CASE LAW

USE OF A TRADE MARK IN AUSTRALIA

ESTEX CLOTHING MANUFACTURERS PTY. LIMITED v. *ELLIS AND GOLDSTEIN LIMITED*[1]

English statutory provisions relating to trade marks have been strictly territorial in their operation.[2] Under the Commonwealth Trade Marks Act, 1955-1958, the concept of "the use of a trade mark in Australia" is thus one of fundamental importance. It is surprising that the question of what constitutes the use of a trade mark in Australia has not arisen for judicial determination more often than the reports indicate. There does not appear to be a great deal of authority directly on the question. Accordingly, the decision of the High Court in the *Estex Case* is a valuable contribution to this area of trade mark law.

The Facts and Decisions

The respondent was an English company which manufactured in England and sold by wholesale women's clothing. It was registered under the Commonwealth Trade Marks Act, 1955-58, as the proprietor of the trade mark "Eastex" in respect of such garments. The appellant was a company incorporated in New South Wales and it manufactured and sold articles of women's clothing under the name "Estex".

When the respondent became aware of the appellant's use of the name "Estex" it commenced proceedings in the Supreme Court of New South Wales seeking an injunction to restrain the appellant from using the name "Estex" as being substantially identical with the respondent's registered trade mark and being a passing off. Thereupon the appellant applied to the High Court under s. 23(1)(b)[3] of the Trade Marks Act for an order that the trade mark "Eastex" be removed from the Register on the ground that, in respect of the mark, up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark by the registered proprietor or a registered user for the time being in relation to the goods in respect of which it was registered.

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[1] At first instance *Re Ellis & Goldstein Ltd.'s Trade Marks; ex parte Estex Clothing Manufacturers Pty. Ltd.* (Windeyer, J.) (1966) 40 A.L.J.R. 418; on appeal *Estex Clothing Manufacturers Pty. Ltd.* v. *Ellis & Goldstein Ltd.* (1967) 40 A.L.J.R. 515.

[2] See *In re Neuchatel Asphalte Company's Trade Mark* (1913) 2 Ch. 291, a case under the English Act of 1905. The position appears to be the same under the 1938 Act.

[3] Trade Marks Act, 1955-1958, s. 23(1). "Subject to this section . . . the High Court or the Registrar may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods in respect of which it is registered, on the ground—

(b) that, up to one month before the date of the application, a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods by the registered proprietor or a registered user of the trade mark for the time being."

The application was heard by Windeyer, J. who found that during the relevant period the respondent manufactured, and sold to Australian retail traders for resale in Australia, substantial quantities of garments with "Eastex" labels attached to them and that these garments were displayed, offered for sale and sold in Australia by the retail traders.[4] On the basis of these findings, his Honour was of the opinion that during the relevant period there had been a use in Australia of the trade mark by the registered proprietor and, accordingly, he dismissed the application.

On appeal to the Full Court[5] the decision of Windeyer, J. was affirmed.[6] The joint judgment of the Full Court contains a particularly important passage dealing with the question of use of a trade mark in Australia, but before considering this it is necessary to look at the decision of Windeyer, J. in some detail.

Judgment of Windeyer, J.

Before considering the primary question raised by the application for removal of the respondent's trade mark, namely, whether the respondent had used the mark in Australia during the relevant period, his Honour made a number of brief observations regarding s. 23(1)(b), all of which are worthy of note.

Windeyer, J. indicated firstly that the "use" which s. 23(1)(b) postulates is, (1) use of the trade mark in good faith; (2) use of it by the registered proprietor or a registered user; (3) use of it as a trade mark in relation to goods of the class for which it is registered; and (4) use of it in Australia.[7] Under the section the issue is not whether there had been such a use of the trade mark for a period of three years, but whether there was no such use during a period of three years. Accordingly, the word "during" does not mean "throughout" so as to require a "regular and continuous course of conduct for the whole period".[8] Thus, if during the period of three years there is a use of the mark (that is, a use involving the four elements indicated above), that will keep the mark alive, and will rebut "the statutory presumption of an abandonment which Section 23 creates".[9]

His Honour next considered where the burden of proof lay on an application under s. 23(1)(b) and pointed out that the onus is on the applicant "to show an absence of use in good faith during the period".[10] As to the method of discharging this onus, his Honour said that if persons connected with the relevant trade swear that they have not seen or heard of the mark in use as a trade mark at any time during the three year period, "that is *prima facie* evidence of the fact which the applicant must prove".[11] The applicant has the task of proving a negative and his evidence need not be great since "the registered proprietor is probably in a better position to prove user than is the applicant to prove non-user".[12] Notwithstanding this, however, the final question must always be, has the applicant proved his case?

