

**IPSANZ ANNUAL CONFERENCE 2016**

**REPUTATION RUNAROUND - LIMITATIONS, ADVANTAGES AND REACH OF  
SECTION 60 OF THE TRADE MARKS ACT 1995 (Cth)**

**By Andrew Fox, Barrister<sup>1</sup>**

**A. INTRODUCTION**

1. This is not so much a paper but rather notes that accompany the joint presentation by Richard Watts and myself in respect of s 60 of the *Trade Marks Act 1995* (Cth) (**Aus TM Act**) and s 17(1)(a) of the *Trade Marks Act 2002* (NZ) (**NZ TM Act**). These notes concern the Aus TM Act side of the joint presentation.
2. The topics which I expect will be addressed in the course of the joint presentation include as follows:
  - (a) An introduction to the competing sections 60 and 17(1)(a).
  - (b) What is the respective legislative purpose of each provision?
  - (c) How is ‘reputation’ defined or characterised for the purposes of each provision?
  - (d) Current issues/trends in the interpretation and role of each provision in regulating registrability.
3. Notes in relation to each topic are set out under the headings below. To also set the scene and general background, I have provided at the end some general notes on the requirements for passing off, the s 42(b) ground under the Aus TM Act, and the action for misleading and deceptive conduct under the *Australian Consumer Law*.

**B. AN INTRODUCTION TO SECTION 60**

4. It is appropriate to start with the present form s 60. For the last 10 years (more specifically, since 23 October 2006), s 60 has been in the following form:

***Trade mark similar to trade mark that has acquired a reputation in Australia***

*The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:*

- (a) *another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a*

---

<sup>1</sup> I wish to acknowledge the very able assistance of my reader, Ms Fiona Bustos-McNeil, barrister, in the preparation of this paper.

*reputation in Australia; and*

*(b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.*

5. As will be noted from the provision's location in Division 2 of Part 5 of the Act, it is an opposition ground. It does not arise for consideration as part of the examination process. The following additional matters may be noted about the present form of s 60:

- (a) The 'other' trade mark need not be registered. It could well be a common law mark.
- (b) There is no requirement that the 'other' trade mark be substantially identical or deceptively similar to the applied for trade mark. It could therefore be a trade mark which is further away (in terms of likeness) than one which is deceptively similar.
- (c) The reputation developed in the 'other' trade mark must have been acquired *in Australia*. Section 60 does not reward reputation developed outside the jurisdiction.
- (d) The relevant reputation is that of the 'other' trade mark. It does not concern the reputation of a business more generally. It is the reputation of the trade mark which is the focus of the section.
- (e) Further in respect of the reputation of the 'other' trade mark, there is no requirement that the reputation be referable to the particular class(es) of goods or services for which the applied for mark seeks registration. So the 'other' trade mark's reputation could be with respect to completely unrelated goods or services.
- (f) By reason of the reputation of the 'other' trade mark, the use of the applied for mark must give rise to a likelihood of deception or confusion. The requirement is that use 'would' give rise to that likelihood, not 'could'. So it must be an inevitability, not a possibility.

6. From the commencement of the 1995 Act to the introduction of the amended form of the provision on 23 October 2006, s 60 was in the following form:

*The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:*

- (a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and*
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.*

7. It will be noted that what the amendment did was to remove the requirement of substantial identity or deceptive similarity from the equation. That is, s 60 was only operative if it could be found that the applied for mark was substantially identical or deceptively similar to the 'other' trade mark – or in other words, the applied for mark had to be *at least*

deceptively similar. So the amendment to s 60 removed what may be described as lexical shackles. The amendments made even more plain (to the extent there was any doubt about it) that the question concerning s 60 was palpably rooted in the notion of ‘reputation’ of the ‘other’ trade mark.

8. Before the introduction of the 1995 Act, the question of reputation arose in the registrability context via s 28(a) of the 1955 Act, which stated as follows:

*A mark:*

(a) *the use of which would be likely to deceive or cause confusion;*

....

*shall not be registered as a trade mark.*

9. This former provision has a clear affinity with s 17(1)(a) of the NZ TM Act, which provides:

**17 Absolute grounds for not registering trade mark: general**

(1) *The Commissioner must not register as a trade mark or part of a trade mark any matter –*

(a) *the use of which would be likely to deceive or cause confusion; ...*

**C. THE LEGISLATIVE PURPOSE OF SECTION 60**

10. It has been said that s 60 started its life in the new 1995 Act as part of Australia’s response to its obligations under Art 6 bis of the *Paris Convention for the Protection of Industrial Property*.<sup>2</sup> Article 6 provides for the protection of well-known marks, and is as follows (in its entirety):

Article 6bis  
Marks: *Well-known marks*

- (1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

---

<sup>2</sup> Elkington B et al, *Annotated Trade Marks Act 1995* (2010) at [s.60.10]. The Explanatory Memorandum to the *Trade Marks Bill 1995* says (at p1) that the Bill was introduced “as part of the legislative package necessary to accept the Agreement Establishing the World Trade Organization.”

- (2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.
  - (3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.
11. The layer of protection provided by s 60 for well-known marks is additional to other provisions in the Act, such as the provisions in Part 17 for defensive trade marks and the extended infringement provision s 120(3).
  12. When introduced into the 1995 Act, the Explanatory Memorandum did not provide any substantive material regarding the purpose of s 60, nor in respect of any of the other opposition grounds which were introduced.
  13. However, when s 60 was amended by the *Trade Marks Amendment Act 2006* (Cth), the Explanatory Memorandum (at paragraph 4.10) provided that the reasons for amendments being made to s 60 were as follows:

#### 4.10 TRADE MARK SIMILAR TO TRADE MARK THAT HAS ACQUIRED A REPUTATION IN AUSTRALIA

##### Section 60(a)

1. The intention of section 60 of the Act is to implement Australia's obligations to protect well-known marks under the Paris Convention for the Protection of Intellectual Property and the 1994 World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The provisions have not been written so as to establish a new class of trade marks ("well-known" marks) or to prescribe a particular threshold of how well-known a mark must be. Rather, the test has been written so that it can be applied to all marks. The test depends on the extent of the reputation in Australia that has been acquired by a sign. In light of that reputation, the question to be asked is whether the use of a subsequent trade mark would be likely to result in deception or confusion. Section 60 is a ground for opposition to a trade mark application for registration, which can also be used under section 88 as a basis for cancellation of a registration by the courts.

2. Under the current arrangements the provisions of section 60 require that the applied-for mark be substantially identical with, or deceptively similar to, the trade mark forming the basis of opposition before consideration of any deception or confusion, resulting from the reputation of the opponent's trade mark, can take place. Substantial identity and deceptive similarity are tests undertaken in examination of an application before the opposition process, and have very well established scope.

3. There have been a number of instances where a trade mark has an established reputation in Australia, and use of a subsequently applied-for trade mark would deceive or cause confusion, even though the subsequent trade mark is not substantially identical with, or deceptively similar to the original trade mark. However, because of the way paragraph 60(a) of the Act is written it is not

possible to currently use this provision to prevent registration of a mark which fails the tests for substantial identity or deceptive similarity, but which nevertheless will cause confusion or deception in relation to a well-known mark. The tests for deception and confusion are all well established in judicial authority, and hinge on the question of whether or not a reasonable number of people may be caused to wonder if a trade connection exists between the marks. By removing the requirement for substantial identity or deceptive similarity from section 60, the ground for opposition under section 60 can be used to oppose the registration of a trade mark because of the possible deception or confusion arising solely from the reputation of a trade mark.

4. Under the amended provisions the consideration of oppositions would take into account the extent of the reputation of the opposing mark at the time the opposed mark was applied for, and the likelihood of deception and confusion occurring in the marketplace because of this.

