

5 Unilever plc v Cussons (New Zealand) Pty Ltd

10 Court of Appeal Wellington
2, 14 October 1996
Gault, McKay and Barker JJ

15 *Trade marks and trade names – Infringement – Circumstances when trade mark entry may be removed from register by Commissioner – Validity of registration of identical trade marks for same goods in separate registrations – When Commissioner may refuse to register trade mark – Trade Marks Act 1953, ss 26, 27, 32 and 35(1).*

20 *Injunction – Interim injunction – Trade mark – Validity of prior registration of identical trade marks for same goods under separate registrations – Serious question to be tried – Whether damages an adequate remedy.*

25 *Equity – Equitable conduct – Registration of trade mark for same goods in separate registrations – First registration not used for many years – Whether non-use relevant – Second registration effected within five years of application to remove both registrations – Applicant for second registration knowing that another party about to seek registration of same mark – Applicant intending to block other party without any intention itself to use trade mark in New Zealand – Whether applicant acting with “clean hands”.*

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This decision relates to an appeal brought by the appellant, Unilever plc against a refusal of an application for an interlocutory injunction to restrain infringement of a registered trade mark by the respondent, Cussons (New Zealand) Pty Ltd.

35 The appellant was the proprietor in New Zealand of the registered trade mark RADIANT by virtue of two registrations under the Trade Marks Act 1953. The first was no 44598 dated 31 March 1947 in class 3 for all goods in that class and was renewed for a further 14 years from 31 March 1996. The second was no 251537
40 dated 21 July 1995 also in class 3 for all goods in the class and current to 21 July 2007. These two registrations were “associated” within the meaning of s 32 of the Act.

The respondent was an overseas company registered as carrying on business in New Zealand. It commenced at the end of July or early August 1996 to promote
45 and sell on a substantial scale throughout New Zealand, a laundry detergent product under the trade mark RADIANT. Laundry detergent fell within class 3 of the trade mark classification of goods.

Section 35 of the Act as amended and effective from 1 January 1995 provides:

50 **35. Removal from register and imposition of limitations on ground of non-use –** (1) Subject to the provisions of section 36 of this Act, a registered trade mark may be taken off the register in respect of any of the goods or services in respect of which it is registered on application by any person aggrieved to the Court or, at the option of the applicant and subject to the provisions of section 67 of this Act, to the Commissioner, on the ground that

up to the date one month before the date of the application a continuous period of 5 years or longer elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being.

The appellant accepted that it in the five year period ending one month before the application by the respondent dated 25 July 1996 to remove the entry in the register in respect of trade mark no 44598 there had been no use by the appellant of the mark RADIANT in New Zealand. It argued that s 35(1) was not to be construed so that the non-use relied on was of the trade mark in the earlier registration and that each trade mark registration was immune from attack for non-use for five years from registration.

The respondent submitted that as registration no 251537 had not been on the register for the five years prior to 8 August 1996 the non-use relied on, was of the same trade mark in the older registration no 44598. The respondent also submitted that in any event registration of no 251537 was invalid because it was not lawful to register the identical mark for the same goods in separate registrations. The respondent also alleged that the appellant having learned from the respondent that the earlier registration was vulnerable for non-use, made the new application with the intent to block the respondent without any intention itself to use the trade mark RADIANT in New Zealand, and thus should be refused relief because of lack of "clean hands".

Held: 1 In the absence of any clear prohibition there was no basis for holding a second registration allowed by the Commissioner with knowledge of the earlier registration (to be inferred from the requirement of association) to lack validity by reason only because it was for the same mark covering the same or overlapping goods as in the earlier registration. However, the register should not be cluttered with duplicate registrations without good reason. It was still open to the Commissioner, in the exercise of his discretion to refuse or accept applications for registration (s 26(2)), to require to be satisfied that there was good reason for a second duplicate or overlapping registration (see p 439 line 50 – p 440 line 5).

Origins Natural Resources Inc v Origin Clothing Ltd [1995] 22 FSR 280, 284 followed.

