

Shell Co of Australia Ltd v Rohm and Haas Co [1948] HCA 27

HIGH COURT OF AUSTRALIA

LATHAM CJ, RICH, DIXON MCTIERNAN AND WEBB JJ

LATHAM CJ:

This is an appeal from an order of *Williams J.* directing that the trade mark “Ditrene” be expunged from the register of trade marks. The appellant, the Shell Company of Australia Ltd., is the registered proprietor under the *Trade Marks Act 1905-1936* of the word “Ditrene” as a trade mark in respect of insecticides, fungicides or disinfectants. The application for registration was lodged on 19th June 1945. The documents placed before the Court show that the registrar, in considering whether he would accept the application for the registration of “Ditrene,” took into consideration an application by the respondent company for the registration of “Dithane” which was then pending. The registrar was evidently of opinion that both trade marks could properly be registered and that there was not such a resemblance between “Ditrene” and “Dithane” as to be likely to deceive. The respondent company did not oppose the registration of “Ditrene.” The application for “Ditrene” was accepted on 4th April 1946. After advertisement there was no opposition and the trade mark was registered on 4th October 1946.

The respondent company, Rohm & Haas Co., had applied on 20th April 1945 for registration of the word “Dithane” as a trade mark in respect of the same class as that in respect of which “Ditrene” has been registered. This application was therefore made before the application of the Shell Co. The application was accepted and advertized and the Shell Co. lodged a notice of opposition. The opposition proceedings have not yet been determined.

On 22nd March 1948, Rohm & Haas Co. instituted proceedings to expunge the entry of “Ditrene” from the register. The proceedings were taken by virtue of s. 71 (1) of the *Trade Marks Act 1905-1936*, which provides, *inter alia*, as follows:—“Subject to this Act, the Court, on the application of any person aggrieved or of the Registrar, may order the rectification of the register by— ... (b) the expunging of any entry wrongly made in or remaining on the register;”.

Williams J. held that Rohm & Haas Co. was an aggrieved person within the meaning of s. 71 (1) and that the mark “Ditrene” did so resemble the mark “Dithane” as to be likely to deceive, thus taking upon this matter a different view from that which had commended itself to the registrar. His Honour decided that the registrar was under a duty to deal with applications in the order of their date, and that he should have determined the earlier “Dithane” application before determining the later “Ditrene” application. It was therefore held that he acted wrongly in granting registration of “Ditrene” and that the mark “Ditrene” should be removed from the register.

Upon the appeal to this Court the Shell Co. did not challenge either the decision that Rohm & Haas Co. was an aggrieved person within the meaning of s. 71 or the conclusion reached by the learned judge that “Ditrene” and “Dithane” were so similar that if both were registered and used there would be a likelihood of deception.

The appellant, however, relies on what is contended to be a complete compliance with the Act, and argues that there is no ground for erecting upon the basis of the clear provisions of the Act a series of implications as to some duty of the registrar with respect to the order in which he is to deal with applications. The word “Ditrene” is admittedly an invented word which is registrable as a trade mark—the Act, s. 16 (c). The application for registration of “Ditrene” was regular in all respects.

Section 25 of the Act provides as follows:—“Subject to this Act, the Registrar shall not register in respect of goods a trade mark identical with one belonging to a different proprietor which is already on the register in respect of the same goods or description of goods or so nearly resembling such a trade mark as to be likely to deceive.”

As already stated, before he registered “Ditrene,” the registrar looked at and considered the application for the registration of “Dithane.” He granted registration to “Ditrene” because he was of opinion that there was no risk of confusion between the two marks. In this opinion he was wrong for the reasons stated by *Williams J.* The Shell Co., having succeeded in obtaining registration in the absence of opposition upon the basis of this opinion, now contends (as it is entitled to do) that there *is* a danger of confusion between the two marks and that, “Ditrene” being on the register, “Dithane” should not now be registered.

The Shell Co. contends that the registrar was not entitled to consider the application for the registration of “Dithane” when he was reaching a determination upon the application for “Ditrene” because “Dithane” was not, at the time of registration of “Ditrene,” namely 4th October 1946, a trade mark which was “already on the register.” Indeed, “Dithane” is not yet on the register. There is, it was submitted, nothing in the Act to require the registrar to consider other pending applications before dealing with any particular application.

The appellant refers to ss. 29 and 33, where there are also references to trade marks “already on the register.” Section 29, which deals with associated trade marks, deals with the case where application is made for the registration of a trade mark so nearly resembling a trade mark of the applicant which is already on the register as to be likely to deceive or cause confusion. Here the reference is plainly to trade marks which are already on the register. Section 33 (2) provides that applications are to be referred by the registrar to an examiner, who shall ascertain and report whether the trade mark is a registrable trade mark, and whether it is “identical with a trade mark already on the register under this Act. . . .” In this section the words “already on the register” should, it is argued, be construed as referring to trade marks which were in fact on the register when the examiner was performing his duty.

