In the Matter of British Thomson-Houston Company Limited's Patent (No. 283,120)

Luxmoore J.—This has all been a matter of indulgence, really, to the Petitioners. Mr. *Heald*, on behalf of the Respondents, has certainly assisted the Court in coming to a conclusion in the matter, and I do not think I should be doing any injustice, Mr. *Trevor Watson*, if I said that you should pay the costs. That, I think, is the least that can happen, when you are coming to the Court for an indulgence. I do not want to discourage people from coming and assisting the Court and offering such criticisms as are proper to put forward. If they were captious objections to the amendment I would deal with them.

Trevor Watson K.C.—I would not suggest for a moment that the objection was a captious one. May I just call one fact to your lordship's attention? [**Luxmoore** J.—Yes.] Your lordship is dealing with the costs of the appeal. So far as the costs of the appeal are concerned, your lordship, if I may say so, has come to the conclusion that in substance I was right on my main ground of appeal and that the learned *Comptroller* was wrong in holding that he ought to consider a particular class of person other than what I may call the expert. As to that I have succeeded. The evidence I put in from Mr. *Gill* may be superfluous in that regard, but so far as regards the evidence which I have given in regard to the manner in which the mistake has arisen and the reasons for the delay, I cannot possibly argue that your lordship cannot take that into account, having regard to the question of costs. Therefore the only submission that I feel either justified in making or called upon to make is that in those circumstances your lordship perhaps might not think it proper to say that I should pay the whole of the costs, having regard to the fact that I have substantially succeeded upon the ground of the original appeal.

Luxmoore J.—Mr. *Hilliar* said that the main consideration to him, and the most serious objection, was the absence of any evidence of how the mistake arose, and I think that was the chief objection. Having regard to everything, I think I shall not be doing any injustice in ordering you to pay the costs. The Appellants will get the Patent amended, although they have waited a long time.

IN THE COURT OF APPEAL.

Before THE MASTER OF THE ROLLS AND LORDS JUSTICES ROMER AND GREENE.

February 14th and 17th, 1936.

THE CLOCK, LD. v. THE CLOCK HOUSE HOTEL, LD.

Trade Name—Name of Plaintiffs' road-house—Name of Defendants' Hotel—Premises in the same locality—Possibility of confusion resulting in damage—Judgment for the Plaintiffs—Injunction granted—Appeal to Court of Appeal—Appeal dismissed.

The Clock, Ld. v. *The Clock House Hotel, Ld.*

The Plaintiff Company, The Clock Ld., *was incorporated on the 15th of May*, 1929, *and in October*, 1929, *opened an establishment known as a road-house on land adjoining the Welwyn By-Pass Road, near Welwyn, in the County of Hertford. A prominent feature of that establishment was a clock on the top of a gabled building. That establishment was not licensed to sell intoxicating liquor nor did it provide patrons with lodging, but it provided them with meals and offered them facilities for bathing, tennis and golf. The establishment acquired a reputation and was known to many people as* The Clock *and the name* The Clock *had always appeared in conspicuous letters on the Plaintiffs' premises. The Defendant Company*, The Clock House Hotel, Ld., *was incorporated on the 6th October*, 1934, *and in November*, 1934, *opened an hotel on land adjoining The Barnet By-Pass Road at a point five miles south of the point occupied by the Plaintiffs road-house, at New Hatfield, in the County of Hertford. A prominent feature of that hotel was a tower carrying a clock above which was written the word "* Hotel *" and below which were written the words "* Clock House.*" That hotel was licensed to sell intoxicating liquors and did provide patrons with lodging. It did not offer facilities for bathing, tennis or golf but provided meals. The Plaintiffs commenced an action to restrain the Defendants from carrying on business under the name* Hotel Clock House, *or any other name calculated to cause confusion with and damage to their business. At the trial it was held that Plaintiffs had acquired a reputation in the name* Clock *in connexion with their road-house and that in the locality the words "* The Clock *" had come to mean the Plaintiff's premises; that the use of the words "* Hotel Clock House *" by the Defendants constituted a real possibility of confusion which might result in actual damage to the Plaintiffs. An injunction was granted but was limited to restraining the Defendants from using the words complained of on their present premises. The operation of the Injunction was stayed for one month to enable the Defendants to alter their name as it appeared on their clock, notepaper and elsewhere. The Defendants were ordered to pay the costs of the action.*

The Defendants appealed to the Court of Appeal. The appeal was dismissed with costs.