Re John Player and Sons Application (1900) 18 RPC 65 considered.

Re Birmingham Small Arms Co's Application [1907] 2 Ch 396, 404 not followed.

2 By s 32(1) of the Act the trade mark in registration no 251537 was deemed for all purposes to have been registered as a separate trade mark. It was inconsistent with that to have regard to the non-use of the mark in registration no 44598 (also deemed by s 32(1) to be registered as a separate trade mark). Section 35(1) refers to "the trade mark". That must be the registered trade mark the subject of the application to remove. The appellant's trade mark no 251537 was a registered trade mark by virtue of its registration. As that trade mark had not been registered for five years before the respondent's application to remove was made it remained valid and unable to be removed (see p 440 line 23, p 440 line 31).

3 The potential abuse of s 35 by allowing a trade mark owner by successive registrations to perpetuate protection by registration without ever using the trade mark was safeguarded by ss 26(1) and 27 of the Act. Section 26 provides that the trade mark must be used or proposed to be used by the proprietor of the trade mark

and s 27 provides that if an application is accepted by the Commissioner, it has to be advertised so that any person may give notice of opposition to the registration. No automatic invalidity resulted from the failure to use a registered mark and until the mark was removed on application for rectification of the register, it would remain, would be valid and would support infringement proceedings (see p 440 line 36, p 441 line 13).

4 An award of damages in due course was not an adequate remedy for the appellant. The use on an extensive scale of the identical trade mark for goods in the registration would effectively negate the value of the registration of the trade mark. Its very purpose was to confer the right of exclusive use on the proprietor. Use in the market by a competitor, realistically would foreclose the option the appellant had secured to use the trade mark itself. This would render the registration right valueless to the proprietor, so frustrating the whole purpose of the registration. Such unquantifiable loss would not be adequately compensated in damages in respect of the infringing use in the period until trial (see p 441 line 50).

5 There was no basis on the evidence for refusal of relief for lack of “clean hands” by the appellant. There had not been any breach of duty owed by the appellant to the respondent when it registered trade mark no 251537 because it had not owed any duty to the respondent not to register the mark (see p 442 line 22, p 442 line 28).

Malayan Breweries Ltd v Lion Corporation Ltd (1988) 3 BCR 70, 102 discussed.

6 The respondent was still able to break down the current duopoly in laundry products even if restrained from using the trade mark RADIANT simply by adopting a non-infringing brand name (see p 442 line 39).

Appeal allowed: interim injunction granted.

Other case mentioned in judgment

Klissers Farmhouse Bakeries Ltd v Harvest Bakeries Ltd [1985] 2 NZLR 129 (CA).

Appeal

This was an appeal against the refusal to grant an application for an interlocutory injunction to prevent the respondent from infringing the trade mark of the appellant registered under the Trade Marks Act 1953.

Julian Miles QC and *Clive Elliott* for the appellant.

Brendan Brown and *Gregory Arthur* for the respondent.

The judgment of the Court was delivered by

GAULT J. This appeal is against refusal of an application for interlocutory injunction to restrain infringement of a registered trade mark.

Unilever plc, the first appellant, is the proprietor in New Zealand of the registered trade mark RADIANT by virtue of two registrations. The first is no 44598 dated 31 March 1947 in class 3 for “all goods” in that class and was renewed for a further 14 years from 31 March 1996. The second is no 251537 dated 21 July 1995 also in class 3 for all goods in the class and is current to 21 July 2002. The two registrations are “associated” (s 32 of the Trade Marks Acts 1953) so that they must remain in the name of the same proprietor.

Unilever New Zealand Ltd is a registered user under registration no 44598.

Cussons (New Zealand) Pty Ltd, the respondent, is an overseas company

registered as carrying on business in New Zealand. It commenced at the end of July or early August 1996 to promote and sell on a substantial scale throughout New Zealand a laundry detergent product under the trade mark RADIANT. Laundry detergent falls within class 3 of the trade mark classification of goods.