So also, it is submitted for the appellant, in s. 25 the provision that the registrar shall not register a trade mark identical with one already on the register must be understood as referring to trade marks which actually are on the register when the registrar is performing the act of registration (in this case on 4th October 1946), and not to applications for trade marks which might or might not be successful. It must be conceded that if the registrar were required to consider all pending applications before he dealt with any particular application he would be considering applications some or all of which might never be granted. If, in order to introduce some practical limitation, the suggested rule were stated so as to restrict the required consideration of pending applications to those which the registrar thought were applications for somewhat similar marks which he probably would grant, it would mean that he would be considering groups of applications together and determining their chances of success—sometimes in the absence of evidence which might be adduced later. If, on the other hand, the words in s. 25 are given what is said to be their plain meaning, he compares a trade mark for which application is made with, and only with, trade marks which are actually on the register, and he does this (it is contended) at the time when he actually grants (or refuses) registration.

The Act contains no express provision requiring the registrar to deal with applications in order of their date. In my opinion it is difficult to imply such an obligation on the part of the registrar. If such a duty existed there would be a breach of duty if an application for a trade mark were dealt with out of turn and the consequence would be that the mark, if registered, would be wrongly registered, so that it should be removed upon an application under s. 71—even though the mark was otherwise entitled to registration. It would not be reasonable to make an absolute implication requiring the registrar to deal with *all* applications in order of date, even though they related to entirely different subjects. But, if the rule were not absolute, it would not be easy to specify with precision what applications earlier in date the registrar must take into consideration and what applications he could properly ignore in dealing with any later particular application. The consideration of an early application might take a long time. If no later application, or no later application which was more or less in the same field (which would often be matter for argument) could be determined before all, or all relevant, earlier applications had been determined, great delay would often result. The recognition and application of any rule that all or some applications must be dealt with in order of date would, in my opinion, result in delay, confusion and uncertainty of title to trade marks. It is not necessary to make such an implication in order to give effect to any of the provisions of the Act. I can see no adequate ground for implying such a rule.

An application for registration of a trade mark may be made by any person claiming to be the proprietor of a trade mark (s. 32) and “trade mark” means a mark used “or proposed to be used” in connection with goods for the purposes mentioned in the definition of ‘trade mark’ in s. 4. There are no provisions in the Commonwealth Act making registration or application for registration equivalent to user of a trade mark. Thus a mark may be registered as a trade mark though it has never been either actually or notionally used. This will often be the case when the trade mark applied for is an invented word. But, in my opinion, the application for registration in itself gives no rights to the applicant against any other person. If the application is successful, he obtains the rights of a registered proprietor, but not otherwise. His application may be abandoned or refused or successfully opposed. Until he succeeds in obtaining registration he is only a person “claiming” to be the proprietor of a mark. When and if he obtains registration, he acquires rights which date back to the date of his application (s. 47) but until he obtains registration he is, if he has not actually used his trade mark and thereby acquired rights, in the same position with respect to the mark as any other member of the public. He cannot prevent any other person using it unless and until he succeeds in an application for registration. If he

so succeeds he has a remedy against any person who used it after the date of his application because s. 47 provides that the date of application shall be deemed to be the date of registration. But it is the granting of registration, and not the making of the application, which gives him for the first time a right to the exclusive use of the previously unused mark.

In my opinion s. 47 of the Act provides a solution of the difficulties which have arisen in this case. Section 47 is in the following terms:—"When an application for registration has been accepted and has not been opposed and the time for notice of opposition has expired, or has been opposed and has been granted, the Registrar unless otherwise prescribed by the regulations shall register the trade mark as on the date of the lodging of the application, which date shall be deemed to be the date of the registration, and shall issue to the applicant a certificate of registration of the trade mark in the prescribed form."

It will be observed that the provision is not merely that the registrar shall register the trade mark as on the date of lodging of the application. There is the further positive provision that the date of lodging of the application shall be deemed to be the date of the registration.

Section 25 provides that, subject to the Act, the registrar shall not register a trade mark identical with one belonging to a different proprietor which is already on the register in respect of the same goods or so nearly resembling it as to be likely to deceive. To what point of time does the word "already" refer? The act to which reference is made in the section is the act of registration. The appellant in my opinion rightly argues that the section refers only to trade marks which are actually registered at the date of the registration. But s. 47 produces the effect that for all purposes the date of application is the date of registration. Accordingly, when the registrar is determining whether he will grant an application and is applying s. 25, he must consider trade marks which *at the date of application* are already on the register. But he is under no obligation to consider other pending applications (whether earlier or later in date) which may or may not be granted.

In the present case the registrar granted the application for "Ditrene" on 4th October 1946, but the grant of the trade mark dated back to 19th June 1945: s. 47. What were then the trade marks on the register? "Dithane" was not one of them, and, indeed, "Dithane" is not yet on the register. It follows that at the date which must be taken to be the date when the application for registration of "Ditrene" was determined no obstacle was presented under s. 25 by the pending

application for “Dithane.” Accordingly, as at the date which the Act prescribes to be the date of registration, the application for the registration of “Ditrene” was properly granted, it being a registrable mark as an invented word, there being no trade mark already on the register which presented an obstacle to its registration, and there being no opposition.