On the 7th of March, 1935, *The Clock, Ld.*, commenced an action against *The Clock House Hotel, Ld.*, and claimed as follows:—(1) An injunction restraining the Defendants, their directors, officers, servants and agents from carrying on the business of a hotel, road-house or restaurant under the name of "The "Clock House" or "The Clock House Hotel" or "The Clock House Hotel, "Ld.," or any name colourably resembling the Plaintiffs' name or the name "The Clock" under which the Plaintiffs' road-house was carried on or otherwise carrying on business under any name calculated to produce the belief that the Defendants' business was that of the Plaintiffs or that the one was a branch or department of the other. (2) Damages. (3) Further or other relief. (4) Costs.

The pleadings will be found set out in Volume 52 of the Reports of Patent Cases at pp. 387-389.

The action came on for hearing on the 25th of July, 1935, before Mr. Justice *Farwell* who granted an injunction limited to restraining the Defendants from using the words complained of on their present premises.

The Defendants appealed to the Court of Appeal and the appeal came on for hearing on the 14th of February, 1936.

F. R. Evershed K.C. and *J. F. Bowyer* (instructed by *Stanley Robinson and Commin*) appeared for the Appellants.

H. B. Vaisey K.C. and *R. J. T. Gibson* (instructed by *Pengelly and Co.*) appeared for the Respondents.

Bowyer for the Appellants.—The action was in the nature of a passing off action. The Plaintiffs claimed an injunction in the terms set out in the pleadings and an order was made substantially in those terms. The Plaintiffs' premises are on the Great North Road. They comprise a low building and a separate clock tower. On the 15th of May, 1929, the Plaintiff Company was formed to carry on the business of a road-house which was opened in July, 1929. That road-house provided various amenities, including swimming, tennis, putting and dancing. Teas and suppers were served, but there was no licence to sell intoxicating liquor, nor was there any sleeping accommodation for guests. [*Vaisey* K.C.—the Plaintiffs' road-house is now licensed.] The Defendants' hotel is five miles from the Plaintiffs' road-house. *Messrs. Waters*, who are directors of the Defendant Company, originally had a business—*Waters & Sons Ld., Engineers*, at Old Hatfield. In 1930 they had a clock over the premises at Old Hatfield and the premises became known as *The Clock Garage.* In 1931 the Defendants' present premises at New Hatfield were used as a petrol filling station and a café. On them there was a clock. That part of the premises used as a filling station was converted into a hotel and the words "Service" and "Station" which had appeared above and below the face of the clock on the Defendants' premises were altered, and the words "hotel" and "Clock "House" were placed above and below the clock. The hotel was opened in 1934. The Defendant Company was formed to take over the hotel business. The hotel was licensed to sell intoxicating liquor. It did not provide amenities, such as swimming, tennis, putting or dancing, but afforded sleeping accommodation. The Plaintiffs' premises are in Welwyn and on the Welwyn Telephone Exchange, the Defendants' premises are in Hatfield and are on the Hatfield Telephone Exchange. The Plaintiffs first complained of the Defendants' conduct in 1934, and the writ was issued on the 7th of March, 1935. There is little evidence of confusion; persons who rang up the Plaintiffs' premises obviously intended to ring up the Defendants' hotel. The Plaintiffs' reputation was for a road-house. The Defendants' business is an hotel. [Evidence was referred to and the judgment was read.] The failure of the two persons who had arranged to meet at the *Clock* so to meet there was not necessarily due to a misrepresentation by the Defendants. The witness who paused at the Defendants' hotel to ask if he had reached the *Clock* admitted he would not have stopped had he seen a sign-post which would have shown him he had not reached Welwyn. The Defendants have clearly distinguished their business from that of the Plaintiffs. [The following cases were referred to: *Dunlop Pneumatic Tyre Co., Ld.* v. *Dunlop Motor Car Co., Ld.*, L.R. (1907) A.C. 430 at 437; *Society of Motor Manufacturers, &c. Traders, Ld.* v. *Motor Manufacturers' and Traders' Mutual Insurance Co., Ld.*, L.R. (1925) Ch. 675,

at 685.] The Defendants have not made any misrepresentation. No thoughtful person would think that the Defendants' premises were the Plaintiffs' or were connected therewith.

Vaisey K.C. for the Respondents was not called on.

