

*Judgment of the Lords of the Judicial Committee
of the Privy Council on the Appeal of Parsons
and others v. Gillespie and others, from the
Supreme Court of New South Wales; delivered
15th December 1897.*

Present :

LORD WATSON.
LORD HOBHOUSE.
LORD DAVEY.
SIR RICHARD COUCH.

[Delivered by Lord Hobhouse.]

The question raised in this suit is whether a trade mark or a trade name which the Plaintiffs (now Appellants) claim as their own, has been wrongly used by the Defendants who are Respondents in this appeal. It appears that until within the last few years the only method used in this Colony of preparing oats for making porridge was by grinding them into fine meal or powder; but that shortly before the year 1890 new processes were introduced by which the oats were not ground into powder but were crushed or flattened between rollers. In the month of March 1890 the Plaintiffs perfected one of these processes and called the product "flaked oatmeal." Exhibit A is a specimen of this product. In the month of June 1890 the Plaintiffs obtained the registration of a trade mark which in the Registrar's certificate is thus described :—

"A lion rampant against a sheaf of corn, the background being filled with a landscape and a pair of balance scales, below the lion is a scroll upon which are the Latin words

1324. 100.—12/97.

“ ‘*Justus Esto Et Non Metue.*’ The trade-mark is surrounded with a double line in the form of a circle. Above the circle are the words ‘Use Parsons’ and below the circle are the words ‘Finest Flaked Oatmeal.’ ”

That trade-mark has ever since been used by the Plaintiffs and the commodity so marked has met with a large sale.

From 1890 to 1896 several preparations of crushed or flattened oats more or less resembling that of the Plaintiffs were put upon the market. Most of them were called “rolled oats” either simply or with some addition indicative of the maker. One was called “Oat Flakes,” one “Wafer Oatmeal.” None was called by the precise name of “Flaked Oatmeal.”

In the year 1894 the Defendants produced a preparation of rolled or crushed oats which they called “Rolled Oatmeal.” Exhibit C. is a specimen of it. This process was not satisfactory to them, and very soon they adopted another by which the oats were first ground small and then the meal so obtained was steamed and passed through rollers to be flattened or flaked. Exhibits B. and L. are specimens of this process. The right of the Defendants to use this or any other process as against the Plaintiffs is not questioned, and the nature of the process is only important in its bearing on their use of the name “Flaked Oatmeal,” which is questioned.

In December 1894 the Defendants applied to register a trade-mark for their then manufacture. The device they chose is something entirely different from that of the Plaintiffs; but they inscribed it with the words “Gillespie’s Flaked Oatmeal”; the two latter words standing by themselves below the device. The Plaintiffs raised objection to this, and the Registrar General informed the Defendants that they could not use the term “Flaked Oatmeal” as a prominent feature in their trade-mark, and that the Plaintiffs

by their registration in 1890 had acquired the right to use those words. The Defendants did not press for registration any further, but they put their goods on the market labelled with the same device and inscription or some slight variation of it.

In May 1896 the Plaintiffs instituted this suit against the Defendants for an injunction, and an account of profits, and damages. They rested their case not on the possession of the trade-mark but on the right to exclusive use of the term "Flaked Oatmeal." They prayed as follows:—

"That the Defendants their servants and agents may be restrained by the order and injunction of this Court from applying to any preparation not being of the Plaintiffs' manufacture the term 'Flaked Oatmeal' or from selling as 'Flaked Oatmeal' any preparation not being of the Plaintiffs' manufacture."

An interlocutory injunction was granted in those terms; but at the hearing before the Chief Judge in Equity the Court dismissed the suit with costs, and directed an inquiry as to the damages sustained by the Defendants by reason of the injunction. That is the decree from which this appeal is brought.

There is nothing in the decree to prejudice the Plaintiffs' right to their trade-mark. Neither in their statements nor in their prayer do the Plaintiffs rest their case on the trade-mark, and the mere dismissal of their suit does not deny their right. But in his judgment the learned Judge goes beyond the dismissal of the suit. He says that the suit is instituted to try the right of the Plaintiffs to the trade-mark. And he expresses an opinion that the words "Flaked Oatmeal" ought not to have formed part of that mark. The Appellants point out that the Register is conclusive until altered in the way prescribed by Statute *i.e.* by a suit framed for the purpose. Their Lordships are not in a

position to know what may have taken place in Court to give to the litigation a character which the pleadings do not give to it. They confine themselves to the decree appealed from, and they express no opinion on the question whether the Plaintiffs may or may not use the term "Flaked Oatmeal" as part of their trade-mark in conjunction with a number of other matters.