But under s. 71 (1) (b) a trade mark can be expunged from the register if, even though it may originally have been rightly registered, it wrongly remains on the register. Accordingly, the next question is whether “Ditrene” can rightly remain on the register.

As matters now stand the answer must in my opinion be in the affirmative. There is not on the register any other trade mark which would justify the removal of “Ditrene” and no other ground for its removal has been suggested except a ground connected with the pending application for registration of “Dithane.”

But opposition proceedings to the registration of “Dithane” are now pending. Most (but not all) of the grounds of opposition are based upon the fact that “Ditrene” is *now* on the register. But if the word “already” in s. 25 by virtue of s. 47 refers to the date of application, then the position is that at that date of application (20th April 1945) “Ditrene” was not on the register and therefore cannot under s. 25 be used as the basis of any objection to the registration of “Dithane.” Thus in considering the opposition proceedings the registrar should leave out of account altogether the registration of “Ditrene” and should deal with the application for the registration of “Dithane” as if “Ditrene” had never been heard of in the registry. The result upon the materials at present before the Court would be that registration should be granted to “Dithane.”

If this happens, both marks will be registered marks. The owner of “Dithane” will then be in a position to apply for the rectification of the register by expunging “Ditrene” on the ground that registration was granted as at a time (June 1945) which was subsequent to the placing of “Dithane” on the register, which must be considered to have taken place in April 1945. “Dithane” being on the register as in April, the registration of “Ditrene” in June would be calculated to deceive and therefore it should then be held that “Ditrene” was wrongly remaining on the register and should be expunged.

The result is that, at a later stage, if there is no alteration in or addition to the facts as now presented to the Court, the respondent will be able to secure the removal of “Ditrene” from the register; but the application to expunge should, in my opinion, fail at the present stage. Thus the ultimate result will be the same as that reached by *Williams J.*, but that result will be reached as the consequence of different reasoning. In my opinion the strict legal position is that, at the present time, “Ditrene” is properly on the register and should not be now expunged, so that the appeal should be allowed.

It might be suggested that, in order to avoid circuity of proceedings, this Court should take a short cut and should now order “Ditrene” to be expunged, on the ground that, on the facts as now appearing, it wrongly remains upon the register. But the opposition proceedings to the registration of “Dithane” are still pending, and the opponent company is entitled to have its opposition heard upon such evidence as it may be able to produce at the time of hearing. It is possible that relevant evidence (e.g. as to user of marks), in addition to that now before the Court, may be adduced in the opposition proceedings. In my opinion the Court should not, before the parties thereto have been heard in those proceedings, make an order which would determine them in favour of the applicant and against the opponent.

Section 71 (1) of the Act provides that the Court, on the application of any person aggrieved or of the registrar, may order the rectification of the register. Section 71 (3) provides that “Notice of every application to the Court pursuant to this section (other than an application by the Registrar) shall be given to the Registrar, who may be heard thereon.” The registrar should not be made a party to an application by a “person aggrieved” but notice of such an application should be given to him.

RICH J:

In my opinion the order of *Williams J.* is right. And I approve of the registrar's suggestion as to the practice to be adopted in similar cases.

The appeal should be dismissed with costs.

DIXON J:

This appeal is from an order made in this Court by *Williams J.* rectifying the Register of Trade Marks by expunging therefrom a trade mark numbered 83906 in class 2 consisting in the

word "Ditrene." The mark was actually registered on 4th October 1946 but the registration took effect as from the date of the application, which was lodged on 19th June 1945. The application was made by the appellants, the Shell Company of Australia Ltd., who claimed to be the proprietors of the mark. The mark was registered in respect of agricultural and horticultural sprays. "Ditrene" is an invented word. There had been no user of the word in Australia before the date of the application. But the appellants belong to a group of companies carrying on business in different parts of the world and a few weeks earlier the word had been applied in the United Kingdom by another member of the group to insecticides and sprays there marketed. It must have been a very short time indeed before the lodging of the application in Australia, because all that is deposed to is that from and since the month of May 1945 the mark "Ditrene" had been so used. Since that time, however, the word has been used here and in many other parts of the world in the advertisement and sale of the products to which it is applied. Apparently it is applied to preparations based on D.D.T. for use against insect pests in agriculture and horticulture.

The order for the removal of the mark "Ditrene" from the register was obtained by the respondents Rohm & Haas Co., a company incorporated in the State of Delaware in the United States. That company had applied for the registration of another word mark two months before the appellants' application in respect of "Ditrene" was lodged, namely on 20th April 1945. The word mark in respect of which the respondents Rohm & Haas Co. applied is "Dithane." The application, which was numbered 83501, was to register "Dithane" in class 2 in respect of insecticides, fungicides and disinfectants. "Dithane" is an invented word and it too had not been used in Australia before the date of the application to register it as a trade mark. But the word had been registered by the respondents in the United States in October 1944 in Canada in January 1945 and in the United Kingdom in March 1945 and after that it was registered in many other countries. Since 1937 the respondents have been registered in Australia as the proprietors of a trade mark consisting in the word "Lethane" in respect of insecticides, fungicides and disinfectants and since applying for "Dithane" they have obtained registration in respect of the same description of goods of another word mark ending in "thane," "Rhothane." The acceptance of the respondents' application to register "Dithane" was delayed owing to the need arising of satisfying the registrar that the word "Dithane" might not be mistaken for the chemical name of an hypnotic drug. It was not until 17th January 1947 that the application for "Dithane" was accepted. By that time "Ditrene" had been placed upon the register of trade marks. The appellants, the Shell Co. of Australia Ltd., lodged notice of