The proceeding was commenced on 15 August 1996. The allegations are of trade mark infringement and of breach of s 9 of the Fair Trading Act 1986. The plaintiffs (hereafter together referred to as Unilever) applied for an interlocutory injunction to restrain further use of the trade mark RADIANT by Cussons. That application was heard on 30 August 1996 and, in a judgment delivered on 10 September 1996, Baragwanath J refused the application. He applied the principles reviewed by this Court in *Klissers Farmhouse Bakeries Ltd v Harvest Bakeries Ltd* [1985] 2 NZLR 129, 142, to which no objection has been taken on appeal. He concluded that: (a) (as was conceded for Cussons) there was a serious question to be tried; (b) he would not have regarded Unilever as disentitled to interim relief on the ground that it would have an adequate remedy in damages; but (c) Unilever had no realistic prospects of resisting applications by Cussons for removal of the two trade mark registrations and should therefore not have relief. He was not persuaded that Unilever should have an injunction until such time as the registrations may be removed on the ground that Unilever had made no use of the trade mark RADIANT in New Zealand. For the same reason, the Judge considered there was no case made out under the Fair Trading Act.

At the heart of the Judge's reasoning was the construction of s 35(1) of the Trade Marks Act (the Act) which he adopted. The subsection, as amended and effective from 1 January 1995, reads:

35. Removal from register and imposition of limitations on ground of non-use – (1) Subject to the provisions of section 36 of this Act, a registered trade mark may be taken off the register in respect of any of the goods or services in respect of which it is registered on application by any person aggrieved to the Court or, at the option of the applicant and subject to the provisions of section 67 of this Act, to the Commissioner, on the ground that up to the date one month before the date of the application a continuous period of 5 years or longer elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being.

It was accepted by Unilever that in the five-year period ending one month before the application by Cussons dated 25 July 1996 to remove “the entry in the register in respect of trade mark No 44598” (following the wording of the prescribed form), there had been no use by Unilever of the mark RADIANT in New Zealand.

The real issue is in respect of registration no 251537. The application for removal of that entry in the register, made on 8 August 1996, alleges among the grounds for removal that:

“(h) Up to a date one month before the date of this application, a continuous period of five years or longer has elapsed during which the trade mark RADIANT was a registered trade mark and during which there was no *bona fide* use thereof in relation to the goods covered by the trade mark RADIANT as registered under Nos 44598 and 251537.”

Registration no 251537 had not been on the register for five years prior to 8 July 1996 so that the non-use relied upon is of the same trade mark in the older

registration no 44598. The Judge held that on the clear wording of s 35(1), that submission was open to Cussons. The argument for Unilever, presented by Mr Miles, is that the provision is not to be so construed and that each trade mark registration is immune from attack for non-use for five years from registration.

5 Surprisingly, even though the provision was adopted from the British trade mark law as was followed in many countries, we were referred to no case in which this issue has been considered.

Mr Brown not only supported the Judge's view of s 35 but, by way of cross-appeal, submitted that in any event registration no 251537 is invalid because it is not lawful to register the identical mark for the same goods in separate registrations. It is logical to address this issue first.

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It is unnecessary to dwell on Unilever's motive in seeking the second registration, first because on an interlocutory application findings on disputed questions of fact and credibility are to be avoided; and secondly because questions of statutory interpretation are to be resolved for all fact situations. It is sufficient to record that it is alleged that, having learned from Cussons that the earlier registration was vulnerable to removal for non-use, Unilever made the new application with the intent to block Cussons and without any intention itself to use the trade mark RADIANT in New Zealand. Unilever disputes those allegations.