Lord Wright M.R.—This is an appeal from a judgment of Mr. Justice *Farwell*, who granted an injunction against the Defendants. The injunction is one restraining "the Defendants, their directors, officers, servants and agents from "carrying on the business of an hotel, road house or restaurant under the "name of '*The Clock House*,' '*The Clock House Hotel*' or '*The Clock House* "'*Hotel, Limited*" on the premises now occupied by the Defendants or any "name colourably resembling the Plaintiffs' name or the name '*The Clock*' or "from otherwise carrying on business under any description calculated to "produce the belief that the Defendants' business is that of the Plaintiffs or "that the one is a branch or department of the other."

The facts of the case are, perhaps, not very usual. The Plaintiffs, a limited company, established in 1929 what was called a road house on the Great North Road at Welwyn. We have had some illustrations of the road house of the Plaintiffs. They show a very attractive set of buildings equipped for the delectation of the travelling or visiting public. It is equipped with a garden and a lawn; it has a swimming pool, a restaurant and tennis courts which are available in connection with the premises. There is no accommodation for people to sleep other than the domestic staff; there is no sleeping accommodation for visitors. It is not, in any case, a hotel and it has not a licence. The building is in Tudor style and on one side of the building is a clock on a pedestal of its own. Close to the clock is the sign "The Clock, "Welwyn." That business has become very prosperous; it has been very successful and a great many motorists either go there specially in order to have luncheon, tea or dinner and take part in dancing or other amusements, or stop there on their way up and down the Great North Road. As I have said, that business was established in 1929 and has been going on ever since.

The Defendants are also a limited company, registered on the 6th of October, 1934. Their premises consist of a large stone building standing in a very prominent position at the junction of the two branches of the road, one branch going to Welwyn and the other going to Hertford and Hatfield. Anyone who has been along the Great North Road cannot fail to remember and recognise the existence of that building. The building was erected in 1931; but it was then a filling station with a café attached. Since 1934 it has been changed in this respect, that the filling station has been taken away from the main stone building and has been put in a position slightly to the rear, where there is a garage. The main building has been turned into a hotel where there is a certain number of bedrooms where people may sleep a night or more on their way up and down the country. There is also a restaurant and café, and the premises have a licence.

This being the state of affairs, the Plaintiffs brought their action in March, 1935, claiming an injunction in rather wider terms than the terms of the injunction eventually granted by the learned judge.

The action is of a very familiar character and, as far as I can see, no question of law is involved in this case. The principles which the learned judge has applied are well established and, so far as I know, have not been disputed, or have not been disputed in any sense which is effective. There are, no doubt,

certain peculiarities about this case, with which the learned Judge has dealt. For instance, there is some difference in position between the two premises. The Defendants' premises are one mile from Hatfield at the forking of the roads, as I have described. The Plaintiffs' premises, on the other hand, are five miles further north on the road at Welwyn. That is a circumstance which has to be borne in mind, with others which I will indicate in a moment, when the question is considered whether the Plaintiffs' business has been interfered with because the description applied by the Defendants to their premises is such as to injure the Plaintiffs either actually or according to reasonable probabilities by involving a representation that the business which they are carrying on at Hatfield at the *Clock House Hotel* is the same business as that carried on by the Plaintiffs at the *Clock*, Welwyn. The question of locality is, of course, important.

It is perfectly true, as the learned judge has found, that the mere use of the words "*The Clock*" or "*The Clock House Hotel*" in respect of any hotel or restaurant would give no cause of action to one trader as against another trader, if the two places were sufficiently far apart. It may well be said in this case that a distance of five miles is sufficient from the point of view of locality to prevent there being any risk of confusion. The learned Judge, however, has taken the view that that is not true in a case like this, where there are motorists passing up and down, for whom a distance of five miles is of no particular importance. The learned Judge has also found that, though there is a definite distinction between a road house in the sense in which that term is now familiarly used and an hotel with a licence and sleeping accommodation and none of the peculiar amenities of a road house, there is sufficient resemblance between the two businesses carried on at these two places to involve the risk that the Plaintiffs' business may be damaged by the title under which the Defendants carry on their business. These are two matters with which the learned Judge has dealt and about which I say nothing further.

The real question at issue, which, I confess, has exercised my mind to some extent, is whether there is sufficient evidence to show that there has been proved damage or a tangible probability of damage to the Plaintiffs' business by the fact that the Defendants have used the term "*Clock House Hotel*" and in that way have represented their business as the business of the Plaintiffs, thus involving the risk, a serious risk, and possibly the actual fact, of people who wanted to go and would have gone to the Plaintiffs' place going by mistake to the Defendants' place.