#### 4.10.1 Items 31-32

1. New paragraph 60(a) of the Act provides that a trade mark may be opposed where another trade mark has a reputation, and the registration of the opposed mark will cause confusion or deception in the market place, whether or not the reputation is built on a mark that is identical or deceptively similar to the opposed mark.

14. The motivation for the 2006 amendment and its relationship with Australia's obligations under the TRIPS Agreement were discussed in *Rogers Sellar & Myhill Pty Ltd v Reece Pty Ltd* [2010] ATMO 5. The Delegate (Debrett Lyons) noted (at [60]):

*“The Explanatory Memorandum which accompanied the Trade Marks Amendment Bill states that “the intention of [amended] section 60 of the Act is to implement Australia's obligations to protect well-known marks under the Paris Convention for the Protection of Intellectual Property and the 1994 World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).”*

15. The Delegate (at [60]) also said in relation to the amendment:

*“What can be said then of section 60 as we now find it is that it comprehends that the trade marks under comparison might be quite dissimilar, and yet, taken in combination with the repute of the opponent's trade mark (and possibly other factors), deception or confusion is still more likely than not. Put another way, section 60 now contemplates that an opponent may prevail because of the reputation in the mark on which it relies notwithstanding that the trade marks under comparison may even be quite dissimilar.”*

16. Whether s 60, in either the pre- or post-October 2006 forms, carries out the stated legislative intent to enact Australia's obligations under the Paris Convention and the TRIPS agreement has been the subject of some debate. Unconstrained by the weight of the responsibility in exercising the judicial powers of the Commonwealth, the Trade Marks Office has opined

on the subject: *Rogers Seller & Myhill Pty Ltd v Reece Pty Ltd* [2010] ATMO 5 (discussed separately later in these notes).

***The legislative context for ‘reputation’ and s 60***

17. To understand the role of reputation, and s 60, it is helpful to consider it in the context of other available grounds of opposition and the 1995 Act. These (as they presently stand) are summarised in the following table:

Section	Role of reputation
<b>Section 39</b> – Trade mark is/contains prohibited or proscribed signs	Reputation is not a consideration.
<b>Section 41</b> - Trade mark is not capable of distinguishing the applicant’s goods and/or services	<p>Reputation is not expressly a consideration, but it is invited through the application of s 41(2).</p> <p>See <i>Blount Inc v Registrar of Trade Marks</i> (per Branson J):</p> <p>If the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date of the application, the trade mark does distinguish the designated goods or services as being those of the applicant, the Registrar will not reject the application pursuant to s41(2). The Registrar will, in such circumstances, accept the application unless he or she is satisfied that the application has not been made in accordance with the Act, or that there are grounds, independent of capacity to distinguish, for rejecting the application (s 33(1)). If the applicant fails to establish that because of the extent to which the applicant has used the trade mark before the filing date of the application, the trade mark does distinguish the designated goods or services as being those of the applicant, the Registrar must reject the application pursuant to s41(2).</p>
<b>Section 42</b> – Trade mark is scandalous or contrary to law	Reputation may be a consideration where it is argued that the use of the mark would be contrary to law as being in breach of s 18 of the <i>Australian Consumer Law</i> and related provisions.
<b>Section 43</b> – Trade mark by reason of a ‘connotation’ contained in the mark is likely to deceive or cause confusion	<p>This section refers to “connotation” rather than “reputation” and provides:</p> <p>“An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.”</p> <p>Note that while ‘connotation’ may appear to have some affinity with ‘reputation’, is a different concept.</p> <p>As noted in <i>B Seppelt &amp; Sons Ltd and Tucker Seabrook (Aust) Pty Ltd v Blaxland Vineyards Ltd</i> [2014] ATMO 88:</p> <p>“[13] The Courts have decided that section 43 deals with trade marks that have a misleading or confusing connotation which is inherent in the trade mark itself and not simply the product of confusion arising from the resemblance of the trade mark to a mark used by another. (<i>Registrar of Trade Marks v Woolworths Limited</i> [1999] FCAFC 1020; (1999) 45 IPR 411 at [79] per Branson J). In <i>Big Country Developments Pty Ltd v TGI Friday’s Inc</i> [2000] FCA 720; , [2000] 48 IPR 513, at 521, Wilcox, Kiefel</p>

	<p>and Emmett JJ commented in this manner upon the scope of section 43:</p> <p><i>The case on deception and confusion sought to be made by Big Country and Friday's Australia in the present proceedings is one that falls outside the reasons specified in [section 43]. It does not depend upon some connotation in the registered mark, but upon its similarity to a name used by Big Country and others. So the alleged deception or confusion is not for a reason covered by s43.</i></p> <p>[14] Circumstances most clearly intended to be addressed by section 43 occurred in the <i>VITAMIN</i><sup>[4]</sup> and <i>ORLWOOLA</i><sup>[5]</sup> cases. In those cases, there was a danger the public might make a reasonable, but incorrect, assumption about a product based upon the trade mark, which could not easily be confirmed or discounted by even close inspection of the product.</p> <p>[15] The connotation need not be limited to the physical character of the relevant goods. The confusion might result from a connotation of the imputed trade mark of an association with unrelated person or business. In <i>Down to Earth (Victoria) CoOperative Society Ltd v Schmidt</i> [1998] ATMO 10; (1998) 41 IPR 632 at 644 the Court said:</p> <p><i>... considerations under s43 concentrate on the matter within the trade mark that could cause deception or confusion in the mind of the relevant buying public. For example, deception or confusion could arise in regard to the character of the services (or goods) or the implied endorsement or licence of services (or goods) by a person or organisation.</i></p> <p>[16] Further, the Registrar's delegate in <i>Playboy Enterprises International v Auszan Pty Ltd</i> (2006) 68 IPR 332 noted at p337 that:</p> <p><i>[A] sign contained within a trade mark might contain a deceptive or confusing connotation if it resembles or signifies a particular sign which is so ubiquitous, of longstanding, or notorious that it has entered Australian parlance or is shown to have become accepted generally in Australia as connoting a particular person, entity or event or connoting a particular meaning (whether or not that particular sign has trade mark significance)."</i></p>
<p><b>Section 44</b> – Substantially identical / deceptively similar trade marks</p>	<p>Reputation may be a consideration via s 44(3)(b). The notions of honest concurrent use and prior continuous use inherently involve consideration of factors which have reputational overtones.</p> <p>Reputation is also relevant to assessing 'deceptive similarity' - see by way of example, the <i>Registrar of Trade Marks v Woolworths</i> [1999] FCAFC 1020; (1999) 93 FCR 365 at [61], discussed further below. There it was said by French J (as he then was) that the "degree of notoriety or familiarity" of the mark/name may be taken into account as part of considering the question of deceptive similarity. Note also the observations of Delegate (Michael Kirov) in <i>Red Bull GmbH v Total Eden Pty Ltd</i> [2015] ATMO 67 at [42].</p>
<p><b>Section 58</b> – Registration may be opposed on the ground that the applicant is not the owner of the trade mark</p>	<p>Reputation is not a consideration.</p>
<p><b>Section 58A</b> – Registration may be opposed on the ground that the opponent has prior use of a similar trade mark</p>	<p>Reputation is not strictly a consideration, but see the remarks above regarding s 44.</p>

<b>Section 59</b> – Registration may be opposed on the ground that the applicant does not intend to use the trade mark	Reputation is not a consideration.
<b>Section 60</b> – Registration may be opposed on the ground that use of the trade mark may confuse or deceive because of another trade mark with a reputation in Australia	Reputation is the key to this ground of opposition.  In this ground, the reputation of another mark may provide a basis for opposing registration.
<b>Section 61</b> – Registration may be opposed on the ground that the trade mark contains or consists of a false geographical indication	Reputation may assist in overcoming this ground in relation to 3(b) and 4(c).
<b>Section 62</b> – Registration may be opposed on the grounds of improper amendment or acceptance on the basis of evidence or submissions false in material particulars	Reputation is not a consideration.
<b>Section 62A</b> – Registration may be opposed on the ground that the application was made in bad faith	Reputation is not a consideration.