opposition to the registration of "Dithane" and they relied, of course, upon s. 25 of the *Trade Marks Act 1905-1936*. That section provides that the registrar shall not register in respect of goods a trade mark identical with one belonging to a different proprietor which is already on the register in respect of the same goods or description of goods or so nearly resembling such a trade mark as to be likely to deceive. By their counterstatement the respondents Rohm & Haas Co., admitted that the trade marks "Dithane" and "Ditrene" bear such resemblance to each other as to be calculated to deceive and cause confusion in trade and in the public mind when applied to the same description of goods and they admitted that the goods covered by the two applications are of the same description.

Upon this proposition the parties are agreed. But it is a proposition at variance with the view upon which the registrar proceeded when he accepted the application of the appellants, the Shell Co. of Australia Ltd., for the registration of "Ditrene" as a trade mark. For it appears from the search report of the registrar's office, which was put in evidence, that application 83501 (*scil.* for the registration of "Dithane") was cited as a similar mark by or to the examiner reporting upon application 83906 (*scil.* for the registration of "Ditrene"). The citation was struck out and a negative report made as to the existence of marks within s. 25 or s. 114.

It may be assumed that had the registrar been of opinion that "Ditrene" so nearly resembled "Dithane" as to be likely to deceive or cause confusion he would not have registered "Ditrene," at all events until the relative positions of "Dithane" and "Ditrene" had been elucidated. However, adopting the view that the marks did not deceptively resemble one another, the registrar, by first registering "Ditrene," enabled the appellants as registered proprietors of that mark to oppose the grant of the earlier application for the registration of "Dithane" on the ground that the two words do deceptively resemble one another.

By conceding now the truth of this ground of opposition, the respondents as applicants for the registration of "Dithane" find themselves in a position in which because of s. 25, in my opinion, they are forced to seek the removal of "Ditrene" from the register in order to overcome the appellants' opposition. It is true that an interpretation of s. 25 was suggested according to which the fact that "Ditrene" was now upon the register would not stand in the way of the registration of "Dithane." The suggestion is that the question whether for the purposes of s. 25 an identical or deceptively similar mark is already upon the register is to be judged not as at the time when the registrar has finally to determine to register or not to register the second mark, but as at the

date when the application for that mark was lodged. That would mean that the inquiry whether there existed upon the register an entry of the same or a similar mark would, in the case of the application to register "Dithane," be limited to 20th April 1945, the date when the application for "Dithane" was lodged by the respondents Rohm & Haas Co. Since "Ditrene" was not applied for until 19th June 1945 and not registered until 4th October 1946, it could not, on that interpretation, be considered already on the register for the purposes of s. 25. The basis of the proposed interpretation of the section is the well-settled general principle that the title of a mark to registration is to be determined on the state of facts existing when the application is lodged. But support for the interpretation is also sought in the provision contained in s. 47 that a mark shall be registered as on the date of the lodging of the application, which date shall be deemed to be the date of the registration. For if the mark first applied for is in fact ultimately placed upon the register its date of registration would in contemplation of law precede that of the mark applied for later but in fact first placed on the register. It is said that by prescribing such a legal order of priority the provision indicates an intention or policy inconsistent with the notion that the earlier application is to be defeated by reason of the accident that the later application is the first to be granted. Accordingly, it is contended that 'already on the register' in s. 25 means already on the register at the date of the application.

Notwithstanding the general principle invoked and the inference arising, as it is claimed, from s. 47, I think that the grammatical meaning of s. 25 is too clear to admit of the interpretation suggested. The word "already" must refer back to the words "shall not register." They can mean nothing else than that if the registrar finds, when he comes to effect registration, that another mark is on the register, identical or deceptively similar, he shall not make the entry registering the mark. The respondents Rohm & Haas Co. were therefore right in supposing that, unless they successfully moved to expunge the entry of "Ditrene" from the register, the opposition to the registration of "Dithane" would succeed. The question whether the respondents are entitled upon the foregoing facts to the removal from the register of the entry in respect of "Ditrene" is governed by no direct authority, but upon consideration I have come to the conclusion that they are so entitled and that the order of *Williams J.* is right. I place my decision upon the ground that in the circumstances as I have stated them the respondents Rohm & Haas Co., upon lodging their application for the registration of "Dithane" as their trade mark, were to be considered proprietors in Australia of that mark and that, in the absence of any facts establishing in the appellants the Shell Co. of Australia Ltd. a prior or superior title to the conflicting trade mark "Ditrene," the entry upon the register of "Ditrene" in respect of the same