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Baragwanath J did not accept the argument that it is impermissible to register the same mark for the same goods. He relied upon the contrary view expressed by Jacob J in *Origins Natural Resources Inc v Origin Clothing Ltd* [1995] 22 FSR 280,284. In that case, the plaintiffs had acquired by assignment a registration of the trade mark ORIGINS: they subsequently applied for and obtained registration of the same mark for goods which included goods covered by the earlier registration. Jacob J, who has vast experience in the trade mark field, said at pp 284–285:

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“The next point that was taken related to the validity of the two marks. It was said that one or other of them, probably the second one, was invalid because it covered the same goods in part as the first mark. There is no provision of the Trade Marks Act 1938 which prevents the registration of a mark twice for the same goods by the same proprietor. There is no reason in public policy why that should not happen under the old [1938] Act, provided of course that the two registrations were held by the same proprietor. That was bound to be the case if the marks were associated, as was the case with these two marks. It was suggested that implicit in section 21(1) was a bar somehow or other upon the same mark being registered for the same goods twice. Section 21(1) makes express an entitlement to register separate parts of a trade mark as separate trade marks. I cannot see why that has anything to do with registration of the same mark for the same goods twice.

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The other way it was said to be implicit under the old Act that two identical marks could not be registered for the same goods was under section 26. The argument was that a man could keep registering the same mark, thereby avoiding the effect of section 26(1)(b) (non-use for five years). Again it does not seem to me that that provision shows anything of the kind. If a man were to keep registering the same mark with no genuine intention of using it then he would lose his mark under section 26(1)(a) or (b). If, on the other hand, a man had registered a mark with a bona fide intention to use it and found himself unable to use it for a number of years so that the mark was removable under section 26(1)(b) but he still had genuine plans to use the mark then I see no reason why he should not apply again, thereby avoiding the effect of section 26(1)(b).

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In practice for very many years many people have been applying for registered trade marks which do cover the same goods as earlier marks registered by them, the mark being the same in both cases. They have done this for the sensible reason that they wanted to upgrade a Part B registration to a Part A registration and sometimes simply because they put in marks with wider specifications of goods. No harm to the public interest in any way has resulted from their doing so. The first ground of attack is therefore misconceived.” 5

The New Zealand Act of 1953 closely followed the 1938 United Kingdom Act. In particular, the New Zealand s 30(1) is the same as the English s 21(1) and s 35(1)(b) (prior to amendment in 1984) conformed with s 26(1)(b). The 1994 amendment in New Zealand merely removed para (a) of s 35(1) leaving the relevant provision otherwise unchanged. 10

Dealing with the reference to practice in the United Kingdom, there was filed on appeal, by consent, further affidavit evidence including an affidavit from Mr Luxford exhibiting a ruling given by the Commissioner of Trade Marks in New Zealand in 1951 as follows: 15

“Trade Mark Practice: Duplication of Registrations for Identical Goods 20

I acknowledge receipt of your letter of July 31st setting out the English practice in the above matter. The British practice appears quite clear and reasonable and sets at rest the doubts which were raised in this Office. Objection will therefore be taken on this ground only when there appears no reason for the duplication of a mark - for instance where both the prior registration and the later application are in the Fourth Schedule for substantially similar goods. In such a case, unless he could show cause why both should be on the register together, the applicant would be given the option of cancelling the prior registration or abandoning the application.” 25

Plainly, in the case of the trade mark ORIGINS in the United Kingdom and the trade mark RADIANT in New Zealand, the second registration was allowed, in each case subject to “association”, so that the examiner must have been satisfied that there was sufficient reason to allow the second registration. 30

Mr Brown’s submission was that second registrations should be refused even where there may be good reason; as a corollary, that if they are allowed, they must be invalid. He contended that the views expressed by Jacob J are wrong, save that the Act expressly allows registrations of the same mark for the same goods in both Part A and Part B of the register (s 15(3)). 35

As Mr Brown acknowledged, there is no express prohibition in the Act against a second or subsequent registration of the same mark. It was submitted that that view is to be inferred from the absence of express authority (except in s 15(3)), and from the lack of any point in permitting duplicate registrations. This latter point was held to justify refusal of a second registration in *Re John Player and Sons Application* (1900) 18 RPC 65 the effect of which, it was submitted, has survived the legislative history. 40