In this instance, as I understand it, there is no suggestion that the Defendants have deliberately for any sinister purpose adopted the name they have adopted. They had a business at Hatfield which was known as "The Clock House Garage." That was a business not of restaurateurs or hotel keepers but simply a garage business. When the by-pass was constructed they shifted that business from the old road to the position on the new road and they erected as the sign or symbol of that business the large clock which still appears on the summit of the roof of the present building. They did not apply to that building a signpost with the words "Clock House" upon it, but it no doubt became known as the Clock House from the point of view of its use as a garage and, though in a minor sense, as a café. That fact, however innocent it may have been in intention, may still constitute a misrepresentation for the purposes of this rule, and the learned Judge has held that that is so in this case. In his judgment, after dealing with the locality and the risk of confusion, he says: "I have next to

" consider whether, on the evidence before me, I am justified in coming to the " conclusion that there has been or can be any real confusion in the future. It " has been pointed out that the two businesses are not the same, and that is " true to a great extent. The Defendant company does not offer the same " attractions (if they be attractions) that the Plaintiff company does; but, on " the other hand, their businesses are similar businesses in this sense, that in " both of them refreshments can be obtained, although in one they must be " limited to non-alcoholic drinks, but at any rate refreshments such as lunch " or tea or dinner or supper can be obtained at both premises and to that " extent the two businesses are alike. The evidence does, I think, show that " there has been some confusion already. In connexion with that evidence it " must be borne in mind, first, that the Defendant Company, the Defendant " hotel, has certainly been in existence a very short time. Secondly, it must " be borne in mind that this is a case in which the Plaintiff company necessarily " I think, must have considerable difficulty in getting evidence from persons " who have been confused." Then he gives the reason why he thinks that there is such a difficulty. The learned Judge then goes on: " Under all the circum- " stances I do not think that one could expect a large amount of evidence of " actual confusion. But there are one or two cases which appear to me to show " quite plainly that there is a possibility of confusion and that there has been " some confusion in the past. Let me say at once that all the witnesses called " on behalf of the Plaintiffs seemed to me to be witnesses who gave their " evidence extremely well, were perfectly honest witnesses with no desire to " exaggerate or to say what was not true. When I say that I am not casting " any reflection on the Defendants' witnesses, but I am only saying that because " for the moment, the Plaintiffs' witnesses are persons whom I am considering." Then the learned Judge deals with the evidence of the late secretary, a Mrs. *Kennedy*, who is the principal shareholder in the Plaintiff company, and he says: " She did give evidence to show that in one case two persons had " apparently arranged to meet at premises under the name of *' The Clock ' or* " *' The Clock House,'* one had gone to the Plaintiffs' premises and the other had " gone to the Defendants', for some time, an hour or so, and until the tele- " phone had been called into aid the two parties remained apart and neither " one discovered the mistake of the other. That is a striking case of confusion, " a person being told: ' Meet me at *" The Clock "* or *" The Clock House "* on " ' this by-road to the north ': one goes to the Plaintiffs' premises and the " other goes to the Defendants' premises, and there they wait until finally it " is discovered that a mistake has been made. There was definite evidence, " which I entirely accept, of at any rate one case of confusion. There have " been telephone mistakes made in the sense that persons have been rung up at " the Plaintiffs' premises when they were at the Defendants' premises, and other " cases of that kind, which do illustrate that there is the real possibility, I " think, of confusion in the future." Then the learned Judge rejects the Defendants' contention that there has been no evidence of any real damage and that there is no reason to suppose that any damage will result in the future from any such confusion. The learned Judge holds that in his opinion there was " a real danger of confusion and of confusion which may result in damage " to the Plaintiffs in this sort of way." He then gives an illustration of the way in which confusion is likely to arise. There is also evidence from the road scouts who patrol this road, the *Automobile Association* men or the *Royal Automobile Club* men, who say that, since these two premises have been in

operation, they have been asked by people for directions because they did not seem to know whether they wanted to go to Welwyn or Hatfield. There is some other evidence of the same character.

As I have said, I regard this case as turning purely on a question of fact, and, though I confess that it does not appear to me that the evidence was very strong in favour of the Plaintiffs, it satisfied the learned Judge as a judge of fact. Under the circumstances I do not think that a sufficient case is made out to disturb the conclusion at which he has arrived.

I therefore think that the appeal fails and should be dismissed with costs.