description of goods as the trade mark of the appellants was wrongly made within the meaning of s. 71 of the *Trade Marks Act*. The basis of an application for the registration of a trade mark is a claim on the part of an applicant to be proprietor of the trade mark: s. 32. Before the passing of the *Trade Marks Registration Act 1875* (38 and 39 Vict. c. 91) of the United Kingdom property in a trade mark was acquired by user. If a trader had habitually employed a mark in connection with his goods so that to the public it had come to denote or distinguish his goods, he was entitled to legal and equitable remedies to protect him against the use by rival traders of the same or similar marks. The rights which he thus acquired were in the nature of rights of property. They were so treated by the *Trade Marks Registration Act 1875* which made registration of a person as the first proprietor of a mark prima-facie evidence of his right to the exclusive use of the trade mark, and, after five years, conclusive evidence: s. 3. But the Act, as it was interpreted, also included provisions enabling the registration of a new mark not hitherto used with the like consequences (In re Hudson's Trade Marks¹). This was considered to be the result of a provision in s. 2 that registration of a trade mark should be deemed to be equivalent to public use of such mark and of s. 10 stating the essential particulars of which for the purposes of the Act a mark was to consist. Cotton L.J. said in the case of In re Hudson's Trade Marks² that the provision in s. 3 applied to future as well as existing trade marks and as far as one could see the intention of the Act was that the particular things which s. 10 said were to be trade marks for the purposes of the Act might be registered even although there had been no user of them so as to give a title independently of the Act. His Lordship went on to say that the meaning was that the distinctive things comprised in the first part of s. 10 should be considered trade marks even before they were registered but not so as to give anyone a right to complain of the user of them until they had been registered, the registration being equivalent to a public use of the marks. This conception necessarily gave rise to the question what facts formed the title to such a new mark so that the applicants for registration could claim to be proprietors. The question is met by the following passage from the judgment of Cotton L.J.: "The difficulty is this: Is a man to be considered as entitled to the use of any trade-mark when he has never used it at all? That is a difficulty, but I think the meaning is this. If a man has designed and first printed or formed any of those particular and distinctive devices which are referred to in the

¹ (1886) 32 Ch D. 311.

² (1886) 32 Ch. D., at p. 319.

first part of s. 10, he is then looked upon as the proprietor of that which is under that Act a trade-mark, which will give him the right so soon as he registers it. How can it be said he is entitled to the exclusive use of it? He never has used it; but in my opinion the language, though not appropriate, means this, that a man who designs one of those special things pointed out in s. 10, is, as designer, to be considered as the proprietor of it, and if there is no one else who has used it, or who can be interfered with by the registration and subsequent assertion of title to the mark, then he is to be considered as entitled within the meaning of the Act to the exclusive use of that which in fact has never been in any way used, but which has only been designed by him; and which he can be treated as the person entitled to register, if no one else had so used it as that his user would be interfered with by the registration.”³

Part IV. of the *Patents Designs and Trade Marks Act 1883* (46 and 47 Vict. c. 57) gave little further light upon the question of the title to new marks not used before the application for registration. But it embodied in a separate section (s. 75) the provision that registration of a trade mark should be deemed to be equivalent to public use of the trade mark. Otherwise its silence was taken as confirmation of the practice that had been established of registering marks independently of prior user. By the *Patents Designs and Trade Marks Act 1888* (51 and 52 Vict. c. 50) the foregoing s. 75 was replaced by a substituted section providing that application for registration of a trade mark should be deemed to be equivalent to public use of the trade mark and the date of the application should for the purposes of the Act be deemed to be the date of registration. In the *Trade Marks Act 1905* (5 Ed. VII., c. 15) the course was taken of including in the definition of “trade mark” the words “used or proposed to be used upon or in connection with the goods”: s. 3. The earlier part of s. 75 of the former Act as amended was dropped but the latter part was included in s. 16, which provided that the trade mark when registered should be registered as of the date of the application for registration and such date should be deemed for the purposes of the Act to be the date of registration. The dropping of the earlier part of s. 75 of the former Act was doubtless occasioned by the course taken to express the law allowing the registration of marks not used before application. That course was to include the words quoted in the definition of “trade mark.” The dropping of the earlier part of s. 75 may also have been influenced by the use, the unsuccessful use, in the Court of Appeal

³ (1886) 32 Ch D., at pp. 319, 320.

in *In re the Registered Trade-Marks of John Batt & Co.* and *In re Carter's Application for a Trade-Mark*⁴ of the argument that as a result of the provision registration amounted for all purposes to continual user. But, however that may be, it is clear enough from the course of legislation and of decision that an application to register a trade mark so far unused must, equally with a trade mark the title to which depends on prior user, be founded on proprietorship. The basis of a claim to proprietorship in a trade mark so far unused has been found in the combined effect of authorship of the mark, the intention to use it upon or in connection with the goods and the applying for registration. For a time the provision that application was equivalent to prior user necessarily embodied in statutory form the conclusion that the applying for registration completed title to the unused mark, where the other elements existed. But the principle had been already adopted by *Cotton L.J.* in *In re Hudson's Trade Mark*.⁵

