Privy Council Appeal No. 111 *of* 1929.

William Dimech - - - - - - - - *Appellant*

v.

Goffredo Alessandro Chrétien and another - - - *Respondents*

FROM

THE COURT OF APPEAL FOR THE ISLAND OF MALTA.

JUDGMENT OF THE LORDS OF THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL, DELIVERED THE 16TH OCTOBER, 1930.

Present at the Hearing:

VISCOUNT DUNEDIN.
LORD THANKERTON.
LORD RUSSELL OF KILLOWEN.

[*Delivered by* LORD RUSSELL OF KILLOWEN.]

In this case the appellant (one William Dimech) sued Goffredo Alessandro Chrétien and Giovanni Cilia La Carte (who carried on business in partnership under the style or firm of " Chrétien & Co."), for an order restraining them from using the firm name " Chrétien & Co.," and other relief, the plaintiff reserving his right of action against the defendants for damages.

The action was heard in His Majesty's Commercial Court for the Island of Malta and its Dependencies, and by an order of the 19th November, 1926, it was declared " that the use of the said firm name on the part of the defendants constituted an act of unfair competition as regards the art of typography and as regards stationery " ; and an order was made restraining the defendants from using the said firm name in the practice of the art of typography and in the sale of stationery. An order for the destruction of certain cards and articles bearing the said

firm name was also made; and each party was ordered to bear his own costs.

The defendants appealed to His Majesty's Court of Appeal for the Island of Malta and its Dependencies, and by an order of that Court pronounced on the 7th May, 1928, the order of the 19th November, 1926, was reversed, except as to costs. Each party had to bear his own costs of the appeal.

The plaintiff claimed to be entitled to appeal to His Majesty in Council as of right, upon the ground that the matter in dispute on the appeal was (as required by Rule 2 of the Rules regulating all appeals to His Majesty in Council from the Island of Malta and its Dependencies) of the value of five hundred pounds sterling or upwards or that the appeal involved directly or indirectly some claim or question of the value of five hundred pounds sterling or upwards. He accordingly applied to the said Court of Appeal in the usual way. On the 5th November, 1928, that Court, notwithstanding opposition on the part of the defendants, made an order giving leave to appeal, and fixing times and security. This order contains a recital in the following terms :—

> "Whereas it is to be remarked that regard being had to the importance of the business carried on by the Plaintiff, his interest to prevent competition on the part of the Defendant Firm as claimed in the Writ of Summons could affect him to the extent of five hundred pounds sterling or upwards."

Upon the appeal coming before their Lordships' Board, counsel for the respondents took a preliminary objection to the competency of the appeal upon the ground that the case had not been shown to fall within the provisions of the said Rule 2. Their Lordships determined to hear the appeal on its merits without in the first instance deciding the preliminary point.

The facts of the present case are exceptional and peculiar.

In the month of October, 1914, one John Critien and the two defendants entered into a verbal partnership with a view to carrying on business as photographers and for the sale of kindred goods at No. 291, Strada Reale, Valletta, under the style "The Empire Studio" and under the firm name "Chrétien & Co." John Critien, by deed dated the 14th June, 1915, retired from that partnership as from the 30th April, 1915, and in consideration of a money payment he made over to the defendants all his rights in the partnership and in the firm name.

That the firm name should be "Chrétien & Co." was John Critien's own suggestion.

The terms of the partnership which continued to subsist between the two defendants were reduced to writing on the 7th March, 1916. The place of business was to be No. 291, Strada Reale, the firm name was to be "Chrétien & Co.," the business was to be that of photographers and sellers of photographic goods, and the duration of the partnership was to be 20 years.

John Critien had apparently been carrying on another and independent business at No. 34, Strada Reale. In 1911 he was

registered as owner of the trade mark " Critiens " in respect of " stationery, printed matter and books." His said business was that of a stationer, and it included a printing business carried on under the style " The Empire Press."

On the 12th February, 1921, John Critien sold his stationer's business to the appellant, as from the 1st November, 1920. The parcels assigned by the sale deed are thus described :—

> " The goodwill, right of tenancy, all the fixtures, moveables and utensils existing in the establishment in Valletta, Strada Reale number thirty-four, where the said Critien at present carries on business as stationer, as seller of office articles and fancy goods, as bookseller, and as seller and agent of newspapers and periodicals, including in the said assignment the firm-name ' Critien's ' and the trade mark ' Critien's ' duly registered at the office of the Comptroller of Industrial Property, and as representative of the firm ' Goss ' for china goods and of the Empire Typewriter Co. and the Remington Typewriter ; and the said Critien waives every interest in the said business, firm, goodwill, tenancy and agencies in favour of the said Dimech ; debts and credits of the said firm being excluded from this assignment."

The deed also contained the following clause :—

> " It is understood that this assignment must not imply any restriction on the business the said Critien is at present carrying on under the style ' The Empire Press ' which business embraces printing in general, book-binding, graphic arts, photography and kindred arts ; with reference to Christmas and New Year Cards, however, it shall not be lawful for Critien to accept orders when these cards are required for business purposes, except when the orders come through Dimech."

It will be noticed that no printing business was assigned to the appellant ; according to the evidence, the appellant after the assignment to him, used to get printing done for him by the Empire Press.

