

[HIGH COURT OF AUSTRALIA.]

INNES APPELLANT;
 APPLICANT,

AND

THE LINCOLN MOTOR COMPANY RESPONDENT.
 OPPONENT,

ON APPEAL FROM THE SUPREME COURT OF
 VICTORIA.

H. C. OF A. *Trade Mark—Registration—Imposition of condition—Disclaimer of right to exclusive
 1923. use of added matter—Discretion of Registrar and of Court—Evidence—Trade
 Marks Act 1905-1912 (No. 20 of 1905—No. 19 of 1912), secs. 4, 16 (1) (e), 24.*

MELBOURNE,

Oct. 8, 9;
 Nov. 8.

Higgins,
 Gavan Duffy
 and Starke JJ.

The appellant applied for the registration of a trade mark consisting of a design of which the word "Lincoln" was a most prominent feature, and the application was opposed. Nearly three years after the application was made, the Deputy Registrar decided that the mark should be registered, holding that to a large section of the public the word "Lincoln" in fact denoted the goods of the appellant in the market. On appeal by the opponent, the Supreme Court of Victoria decided that the mark should be registered provided that the applicant disclaimed any right to the exclusive use of the word "Lincoln." On appeal to the High Court,

Held, that, as there was no evidence to justify a finding that the word "Lincoln" in fact denoted the goods of the appellant in the market, there was no reason for interfering with the exercise of the discretion given to the Supreme Court by sec. 24 of the *Trade Marks Act* 1905-1912 to impose the condition as to disclaimer.

Quære, whether evidence of user after the date of the application was admissible to prove a right to exclusive use.

Decision of the Supreme Court of Victoria (*Irvine C.J.*): *In re Innes's Trade Mark*, (1923) V.L.R., 359; 44 A.L.T., 174, affirmed.

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On 17th September 1919 Charles Innes, who traded as the Lincoln Motor Car Co., applied for the registration of a trade mark in respect of motor-cars and motor-car chassis. An illustration of the mark appears in a previous volume of the *Commonwealth Law Reports* (1). In his application the applicant stated: "I do not claim the registration of this trade mark under the special provisions of sec. 16 (1) (e) of the *Trade Marks Act* 1905-1912, in regard to names, signatures or words." The application was opposed by the Lincoln Motor Co. On 4th August 1922 the Deputy Registrar gave his decision dismissing the opposition and granting the application. From that decision the applicant appealed to the Supreme Court of Victoria. The appeal was heard by *Irvine* C.J., who made an order that the trade mark should be entered upon the register "only provided the . . . applicant disclaims any right to the exclusive use of the word 'Lincoln,'" otherwise that the application should be dismissed: *In re Innes's Trade Mark* (2).

From that decision the applicant now, by special leave, appealed to the High Court.

The other material facts appear in the judgments hereunder.

Owen Dixon K.C. (with him *Robert Menzies*), for the appellant. The appellant has a common law right to proceed against anyone who uses the word "Lincoln" for passing-off purposes. He has also the right to apply for registration of the word "Lincoln" under sec. 16 (1) (e) of the *Trade Marks Act* 1905-1912; but the order in its present form prevents him from doing so, for it involves a disclaimer of the whole right to the exclusive user of the word. Good reason should be shown for imposing a disclaimer (*In re Albert Baker & Co.'s Application for a Trade Mark* (3)). The Registrar having exercised his discretion under sec. 24, the Court should not interfere without paying great attention to his decision. It is inexpedient to place on the register unnecessary disclaimers (*In re Cadbury Brothers' Application* (4)). The position of the High Court is the

(1) (1921) 29 C.L.R., 277, at p. 278.

(3) (1908) 2 Ch., 86.

(2) (1923) V.L.R., 359; 44 A.L.T., 174.

(4) (1915) 2 Ch., 307.