Authorship of course includes claim through or under the author. But it involves the origination or first adoption of the word or design as and for a trade mark. This is well brought out by the Victorian case of *Re Hicks's Trade Mark*⁶ which was decided on legislation in much the same form as the English Act of 1875. Hicks had obtained registration of the word "Empress" for stoves. A stove, the design of which had been registered, had been sold under the name Empress by the predecessors in title of Metters Brothers. Metters Brothers moved to rectify the register by expunging Hicks's trade mark. For Hicks it was argued that prior user by him was unnecessary and that by registration he had made himself proprietor of the mark. In the course of the argument *Holroyd J.* said:—"A person cannot be properly registered unless he is the proprietor. Proprietor is the person who at the moment he makes application to be registered is entitled to the exclusive use of the name, whether he then or before publicly adopted it. A man cannot be said to have adopted a name if someone else has done so before him. Section 19 merely says that the act of applying is to be deemed equivalent to public user. No one could otherwise be entitled to registration as proprietor unless he had publicly used the trade name before. The section does not affect the fact that another person used the name first. The

⁴ (1898) 2 Ch. 432, at pp. 435, 441.

⁵ (1886) 32 Ch. D. 311.

⁶ (1897) 22 V.L.R. 636.

difficulty here is that although Hicks may have by virtue of his application publicly used the name, someone else publicly used it before him.”⁷

In delivering the judgment of the court his Honour said:—“For the reasons given by us in the course of the argument, we think this application to expunge Hicks's name from the register of trade marks as the proprietor of the word ‘Empress’ as a trade mark applied to stoves ought to be granted. In order to substantiate his application to be placed on the register for this word he must have claimed to be the proprietor, and the word ‘proprietor’ must be taken to mean the person entitled to the exclusive use of that name. If there is anyone else who would be interfered with by the registration of the word ‘Empress’ in the exercise of a right which such person has already acquired to use the same word in application to the same kind of thing, then Hicks ought not to have been put on the register for that trade mark, and his name will be properly removed on the application of the person whose right of user was thereby disturbed”.⁸

The Commonwealth *Trade Marks Act 1905-1936* is framed upon the model of the English Act of 1905. It covers applications for marks not yet used by means of the definition of trade mark: s. 4. But like the English Acts it contains provisions which contemplate the existence in applicants of a title to the trade marks applied for prior to actual registration. Thus s. 27 provides that where each of several persons claims to be proprietor of the same mark or of nearly identical trade marks in respect of the same goods or the same description of goods and to be registered as such proprietor, the registrar may refuse to register any of them until their rights have been determined by the court or have been settled by agreement in a manner approved by him or on appeal by the law officer or the court. The court can only determine legal rights. The provision goes back to the English Act of 1883 and it can hardly be doubted that it is applicable to marks not yet used as much as to marks the subject of prior user. In fact the legislation treats the two alike except where special provision is required for the peculiar difficulties to which prior user may give rise, as in the case of honest concurrent user, dealt with by s. 28. But even s. 28 may embrace marks so far not in use in its provision for special circumstances.

⁷ (1897) 22 V.L.R., at p. 639.

⁸ (1897) 22 V.L.R., at p. 640.

The Act therefore assumes that rival claims to identical or nearly identical unregistered marks one or both of which have not been acquired by prior user may be decided by reference to the legal rights of the claimants. Their claims are to that proprietorship of which s. 32 speaks when it provides that any person claiming to be the proprietor of a trade mark may make application for the registration of his mark. In other words the legislation ascribes proprietorship to trade marks when application to register them is made notwithstanding that the proprietor's right cannot rest on prior user because hitherto the marks have not been employed, whether within the jurisdiction or at all.

The marks "Dithane" and "Ditrene" cannot, by concession, both be placed or remain upon the register in respect of the same description of goods. Sections 114 and 25 combine to insure that marks deceptively similar shall not both be on the register in respect of the same description of goods. It follows in my opinion that the question in the present case is whether at the time the appellants made their application to register "Ditrene" the respondents possessed a better title to the proprietorship of "Dithane" and a better right to be registered as proprietors of that mark. A contrary view of such a case as the present makes the rights of the parties depend entirely on the accidental circumstance of the expedition with which actual registration can be or is in fact obtained. If a better right to the registration of "Dithane" existed in the respondents, then it appears to me to be clear, on the assumption of course that both marks should not be on the register, that the registration of the appellants as proprietors of "Ditrene" was wrongly made and the entry ought to be expunged. To the question whether the respondents' title to the proprietorship of "Dithane" and their right to register it as their mark is superior to the appellants' claim to use and register the conflicting mark "Ditrene," I give an affirmative answer. User abroad before application in Australia is probably of no importance, but if it were the slight user of "Ditrene" in England which is deposed to it could hardly count against the registration of "Dithane" from 1944 onwards in the United States, United Kingdom and Canada. But what is of importance is that the word "Dithane" had been long since designed or adopted by the respondents Rohm & Haas Co., that they had formed a definite intention of using it in Australia upon or in connection with their goods and had applied for the mark before the appellants lodged their application for "Ditrene." These facts give a prima-facie right to the respondents to register "Dithane" which the application of the appellants to register "Ditrene" could not defeat or displace unless facts existed giving the appellants, the Shell Co. of Australia Ltd., a prior or superior title to register the conflicting mark "Ditrene." I say conflicting

mark "Ditrene" because I accept the view of both parties that if used in respect of the same description of goods deception and confusion would be caused.