With these remarks their Lordships pass by the subject of trade-mark. The Plaintiffs have no case, indeed they do not put forward a case, for complaint against the Defendants on the score of the trade-mark unless by virtue of the registration they have acquired an exclusive right to that portion of it which consists of the term "Flaked Oatmeal." The Defendants' trade-mark bears no resemblance to that of the Plaintiffs as a whole. The question whether the Defendants can use the term "Flaked Oatmeal" does not depend upon the trade-mark but is part of the wider question whether the Plaintiffs have by user identified the term with their goods so intimately that the use of it by another person has the effect of passing off his goods as the goods of the Plaintiffs. That is the substantial ground on which the case of the Plaintiffs has been argued at this bar.

It will be convenient here to state the principles of law by which the contention of the Plaintiffs must be tested; and that cannot be done better than was done by the learned Judge below in quoting the language used by Lord Herschell in *Reddaway v. Banham*, App. Cases 1896, p. 199.

Lord Herschell there said :—

"The name of a person or words forming part of the common stock of language may become so far associated with the goods of a particular maker that it is capable of proof that the use of them by themselves without explanation or qualification by another manufacturer would deceive the

“ purchaser into the belief that he was getting the goods of A. when he was really getting the goods of B.”

“ In a case of this description the mere ‘proof by the Plaintiff that the Defendant was using a name word or device which he had adopted to distinguish his goods would not entitle him to any relief.’”

“ He could only obtain it by proving further that the Defendant was using it under such circumstances and in such manner as to put off his goods as the goods of the Plaintiff.”

The Plaintiffs then must show either that the term “Flaked Oatmeal” is not part of the common stock of language in the sense that it is not a term of description but is of an arbitrary or fanciful nature invented by the Plaintiffs which the inventor may claim to have appropriated; or they must show that the term, being originally a description of the article itself, has come in practice to denote goods made by the Plaintiffs. To both these points the Plaintiffs have carefully addressed themselves. They maintain that the expression “Flaked Oatmeal” does not properly describe their own goods or those of the Defendants, but is an artificial expression fit for appropriation by anyone who has hit upon it.

Now nobody can look at Exhibit A. without seeing that the word “Flaked” is a correct description. The oats have been only partially reduced to powder, and are presented in small flattened morsels like flakes of snow. The term is one in common use for food grains or other vegetable substances so treated by rolling or crushing; such as “flaked rice,” “flaked barley” “flaked tapioca,” “flaked cocoa,” and so forth. But then it is said that the article is not “meal” because it is not ground to powder. Whether the word “meal” would by etymology or in the very strictest use of language be applicable to that which has passed through the mill but is only partially reduced to powder, is a point as to which their Lordships think that no nice enquiry need be made. It is a natural and obvious term to use for oats so treated; one which everybody would

accept at once as appropriate enough; and probably everybody who breakfasted off porridge made from such a material would think and say that he was eating oatmeal porridge.

Then it is contended that the product of the Defendants is not oatmeal; and that their adoption of an inappropriate name shows an intention of trading on the reputation acquired by the Plaintiffs. It seems to their Lordships that the name as applied to the Defendants' product is strictly appropriate; for they do reduce the oats to powder, which is afterwards steamed, rolled, and so flaked. The Plaintiffs have been reduced to contend on this point that because the Defendants take away some five per cent. of the finest powder the rest is not oatmeal; and further that to roll or flake oatmeal is impossible. To support these two contentions they brought several witnesses in the Court below; but the Court rightly gave no weight to the evidence, which has been little insisted on here.

Then has there been any such secondary use of the term as to identify it with the Plaintiffs' manufacture? To prove that there has been, the Plaintiffs call a number of grocers who say that when customers asked for "Flaked Oatmeal" they supplied the Plaintiffs' goods. That was a matter of course during the five or six years for which nobody except the Plaintiffs purported to sell goods under that name. One witness, a miller, says in terms that between 1892 and the beginning of 1896 the words "Flaked Oatmeal" had got to mean the Plaintiffs' manufacture. That seems to their Lordships somewhat slender evidence to prove such a general association of the name of the product with the producer as to entitle the Plaintiffs to say that the use of the name by another is an encroachment on their rights.

But supposing the evidence sufficient on

this point, it falls far short of showing that the proceedings of the Defendants are such as to cause confusion between their goods and those of the Plaintiffs. There is no evidence that any buyer has got the Defendants' goods when he desired to have those of the Plaintiffs'; nor that any seller has made confusion between the two. As for external resemblance of the packages or labels it has been shown before with reference to the trade-mark that there is nothing of the kind except in the use of the two disputed words. In fact the Defendants could hardly have done more to show that the articles came from different makers.

The result is that in their Lordships' judgment the Defendants have done no more than they had a right to do in taking appropriate words of ordinary description to indicate the article which they make and sell, and that their action is not calculated to pass off their manufacture as that of the Plaintiffs and is not proved in point of fact to have done so. Their Lordships will humbly advise Her Majesty that this appeal should be dismissed. The Appellants must pay the costs.