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 1923. jurisdiction by the Registrar. [Counsel also referred to *Rosenthal v.*
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 v. *Kerly on Trade Marks*, 5th ed., p. 246.]
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— *Latham K.C.* (with him *Dean*), for the respondent the opponent. The applicant is attempting to get the benefit of sec. 16 (1) (e) of the *Trade Marks Act* without taking the burden of it (see *Trade Marks Regulations* 1913, regs. 22, 41). The mark in this case is really a word mark and not a device mark. There is no evidence that the particular mark in respect of which the application was made has ever been used. In considering whether there should be a condition of disclaimer the Court should take into consideration the facts that a surname is the prominent feature of the mark, that the surname is such as to be likely to be used by other traders in the ordinary course of business in connection with their own goods and without any improper motive, and that in the particular case the public is likely to be misled. The power to order disclaimer is wide enough to include cases where there is no finding adverse to the applicant's exclusive right (*Kerly on Trade Marks*, 5th ed., p. 253). [Counsel also referred to *Innes v. Lincoln Motor Co.* (3); *In re Albert Baker & Co.'s Application for a Trade Mark* (4); *In re Cadbury Brothers' Application* (5); *In re H. G. Burford & Co.'s Application* (6); *In re Diamond T Motor Car Co.'s Trade Mark* (7); *Re Benz et Cie.'s Application for a Trade Mark* (8).]

Ian Macfarlan, for the Registrar of Trade Marks. Unless a disclaimer is absolutely necessary it should be kept off the register.

Robert Menzies, in reply.

Cur. adv. vult.

Nov. 8.

The following written judgments were delivered :—

HIGGINS J. This is an appeal from an order of the Supreme Court of Victoria (*Irvine C.J.*) affirming the decision of the Deputy Registrar of Trade Marks to register a trade mark, but adding a condition

(1) (1892) 2 Ch., 301.

(2) (1921) 2 Ch., 583.

(3) (1921) 29 C.L.R., at p. 282.

(4) (1908) 2 Ch., at p. 102.

(5) (1915) 2 Ch., at p. 311.

(6) (1919) 2 Ch., 28.

(7) (1921) 2 Ch., at p. 592.

(8) (1913) 30 R.P.C., 177.

that the applicant make a certain disclaimer—"only provided the above-named applicant disclaims any right to the exclusive use of the word 'Lincoln'." The applicant appeals from the imposition of this condition, and asks that the decision of the Deputy Registrar in favour of registration *simpliciter* be restored.

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The matter comes before us under special leave to appeal granted under sec. 35 (1) of the *Judiciary Act*. Our right to hear the appeal rests on sec. 73 of the Constitution; and where the order of the Supreme Court has been made in pursuance of a discretion granted to it, we have no right to allow the appeal and reverse the order on the mere ground that if the discretion had been granted to us we should have exercised it differently. We are a Court of appeal as to law, not as to discretion.

Now, the power to order disclaimer has been granted by sec. 24 of the *Trade Marks Act* 1905-1912:—" (1) If a trade mark (a) contains parts not separately registered by the proprietor as trade marks, or (b) contains matter common to the trade or otherwise of a non-distinctive character, the Registrar or the Law Officer or the Court, in deciding whether the trade mark shall be entered . . . upon the register, may *in his or its discretion require*, as a condition of its being upon the register, that the proprietor shall disclaim any right to the exclusive use of any of those parts, or of that matter, to the exclusive use of which they hold him not to be entitled, or that he shall make such other disclaimer as they think needful for the purpose of defining his rights under the registration. Provided always that no such disclaimer shall affect any rights of the proprietor of the trade mark except such as depend upon its registration." The section is substantially copied from sec. 15 of the British Act of 1905, but the British Act did not contain the words "*in his or its discretion*," or, until 1919, their equivalent. By the British Act of 1919 (c. 79, sec. 8) it was provided that "In any appeal from the decision of the Registrar to the Court . . . the Court shall have and exercise the same discretionary powers as under the principal Act or this Act are conferred upon the Registrar." So I take it that both in Australia and in Britain the Court—whether the High Court of Australia or the Supreme Court of Victoria (sec. 4)—acting as a Court of first instance, has conferred on it