No facts exist giving the appellants an equal or better right to use or to register the mark "Ditrene" and none appears to me to exist which would authorize the registrar to regard the case as one of special circumstances enabling him to act under s. 28. I am therefore of opinion that the order of *Williams J.* is right and that the appeal should be dismissed with costs.

The Registrar of Trade Marks raised a point of practice for our consideration. He had been made a party both to the motion for rectification and to the appeal. He suggests that s. 71 (3) does not intend that he shall be a party on the record, but rather that he shall be notified and shall have a right to be heard if he thinks it desirable to bring any matter or views to the notice of the court. I think that the better practice is in accordance with his suggestion.

MCTIERNAN J:

It is necessary to consider the question which the Court has to decide in this appeal, namely, whether the entry of the appellant's trade mark "Ditrene" was wrongly made in the register, upon a different basis from that upon which the registrar proceeded in granting the appellant's application to register that trade mark. Apparently the registrar acted upon the view that the resemblance between "Ditrene" and "Dithane" was not sufficient to make the registration of one mark a bar to the registration of the other. It is necessary for the Court to consider the question which now falls for decision upon the basis that because of the resemblance of these two words, regarded as trade marks, it would be wrong to register one while the other was on the register. The respondent relied upon that resemblance in his application to expunge "Ditrene" from the register. This application was made upon the ground that the respondent lodged an application to register "Dithane" before the appellant lodged its application to register "Ditrene" and upon the legal effect given by the Act to the lodging of an application for the registration of a trade mark.

This being the order in which the applications for registration were made, and there being this resemblance between "Dithane" and "Ditrene," the question is whether the Act warranted the registration of the latter trade mark while the earlier application to register the former trade mark was pending. If any right in respect of the trade mark "Dithane" arose under the Act when the respondent lodged the application for registration of "Dithane," there is nothing in the Act

which would warrant the extinction of that right by granting the application to register “Ditrene,” and the registration of this mark would have been wrong. The Act does not specially define the rights which arise in respect of a trade mark upon the lodging of an application for its registration.

The Act enables any person “claiming to be the proprietor of a trade mark” to make an application for the registration of “his trade mark,” s. 32: the definition of trade mark includes a mark “used or proposed to be used,” s. 4: when an application for registration is granted the trade mark must be registered as on the date of the lodging of the application and that date must be deemed to be the date of the registration, s. 47: the registration of a person as proprietor of a trade mark shall, if valid, give to such person the exclusive right to the use of the trade mark, s. 50. The effect of these provisions is, I think, that the lodging of the application for the registration of “Dithane” gave the respondent an inchoate title to that trade mark and an inchoate right to its exclusive use; the title and the right would cease if registration were refused, but if granted the title and the right would be confirmed and endure for the term of the registration. I feel no doubt that it was contrary to the principle and intention of the Act to defeat the respondent's application to register “Dithane” and to end the rights which accrued to it upon the lodging of the application: this was the effect of granting the subsequent application made by the appellant for the registration of “Ditrene.”

For a very long time it has been a fundamental principle of the legislation providing for the registration of trade marks that the lodging of an application for registration gives to the applicant certain rights in respect of the user of the trade mark of which registration is sought. Section 75 of the Patents Designs and Trade Marks Act 1883 (Imp.) took registration as the starting point. The section said “Registration of a trade mark shall be deemed to be equivalent to public use of the trade mark.” In *Barlow & Jones v. Jabez Johnson & Co.*,⁹ Chitty J. expounded the reason for the enactment of this section. Section 17 of the Patents Designs and Trade Marks Act 1888 (Imp.) took the application for registration as the starting point. This section was in these terms: “Application for registration of a trade mark shall be deemed to be equivalent to public use of the trade mark, and the date of the application shall for the purposes

⁹ (1890) 7 R.P.C. 395.

of this Act be deemed to be, and as from the first day of January 1876 to have been, the date of registration.” The enactment of this section was suggested in par. 33 of the recommendation of the Trade Marks and Designs Inquiry Committee of which Lord Herschell was the President (vol. LXXXI. Accounts and Papers Session, 9th February 1888 to 24th December 1888). In par. 33 they said: “We think that s. 75 should be amended by inserting before the word ‘registration’ the words ‘application for’ and that it should be provided that registration should date from the application and that the term should run from that date.” The committee added: “This is at present in effect provided for by rule but doubts have been entertained whether the rule is not ultra vires, and these doubts should be set at rest by legislation. The legislation should be made to cover the past practice.”