Romer L.J.—I agree. There is really no dispute and can be no dispute as to the principle of law involved in this case. The principle is this, that no man is entitled to carry on his business in such a way or by such a name as to lead to the belief that he is carrying on the business of another man or to lead to the belief that the business which he is carrying on has any connexion with the business carried on by another man.

In this case Mr. Justice *Farwell* has held, and in my opinion there was ample evidence on which he could so hold, that the Plaintiffs' business has become known to those who are interested in such matters as "*The Clock*," "*The Clock House*" or "*The Clock Road House.*" That being so, I confess that it seems to me inevitable that confusion must be created by the Defendants' carrying on a not very dissimilar business only five miles away on the same road under the name of "*Hotel Clock House.*"

It is said by Mr. *Bowyer* that a person who knows the Plaintiffs' road house is not in the least likely to mistake the Defendants' hotel for the Plaintiffs' road house. That, of course, is true. No-one who knows that a mis-statement is untrue is ever misled by the mis-statement. The persons who are likely to be misled are the persons who do not know the Plaintiffs' road house, but have heard of the reputation which it enjoys. When a motorist hears that there is near Welwyn a place where he can get an excellent luncheon and that that place is known as the *Clock*, the *Clock House*, the *Clock Hotel* or some such name and when he gets in the neighbourhood of Welwyn, as he does when he is passing the Defendants' premises, there is a very good chance, I should think, of his being deceived into believing that he has come to the place which has been recommended to him and taking his luncheon there. Five miles is not a very great distance to the modern-day motorist, and the Plaintiffs' road house is not in Welwyn village. Road houses seldom are in the actual villages. The road house in question is on the Welwyn by-pass. The Defendants' premises are on the by-pass with which most of us are familiar, the new road that by-passes Hatfield and Welwyn. Not only do I think that it is likely, indeed, I should say certain, that confusion would be caused by the Defendants' calling their hotel "*Clock House*," but there is evidence which was accepted by the learned Judge that confusion has in fact taken place.

Lord Justice *Greene*, in the course of Mr. *Bowyer's* argument, called attention particularly to the evidence given by Mr. *Harry Edward Ridgeway*, who is one of the *Royal Automobile Club's* scouts. He said that he has frequently been asked by motorists, before ever the Defendants' hotel was there, where the *Clock House Hotel* was, and which was the way to the *Clock House Restaurant* or the *Clock House*, showing, of course, that the Plaintiffs' premises were well known by those names. He said that he had been asked that hundreds of times.

Then he said that, since the Defendants had opened their hotel, he was still asked which was the *Clock House*, and he, knowing that there were two by that name, would ask the motorists which they wanted. He said that sometimes they said that they did not know. Of course, those who had merely been told of the excellence of the *Clock House*, not knowing that there were two, would not be able to answer the question of the scout as to which one they wanted. The fact that they did not know which one they wanted is, to my mind, plain evidence of the fact that the use by the Defendants of the name "*Clock House*" was leading to confusion. On the next page of his evidence the same witness said: "Some just ask for '*The Clock*'; some do not know "which one they want." Then, towards the bottom of the page, he said: "I "have had a few cases of people waiting there"—that is waiting outside the Defendants' premises—"who wanted '*The Clock*' at Welwyn. After they had "been waiting some time they might come across and ask me if they were "at the right place. I do not say that that is a thing that happens every day. (Q.) But you have had such cases?—(A.) I have had such cases."

In my opinion the facts of this case bring the Defendants well within the principle to which I have referred. I think that the learned Judge was quite right in granting the limited injunction which he did grant and in my opinion this appeal should be dismissed with costs.

Greene L.J.—I agree.

Before THE PATENTS APPEAL TRIBUNAL.

March 4th and 5th, 1936.

IN THE MATTER OF AN APPLICATION FOR A PATENT BY KODAK, LD.

Opposition to grant of Patent—Grant refused—Appeal by Applicants—Held that the alleged invention was obvious and involved no inventive step—Appeal dismissed—Patents and Designs Acts, 1907 *to* 1932, *Section* 11 (1) (c).

An Application (No. 419,763) for a Patent was made by *Kodak Ld.* for "Manufacture of cellulose esters". The Complete Specification contained the following Claims:—

"1. In the manufacture in a single bath of cellulose esters containing butyryl "and propionyl, with or without acetyl, as the esterifying groups, the improve- "ment which consists in pretreating the cellulosic material which is to be "esterified, in a bath containing butyric acid or propionic acid or both, the