In the *John Player* case, application was made to register a label trade mark differing in what were considered inessential respects from a mark already registered in the name of the same proprietor. On appeal from the Registrar’s refusal of registration Cozens-Hardy J said at p 74: 45

“It is, therefore, I think, perfectly clear that the existing registration No 154,011 covers, and absolutely covers, this which they now desire should be registered. . . . This application put in that way seems to me also to be an absurd one. I 50

5 think I ought not to allow the application to be put on the Register, which is absolutely superfluous so far as English law is concerned, and would, I think, cumber the Register needlessly and unnecessarily, simply on the suggestion that it may be a convenience in some foreign countries, with a view to some other proceedings, to have a duplicate registration of their mark.”

10 The decision, so far as it disallowed registration of an inessential variant of the same mark, was overruled by statutory amendments introducing provisions for the registration of associated marks (new NZ s 32) and trade marks in a series (s 30). In the 1905 English Act, there was introduced as s 24, the entitlement to register closely resembling trade marks as associated marks. On a question under that section, Kekewich J in *Re Birmingham Small Arms Co's Application* [1907] 2 Ch 396,404 said:

15 “It does not deal with an application for the registration of identical trade marks. It is impossible really, to my mind, to conceive that the Legislature can have intended anything of that kind, or contemplated such an effect: . . .”.

20 Section 24 subsequently was amended to include express reference to registration of identical marks and that has been carried through to the current New Zealand provision in s 32. Subsections (1) and (2) of that section read:

25 **32. Certain trade marks to be associated so as to be assignable and transmissible as a whole only** – (1) Trade marks that are registered as, or that are deemed by virtue of this Act to be, associated trade marks shall be assignable and transmissible only as a whole and not separately, but they shall for all other purposes be deemed to have been registered as separate trade marks.

30 (2) Where a trade mark that is registered, or is the subject of an application for registration, in respect of any goods is identical with another trade mark that is registered, or is the subject of an application for registration, in the name of the same proprietor in respect of the same or similar goods or of services that are similar to those goods, or so similar to it as to be likely to deceive or cause confusion if used by a person other than the proprietor, the Commissioner may at any time require that the trade marks shall be entered on the register as associated trade marks.

35 Subsection (2) can be read as contemplating separate registrations of the identical mark for the same goods, though its more common application is in respect of similar but not identical marks for the same goods and identical marks for similar but not the same goods. Mr Brown argued that the introduction of reference to identical marks coincided with the introduction also of the Part B registration regime with express authority for registration of identical marks for the same goods in Part A and Part B of the register. We prefer the explanation that the amendment was designed to overcome the decision of Kekewich J because there was no provision in England until the 1938 Act for association of trade marks registered in Part B of the register: *Kerly's Law of Trade Marks and Trade Names* (12th ed, 1986) para 5-09.

40 The most that could be said to have survived from the *John Player* decision, is the general proposition that the register should not be cluttered with duplicate registrations without good reason. That would not be inconsistent with the 1951 Practice Direction of the Commissioner in New Zealand and the United Kingdom practice referred to by Jacob J in the *Origin* case. It still is open to the Commissioner,

in the exercise of his discretion to refuse or accept applications for registration (s 26(2)), to require to be satisfied that there is reason for a second duplicate or overlapping registration. There may well be good reason eg when an earlier registration has been acquired by assignment without knowledge of its validity or where there is doubt as to the precise scope of the earlier registration.

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It is a big step from recognition of the power of the Commissioner to prevent cluttering of the register with multiple coextensive registrations, to the proposition that when he has allowed a second registration as an associated mark it can have no validity.

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In the absence of any clear prohibition, there is no basis for holding a second registration allowed by the Commissioner with knowledge of the earlier registration (to be inferred from the requirement of association) to lack validity by reason only because it is for the same mark covering the same or overlapping goods as in an earlier registration.

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We turn to the construction of s 35(1). The material words are:

... a registered trade mark may be taken off the register in respect of any of the goods ... on the ground that ... a continuous period of five years or longer elapsed during which *the trade mark* was a registered trade mark and during which there was no bona fide use thereof in relation to those goods ... by any proprietor thereof for the time being. (Emphasis added.)