18. The text of each of these provisions is set out in Annexure ‘A’.

**D. HOW IS REPUTATION DEFINED OR CHARACTERISED FOR THE PURPOSES OF SECTION 60?**

***What is ‘reputation’?***

19. As a general proposition, the cases (both before the Trade Marks Office and the Courts) have said little on precisely what constitutes ‘reputation’. Rather, greater attention has been paid to describing how reputation may be proven, or in what circumstances it has not been established (and why).

20. In the context of passing off, the notion of ‘reputation’ was stated in the following terms by Powell J in *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1980] 2 NSWLR 864 at 865 (upheld by the Privy Council on appeal – see [1980] 2 NSWLR 851):

*“...the true test is, whether the name or ‘badge’ has become, among those commonly concerned to buy goods of the type in question, or to deal with business of the type in question, distinctive of the plaintiff’s goods or business...”*

and further:

*“If it be established that the name or ‘badge’ has, in fact, become distinctive in the relevant sense it matters not that purchasers or customers do not know the identity of manufacturer of the goods or of the proprietor of the business.”*



21. Perhaps seizing upon ‘distinctiveness’, for the purposes of assessing ‘reputation’ under the Aus TM Act, has been avoided so as not to enliven any conflict with the notion of distinctiveness as it appears in s 41. But that is a matter of conjecture only.
22. Useful observations regarding the notion of ‘reputation’ in the context of trade mark registrability was given by the Delegate (Iain Thompson) in *Hugo Boss AG v Jackson International Trading Company Kurt D Bruhl Gesellschaft mbH & Co KG* (1999) 47 IPR 423 at 436 (**Hugo Boss**):

*“As regards a trade mark, its reputation derives both from the quantum of sales under that mark and also the esteem, or image, projected by that trade mark. The quantum of sales, advertising and promotion contributes to the **“recognition” component** of the trade mark’s reputation. The credit, image and values projected by a trade mark attaches to the **“esteem” component** of the reputation as do the public events and other trader’s marks with which [the] owner of the trade marks in question chooses to associate the trade marks via sponsorships, cross-promotions, “contra deals” and so forth.”*  
[emphasis added]

23. The notion that reputation comprises the elements of ‘recognition’ and ‘esteem’, as suggested by the Delegate, was endorsed (and followed) by Kenny J in *McCormick & Co Inc v McCormick* (2000) 51 IPR 102 at 127. After considering the Macquarie and Oxford English Dictionary definitions of the word ‘reputation’, Kenny J said at [81]:

*“In s 60, the word is, I think, apt to refer to ‘the recognition of the McCormick & Co marks by the public generally’.”*

24. That reputation means the recognition of the mark by the public generally, as the hallmark of the term, was endorsed by the Full Court (Jacobson, Yates and Katzmann JJ) in *Austin, Nichols & Co Inc v Lodestar Anstalt* (2012) 287 ALR 221 at 231 [45].

***Judicial and Trade Mark Office commentary has focussed on how to establish reputation***

25. Starting with the Trade Mark Examination Manual, it provides the following guidance as to the evidence required to establish reputation<sup>3</sup>:

*“The opponent must establish the reputation of the other trade mark as a matter of fact. There are no “clear and universally applicable guidelines” for establishing reputation (*Renaud Cointreau & Cie v Cordon Bleu International Ltee* [2001] FCA 1170). It can, for example, be demonstrated through direct evidence of consumer appreciation of the trade mark (*ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 23 IPR 193) or it can be inferred from a high volume of sales combined with substantial advertising figures and other promotions (*McCormick & Company, Inc v McCormick* [2000] FCA 1335).*

*In *Tivo Inc v Vivo International Corporation Pty Ltd* [2012] FCA 252 Dodds-Streton J noted:*

*The authorities ... recognise that even in the absence of sales or use, a mark may acquire a reputation in Australia by the means of direct*

<sup>3</sup> IP Australia Trade Mark Examination Manual para 4.5.1.

*preliminary marketing, direct advertising, indirect advertising, exposure in radio, film, newspapers and magazines or television, or because the mark has a reputation in another country which can be shown to have extended to Australia.*

The reputation must be reputation as a trade mark (*Fry Consulting Pty Ltd v Sports Warehouse Inc (No 2)* [2012] FCA 81).”

26. In the oft-cited case of *McCormick & Co Inc v McCormick* [2000] FCA 1335; (2000) 51 IPR 102 at 127, Kenny J noted that reputation could be established in a number of ways:

*“[85] It may be correct to say...that the volume of the company’s sales does not directly establish that a significant number of people held the McCormick & Co marks, as distinct from the company’s products, in favourable regard. It does not follow, however, that the volume of sales and promotional expenditures are irrelevant. As Hearing Officer Thompson observed in Hugo Boss AG v Jackson International Trading Company Kurt D Bruhl Gesellschaft mbH & Co KG (1999) 47 IPR 423 at 436 (Hugo Boss):*

*[I]t is true that the assessment of the reputation of a trade mark goes far beyond mere examination of sales or turnover of goods sold under that trade mark and contemplation of the advertising and promotional figures.*

*As regards a trade mark, its reputation derives both from the quantum of sales under that mark and also the esteem, or image, projected by that trade mark. The quantum of sales, advertising and promotion contributes to the “recognition” component of the trade mark’s reputation. The credit, image and values projected by a trade mark attaches to the “esteem” component of the reputation as do the public events and other trader’s marks with which [the] owner of the trade marks in question chooses to associate the trade marks via sponsorships, cross-promotions, “contra deals” and so forth.*

*It follows that a trade mark used in relation to goods with comparatively low sales may have a high and strong reputation by virtue of the high credit or esteem in which it is held or, conversely, that a trade mark which has very high sales may have a strong reputation notwithstanding the lack of esteem that attaches to it. The particular popular images, or sets of values, that attach to the trade mark are also, therefore, important parts of the reputation of the trade mark and may be as strong an associative force in the minds of the public as the association of the trade marks with the goods or services themselves.*

*[86] In practice, it is commonplace to infer reputation from a high volume of sales, together with substantial advertising expenditures and other promotions, without any direct evidence of consumer appreciation of the mark, as opposed to the product: see, e.g., *Isuzu-General Motors Australia Ltd v Jackeroo World Pty Ltd* (1999) 47 IPR 198; *Marks & Spencer plc v**

*Effem Foods Pty Ltd (2000) AIPC 91-560; Photo Disc Inc v Gibson (1998) 42 IPR 473; and RS Components Ltd v Holophane Corp (1999) 46 IPR 451. This Court has followed this approach as well, acknowledging that public awareness of and regard for a mark tends to correlate with appreciation of the products with which that mark is associated, as evidenced by sales volume, amongst other things. Thus, in Toddler Kindy Gymparoo Pty Ltd v Gymboree Pty Ltd [2000] FCA 618 ("Gymboree"), Moore J accepted at [94] that the applicant had established a reputation for the purposes of s 60 solely on the basis of use and promotion of the relevant mark. Another example of this approach is Nettlefold Advertising Pty Ltd v Nettlefold Signs Pty Ltd (1997) 38 IPR 495 ("Nettlefold"), in which Heerey J relied upon the public visibility of the applicant's marks over approximately two decades as well as a \$100,000 promotional campaign in finding that a reputation for the purposes of s 28 of the 1955 Act existed."*