The evidence of the applicant consisted of affidavits of deponents who were concerned in the retail trade in Australia in women's garments. However, besides stating that the respective deponents had never "encountered any use" of the trade mark "Eastex" in relation to women's clothing, all the affidavits

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[4] (1966) 40 A.L.J.R. 418 at 422.
[5] Barwick, C.J., McTiernan, Taylor and Owen, JJ.
[6] (1967) 40 A.L.J.R. 515.
[7] *Supra* n. 4 at 419.
[8] *Id.* at 420.
[9] *Ibid.*
[10] *Ibid.*
[11] *Ibid.*
[12] *Ibid.*

declared that the respective deponents had knowledge of the use of the name "Estex" by the applicants in the various states for various periods of time. Windeyer, J. held these parts of the affidavits were irrelevant to the proceedings before him, since evidence that the applicant had used a mark similar to the respondents' registered mark could not be evidence that the respondent had not used its mark during the relevant period.[13] It was, however, suggested for the applicant that these statements as to the applicant's use of the name "Estex" might be relevant as affecting a discretion in the Court. His Honour's short answer to this was that if the applicant fails to establish the matter required to ground an order for the removal of a mark pursuant to s. 23, then the court cannot make an order for its removal under that section.[14] As to whether the court in its discretion could decline to make an order for removal, his Honour doubted "whether the word 'may' in section 23 confers a discretion to refuse an order if non-user for the requisite period is clearly proved".[15]

Having dealt with these preliminary points and having found, on the respondent's evidence, that during the relevant period the respondent had sold goods to representatives of Australian retail traders and these goods had arrived in Australia and had been offered for sale and sold by these retailers with their "Eastex" labels still attached, Windeyer, J. then had to consider whether these facts constituted a use by the respondent of its trade mark in Australia during the period.

Counsel for the applicant contended that because the sale of these goods to the Australian retailers took place in London, the property passed there to the buyers and, therefore, there was no use of the trade mark by the respondent in Australia. It was said that the respondent had parted with its goods in London and it entered into no transaction in Australia.

Windeyer, J. rejected this argument as being a misapprehension of the case. His Honour, having conceded that the goods when sold and delivered in London no longer belonged to the respondent manufacturer, pointed out that an owner of a trade mark, having sold goods bearing his mark, could still, in accordance with the statutory definition of trade mark, use his mark in relation to those goods for the purpose of indicating a connection in the course of trade between himself and the goods. In his Honour's view, a manufacturer who sold goods marked with his mark to a warehouseman, wholesaler or retailer, did not thereupon cease to use the mark in respect of those goods but continued to use it so long as the goods were in the course of trade, that is, until they were bought for consumption.

The case turned, his Honour stated, not upon the provisions of the Sale of Goods Act concerning the passing of property but rather upon "economic, commercial, business concepts" concerning the marking and marketing of goods.[16] Accordingly, the respondent had during the relevant period an "actual or prospective business connexion or goodwill" in Australia which it could protect by a trade mark and his Honour was of opinion that the respondent had, in fact, used its trade mark in Australia. The application was thus dismissed and from this decision the applicant appealed to the Full Court.

Judgment of the Full Court

Before the Full Court the appellant once again sought to rely on the fact that on all the sales of the respondent's goods to Australian retailers the

[13] *Id.* at 421.
[14] *Id.* at 420.
[15] *Id.* at 421. His Honour's remarks may be compared with those of Kitto, J. in *Continental Liqueurs Pty. Ltd.* v. *G. F. Heublein and Bro. Incorporated* (1959-1960) 103 C.L.R. 422 at 426 and esp. at 433.
[16] *Supra* n. 4 at 424.

property passed upon shipment in London. From this Counsel for the appellant argued that there was no act by the respondent in Australia which could be said to constitute a use by it in Australia of the mark.

Once again this argument was unsuccessful. In a short judgment the Full Court firstly pointed out that the definition of "trade mark" in the Act[17] must be kept in mind when determining how the word "use" in s. 23 is to be understood and, in an important passage, their Honours continued:

> Its denotation is not limited by any concept of the physical use of a tangible object and we have no doubt that when an overseas manufacturer projects into the course of trade in this country, by means of sales to Australian retail houses, goods bearing his mark and the goods, bearing his mark, are displayed or offered for sale or sold in this country, the use of the mark is that of the manufacturer.[18]

The appellant had conceded that there would be a use of the mark by such a manufacturer where the property in the goods sold by him did not pass until their arrival in Australia. The Court considered that it would be "an extraordinary result" if the maintenance of the Australian trade mark of such an overseas manufacturer could be made to depend upon whether the property in the goods it sold to Australian retail houses passed on shipment or upon or after their arrival in Australia.[19]

The Authorities

Before discussing the ramifications of these two decisions, it is desirable to refer to some of the relevant authorities on the question of what constitutes a use of a trade mark in a particular place. As already mentioned, these authorities are not numerous and most have arisen in contexts other than that of the question of non-user in s. 23. This dearth of authority is perhaps indicated by the fact that the Full Court does not cite a single case in support of its decision.