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By s 32(1) the trade mark in registration no 251537 is deemed for all purposes to have been registered as a separate trade mark. It is inconsistent with that to have regard to the non-use of the mark in registration no 44598 (also deemed by s 32(1) to be registered as a separate trade mark). Section 35(1) refers to "the trade mark". That must be the registered trade mark the subject of the application to remove. That trade mark was a registered trade mark by virtue of the registration (ie no 251537). That trade mark was not registered for five years before the application to remove was made.

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It was submitted that such a construction would be contrary to the scheme of the Act and would greatly undermine the effectiveness of s 35. It would permit a trade mark owner, by successive registrations, to perpetuate protection by registration without ever using the trade mark. That consequence does not necessarily follow.

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At the time of any new application to register, the trade mark must be used or proposed to be used (s 26(1)). If the Commissioner believes an application is made with no intention that it be used and it has been made simply to perpetuate a block against competitors, he may refuse the application (s 26(2)). Further, if an application is accepted by the Commissioner, it has to be advertised and any person may give notice of opposition to the registration (s 27). Those procedures provide safeguards against the suggested potential abuse.

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It is true that once that mark is registered it is no longer (since the 1994 amendment to s 35) open to apply for its removal on the ground that it was registered without any bona fide intention that it should be used, so that non-use cannot be asserted for five years. But that does not mean there is no means for preventing possible abuse. In the present case, its interest in the trade mark RADIANT for New Zealand notwithstanding, Cussons, it seems, did not locate the Unilever application no 251537 when searching to ascertain whether registration no 44598 had been renewed in March 1996, nor did it notice the advertisement of the application for opposition purposes. In that situation the omission to take available steps to prevent the abuse of which it now complains hardly strengthens Cussons' argument that the construction of s 35 for which Unilever contends is conducive of abuse.

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On the other hand, it would follow from the construction supported by Cussons that a trader, genuinely concerned for the vulnerability of a registration on the ground of non-use but about to embark on major investment with a view to the launch of a product under the trade mark, could not secure protection for the proposed use by a new registration. That trader would be in a worse position than if the earlier registration had never been obtained. Mr Miles referred to further absurdities which he said would result from such a construction. Not all reflect practical situations, but it would seem anomalous that the proprietor of an associated trade mark, vulnerable to removal for non-use, can retain it by relying on use of an associated trade mark (s 39(1)), yet the proprietor of an associated trade mark, not vulnerable to removal for non-use (because it has not been registered for five years), could lose it because of non-use of an associated trade mark.

Mr Brown drew upon the legislative history to support his proposition that there is a fundamental assumption underlying trade mark protection that the mark is to be used and not merely kept as a block against others. That submission can be accepted up to a point. The present legislation speaks for itself. There is the sanction of removal for non-use. No automatic invalidity stems from failure to use a registered mark. Until it is removed on application for rectification of the register, it remains, is valid and may support infringement proceedings.

The emphasis on use as a precondition of protection has been supplanted by a system of registration which no longer depends on use (except in special circumstances where distinctiveness must be proved). We find nothing in the legislative history to which we were referred that provides support for the construction contended for by Mr Brown. We therefore prefer the view that, as in other parts of the Act, each registration of the same mark is to be treated separately.

Accordingly, we respectfully differ from the Judge in his conclusion that there is no realistic prospect that Unilever will retain registration no 251537. Other grounds for removal are pleaded in the application for removal. They were not the subject of evidence or argument. On the material before us they cannot be given significant prospects of success, but they require no further comment at this interlocutory stage.

In the circumstances, the position now is that not only does Unilever have a serious case to be determined, but it has, on its face, a clear case of infringement of its registered trade mark.

It was argued for Cussons that the slender prospects of success in securing a permanent injunction at trial because of the vulnerability of the registrations should weigh heavily in the balance as to whether interim relief should be granted. The corollary of that must be that if, on the case as it now stands there appears no realistic defence to the claim, that too should weigh heavily.