27. In *Le Cordon Bleu BV v Cordon Bleu International Ltee* (2001) 50 IPR 1 at [91], Heerey J said:

*"...the reputation contended for by the French companies would have to be one of which a significant or substantial number of persons were aware: ConAgra at FCR 346. What is "significant" or "substantial" will depend on the nature of the goods or services in question. For some highly specialized products, awareness among a few thousand persons, or even less, might be sufficient. But for present purposes the French companies have to establish a reputation for the Paris school of a kind and extent which would create a "real, tangible danger" (Southern Cross at CLR 595) of deception or confusion among persons who are potential consumers of goods within the class of goods for which the Canadian mark is registered. We are here concerned with foodstuffs sold in supermarkets, delicatessens, milk bars and other retail outlets. The relevant market is virtually the entire Australian population from early teenage years onwards. The witnesses called by the French companies were mainly cooking professionals. The only exceptions were Mrs Duncan, a keen amateur cook and recipe collector, and Mrs Luscombe, whose sweeping generalisations were unsupported by personal experience or empirical evidence. The characteristic that the witnesses Adams, Gibbs and Fulton have in common is that they are food industry professionals. It is in connection with that characteristic that their knowledge of the Paris school is derived. Yet it is this characteristic that makes them untypical of consumers as a whole. It is impossible to extrapolate the knowledge of these witnesses to the Australian population at large: cf ConAgra at FCR 349."*

28. On appeal, the Full Court in *Renaud Cointreau v Cordon Bleu International Ltd* [2001] FCA 1170; (2001) 193 ALR 657 upheld the primary judge's approach and observed (at [75]) that *"his Honour correctly stated the test as being whether the reputation [of the mark] is one of which a significant number of people would be aware."*
29. In *Pfizer Products Inc v Karam* (2006) 237 ALR 787 (in which the owners of the VIAGRA mark were successful, on appeal, in opposing the registration of HERBAGRA, HERB AGRA, HERB-AGRA in respect of goods in class 5), Gyles J said:

[29] *Silverstein dealt with the history, advertising and promotion of the product, advertising expenditure, sales of the product, trade mark registrations and, in relation to the reputation of VIAGRA, attached a representative sample of articles mentioning the product which have appeared in various United States publications with international circulations from newspapers, magazines and medical publications. Glover dealt with the history of VIAGRA, advertising of the product in Australia, the sales of the product bearing the trade mark in Australia, Australian trade mark protection and the reputation of VIAGRA. A good deal of material was produced in relation to reputation including market research, radio transcripts, media reports covering print and electronic media and the internet. Evidence also establishes that Pfizer is the only owner of a trade mark registration class 5 for a mark containing the '-AGRA' suffix. The product in relation to which Pfizer uses the trade mark was the first oral treatment for erectile dysfunction, both in Australia and internationally. 'VIAGRA' is an invented word. The product was launched in Australia in September 1998.*

[30] *The delegate, having considered that material, was satisfied that the VIAGRA marks were very well known in Australia and enjoyed a considerable reputation, both literally and for the purposes of the 1995 Act. I can only agree.*

30. This case provides a good demonstration of the variety of evidence that can be used to establish 'reputation' in a trade mark. It also provides a good demonstration of the way in which that very reputation can work against the opponent where a mark is "too well known" (some further examples appear later in this paper). It is convenient to note at this point that when Pfizer's opposition was considered by the Registrar's delegate (*Pfizer Products Inc v Karam* [2005] ATMO 60), Pfizer was unsuccessful on all grounds of opposition. In relation to section 60 in particular, the Registrar's delegate said the following:

*"[40] I am not satisfied that the marks are deceptively similar. The ideas of the mark are quite different, notwithstanding a common suffix. As the opponent suggested, the prefix suggested vigor, vibrancy and vitality, and the otherwise meaningless word is suggestive of the famous waterfalls at Niagara. The imagery is one of potency, as I imagine the opponent would have wished.*

*[42] The applicant's mark is suggestive of something herbal. I do not consider that the dysfunctional yet discerning prospective customer would be likely to consider the products came from the same source. At worst, they could, as suggest.*

*[43] I consider that Australian market generally, and certainly for such products, is quite "trade mark savvy", and appreciates the importance that merchants place on their trade marks. Consumers would know that the VIAGRA trade mark is extremely well known. They would expect any varieties of the product to include the well known mark with a modifier. For example a herbal version could be expected to be HERBAL VIAGRA, or a weaker version for consumers with a lesser dysfunction might be VIAGRA LITE.*

*[44] I dismiss this ground of opposition."*

31. *In Vivo International Corporation Pty Ltd v Tivo Inc* (2012) 99 IPR 1, confirming the decision of Dodds-Streeton J at first instance, Keane CJ (as he then was) said the following:

[56] *The primary judge noted at [309] that:*

*[Section] 60 does not require a reputation amongst any particular proportion or number of the Australian population, the authorities indicate that a “significant” or “substantial” number of people or potential customers is required.*

[57] *Reputation for the purposes of s 60 may be established in a number of ways, which include a high volume of sales, direct advertising, use and promotion. The primary judge also noted at [336]: The authorities ... recognise that even in the absence of sales or use, a mark may acquire a reputation in Australia by the means of direct preliminary marketing, direct advertising, indirect advertising, exposure in radio, film, newspapers and magazines or television, or because the mark has a reputation in another country which can be shown to have extended to Australia.*

[58] *The primary judge found that, because of the relatively small number of users and their level of sophistication which would preclude any real danger of confusion between the products, reputation within this group of enthusiasts alone would be insufficient to establish the reputation required by s 60. TiVo was, however, able to rely on the use and reputation of the mark among the early users group in conjunction with the large volume of references to TiVo in newspapers, magazines, websites, films and television programs published in Australia prior to 18 February 2008.*

[59] *In this regard, there was evidence of the publication of 630 articles in the Australian media, five major films screened in Australia (three of which were broadcast on television), 19 episodes of television programs broadcast in Australia and 42,100 web pages published on Australian websites all of which contained references to TiVo prior to 18 February 2008. In particular, TiVo relied on 170 of the 630 articles mentioning the TiVo DVR which provided an in depth explanation of its function.*

[60] *The primary judge concluded at [440]-[441] that:*

*... Allowing, however, that many of the articles, websites, programmes and films contained only passing references to the TiVo trade mark and product, their total volume was great, and the subset which made detailed reference to TiVo was also very considerable. About 170 articles made substantial reference to TiVo. The treatment of TiVo in the particular television programmes described above, although relatively brief, was highly descriptive. While I am not persuaded that reputation in this context requires a favourable estimation, the fanciful or*

*humorous presentation was, in my view, likely to expose TiVo's advantages and in that sense fix it favourably in the mind. The cumulative circulation of references, descriptions and expositions of TiVo in the various media increasingly over the course of the decade amounted to a total exposure on an enormous scale. Although diverse and not direct advertising, the references and exposures, in some instances at least, may have been more effective in creating a reputation.*

*As TiVo submitted, some articles incorporated cross-reference to treatment of TiVo in other media. While the exposure may have entirely eluded some members of the public, it is probable that considerable numbers saw references in various media on more than one occasion and a significant number imbibed or acquired a recognition of the TiVo trade mark....”.*

32. In *Austin, Nichols & Co Inc v Lodestar Anstalt* [2012] FCAFC 8, the Full Court (Jacobson, Yates and Katzmann JJ) (in the context of removal for non-use and the exercise of the discretion under s92) said:

[45] *“Reputation” in this context means the recognition of the mark by the public generally: McCormick & Co Inc v McCormick (2000) 51 IPR 102 (“McCormick”) at [81]. Although reputation is commonly inferred from such evidence as a high volume of sales and substantial advertising and promotional expenditure (see McCormick at [86]), here there was neither direct evidence of consumer appreciation of the WG mark nor sufficient evidence from which reputation could be inferred. Although the evidence was sufficient to show that Wild Geese whiskey had acquired an international profile, the evidence of any penetration of the brand into the Australian market was weak and certainly not enough to show that confusion could arise if the WG mark were removed from the Register.*