The most important English case on the point is probably *Re Schmidt's Trade Mark, Jackson & Co.* v. *Napper*[20] which, as Windeyer, J. remarked, "contains much that is instructive".[21] In that case, the Court[22] had to consider whether there had been a user by the applicant of a certain mark in England before a particular date. Having posed the question, "what is user of a trade mark in England",[23] Stirling, J. referred to the judgment of Lord Westbury in *McAndrew* v. *Bassett*,[24] and concluded that a "trade mark has been used in England if you find that the articles marked with it have been actually vendible articles in the market in England".[25] Applying this test his Lordship held that where the applicant (a foreign firm) had supplied goods bearing its trade mark to English retailers who then put the goods up for sale in England, there was a user of the mark on the goods in England but where the applicant supplied goods to orders from English traders who were intending to export the goods to other countries, there was no user of the mark in England in respect of these goods.

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[17] S. 6 "trade mark" means ". . . 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."

[18] *Supra* n. 6 at 516.

[19] *Ibid.*

[20] (1886) 4 R.P.C. 45.

[21] *Supra* n. 4 at 56.

[22] Stirling, J.

[23] *Supra* n. 20 at 56.

[24] (1864) 4 De Gex, Jones & Smith 380; 33 L.J. (Ch.) 561.

[25] *Supra* n. 20 at 57.

In Re Neuchatel Asphalte Company's Trade Mark[26] was a case involving an application for registration of a trade mark by a Swiss company which supplied asphalt under contract to an English company which sold it in the United Kingdom. The contract, which was expressed to endure for some 20 years, also provided that the Swiss company would not supply asphalt to any person in the United Kingdom other than the English company. It was held that the applicant could not claim to be the proprietor of the trade mark[27] since it had not used it in the United Kingdom in respect of its asphalt. The Court,[28] having stated that the English company took delivery of the asphalt in Switzerland, observed that the asphalt was delivered straight from the mines without any trade mark of any kind upon it. Sargant, J. continued:

> Therefore it is extremely difficult to see how there can be said to be any trade or business of the Neuchatel Company (the Swiss company) in respect of which any trade mark can possibly have been used in this country, or can be used down to the end of the year 1925 (the date of termination of the contract). It is true that the asphalt comes from them, but the asphalt necessarily has not on it any distinguishing mark. . . . As far as I can see, there never has been . . . any sale whatever of any asphalt in this country in connection with any trade mark of the Neuchatel Company.[29]

It is suggested that it is implicit in his Lordship's judgment that although the property in the asphalt passed to the English company in Switzerland, nevertheless, had that asphalt borne the Swiss company's "distinguishing mark", there would have been a user by the Swiss company of such mark in the United Kingdom when the English company imported and sold the asphalt in that country.

Another English decision relevant to the present question is *In Re The European Blair Camera Company's Trade Mark.*[30] In that case one, Turner, carried on business in Boston, U.S.A., selling cameras in respect of which he had a trade mark in America consisting of the word, "Bull's-eye". Turner sold cameras to the European Blair Camera Company, an English company, which imported them into England. The cameras were sent in boxes marked "The Bull's-eye Camera" and with them was supplied a pamphlet indicating Turner as the manufacturer. The camera company sold the cameras in England but not in the boxes and subsequently registered the word "Bull's-eye" as a trade mark. On an application to have the trade mark expunged from the Register, it was held that, as there was a user by Turner in England of the word "Bull's-eye", he had clear rights to oppose the registration and that without his sanction the registration ought not to have been made.

The relevant passage in the judgment of Stirling, J. in the *Bull's-eye Case*[31] is as follows:

> I think there was a user of the word "Bull's-eye" in connection with these cameras by Turner in England. I think that the fact of his having sent these cameras to England in cases bearing the word "Bull's-eye" upon them, was, in point of fact (and also, to some extent, the pamphlets which I have mentioned), a user in England by Turner. . . .[32]

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[26] (1913) 2 Ch. 291.

[27] The relevance of this question of whether the applicant was the "proprietor" of the mark can be seen in s. 40(1) of the present Commonwealth Trade Marks Act: "A person who claims to be the proprietor of a trade mark may make application to the Registrar for the registration of that trade mark. . . ."

[28] Sargant, J.

[29] *Supra* n. 26 at 299-300.

[30] (1896) 13 R.P.C. 600.

[31] *Ibid.*

[32] *Id.* at 606.

His Lordship thus appeared to be clearly of the opinion that if a foreigner sells goods marked with his trade mark to English purchasers for resale in England, then there is a user by the foreigner of his mark in England.

It is convenient to point out here that the *Bull's-eye Case* was what may be called a "proprietorship" case. That is to say, the application for registration depended on whether the applicant could be said to be a person claiming to be the proprietor of the trade mark (within the meaning of the English equivalent of section 40(1) of the present Commonwealth Act).[33] It seems clear that where there has been some user of the mark by the applicant within the jurisdiction prior to the date of application, and no such user by anyone else, the applicant can claim to be the proprietor of the mark.[34] Hence the importance of the question of user of the mark within the jurisdiction.

