goschen Committee that this interpretation of the law would unfairly prejudice trade mark owners by enabling others to exploit and possibly injure the reputation of their marks, and as a result, the United Kingdom Act of 1938 introduced an enlarged definition of infringement

directed under section 4 (1) (b) and usages 'likely to be taken ... as importing a reference' to the proprietor or the proprietor's goods. The Court of Appeal confirmed in *Bismag Ltd v Amblins (Chemists) Ltd* (1940) Ch 667, that section 4 (1) (b) had abrogated the effect of the Yeast-Vite decision, and it would seem therefore that in the United Kingdom, the use of a registered trade mark for purposes such as comparative advertising is now unlawful per se (at least where the mark is registered in Part A). However, section 4 (1) (b) proved an unfortunate piece of legislation; it gave rise to marked differences of judicial opinion and was much maligned, both in the Court of Appeal in the Bismag case and in the House of Lords in *Aristoc Limited v Rysta Limited* (1945) 62 RPC 65. For this and other reasons set out in its report (paras. 22-27, 93, 98) the Dean Committee advised against the adoption of s. 4 (1) (b) in Australia."

The difficulties to which para.4 (1) (b) give rise in the United Kingdom are further discussed by Millett J in *Chanel Limited v L'Arôme (U.K.) Limited* (1991) RPC 335 at 347-350. See also *News Group Newspapers Limited v The Rocket Record Company Limited* (1981) FSR 89 at 99-102.

In *Bismag* itself, the primary Judge, who was reversed by a majority of the Court of Appeal, was Simonds J. His Lordship had held ((1940) Ch 225 at 230) that para.4 (1) (b) should be read strictly, lest the right now claimed be something very different from protection previously given to trade marks and instead be 'something akin to a limited form of copyright in the word or device comprising the trade mark'. The statement was referred to with evident approval by Kitto J in *Shell* (1963) 109 CLR 417 at 424. In the law of copyright the basic issue would simply be whether the literary or artistic work had been reproduced in a material form without the consent of the copyright owner.

In the United States, the Federal Trademark Act 1946 (the Lanham Act) in sub-s. 32 (1) provides as follows for infringement:

"32 (1) Any person who shall, without the consent of the registrant –

(a) use in commerce any reproduction, counterfeit, copy or colourable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy or colourably imitate a registered mark and apply such reproduction, counterfeit, copy, or colourable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution or advertising of goods or services or in connection with which such use is likely to cause confusion, or cause mistake, or to deceive; shall be liable in a civil action by the registrant for the remedies hereinafter provided.

Under subsection (b), the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive."

It is well settled that under this legislation the names of performers or groups of performers may be registered as service marks identifying the entertainment services performed by them: McCarthy "Trade Marks and Unfair Competition", 2nd ed., 1984, section 10.14. However, as is apparent from the text of s. 32, the legislation has dealt with infringement in terms which are broader than those in the Australian legislation. In the United States, trade mark infringement presents wider issues, more akin to those which in Australia are dealt with in actions for passing-off and contravention of s. 52 of the *Trade Practices Act*. Accordingly, in our view, no great assistance is to be derived from United States case law in resolving the present dispute; see also *Wingate Marketing Pty Limited v Levi Strauss and Co.* (1994) AIPC 91-059 at 38,242.

Moreover in the United States there is a general cause of action for unfair competition. This is not so in Australia: *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No.2)* (1984) 156 CLR 414 at 439-446.

We should add that although some of the leading authorities dealing with the requirement of trade mark use have concerned non-infringement by comparative advertising where the trade mark was used, in terms, to compare or contrast the goods of the defendant (for example *Yeast-Vite* and *Bismag*) the principle is not so limited. The *Shell* and *Johnson and Johnson* cases are illustrative of the broader enquiry that is involved. This, as the primary Judge pointed out, requires an understanding of the purpose and nature of the impugned use.

Nor is it sufficient for the registered proprietor to show that the defendant has applied the trade mark to its goods, or otherwise utilized the trade mark, in circumstances where the defendant may derive for itself commercial advantage from a subsisting goodwill built up around the registered mark. That is illustrated by the outcome in *Wingate*, which turned not upon infringement but contravention of s. 52 of the *Trade Practices Act* and passing-off."

In the present case his Honour's conclusion was expressed as follows:

"In my opinion neither the actual use, nor the use proposed, of the words 'Rolling Stones' by the applicant is, or would be, an infringement of the respondent's trade mark. Although the applicant makes use of those words, he does not, in my view, make use of them as a trade mark, that is to say, so as to indicate the source or commercial origin

of the goods. On the contrary, in my opinion, the applicant makes it plain in his advertising and in his get-up, even if the wording on the spine of the disc's container is also taken into account, that the source of origin of the goods is not an 'authorised' source. That 'official' or 'authorised' source is clearly distinguished from the origins of the applicant's goods; it is specifically, and conspicuously, stated that the recording 'has not been authorised by the Rolling Stones group or their record company'. It is further stated that its quality may not be the same 'as an authorised release'. It must follow, I think, and the overall context only serves to reinforce this, that the applicant's use of the words 'Rolling Stones' is not for trade mark purposes, but is for the different, and legitimate (in trade mark terms) purpose of describing his product. This explains the true nature and purpose of the applicant's statement: 'Songs performed live by the Rolling Stones Group'. In my view, the making of this, and other similar statements, did not involve the use, by the applicant of the respondent's trade mark. Indeed, when viewed in context, it is plain that any such use was, and was intended to be, disclaimed.