***Overview in light of the above***

33. In practice, we see that evidence of reputation can be approached in a variety of ways. The following general propositions can however be gleaned from case authorities:
- (a) Section 60 is concerned with the reputation of the mark, not the reputation of the product or the business (*McCormick*).
  - (b) It is necessary to establish reputation of which a “significant” or “substantial” number of persons in the relevant market were aware (*Con Agra, Le Cordon Bleu*).
  - (c) Reputation may be inferred from a high volume of sales, advertising expenditures and other promotions (*McCormick*), without direct evidence of consumer appreciation of the mark, as opposed to the product, but this is not as persuasive as direct evidence of consumer appreciation (*Austin, Nichols v Lodestar Anstalt*).
  - (d) Evidence of the amount of money spent on advertising only tells part of the story. If we undertake the extra step of providing evidence of the extent of circulation of

print advertisements, the number of viewers of television advertisements, the number of views of internet advertisements and independent market surveys as to the reputation of a trade mark, then this will be all the more persuasive (see paras [317] ff of the first instance decision *Tivo Inc v Vivo International Corporation Pty Ltd* [2012] FCA 252).

## E. ISSUES/TRENDS IN THE OPERATION OF SECTION 60

### *Observations regarding the provision in practice, after 10 years (since 2006 amendment)*

34. *First*, the vexed question remains: ‘how much evidence is enough?’ Despite all the guidance on what types of evidence are regarded as appropriate to aid in establishing reputation, how much evidence is necessary is ultimately still a nebulous concept. To err on the side of caution, and lead ‘more’ than ‘less’, exposes the risk of observations of the kind made in *Virgin Enterprises Ltd v Virgin Star Pty Ltd* (2005) 67 IPR 554 at [30] (Tamberlin J).
35. As part of this evidentiary question, survey evidence may play a role but it has not been elevated to any special status. In the recent decision in *The Coca-Cola Company v Frucor Beverages Limited* [2016] ATMO 38 survey evidence was led in relation to the question of distinctiveness. The Delegate (Michael Kirov) said:

[96] This leads me now to a consideration of the survey evidence relied upon by the Applicant, said to be reliable and objective in establishing that for “a substantial number” of relevant consumers the Claimed Mark was distinctive of the Applicant’s Energy Drinks by the Filing Date. The survey was conducted at the Applicant’s request in January 2015 by a research and consulting firm (“**the Survey**”). Garreth Chandler has been Managing Director of that firm since establishing it in 2010 and Mr Chandler’s two declarations outline the Survey’s methodology and results. He explains that the 1,076 participants whose responses were ultimately sampled were selected from amongst a potential pool of “over 1.4 million active consumers in Australia, all of different ages, genders and locations” who were registered with an online data research organization. The 1,076 participants were the people who had responded positively to emailed invitations from that organization to take part. The participants then completed the Survey online. As Mr Chandler explains, the responses were then winnowed further in that only the responses from those participants who had answered yes to a pre-survey question confirming they had purchased an energy drink product in the previous four weeks were collated and analysed:

*In order to conduct a survey which is representative of a particular target audience, all participants of the Survey are asked whether they have undertaken any or all of a range of carefully selected activities in the last week. The subset of those who had purchased an energy drink product in the last four weeks was used as the basis for analysis on this study because this is the consumer market to which the product relevant to the Trademark Application pertains.*

- [97] In subsequently analyzing the results, Mr Chandler says “the sample was stratified” so as to be representative of the adult population of Australia taking into account State, age and gender.
36. The survey questions were then dissected, and the methodology scrutinised, at [98]-[110] of the decision, before the Delegate concluded at [111]:
- “In summary I am not satisfied that the Survey establishes the Claimed Mark had become distinctive of the Applicant’s Energy Drinks by the Filing Date.”*
37. *Second*, s 60 has nevertheless become a very potent weapon, particularly in the opposition context. That is manifested by at least the following:
- (a) it is not uncommon to see cases before the Delegate in which, having found the s 60 ground established, other grounds of opposition have then not been considered: see as recent examples *Skyy Spirits, LLC v Blue Sky Brewery Holdings Pty Ltd* [2016] ATMO 21 (31 March 2016) *Catholic Metropolitan Cemeteries Trust v Bendigo Cemeteries Trust* [2016] ATMO 30 (13 May 2016).
  - (b) there are cases where or where the parties have relied on section 60 and no other ground of opposition: see recent examples *McDonald’s Corporation v Mark Vincent Glaser* [2016] ATMO 22 (11 April 2016) and *Tax Tips Pty Ltd v Xact Taxation Pty Ltd* [2016] ATMO 25 (29 April 2016).
38. *Third*, a practice has developed (at least in the opposition context) that the s 60 ground is often run in tandem with s 42(b), and it is submitted that the decision regarding s 60 will follow the decision in respect of s 42(b), and vice versa (a recent case which was decided under s 42(b) alone, but involved discussion of s 60, is: *Target Australia Pty Ltd v Catchoftheday.com.au Pty Ltd* [2015] ATMO 54).
39. Used in this way, s 60 is not being advanced as an independent ground, in the way that say s 58 is utilised. There is perhaps a tendency to perceive s 60 as operating synonymously with s 42(b).
40. *Fourth*, although the 2006 amendments removed the requirement for there to be at least deceptive similarity between the applied for mark and the other mark, and so it may be said that the amendments introduced that the marks could be therefore be quite dissimilar, this did not eradicate the extent of similarity between the marks as a relevant factor in deciding whether s 60 is satisfied.
41. For example, in *Qantas Airways Limited v Edwards* [2016] FCA 729 at [142], Yates J said:
- “That said, I accept that, for the purposes of s 60 of the Act, the degree of similarity between the allegedly conflicting marks will be a relevant consideration to be taken into account when considering the likelihood of confusion resulting from use of the opposed mark.”
42. See also *Rogers Seller & Myhill Pty Ltd v Reece Pty Ltd* [2010] ATMO 5 at [39]:



“Confusion can not arise *solely* from the reputation of one trade mark. There must always remain a level of similarity between the marks, whether we call it deceptive similarity or something less, and no matter how small it might be. The likelihood of confusion must depend on the reputation of the opponent’s trade mark, but have regard (amongst other factors) to the level of similarity of the goods/services and the degree of similarity of the trade marks, greater or smaller.” [emphasis added]

43. *Fifth*, the broad scope of s 60 is such that it may be upheld even where the goods/services of the applied for mark are wholly dissimilar to the ‘other’ mark. However, the degree of similarity between the applied for good/services and those of the ‘other’ mark has become a relevant consideration. See for example *Rogers Sellar & Myhill Pty Ltd v Reece Pty Ltd* [2010] ATMO 5 at [39] (quoted above).
44. *Sixth*, case law has confirmed that it is unnecessary to establish any reputation of the ‘other mark’ in the goods/services of the applied for mark. See for example *Qantas Airways Limited v Edwards* [2016] FCA 729 at [143] (Yates J):

“A further matter to note in relation to the s 60 objection is that, contrary to the respondent’s submission, the “other” mark need not have acquired a reputation in Australia that is specific to the goods or services which are the subject of the opposed application. However, I accept that if such a reputation does exist at the relevant time, it is likely to be a most material consideration to be taken into account when considering the likelihood of confusion resulting from use of the opposed mark.” [emphasis added]

45. *Seventh*, there is a propensity for a s 60 case to be determined by what may be termed a ‘generalised analysis’. This echoes the warning sounded in the context of trade mark infringement by Mark Davison’s paper “*Reputation in trade mark infringement: why some courts think it matters and why it should not*” [2010] UMonash LRS 15:

“*The compartmentalization of the different elements of infringement (and, if relevant, the validity of the registration) is critical to the integrity of the registration system. To do otherwise invites a descent into generalized consideration of whether consumers were confused or likely to be confused by the defendant’s conduct, assessed in its entirety, having regard to the trade mark owner’s reputation. Once that point is reached, the value of registering a trade mark is significantly diminished as too are the general advantages associated with the system of registration.*”

***Determining the likelihood of deception/confusion – an exercise in idiosyncratic reasoning?***

46. In addition to the inquiry into ‘reputation’, s 60 requires that it be “*likely*” that deception or confusion will be caused by use of the applied for mark. The level of satisfaction is ‘likelihood’ only. What matters inform a decision in that regard?
47. As to that question, the Trade Mark Examination Manual provides the following guidance<sup>4</sup> [emphasis added]:

<sup>4</sup> IP Australia Trade Mark Examination Manual at para 4.5.2.