"Proprietorship" was also the issue in the *Neuchatel Case*, but there a more fundamental question as to the definition of a trade mark itself was also involved: was the applicants' mark "used or proposed to be used in relation to goods"?[35] The importance of the decision was that it recognised the territorial limitation of the Trade Marks legislation and laid down that a trade mark, to be within the definition of the English Act, must be one which is used or proposed presently to be used in connection with goods dealt with by the owner of the mark in the United Kingdom. The applicant there could not prove that it used the mark in relation to goods in the United Kingdom and, accordingly, its application failed.

In re the Trade Mark of Elaine Inescourt[36] was another "proprietorship" case which, like the *Bull's-eye Case*,[37] concerned an English importer's obtaining registration in England in respect of a foreign manufacturer's trade mark. The applicant manufactured in Switzerland self-massage rollers which he sold under the name "Le Vampire". The respondent imported these rollers into England and subsequently registered in her favour the words "Le Vampire" as a trade mark. On an application by the foreign manufacturer to expunge the trade mark from the Register on the ground that, as the manufacturer had used the mark in England prior to the importer's application for registration, the importer could not claim to be proprietor of the mark, it was held that there was a user by the manufacturer in England of the mark and that the registration had been made without sufficient cause. The evidence was that the manufacturer's goods and the boxes containing them were imported into England bearing his trade mark and his trading name and were sold there by the importer who, in most cases, first covered the manufacturer's name with her own. The Court[38] was of opinion that, on this evidence, there was a user by the manufacturer of the trade mark in England in respect of his goods.

The facts in *Re a Trade Mark of the New Atlas Rubber Company Ltd.*[39] were almost the reverse of the situations in the *Vampire* and *Bull's-eye Cases*. There an English manufacturer made goods to the order of an Italian company and shipped the goods to Italy. The Italian company owned a trade mark in Italy and had directed the English manufacturer to stamp this trade mark

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[33] *Supra* n. 27.

[34] *The Shell Company of Australia Ltd.* v. *Rohm and Haas Co.* (1949) 78 C.L.R. 601 esp. at 628. As to who can claim to be the proprietor of a trade mark not used before the date of application see *The Seven Up Company* v. *O. T. Limited* (1947) 75 C.L.R. 203; *Farley (Aust.) Proprietary Ltd.* v. *J. R. Alexander & Sons (Qld.) Pty. Ltd.* (1947) 75 C.L.R. 487; *Aston* v. *Harlee Manufacturing Company* (1960) 103 C.L.R. 391; *Kendall Co.* v. *Mulsyn Paint & Chemicals* (1962-63) 36 A.L.J.R. 291.

[35] See s. 3 Trade Marks Act, 1905 (U.K.); s. 6 Trade Marks Act, 1955-1958 (Commonwealth).

[36] (1929) 46 R.P.C. 13.

[37] *Supra* n. 30.

[38] Eve, J.

[39] (1918) 35 R.P.C. 269.

on the goods before shipment. The English company subsequently obtained registration of the mark in its name in England, the main object in its doing this being to prevent any other firms in England from competing with it for the Italian company's business. Prior to this, another English firm, the Hooley Hill Rubber Company, had also filled orders from the Italian company and stamped the Italian trade mark on the goods. On an application to expunge the mark from the Register, the Court[40] observed that in such a situation as this the respondent English manufacturer, in applying the mark to the goods, was using the mark to that extent in England as agent for the Italian company. His Lordship was of opinion that in those circumstances the respondent could not be the proprietor of the mark at all and that the mark in his hands was not a trade mark within the meaning of the English Trade Mark Act, 1905.[41] His Lordship continued:

> Although there had not been any public user in this country, there had been a limited user of the mark, and that, in my judgment, was sufficient to prevent (the respondent) from legally registering it, in that the persons who supplied the goods to (the Italian company's) orders, (the respondent) and the Hooley Hill Rubber Company, both made use of the mark in this country in the sense of having it stamped on the goods which they proposed to send out in execution of the orders.[42]

In other words, the respondent could not claim to be the proprietor of the mark since, although it had used it in England, so had another company and, in any case, it had used the mark as agent for the foreign company. Here the "use" referred to by the judge was not the "use" with which Stirling, J. was concerned in *Schmidt's Case*[43] but, rather, the most obvious example of the "use of a trade mark", the actual affixing of the mark to the goods. To this limited extent the respondent had used the mark and, presumably, the Italian company, as their principal, had also used the mark in England. The question may be posed, would the Italian company have been entitled to registration of the mark in England? It seems clear that under the provisions of the present United Kingdom Trade Marks Act the company would have been so entitled, notwithstanding that the marked goods were not destined for the United Kingdom market but were to be shipped direct to Italy.[44]

The most important Australian decision which is, in fact, squarely on the counterpart of s. 23(1)(b) in the 1905 Trade Marks Act, is *W.D. & H.O. Wills (Australia) Ltd.* v. *Rothmans Ltd.*[45] This case concerned the trade mark "Pall Mall" which was registered for cigarettes. The cigarettes in question were sent from an American supplier to Australian consumers who had ordered them directly from the American company. The cigarettes bore the mark "Pall Mall" of which Wills was the registered proprietor in Australia. On an application by Rothmans to expunge the trade mark on the ground of

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[40] Astbury, J.