At some time, which upon the evidence is uncertain, the firm Chrétien & Co. commenced to run a printing press. The trial Judge states that there is no question that the printing press was set up by them after the plaintiff had taken his assignment ; but the only direct evidence upon the point appears to be a statement of the defendant Chrétien : " We started running the press about eighteen months before the assignment made to Dimech by Critien." Whatever may be the truth as to this, it is by reason of the fact that the firm Chrétien & Co. now carries on as part of its business printing and the sale of stationery that the present litigation was instituted.

Reference must be made to two earlier actions brought by the appellant, because the evidence given therein was by agreement treated as evidence given in the proceedings now under appeal.

The first was an action commenced by writ dated the 13th March, 1925, against one Tortell, a postal official in Malta. Two letters had been received at the Post Office : (*a*) a registered letter from Detroit, addressed to " Messrs. Cretien. S. Reale. Valletta. Malta. Europe," with the name and address of the sender

on the back of the envelope; and (*b*) a letter from London addressed to "Messrs. Critien's. Printers. Malta. Island." Tortell, being in doubt, invited the appellant and a representative of the firm of Chrétien & Co. to attend before him when the letters were to be opened in their joint presence. The appellant refused to attend and sued Tortell for a declaration that his refusal to deliver the letters to him was vexatious, and for an order for delivery to him of the two letters. His action was dismissed on the ground that Tortell "in the exercise of his discretion had acted in conformity to the exigencies of the duties of his office." This decision was affirmed by the Court of Appeal on the same grounds.

The second action was one commenced by writ dated the 16th July, 1925, against the present respondents and claiming exactly the same relief as is claimed in the action now under appeal. Why this action did not proceed to trial, and why the second action became necessary was not explained to their Lordships. The earlier action is only material now, because in the course thereof certain exhibits lettered A to Q (inclusive) were produced by the plaintiff, some of which were referred to in the argument before this Board.

From a perusal of the judgment of the Commercial Court in the case now under appeal, it would appear that the trial Judge granted an injunction because (1) some confusion had arisen owing to the two firms bearing the respective names "Critien's" and "Chrétien & Co."; (2) the difference between the two names was not sufficient to prevent the possibility of unfair competition; and (3) the defendants knew when they set up their printing press that the plaintiff was performing printing work.

The Court of Appeal reversed this decision upon the ground that no fraudulent intent existed on the part of the defendants.

Their Lordships, while agreeing with the conclusion reached by the Court of Appeal, do not base their opinion upon the same ground, for it appears to their Lordships that if the use by the defendants of their firm name "Chrétien & Co." did, in fact, necessarily result in their goods being taken for the goods of "Critien's," the continued use by the defendants of that firm name would become fraudulent.

The reason why, in their Lordships' opinion, no relief can be granted to the plaintiff in the present case is that the evidence fails to establish his right to any relief.

The firm name "Chrétien & Co." had been used in Malta for over six years before the plaintiff took his assignment of John Critien's business, and for over eleven years before he issued his writ, and it correctly describes a firm of which the defendant Chrétien is, and has always been, a member.

In order to justify the Court at a plaintiff's instance from prohibiting that firm from using its own name in all or any of its business transactions, it is essential for that plaintiff to establish by proper evidence two facts. He must prove that the

words " Critien's " and " Chrétien & Co." are so alike that the latter will be taken as the same as or equivalent to the former. He must further prove that " Critien's " has acquired a secondary meaning, *i.e.*, that the word, when applied to goods, means that the goods are the goods of the plaintiff, and of no one else.

A consideration of the evidence in the present case satisfies their Lordships that not only was neither of the above propositions established, but no attempt worthy of the name was made in that behalf.

No one was called to say that he had been deceived or that he would be deceived by the words " Chrétien & Co." into thinking that he was dealing with or would be dealing with the plaintiff. The oral evidence in the action against Tortell proves nothing beyond the possibility of occasional misdeliveries caused either by Post Office blunders or by the carelessness of customers. It falls a very long distance short of establishing inevitable deception by reason of the defendants continuing the use of their firm name. As to the documentary exhibits, these can prove nothing apart from some ancillary oral evidence in relation thereto, and of this there is none.

So far as concerns the question whether the word " Critien's " had acquired a secondary meaning, their Lordships are unable to discover that any attempt was made to establish this essential fact.

The dearth of evidence in the present case must, in their Lordships' view, be decisive of this appeal, and renders unnecessary any discussion of the authorities which were cited during the argument. The plaintiff having failed to establish his right to any of the relief claimed by him, it follows that the order of the Court of Appeal was right, and that the appeal therefrom must fail.

Their Lordships think it proper to add some words in relation to the preliminary objection. A decision thereon is unnecessary, since the appeal fails on the merits. Their Lordships, however, do not assent to the view which was urged before them, that the rules regulating appeals to His Majesty in Council from Malta (which are contained in an Order in Council dated the 22nd November, 1909), are to be construed in some way by reference to the provisions of the Malta Code of Civil Procedure, so as to compel the Court of Appeal to be satisfied by the valuation of experts, under Article 768 of the Code, as to the existence of the value of £500 which is required by Rule 2. Their Lordships think that the Order in Council falls to be construed in the light of the language employed therein; and they would not have been prepared to dissent from the view, formed, no doubt, with some assistance from local knowledge, which the Court of Appeal expressed in the recital, which is quoted earlier in this judgment.

For the reasons stated their Lordships are of opinion that this appeal fails, and should be dismissed with costs. They will humbly advise His Majesty accordingly.

In the Privy Council.

WILLIAM DIMECH

v.

GOFFREDO ALESSANDRO CHRÉTIEN AND ANOTHER.

DELIVERED BY LORD RUSSELL OF KILLOWEN.

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