“Determining the likelihood of deception or confusion resulting from use of the applied-for trade mark because of the reputation of the other trade mark requires the consideration of several issues including the similarity, or otherwise, of the trade marks. Although section 60 makes no reference to this aspect it is headed “Trade mark similar to trade mark that has acquired a reputation in Australia”. In *Rogers Seller & Myhill Pty Ltd v Reece Pty Ltd* [2010] ATMO 5 the Registrar’s delegate stated:

*Confusion can not arise solely from the reputation of one trade mark. There must always remain a level of similarity between the marks, whether we call it deceptive similarity or something less, and no matter how small it might be. The likelihood of confusion must depend on the reputation of the opponent’s trade mark, but have regard (amongst other factors) to the level of similarity of the goods/services and the degree of similarity of the trade marks, greater or smaller.*

The nature of the trade mark with the reputation also needs to be considered – whether it is general or special in character (*Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592, 608) – as does the nature of the goods for which the trade mark has the reputation. Are they commonplace or restricted to a niche market. Is there a consumer expectation of ‘brand extension’ (*Campomar Sociedad, Limitada v Nike International Ltd* (1998) 41 IPR 252).

The opponent must show that there is a real tangible danger of deception or confusion (*Registrar of Trade Marks v Woolworths Ltd* [1999] FCA 1020) among a ‘significant’ or ‘substantial’ number of consumers. The assessment of what is ‘significant or substantial’ must be properly and sensibly applied (*Bali trade mark* (1969) RPC 472) and may depend on the specialised nature of the relevant market (*Le Cordon Bleu BV v Cordon Bleu International Ltee* [2000] FCA 1587).”

48. In light of the above, the Trade Marks Office regards the following as matters relevant to the assessment of likelihood of confusion/deception:
- (a) the similarity, or otherwise, of the trade marks.
  - (b) the level of similarity of the goods/services.
  - (c) the reputation of the ‘other’ trade mark.
  - (d) the nature of the trade mark with the reputation – whether it is general or special in character.
  - (e) the nature of the goods/services for which the ‘other’ trade mark has the reputation - are they commonplace or restricted to a niche market.
  - (f) is there a consumer expectation of ‘brand extension’?
49. As to the exercise involved in assessing the likelihood of confusion/deception, in *Pottle Productions Inc v Rute Ithalat Ve Ihracat Anonim Sirketi*–[2012] ATMO 124, which concerned the ‘WORLD’S NEXT TOP MODEL’ logo, the Registrar’s delegate observed

at [40] that [*emphasis added*]:

“The assessment of the likelihood of deception or confusion under section 60 is informed by the strength of the reputation of the Opponent’s trade mark(s), the inherent distinctiveness thereof, the degree of similarity between the trade marks under consideration and the nexus or connection between the goods and/or services of the parties. Each of these is a variable and it is possible that a trade mark’s reputation might be sufficiently strong and the degree of similarity to an opposed trade mark be so great (particularly where the trade marks are inherently distinctive) that confusion or deception will be a likelihood where very little, if any, nexus or connection exists between the goods and/or services under consideration.”

50. Recently in *Qantas Airways Limited v Edwards* [2016] FCA 729, Yates J observed [*emphasis added*]:

[142] It is to be noted that, unlike the s 44(1) objection, the objection under s 60 of the Act is not based on the requirement that the allegedly conflicting marks are substantially identical or deceptively similar. The question is purely one of prior reputation. Thus, even if the allegedly conflicting marks are, say, deceptively similar (a contention I have rejected in relation to the 1984 kangaroo/tail fin mark and the opposed mark), the s 60 objection will not be established if the reputation of the “other” trade mark is such that use of the opposed mark is, nonetheless, not likely to result in a real risk of confusion, in the trade mark sense; for an illustration, see *Cantarella Bros Pty Ltd v Muller and Kennedy* (2007) 74 IPR 409; [2007] ATMO 62. That said, I accept that, for the purposes of s 60 of the Act, the degree of similarity between the allegedly conflicting marks will be a relevant consideration to be taken into account when considering the likelihood of confusion resulting from use of the opposed mark.

[143] A further matter to note in relation to the s 60 objection is that, contrary to the respondent’s submission, the “other” mark need not have acquired a reputation in Australia that is specific to the goods or services which are the subject of the opposed application. However, I accept that if such a reputation does exist at the relevant time, it is likely to be a most material consideration to be taken into account when considering the likelihood of confusion resulting from use of the opposed mark.

[145] The standard of “confusion or deception” under s 60 of the Act is the same as under s 44(1) of the Act. Therefore, the principles quoted from *Woolworths* at [130] above, apply here.

[172] ...it is not an element of the s60 objection that the opposed mark and the “other” mark are substantially identical or deceptively similar. But given the way in which the appellant’s case is framed, I am unable to see how, absent a finding of deceptive similarity between the competing marks, it can be argued cogently that, at the priority date, use of the opposed mark in respect of the respondent’s goods would have been likely to deceive or cause confusion.

51. As to the standard of confusion or deception, Yates J at [130] under the heading ‘Deceptive similarity’ observed regarding *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 [*emphasis added*]:

[130] In *Woolworths*, French J said (at [50]):

In *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* at 594–595, which concerned the 1905 Act, Kitto J set out a number of propositions which have frequently been quoted and applied to the 1955 Act. The essential elements of those propositions continue to apply to the issue of deceptive similarity under the 1995 Act. Applied also to service marks and absent the imposition of an onus upon the applicant they may be restated as follows:

- (i) To show that a trade mark is deceptively similar to another it is necessary to show a real tangible danger of deception or confusion occurring. A mere possibility is not sufficient.
- (ii) A trade mark is likely to cause confusion if the result of its use will be that a number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source. It is enough if the ordinary person entertains a reasonable doubt.

It may be interpolated that this is another way of expressing the proposition that the trade mark is likely to cause confusion if there is a real likelihood that some people will wonder or be left in doubt about whether the two sets of products or the products and services in question come from the same source.

- (iii) In considering whether there is a likelihood of deception or confusion all surrounding circumstances have to be taken into consideration. These include the circumstances in which the marks will be used, the circumstances in which the goods or services will be bought and sold and the character of the probable acquirers of the goods and services.
- (iv) The rights of the parties are to be determined as at the date of the application.
- (v) The question of deceptive similarity must be considered in respect of all goods or services coming within the specification in the application and in respect of which registration is desired, not only in respect of those goods or services on which it is proposed to immediately use the mark. The question is not limited to whether a particular use will give rise to deception or confusion. It must be based upon what the applicant can do if registration is obtained.