[41] S. 3 of that Act read: "A 'trade mark' shall mean a mark used or proposed to be used upon or in connexion with goods for the purpose of indicating that they are the goods of the proprietor of such mark by virtue of manufacture, selection, certification, dealing with or offering for sale." This definition is different from that contained in the present U.K. Act (1938) and the Commonwealth Trade Marks Act, 1955-1958, s. 6 (*supra* n. 17). In the *New Atlas Rubber Case* Astbury, J. considered that none of the five criteria in the s. 3 definition applied to the respondent.

[42] *Supra* n. 39 at 275.

[43] *Supra* n. 20.

[44] See s. 31, Trade Marks Act, 1938 (U.K.). The equivalent in the Australian Act is s. 117(1): "The application in Australia of a trade mark to goods to be exported from Australia and any other act done in Australia in relation to goods to be so exported which, if done in relation to goods to be sold or otherwise traded in within Australia would constitute use of a trade mark in Australia, shall, for the purposes of this Act, be deemed to constitute use of the trade mark in relation to those goods."

[45] (1956) 94 C.L.R. 182.

non-user, Wills relied on the fact that the American company had sent cigarettes bearing the mark to Australia, and the cigarettes had been received here. However, Wills itself was in no way concerned with the transaction by which the cigarettes reached Australia, although it was, by arrangement with the American company, entitled to receive a percentage of amounts which the latter received from sales to Australia. The High Court[46] quoted at length from the decision of the House of Lords in *Aristoc Ltd.* v. *Rysta Ltd.*[47] and, having pointed out that the cigarettes were not imported for sale in Australia but for consumption, concluded that, on the facts, there had been no use of the trade mark in Australia either by the registered proprietor, Wills, or by anybody else:

> In our opinion the whole trading in the cigarettes took place in the United States. It was there and there only that the trade mark "Pall Mall" was being used for the purposes of trade. When the goods left the United States they were no longer in the course of trade. Trading in them had finished. They had been consigned to the consumer and were at his risk.[48]

Trade Mark Use in the Estex Case

It is clear from the judgments of Windeyer, J. and the Full Court that in order to determine the meaning of the phrase "use of a trade mark", regard must be had to the statutory definition of "trade mark" The present Commonwealth Trade Marks Act defines a trade mark as "a mark 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".[49] Section 6(2)(b) states that references in the Act to the use of a mark in relation to goods "shall be construed as references to the use of the mark upon, or in physical or other relation to goods".

The most important part of this definition for present purposes is the notion of a mark used so as to indicate a connection in the course of trade for, obviously, the use envisaged by s. 23 is a use of the mark to indicate a connection in the course of trade in Australia.

(a) *The course of trade*

The decision of the House of Lords in *Aristoc Ltd.* v. *Rysta Ltd.*[50] is generally taken as having established that the course of trade in goods begins with production of the goods and ends when they reach the consumer. Thus, where the applicant in that case sought registration of a trade mark to be applied to stockings which it had repaired, Lord Simonds stated: "The test is . . . whether the applicant for the mark can be said to trade in the goods, and this test is clearly not satisfied by one who merely renders some service in respect of them after they have reached the public."[51] Lord Macmillan said: "A connexion with goods in the course of trade in my opinion means . . . an association with the goods in the course of their production and preparation for the market. After goods have reached the consumer they are no longer in the course of trade."[52]

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[46] Dixon, C.J., McTiernan, Williams, Webb and Taylor, JJ.
[47] (1945) A.C. 68.
[48] *Supra* n. 45 at 191.
[49] Section 6 (1).
[50] *Supra* n. 47.
[51] *Id.* at 107.
[52] *Id.* at 97.

This statement was apparently adopted by Windeyer, J. when he said: "Goods remain in the course of trade so long as they are upon a market for sale. Only when they are bought for consumption do they cease to be in the course of trade."[53]

In the *Estex Case*[54] the applicants had sought to rely on the *Rothmans Case*[55] but this argument was rejected by Windeyer, J. and was not raised before the Full Court. The distinction between the *Rothmans Case* and the *Estex Case* lies in this question of the course of trade: in *Rothmans* the course of trade in the cigarettes ended on the point of sale in the U.S.A. to the Australian consumers; in *Estex* the registered proprietor sold the goods in England, not to consumers, but to go on to the market in Australia and there to be sold under the trade mark, the goods still being in the course of trade when they reached this country.[56]