In view of the arguments in the present case, it is instructive to refer to the evidence given to the Committee regarding the proposal to amend s. 75. At p. 61, pars. 1136-1138 of the Minutes of Evidence, Edmund Johnson, manager of the Trademark Protection Society and honorary secretary of the London Trade Marks Committee, said: “Then in s. 75 we come to ‘effect of registration.’ It says ‘registration of a trademark shall be deemed to be equivalent to public use of the trademark.’ The interpretation of that I believe is that after the registration has been effected, registration dating from the time of application and not of registration, the public user of the mark will be recognized as from that date. I think it would be a very valuable alteration if that could be extended a little further by adding the words at the commencement ‘application for registration,’ because that would create a user for the applicant as from the date at which he applies before he gets it registered. Now it is only created as from the same date, but after it is registered. It would make this difference, an application may be pending for a year at the Patent Office. There may be an opposition to it. There may be little difficulties with the office or something which prevents the registration being completed, and all that time the applicant could never say that he has a user; and many applicants prefer not to use a mark practically in trade until registered, so that they are at a disadvantage in any opposition if any new man spring up who says he meanwhile has been using the mark while the original applicant has not used it. It dates back to the day of the application, but that is only operative when the registration is completed. Meanwhile, the applicant has nothing, but if his user were to date from the application instead of from the registration by statute, he would have a user as from the date when he first applies, and would be able to claim that user during the progress of the registration.” At p. 123, par. 2116, J. Lawry Whittle, Officer under the Comptroller superintending the administration of the trade marks portion of the Act of 1883, said: “The next

suggestion relates to s. 75 of this Act. Section 75 might be modified to the extent that before the word 'registration' in the sentence 'registration of a trademark shall be deemed to be equivalent to public use of the trademark' 'application for' should be inserted. That is a suggestion also, the importance of which I think would be greatly reduced by the improvement in the despatch of business; as the suggestion stands, it will be somewhat difficult to carry out. If 'application' was made equivalent to user, that would be a sort of quasi title to a lot of marks that the Comptroller refuses, but the difficulty is that where the mark is not dealt with for a long time, of course the delay creates trouble outside." At p. 184, pars. 3123-3124, Henry Reader Lack, Comptroller of the Patent Office under the Act of 1883, said "Then as to s. 75, they merely propose instead of putting 'registration of a trade mark' to put 'the application for registration of a trade mark shall be deemed to be equivalent to public use of the trade mark.' It is so really, because the trademark dates from the date of the application. It ought to have been put into the Act. It was only because it was originally in the rules that it was continued; but it might be put into the Act."

Neither s. 75 of the Act of 1883 nor s. 17 of the Act of 1888 is repeated in terms in the Trade Marks Act 1905-1936 of the Commonwealth of Australia. But the principle introduced into the legislation by s. 75 and subsequently by s. 17 is in my opinion fundamental to this Act and is embodied in the sections to which I have referred.

It may be deduced I think from some observations by the learned authors of Kerly on Trade Marks (1927) 6th ed., at p. 26, that the English Act of 1905, which repealed the Acts of 1883 and 1888 so far as they related to trade marks, does not abandon the principle embodied in s. 17 of the Act of 1888. They say: "Actual user is not necessary before registration; this was decided under the Act of 1875 in *In re Hudson's Trade-Marks*.¹⁰ Apart from the Acts user was necessary to constitute a mark to be a trade mark. The definition of 'trade mark' quoted above includes a mark 'proposed to be used'; this is much simpler than the earlier and somewhat clumsy provision that registration, or, in the Act of 1888, application for registration, should be deemed equivalent to public use." See also Sebastian's Law of Trade Marks, 5th ed. (1911), at p. 9.

¹⁰ (1886) 32 Ch D. 311.

It follows that it was contrary to the intention and principle of the Trade Marks Act 1905-1936 to grant registration of the trade mark "Ditrene" while the earlier application for the registration of the trade mark "Dithane" was pending. Accordingly, it was right to order that the register be rectified by expunging the entry of "Ditrene."

In the view which I take it is unnecessary to deal with the arguments based upon s. 25, which were advanced on behalf of the respondent in support of the order.

I agree that it is a better practice to give notice to the registrar of an application under s. 71 than to make him a party to the application.

In my opinion the appeal should be dismissed.

WEBB J:

I agree with the Chief Justice that when the registrar is dealing with an application for registration of a trade mark he must take into account the state of the register as at the date of the application. But Williams J. held that s. 47 necessarily implies that, as between two persons who apply to register marks proposed to be used upon the same goods or description of goods which are identical or so nearly resemble one another as to be likely to deceive, the person who lodges the application which is prior in point of time, is, in the absence of any other circumstance, entitled to have his mark registered and to oppose the other mark being registered, or if it has been registered, to have the entry expunged on the ground that it was wrongly made in the register. Williams J. also held, and I agree, that the appellant's use and advertisement of "Ditrene" as a trade mark since July 1947 cannot affect any priority which the applicant may have acquired by its earlier application.

Prior registration and use of "Ditrene" are the only grounds of opposition to the registration of the respondent's trade mark "Dithane."

I think the judgment of Williams J. was right, in the result at all events.

I agree that the registrar should be given notice of an application under s. 71 and not be made a party thereto.

I would dismiss the appeal.