In respect of the last proposition, Mason J observed in *Berlei Hestia Industries Ltd v Bali Co Inc* (1973) 129 CLR 353 at 362:

“the question whether there is a likelihood of confusion is to be answered, not by reference to the manner in which the respondent has used its mark in the past, but by reference to the use to which it can properly put the mark. The issue is whether that use would give rise to a real danger of confusion.”

52. Additional matters from the case law which also inform the answer to the question of likelihood of deception/confusion are:
- (a) it is necessary to show a real tangible danger of deception or confusion occurring. A mere possibility is not sufficient.
  - (b) a trade mark is likely to cause confusion if the result of its use will be that a number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source. It is enough if the ordinary person entertains a reasonable doubt.
  - (c) In considering whether there is a likelihood of deception or confusion all surrounding circumstances have to be taken into consideration.
  - (d) The question is not limited to whether a particular use will give rise to deception or confusion. It must be based upon what the applicant can do if registration is obtained.
53. Given the above, the assessment of likelihood of deception/confusion has the hallmarks of a highly idiosyncratic process.

***What happens when a trade mark is too well-known?***

54. There is a prospect that, after applying the varied considerations relevant to the assessment of whether s 60 is met, it may be concluded that there is no likelihood of confusion/deception. One potent reason for reaching such a conclusion is that the ‘other’ trade mark is too well known, and so the requisite prospect (ie. “likelihood”) does not arise.
55. Although not a s 60 case (it was a s 120 infringement suit), the facts of and findings in *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCAFC 174 are useful for present purposes.
56. The case concerned Mars’ registered trade marks for ‘Maltesers’. Mars argued that Sweet Rewards, by the distribution and sale of its chocolate covered malt ball product, under the “Maltitos” brand, had:
- (a) infringed the trade marks;
  - (b) signified and represented to consumers and traders that its product was associated with Maltesers, originated from the same source or origin as Maltesers, and was associated with the source or origin of Maltesers; and
  - (c) represented to consumers and traders that its product was associated with or had the endorsement, approval, sponsorship or licence of Mars; represented to consumers and traders that its product was made from the same ingredients as Maltesers, was

made to the same recipe as Maltesers, and provided the same taste and other sensory experience as Maltesers when eaten.

57. Both the primary judge and the Full Federal Court rejected each of these allegations. Relevantly, the Full Federal Court said the following [*emphasis added*]:

[13] *The primary judge concluded at [32] that, because the principal component in the Maltesers get-up is the word “Maltesers”, it is highly unlikely that any ordinary consumer of chocolate confectionary could mistake something which is not called a Malteser for a Malteser. His Honour then said: ‘In that sense, Mars is a victim of its own success’. In his Honour’s view, the fact that the Delfi jars carry the name “Malt Balls” and use slightly different visual features is sufficient to distinguish them from the Maltesers products. The primary judge concluded that no ordinary person could think that the product of Sweet Rewards in the form in which it is presently marketed misleadingly resembles the Maltesers products.*

[14] *His Honour also considered that the word “Delfi” with the skier motif next to it, emblazoned on the label in print half the size of the words “Malt Balls”, is a significant feature that finds no counterpart in the Mars get-up for Maltesers.*

[15] *The primary judge seemed to accept, on the evidence, that “Malt Balls” was a term of ordinary usage to describe the product (at [40]) and such products had previously been sold. His Honour concluded that it is the word “Maltesers” that is the most important part of the Maltesers get-up and that the use of the words “Malt Balls” alone would be highly unlikely to mislead members of the public into thinking that they were eating a Malteser.*

...

[25] *We are of the view that the primary judge was correct in finding that the distinguishing feature of the Maltesers get-up and trade marks, as a whole, is the word “Maltesers”. The other features relied on by Mars, namely the red colour and the pictures of the malt balls product in the whole and cut through, are not distinguishing features of the Mars product. The colour red and the depiction of the product, both whole and cut through in cross-section, are, on the evidence, commonplace in confectionary packaging. The features relied upon by Mars to distinguish its product, other than the word “Maltesers”, do not alone or in combination do so.*

[26] *In our view, the overall impression in the imperfect recollection of the consumer of the Mars trade marks is of the word “Maltesers”.*

58. Another example of a well-known mark is *Nikon Corporation v Nison Engineering Co Pty Ltd* [2014] ATMO 95 in which Nikon was opposing the registration of the logo:



by Nison Engineering for the following goods:

- Class 6** Shop display fittings of metal (other than furniture); Shop fitting apparatus of metal (other than furniture); Shop fittings of metal.
- Class 7** Refrigeration compressors.
- Class 11** Commercial refrigeration units; Refrigerating machines for use in industrial refrigeration; Refrigeration cabinets for alcoholic beverages; Refrigeration cabinets for non-alcoholic beverages; Refrigeration in the form of benches; Refrigeration installations; Refrigeration units; Extractor hoods for kitchens; Kitchen ranges (ovens); Kitchen stoves.
- Class 20** Kitchen cabinets; Kitchen display units; Kitchen furniture; Kitchen tables; Kitchen units; Shop fixtures (furniture); Trays being parts of shop display furniture.
- Class 37** Installation of catering equipment; Maintenance of domestic refrigeration; Installation of kitchen appliances; Installation of kitchen equipment; Kitchen equipment installation; Renovation of kitchens; Repair of kitchen appliances.

59. In relation to the likelihood of confusion/deception amongst consumers having regard to the well-known other mark ‘NIKON’, the Registrar’s delegate found that:

*“...Australian consumers are likely to expect the opponent to expand the range of goods on which it uses its trade mark and not limit its use to those for which the trade mark has a reputation. .... Consumers are likely to expect the opponent to extend use of its brand to optical and ophthalmic products, as well as precision measuring equipment, and to services associated with such goods. They will not, in my estimation, expect the opponent to be offering kitchen and catering equipment and machines. ...I find that consumers are not likely to expect the opponent to use its well-known trade mark in connection with the goods and services of the present application. Taken together with the differences in the respective trade marks, I am not satisfied there is a real, tangible danger of deception or confusion occurring through the applicant’s use of the Trade Mark.”*

The delegate found that the opponent has failed to establish the section 60 ground of opposition.

60. As an example of how judges can differ in relation to the effect a well-known mark, see *Registrar of Trade Marks v Woolworths*. At first instance ([1998] FCA 1268), Wilcox J had relied of the familiarity of Australians with the Woolworths brand to form a basis for finding [*emphasis added*]:

*“However, it is impossible to brush aside the word “Woolworths”. The word appears in smaller script than “metro”, but it is printed in solid bold capitals. It constitutes a strong visual element of the mark, to my eye an element at least as strong as the word “metro”. Moreover, it is a word inherently likely to be noted and remembered. The word is familiar to all Australians, as the name of an Australia-wide chain of stores that has existed for generations. Although I take Ms Baird’s point about imperfect*

*recollection, I cannot accept that viewers of the mark would overlook or forget that it refers to “Woolworths metro”, not merely “metro”.*”

61. Whilst this approach was upheld by the majority on appeal (Tamberlin J and French J) (*Registrar of Trade Marks v Woolworths* [1999] FCAFC 1020; (1999) 93 FCR 365), Branson J (in dissent) held:

*“[I]t was not, in my view, open to his honour to place weight on his appreciation of the familiarity of all Australians with the word “Woolworths”....I accept the submission of the Registrar that, it is appropriate to have regard to the wide recognition accorded to the word “Woolworths” in Australia, that recognition is a factor tending to increase, rather than diminish, the risk of confusion.”*

62. While *Registrar of Trade Marks v Woolworths* did not involve the application of s 60, it does provide a useful example of where the court has taken into account a well-known mark, but differing views have been expressed on how that might affect the prospect of confusion/deception. As to that prospect, it is worth noting the observation made by Davison in *“Reputation in trade mark infringement: why some courts think it matters and why it should not”* [2010] UMonash LRS 15:

*“The difficulty with relying on a trade mark owner’s reputation when it is notorious and ubiquitous lies in defining what aspects of that reputation are notorious and ubiquitous and whether those aspects of the reputation actually form part of the assessment of whether the defendant’s sign is deceptively similar to the plaintiff’s trade mark that has the reputation in question.”*

63. Importantly, given the above, it is worth noting that the presence of a well-known trade mark in the s 60 context will not, and ought not, lead inevitably to a finding that the requisite prospect of confusion/deception cannot be established by reason alone of the mark being well-known.