In determining when the course of trade in particular goods commences and finishes one is naturally led to the language of sale of goods law and to the question of where the property in the goods passed to the consumer and it seems clear that the Court in *Rothmans Case* in fact acted upon this basis. No doubt this was the source from which counsel for the appellant in the *Estex Case* drew his argument relating to the passing of property.[57] However, the question of the start and finish of the course of trade in marked goods is apparently not the same as the question of whether there has been a use by the registered proprietor of his trade mark on those goods in the course of trade between that start and finish. For in this situation, Windeyer, J. and the Full Court rejected the argument that use or non-use in the course of trade should be determined by reference to where the property in the marked goods passed. Nevertheless, bearing in mind the definition of "trade mark", it is difficult to draw any clear distinction between these two questions. Probably the best that can be said is that where it is found that the course of trade in goods bearing a trade mark has ceased, that is, they have reached the consumer (in other words, the property in them has passed to the consumer), then any subsequent activity by the registered proprietor or anybody else in relation to those goods cannot amount to a use of the trade mark by the registered proprietor. On the other hand, if the goods are still in the course of trade such activity may or may not amount to a use of the mark by the registered proprietor.

Applying this "course of trade" aspect of the definition of "trade mark" to s. 23(1)(b) it may be said that there will be "no use" of a trade mark within the meaning of that section if during the relevant period there were no goods on the market in Australia and available to Australian consumers which were marked with the relevant trade mark.[58]

This statement, however, is too wide for it suggests that there could be a use of a mark within s. 23(1)(b) even though the mark on the goods on the Australian market had, in fact, been applied, not by the registered proprietor of the mark, but by an infringer.[59] There is thus a further element in s. 23(1) which must be considered, for the section speaks of "no use . . . by the registered proprietor or a registered user".

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[53] *Supra* n. 4 at 423-24.
[54] *Supra* n. 4.
[55] *Supra* n. 45.
[56] See Windeyer, J., (1966) 40 A.L.J.R. 418 at 424.
[57] See *supra* text to n. 19.
[58] This is not to say that the only way a trade mark can be used in Australia is by its application to goods marketed in Australia. It was conceded in the *Estex Case* that there would be a use of a mark in Australia by an overseas proprietor where he advertises his mark in this country: *supra* n. 6 at 516. The proposition in the text is also subject to s. 117 of the Trade Marks Act, 1955-1958, *supra* n. 44.
[59] A mere infringer cannot, by using the mark, keep it alive for the benefit of the registered proprietor; see Windeyer, J., (1966) 40 A.L.J.R. 418 at 424.

What then is a use by the registered proprietor in Australia? Assuming that the registered proprietor is a foreign manufacturer, it would appear from *Schmidt's Case*,[60] the *Neuchatel Case*,[61] the *Bull's-eye Case*[62] and *Elaine Inescourt's Case*[63] that there will be a use of a mark by the registered proprietor if he applies his trade mark to his goods and subsequently sells them to Australian merchants for resale on the Australian market and the goods are, in fact, later resold in Australia. It is to be noted that in none of these cases was the question of where the property in the marked goods passed from the manufacturer to the merchant considered to be relevant. It should also be remembered that a close contractual relationship existed between manufacturer and merchant in most of these cases and in the *New Atlas Rubber Case*[64] there was an agency relationship.

The decision of the High Court in the *Estex Case*[65] supports this proposition and it is elaborated by the passage from the judgment of the Full Court quoted above.[66] The Court said that where a foreign manufacturer "projects into the course of trade" in Australia, by means of sales to Australian retail traders, goods bearing his trade mark and these goods are "displayed or offered for sale or sold in this country, the use of the mark is that of the manufacturer".[67] It is now necessary to consider a few aspects of this proposition.

(b) *"Displayed, offered for sale, or sold"*

The passage in the Full Court's judgment concludes that "the use is that of the manufacturer". The Court thus assumes that of the three operations mentioned immediately before this conclusion each constitutes a use of the trade mark. That is to say, there will be a use of a mark if goods to which it has been applied are *displayed* or *offered for sale* or *sold* in Australia.[68] In all three cases this use will be a use by the foreign manufacturer of the goods.

At first sight this appears a little surprising since, after all, it is not the foreign manufacturer who does the displaying, offering or selling of the goods in Australia; it is the Australian retail trader. But when one considers the definition of "trade mark" it is clear that a person may continue to use a mark notwithstanding that the goods to which the mark was affixed to have long since left his hands. In the words of Windeyer, J.:

> After the goods have been sold by him his mark may still, using the definition of trade mark in the Act, be used in relation to those goods for the purposes of indicating a connexion in the course of trade between them and him, the registered proprietor of the mark. . . . The mark is his property although the goods are not; and the mark is being used by him so long as the goods are in the course of trade and it is indicative of their origin, that is as his products.[69]