The statutory monopoly and the protection it confers generally are entitled to be preserved by the primary remedy of injunction, but there will be cases in which the circumstances are such that justice is better served other than by interim injunction. We are not convinced this is such a case. Cussons knew of the older registration from early July 1995. That registration, though vulnerable for non-use, is valid until removed. Cussons learned of the new registration before commencing to use the trade mark RADIANT in New Zealand and chose to do that at its own risk.

We agree with the Judge that an award of damages in due course would not be an adequate remedy for Unilever. The use on an extensive scale of the identical trade mark for goods in the registration must effectively negate the value of the registration of the mark. Its very purpose is to confer the right of exclusive use on

the proprietor. Use in the market by a competitor, realistically, will foreclose the option Unilever has secured to use the trade mark itself. That would render the registration right valueless to the proprietor, so frustrating the whole purpose of the registration. Such unquantifiable loss could not be adequately compensated in damages in respect of the infringing use in the period until trial. 5

One argument advanced for Cussons is that, in the interests of justice, Unilever should be denied injunctive relief because of their conduct, described by Baragwanath J at one point as less than candid and at another as disingenuous. Those comments reflect a view of conduct the correct interpretation of which is in dispute. However for present purposes we will assume that the view advocated by Cussons is established. 10

That involves Unilever, having received a request to consider assigning the trade mark RADIANT for New Zealand to Cussons, giving the impression that the request was genuinely under consideration while taking steps to shore up its position by securing a new registration of the mark. Communications ceased on 26 September 1995, at which date Unilever's application no 251537 would still have been pending, so the omission by Cussons to take all available steps to preserve an opportunity to secure the trade mark for itself cannot be said to have been attributable wholly to Unilever's alleged prevarication. But that aside, this argument really reduces to one of lack of "clean hands". 15

As stated in Meagher, Gummow and Lehane, *Equity: Doctrines and Remedies* (2nd ed, 1984) p 77 para 324, cited by Barker J in the course of a review of authorities in *Malayan Breweries Ltd v Lion Corporation Ltd* (1988) 3 BCR 70,102, in most cases where a plaintiff has been declined relief on the ground of unclean hands the plaintiff's conduct has amounted to some breach of duty which is owed to the defendant or the public generally. 20 25

In this case, Cussons, in the belief that it enjoyed sufficiently good relations with its competitor Unilever, took the risk of making an approach drawing attention to the vulnerability of the trade mark registration no 44598 without taking the usual precautions of filing an application to remove it (which could have been withdrawn if an arrangement was reached) and its own application to register to secure priority in the event of removal of the registration. By taking that stance, and making an assumption that Unilever would not attempt to improve its position, Cussons could not impose any duty upon Unilever. In the world of commerce, between vigorous international competitors, the law does not impose some equivalent of Queensberry Rules. We see no basis in this evidence for refusal of relief for lack of "clean hands". 30 35

Finally, there was a reference to the public interest in leaving Cussons in the market so that it can break down the current market duopoly in laundry products. Cussons will remain free to do that, even if restrained from using the trade mark RADIANT, simply by adopting a non-infringing brand name. 40

In the end, we see this as a straightforward case in which a clear infringement should be restrained now: there has been advanced no seriously arguable reason why that will not be the outcome at the trial, and no special factors which would justify the infringing use being allowed to continue in the meantime. 45

We would allow the appeal and grant an injunction in the terms set out in para 1 of the notice of motion. 50

Costs were reserved in the High Court and no sealed order has been included in the case to show whether any order subsequently was made. In that situation we set aside any order that might have been made and record that the appellant is

entitled to costs in both Courts. These will be fixed if necessary on memoranda from counsel.

Appeal allowed: interim injunction granted.

- 5 Solicitors for the appellant: *Baldwin, Son & Carey* (Auckland).
Solicitors for the respondent: *A J Park & Son* (Wellington).

Reported by: Bronwyn Dobbie, Solicitor