In short, in my opinion, taken in its proper context, the purpose and nature of the impugned use does not indicate the trade origin of the goods in any trade mark sense."

APPELLANT'S ARGUMENT UPON APPEAL

Senior counsel for the appellant argued that "Rolling Stones" is a coined or fancy mark which is not descriptive of the goods but is, on the contrary, inherently adapted to distinguish the goods from those of other traders. He contended that the kind of connexion capable of constituting a trade mark could include a person's name, for example the surname "Pritikin" (*Berzins Specialty Bakeries Pty Ltd v Monty's Continental Bakery (Vic) Pty Ltd* (1987) 12 IPR 38) or a "Pierre Cardin" tie or a "Brian Lara" cricket bat. He further said that the addition of the word "unauthorised" and disclaimers of quality did not avoid trade mark use; they merely signified that the trade origin was the respondent. Such material, he said, did not break the connexion between the marks and the goods, it simply indicated lack of connexion with someone else.

CONCLUSION

On the question of infringement, one asks whether in the setting of the packaging and on the discs themselves in which the words "THE ROLLING STONES" are depicted, that phrase appears as an expression which the manufacturer of the disc is using for the purpose of indicating or so as to indicate a connection in the course of trade between him and the disc contained within the packaging.

Turning to the discs first released for sale, in our view the use on the packaging and on the discs themselves of the words "THE ROLLING STONES" would convey to the prospective

purchaser that if that person purchased the disc and put it on a compact disc player there would emerge music of the well known group "The Rolling Stones". It is of fundamental importance to the purchaser to be able to identify, before purchasing the disc, the particular musicians whose performance or whose music is recorded.

Trade marks for compact discs and other forms of sound recordings will often be of importance to a purchaser, but for reasons unconnected with the identity of the performer or the music. Trade marks such as "His Master's Voice" or "Decca" may be important as indicating the technical quality of reproduction to be expected, but do not say anything about the music or the performer. In the present case the respondent's own Banana Label fulfils a like function. Indeed the use of the respondent's mark in a way that a mark would be used for goods of this type is in itself some indication that the words "The Rolling Stones" are used for a different purpose.

We accept the submission for the respondent that the words "The Rolling Stones" are not used for the purpose of indicating a connection in the course of trade between him and the discs or any other goods in respect of which the trade marks are registered. Rather, they are used here to identify a recording made many years ago of a live performance by those persons in the United States, which has been reproduced and embodied in the discs manufactured by the respondent. That is not a trade mark use by the respondent; cf *News Group Newspapers Limited v The Rocket Record Company Limited* at 98, *Unidoor Limited v Marks and Spencer Plc* (1988) RPC 275 at 280, *Re Polar Music International AB* 714 F 2d 1567 at 1572 (1983). If it matters, there is force also in the further submission, that, as a practical matter, there is no other way in which identification readily can be made of the group, a sound recording of whose performance is embodied in the discs.

In determining whether there has been use as a trade mark, it is proper to have regard to the whole of the packaging. That was not disputed. Even if the discs contained within the packaging are examined in isolation, the same conclusion follows. Indeed, from the face of the discs the impression is stronger that the term 'The Rolling Stones' identifies the group who perform the 13 tracks which are then identified, the disc having been made in Australia under the Banana Label.

If regard is had to the subsequent and second version of the respondent's cover and discs, the conclusion which we have reached is, if anything, stronger. The use of the expression "SONGS PERFORMED LIVE BY THE ROLLING STONES GROUP" on the cover of the second version only makes more explicit that which is conveyed by the first version. Indeed, the awkward supererogation of the second version emphasises how natural is the meaning conveyed by the first.

In the present context there is no significance in the words "The Rolling Stones" being a coined or fancy name. In one sense, all names of human beings are coined or fancy, usually originating historically from personal characteristics, trade or occupation and the like. In the entertainment industry, celebrated performers are often known by a stage name which they have adopted. Marilyn Monroe and Cary Grant are familiar to us in a way that Norma Jean Mortenson and Archie Leach are not. The term "The Rolling Stones" is a name which has been adopted by a particular group and serves an identification function which, in essence, for the purposes of this case serves a function no different from that of "Melbourne Symphony Orchestra".

The appellant's case is an attempt to obtain a monopoly over words used to describe a lawful product. Consistently with the appellant's argument, the maker of a film on the Rolling Stones entitled "The Story of the Rolling Stones" would be infringing the mark. The producer of a compact disc called "John Farnham Sings the Music of the Rolling Stones" would suffer a like fate.

Moreover, the protection of a registered trade mark may extend indefinitely in time and, if the appellant is right, protection would be obtained which extended far beyond the rights of a copyright owner, rights which (for the reasons already explained) the appellant does not have.

The appeal should be dismissed with costs.