The statement that the mere display in Australia of goods bearing the foreign proprietor's mark will constitute a use of the mark here by the proprietor appears to go further than *Schmidt's Case*[70] and the other cases cited

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[60] *Supra* n. 20.
[61] *Supra* n. 26.
[62] *Supra* n. 30.
[63] *Supra* n. 36.
[64] *Supra* n. 39.
[65] *Supra* n. 6.
[66] *Supra*, text to n. 18.
[67] *Ibid.*
[68] In addition to these three methods of trade mark use, it was conceded in argument that there would be a user in Australia if the overseas proprietor had advertised his mark here, or had sold goods bearing his mark to customers in Australia, the property in such goods not passing until their arrival in this country.
[69] *Supra* n. 4 at 423.
[70] *Supra* n. 20.

above[71] which would seem to be limited to situations where the foreign proprietor's goods, bearing his mark, are offered for sale or sold within the jurisdiction. The Full Court's proposition means that where a foreign registered proprietor has his goods, bearing his mark, merely exhibited in this country, there will be a sufficient use by him of the mark for the purposes of s. 23(1)(b), notwithstanding that the exhibited goods are not available for purchase by Australian consumers. Such an exhibition of an overseas manufacturer's goods is analogous to an advertisement and it was conceded by the applicant in the *Estex Case* that there is a use of a mark by a foreign registered proprietor if he advertises his mark within the jurisdiction.[72]

(c) *Projecting goods into the course of trade*

The Court speaks of an overseas manufacturer projecting into the course of trade in Australia, by means of sales to Australian retail houses, goods bearing his mark. His use of the mark in Australia is not on the sale to the retailers, but is dependent upon their displaying, offering for sale or selling his goods in this country. It is to be noted that this proposition does not require any contract or binding agreement between the manufacturer and the retailer that the goods should be put on the Australian market by the latter party. In this regard the proposition is considerably wider than that deduced from the cases cited above, in which close contractual relations existed between the overseas manufacturer and the local merchant. Rather than a binding contract, the words "projects into the course of trade" seem to envisage more of an informal commercial understanding between the parties that Australia is to be the destination of the goods and the market wherein they are to be sold.[73]

This absence of any binding agreement means that an Australian retailer, having bought goods, say, in London from an English manufacturer and intending at the time to resell them in Australia may change his mind and ship the goods directly to New Zealand for resale there. Assuming the goods bear the English manufacturer's trade mark, there would, of course, in these circumstances be no use by him of the trade mark in Australia. If the retailer chooses to ship the goods to Australia and resells them here with their trade mark still affixed then, according to the Full Court's proposition, there will be a use of the mark here by the manufacturer but the fact that there is no contract binding the retailer to bring the goods to Australia for resale indicates that this is certainly not a very active or authoritative use by the manufacturer. Furthermore, even if the retailer did bring the goods into this country for resale, in the absence of any contractual stipulation, he would normally be entitled to remove the manufacturer's trade mark before reselling here and in this case there would be no use of the mark in Australia by the manufacturer since the basis of the Court's proposition is that goods, *bearing the manufacturer's mark*, are displayed, offered for sale or sold here.

In short, although s. 23(1)(b) speaks of "use . . . by the registered proprietor" this proposition of the Full Court apparently envisages that the question of whether there will be a use of the mark in Australia may be entirely dependent upon the whim of some person *other* than the registered proprietor.

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[71] See *supra* nn. 61-64.

[72] There does not appear to be any direct authority supporting this proposition conceded by the applicant; see *Kerly's Law of Trade Marks*, (9 ed., 1966) 210. Use of an advertisement, however, has been held to be an infringement of a trade mark; see e.g., *L. & C. Hardmuth (G.B.) Ltd.* v. *Bancroft & Partners Ltd.* (1953) 70 R.P.C. 179.

[73] *The Shorter Oxford English Dictionary* defines "project" as meaning, *inter alia*, "To plan, control, or design (something to be done, or some action to be carried out)."

Illustrations of the Full Court's Proposition

The operation of the proposition may be considered by applying it to a number of hypothetical situations:

(i) An English manufacturer, E, (being the registered proprietor of a trade mark in Australia) sells in London goods bearing his mark to A, whom he knows to be the buying agent of an Australian retail house. A has the goods shipped to Australia, where they are offered for sale and, still bearing E's mark, sold by the retailer. This situation is on all fours with the *Estex Case* itself and is clearly within the terms of the proposition: thus E has used his trade mark in Australia.

(ii) E sells goods bearing his mark to B in London, knowing that B intends to exhibit the goods in Australia. B brings the goods here where they are displayed to the public although none are sold. This situation is clearly within the proposition and E will have used his trade mark in Australia.

(iii) E sells in London goods bearing his mark to C, an Australian citizen whom E knows will take the goods back to Australia. C does this but uses the goods himself in Australia. In this case there would be no use by E of his mark in this country since C, being a consumer, had not displayed, offered for sale, or sold the goods bearing the mark. This situation is similar to that in the *Rothman's Case*,[74] that is to say, the course of trade in the marked goods ended in London where they were sold to the consumer.