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a right of original and independent discretion, notwithstanding that the Registrar has already exercised his discretion. There is, therefore, no substance in the appellant's contention that the learned Judge of the Supreme Court was "wrong in . . . overruling the exercise of the discretion of the Registrar." But our position as a Full Court sitting as an appeal Court under the Constitution is very different. We must not interfere with the discretion of the Supreme Court in its exercise of this Federal jurisdiction under the *Trade Marks Act*, unless the Supreme Court has "manifestly proceeded on a wrong ground" or "manifestly erroneous principle" (*Crowther v. Elgood* (1)). In the case of costs which are discretionary, the decision of the primary Court will not be reviewed unless there was a "disregard of principle" or a "misapprehension of facts" (*Alexander Ferguson & Co. v. Daniel Crawford & Co.* (2)). It is not contended by the appellant that the order of the Supreme Court was made without jurisdiction to make it, but that it was made wrongly.

The facts are, briefly, that in June 1918 Mr. Innes in Australia manufactured his first car, and on 17th September 1919 made this application for the registration of this mark in respect of motor-cars and chassis. It contains a five-barred figure in grey-blue, with an oblong figure in red superimposed containing the word "Lincoln" in purple letters, and beneath is a red loop containing the word "Australia." In the application, Innes says "I do not claim the registration of this trade mark under the special provisions of sec. 16 (1) (e) of the *Trade Marks Act* 1905-1912 in regard to names, signatures or words"—no doubt because such a claim for a name or word would necessitate a special order (sec. 16 (1) (e)). His claim is for the mark as a whole, not for the word "Lincoln," or for the word "Australia"; it is made, without limitation of colour, and therefore, if registered, the mark is to be deemed to be registered for all colours (sec. 21). Even without the colours, I concur with the Chief Justice of Victoria in his view that the mark as a whole is distinctive within the meaning of sec. 16—it is "adapted to distinguish the goods of the proprietor of the trade mark from those of other

(1) (1887) 34 Ch. D., 691, at p. 697.

(2) (1910) 10 C.L.R., 207.



persons.” If the mark be registered, there can be no trade mark registered identical with it (in respect of the same kind of goods) or so nearly resembling it as to be likely to deceive (sec. 25) ; and under sec. 50 the registration gives to Innes the exclusive right to the trade mark upon or in connection with such goods. Without registration Innes cannot institute any proceedings to prevent or recover damages for infringement (sec. 52) ; or prosecutions under secs. 86, 87, 88, 89, &c. Under such circumstances this trade mark should be registered. But, as the Chief Justice has pointed out, the word “ Lincoln ” is “ by far the most distinctive and prominent feature ” in the mark ; and an intimation to other manufacturers that the registration has not the effect, in itself, of preventing them from using the word “ Lincoln ” will not injure Innes in the exercise of his legitimate rights. He has a right to prevent infringement of the mark as a *tout ensemble*, an “ altogether ” ; but he has no exclusive right to the word “ Lincoln.” It may be that if there were no disclaimer of that exclusive right, the legal result would be the same ; but the disclaimer is, as I understand, ordered for greater caution. Under the former system, before 1905, the applicant had to state, as in patents, what he claimed as distinctive ; under the present system, he is relieved of that burden ; but the Registrar, or the Law Officer, or the Court is enabled, if he or it see fit, in his or its discretion, to impose a disclaimer, substantially of what is not to be regarded as in itself distinctive. In effect, the Chief Justice has said to the applicant—“ You say that you do not claim an exclusive right to the name ‘ Lincoln ’ ; very well, in ordering the registration of your mark, as it makes the word ‘ Lincoln ’ so very prominent, it ought to be made clear that you do not claim the name.” The Registrar did not order the disclaimer, because he found that “ to a large section of the public the word ‘ Lincoln ’ in fact denotes the goods of the applicant in the market.” I cannot find any evidence to support this finding ; and the Chief Justice does not express himself as agreeing with it. The Registrar, in his reasons for his decision (4th August 1922) relies on four years’ user by the applicant. A trade mark, if registered, is registered as on the date of the lodging of the application, 17th September 1919 (sec. 47) ; and it is hard to see how title can be acquired on that date by virtue of user after that

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date. But even if the subsequent user can be regarded, there is, in my opinion, no evidence to justify the finding that the word "Lincoln" in fact denotes the goods of the applicant in the market.