(iv) E sells in London goods bearing his mark to A and B, but he does not know A is an agent for an Australian retail house, nor that B intends to exhibit the goods in Australia. The goods, still bearing E's mark, are in fact brought to Australia and sold by the retailer and displayed here by B. It would appear that in these circumstances E has not used his trade mark in Australia. The Full Court speaks of the overseas manufacturer projecting his goods into the course of trade in Australia, and although this "projecting" does not appear to be a very active one,[75] it does at least require some knowledge or contemplation in the manufacturer that his goods will be going on to the Australian market for display or sale.

(v) E sells in London goods bearing his mark to A and B, knowing A is a buying agent for an Australian retailer and knowing B intends to display the goods in Australia. The goods are, in fact, brought to Australia but before being displayed, offered for sale or sold here E's trade mark is removed from them. In this situation E has not used his mark in Australia for it is clear from the Full Court's proposition that the overseas manufacturer's goods must be displayed, offered for sale or sold here "bearing his mark".

Conclusion

The judgments of Windeyer, J. and of the Full Court in the *Estex Case*[76] clarify an important area of trade mark law which was previously not covered directly by high authority. Because of the common-place nature of the commercial transactions involved in the case, the proposition laid down by the Full Court will be of far-reaching importance to overseas manufacturers wishing to protect their trade marks in Australia. It is not clear, however, just how close the relationship must be between the overseas manufacturer and the person who does the selling, offering or displaying of the marked goods in Australia for the latter's actions to amount to a use by the former of his mark in Australia.

[74] *Supra* n. 45.
[75] See *supra*, "Projecting goods into the Course of Trade".
[76] *Supra* n. 2.

The decision, both at first instance and on appeal, that the question of whether a foreign manufacturer has used his trade mark in Australia should not be governed by an inquiry as to where the property in the marked goods passed is, it is respectfully submitted, a logical, useful and realistic one, having regard to the commercial importance of the point raised by this case. On the other hand, where an overseas manufacturer's goods, bearing his mark, are sold or displayed in Australia by a retailer who cannot be considered as the manufacturer's agent, it may well be suggested that it does not logically follow that this should constitute in law a use by the manufacturer of his mark in Australia. It is submitted, however, that this development in the law, flowing from the *Estex Case*, is the result of the application of high technique rather than strict logic. It has been said recently that "our law has always preferred good sense to strict logic".[77] and there is an appeal to such good sense in Windeyer, J.'s observation: "Had anyone asked the respondent 'do you use your trade mark "Eastex" in Australia?', I imagine that the answer would have been 'Yes: all the goods which we export to Australian retailers go with our mark on them'."[78]

That is the commonsense answer any businessman would have given to that question. It is clear since the *Estex Case* that it is also the answer given by the five members of the High Court.

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CONVERTIBLE MARRIAGE

ALI v. *ALI*[1]

Ever since the decision in *Hyde* v. *Hyde*[2] (now more than a century old) English and Australian Courts have declined to grant matrimonial relief in respect of a polygamous marriage. When is a marriage polygamous? Until recently it was generally thought that the nature or character of a marriage is immutably determined by the law of the place of celebration.[3] In recent years it has been conceded that the character of a marriage may be changed from polygamous to monogamous. In cases where such a mutation was recognised as in *Cheni* v. *Cheni*,[4] the change was in accordance with the law of the place of celebration itself.

In *Ali* v. *Ali* the husband was born in India. At the age of 24 he came to England, obtaining a job and living permanently there. Four years later he returned to India where he married an Indian wife chosen by his father. The ceremony took place according to the rites of the Muslim faith which was the religion of both parties. By Muslim law the husband was permitted to

[77] *C. Van Der Lely* v. *Bamfords Ltd.* (1963) R.P.C. 61 at 75 *per* Lord Reid.
[78] *Supra* n. 4 at 424.
[1] (1966) 1 All E.R. 664.
[2] E.g., *Hyde* v. *Hyde* (1866) L.R. 1 P. & D. 130.
[3] The authorities are numerous. See, for example: A. V. Dicey, *Conflict of Laws* (7 ed. 1958) 270; R. H. Graveson, *The Conflict of Laws* (4 ed. 1966) 103; J. H. C. Morris, *Cases on Private International Law* (3 ed. 1960) 103, citing *Chetti* v. *Chetti* (1909) P. 67; *Reg.* v. *Hammersmith Registrar of Marriages* (1917) 1 K.B. 634; *Srini Vasan* v. *Srini Vasan* (1946) P. 67. For a contrary view, reasoning that the cases usually cited in support can be otherwise explained, see G. W. Bartholomew, *Recognition of Polygamous Marriages in America* (1964) 13 *Int. C. Comp. L.Q.* 1022.
[4] (1965) P. 85; (1962) 3 All E.R. 873.