In my opinion, the conclusion to which the Chief Justice came is amply supported by the reasoning in the most recent case to which he refers—*In re Diamond T Motor Car Co.'s Trade Mark* (1). But the true position seems to be that the order was made by the Supreme Court within its jurisdiction, and in the exercise of a discretion which was given to that Court and not to this Full High Court on appeal; that there does not appear to have been any mistake as to the facts or as to the law; and that the appeal ought to be dismissed.

GAVAN DUFFY AND STARKE JJ. Charles Innes applied, on 17th September 1919, for the registration as a trade mark, of a device consisting of a star with five circular points, bearing the word "Lincoln" in capital letters inside a diamond across the face of the star, and the word "Australia" in smaller letters in an oval below the diamond. The device is illustrated in a previous volume of the *Commonwealth Law Reports* (2). This illustration makes it plain that the word "Lincoln" is a most conspicuous feature of the device.

The Deputy Registrar of Trade Marks decided to register the mark, without requiring any disclaimer, but upon appeal to the Supreme Court of the State of Victoria (*Irvine C.J.*) the decision of the Deputy Registrar was varied, and the appellant was required to disclaim any right to the exclusive use of the word "Lincoln." From the judgment of *Irvine C.J.* an appeal has been brought by special leave to this Court.

It has not been argued before us, as it was below, that the device as a whole is not a distinctive mark within the provisions of the *Trade Marks Act*, and all we have to consider is whether the order requiring the appellant to disclaim the right to the exclusive use of the word "Lincoln" was a proper order in the circumstances of the case.

The Deputy Registrar found that the word "Lincoln" denoted, to a large section of the public, the goods of the appellant in the

(1) (1921) 2 Ch., 583.

(2) (1921) 29 C.L.R., at p. 278.



market, and he finally said that the evidence established the distinctiveness of the name as denoting motor-cars of the appellant's manufacture or selection in the Australian market. The learned Chief Justice did not specifically deal with these findings, but in our opinion they are quite untenable. The word "Lincoln" is ordinarily used as a geographical name or a surname, though it might acquire in trade a secondary and distinctive meaning, as referring to a particular manufacturer. But the burden of proving that it has acquired such a meaning is "extremely difficult to discharge" (see *Cellular Clothing Co. v. Maxton & Murray* (1); *S. Chivers & Sons v. S. Chivers & Co.* (2)), and the evidence in the present case fails to satisfy us that the appellant had any right to the exclusive use of the word "Lincoln," and indeed convinces us that he had not. He first used the word in the year 1918, and in June of that year he manufactured a motor-car bearing the name "Lincoln," which was exhibited in Sydney in October 1918. In an affidavit sworn in March 1922, the appellant says that his business has gradually improved, and that by that date he had manufactured and disposed of over 160 motor-cars bearing this name. He also states that he advertised his business "freely and continuously in daily newspapers, trade journals, and elsewhere in Australia since the beginning of 1918." Assuming (without deciding the point) that the appellant can call in aid the development of his business since the date of his application for registration, we think that the affidavits on which he relies are insufficient for his purpose. They are very general in their statements, and strangely lacking in details, as to the business transacted in the several States of Australia, and do not, in our opinion, establish any secondary or distinctive use of the word "Lincoln," or show that in Australia it has come to refer exclusively to the goods of the appellant.

Now the *Trade Marks Act* 1905-1912, sec. 24, enables the Court, in its discretion, to require a disclaimer of any right to the exclusive use of any matter of a non-distinctive character, if it holds that the proprietor or applicant for the registration of a mark is not entitled to the exclusive use of that matter. *Irvine* C.J. exercised

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(1) (1899) A.C., 326, at p. 343.

(2) (1900) 17 R.P.C., 420.



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this discretion against the appellant, and required a disclaimer; and, in the circumstances of the case, we see no reason for interfering with his decision.

The appeal ought to be dismissed.

*Appeal dismissed with costs.*

Solicitors for the appellant, *Braund & Watt*, Sydney, by *M. F. Bourke*.

Solicitor for the respondent, *F. B. Waters*.

Solicitor for the Registrar of Trade Marks, *Gordon H. Castle*,  
Crown Solicitor for the Commonwealth.

B. L.