***Does the provision meet its legislative purpose?***

64. The question whether s 60 meets its legislative purpose concerns whether, as drafted, it effects the intent stated in Article 6*bis* of the Paris Convention, and later Article 16(3) of the TRIPS agreement (when the provision was amended in 2006).

65. It has been doubted that s 60 meets the purposes stated in Article 6*bis* of the Paris Convention and Article 16(3) of the TRIPS agreement. Such doubt has been most directly expressed by the Delegate (Debrett Lyons) in *Rogers Seller & Myhill Pty Ltd v Reece Pty Ltd* [2010] ATMO 5. In discussing the background and purpose of s 60, the Delegate stated as follows (footnotes omitted):

28. Before turning to that enquiry it is important to clarify an aspect of section 60. Prior to amendment by the *Trade Marks Amendment Act 2006*, section 60 required an opponent to additionally show that the trade mark with the reputation in Australia and the opposed trade mark were at least deceptively similar to one another. That is no longer so, but why the section was amended and how it operates post-amendment are crucial matters.



29. The *Explanatory Memorandum* which accompanied the *Trade Marks Amendment Bill* states that “the intention of [amended] section 60 of the Act is to implement Australia's obligations to protect well-known marks under the Paris Convention for the Protection of Intellectual Property and the 1994 World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).”

30. Article 6bis of the Paris Convention states, relevantly, that:

The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark an imitation liable to create confusion therewith.

31. I do not think that amendment of section 60 can be satisfactorily explained as policy driven reform. Section 120(3) of the Act already fulfilled Australia’s member state obligation to protect well known, registered, trade marks from the type of third party misuse described by Article 6bis. Additionally, the attitude of most common law countries, Australia included, towards their obligation to protect well known but *unregistered* trade marks is met in general by their tort laws, in particular, ‘passing off’ (if not also by their statutory unfair competition or trade practices laws).

32. Moreover, the former requirement of section 60 for deceptive similarity seems to me no more strict than the demand of Art. 6bis to protect against “an imitation ... liable to create confusion”. Noteworthy, too, is that whilst Art. 6bis speaks of protection “for identical or similar goods”, section 120(3)(a) has significantly broader reach.

33. It could be said, then, that section 120(3) does more than is necessary for Australia to meet its Paris Convention obligation to protect well-known marks from abuse. What follows is that section 60, even as it stood prior to 23 October 2006, also satisfied Australia’s obligations in terms of preventative registration mechanisms. Contrary to what is suggested by the *Explanatory Memorandum*, it would seem that there was no Paris Convention driven imperative to amend section 60.

34. In turn, the TRIPS Agreement states in Article 16(3) that:

Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the

owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

35. To the extent that Article 16(3) requires protection of registered trade marks in relation to goods or services which are not similar to those for which the mark is registered, it can be said that section 60 had long operated in that manner before its amendment.
36. To the extent that the protection extended by Article 16(3) to a registered trade mark for dissimilar goods or services is subject to the caveat that the interests of the owner of the registered trademark are likely to be damaged by the use, then it is moot whether section 60, new or old, conforms with TRIPS. Whilst section 120(3)(d) uses the exact language of Article 16(3), section 60 did not and still does not. So, whilst TRIPS and section 120 speak in the wider language of ‘damaged interests’, section 60 remains limited to negative outcomes in terms of confusion or deception.
37. In short, the amendment to section 60 cannot to my mind easily be explained in terms of Australia’s need to comply with its treaty obligations and so the *Explanatory Memorandum* does not in this respect provide practical guidance as to how section 60 should now be applied.
38. The *Explanatory Memorandum* goes on to offer an operative rationale for the amendment to section 60, specifically that:

The provisions have not been written so as to establish a new class of trade marks ("well-known" marks) or to prescribe a particular threshold of how well-known a mark must be. Rather, the test has been written so that it can be applied to all marks.

The test depends on the extent of the reputation in Australia that has been acquired by a sign. In light of that reputation, the question to be asked is whether the use of a subsequent trade mark would be likely to result in deception or confusion. ... The tests for deception and confusion are all well established in judicial authority, and hinge on the question of whether or not a reasonable number of people may be caused to wonder if a trade connection exists between the marks. By removing the requirement for substantial identity or deceptive similarity from section 60, the ground for opposition under section 60 can be used to oppose the registration of a trade mark because of the possible deception or confusion arising solely from the reputation of a trade mark.

39. Confusion can not arise *solely* from the reputation of one trade mark. There must always remain a level of similarity between the marks, whether we call it deceptive similarity or something less, and no matter how small it might be. The likelihood of confusion must depend on the reputation of the opponent’s trade mark, but have regard (amongst other factors) to the level of similarity of the goods/services and the degree of similarity of the trade marks, greater or smaller.

40. What can be said then of section 60 as we now find it is that it comprehends that the trade marks under comparison might be quite dissimilar, and yet, taken in combination with the repute of the opponent's trade mark (and possibly other factors), deception or confusion is still more likely than not. Put another way, section 60 now contemplates that an opponent may prevail because of the reputation in the mark on which it relies notwithstanding that the trade marks under comparison may even be quite dissimilar.
66. Some points to be taken from the above:
- s 120(3) does more than is necessary for Australia to comply with Art 6bis: [33]. So there was no need to amend s 60 in 2006 'to comply with our obligations under the Paris Convention' – since s 60 was already doing that: [33].
  - Article 16(3) of the TRIPS agreement required Australia to have a provision which protected the interests of a trade mark owner where those interests are likely to be damaged by another's use: [35]-[36]. Section 60 does not speak of 'damaged interests' – that is not the language of the provision. It talks instead of confusion or deception. So the Delegate observes that the provision does not put into effect the TRIPS Article 16(3), and is not effecting the intent of that Article, which casts doubt on whether the Explanatory Memorandum is really all that useful in explaining the purpose of the provision.

***Should the provision be further amended?***

67. After it was introduced into the 1995 Act, there has been some debate about whether s 60 ought be amended. That culminated in the provision being amended in 2006 (as discussed earlier in this paper), however the amendments made did not effect all the concerns expressed regarding the operation of the provision.
68. Principal amongst the concerns expressed regarding s 60 is its interplay with the notion of honest concurrent use under s 44(3). The notion of 'honest concurrent use' arises under s44(3) as an exception to the principle that you cannot register a mark if someone else has already registered it in respect of the same or similar goods or services. Section 44 reads (with notes omitted, *emphasis added*):
- (1) Subject to subsections (3) and (4), an application for the registration of a trade mark (*applicant's trade mark*) in respect of goods (*applicant's goods*) must be rejected if:
    - (a) the applicant's trade mark is substantially identical with, or deceptively similar to:
      - (i) a trade mark registered by another person in respect of similar goods or closely related services; or
      - (ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and
    - (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.
  - (2) Subject to subsections (3) and (4), an application for the registration of a trade mark (*applicant's trade mark*) in respect of services (*applicant's services*) must be rejected if:

- (a) it is substantially identical with, or deceptively similar to:
  - (i) a trade mark registered by another person in respect of similar services or closely related goods; or
  - (ii) a trade mark whose registration in respect of similar services or closely related goods is being sought by another person; and
- (b) the priority date for the registration of the applicant's trade mark in respect of the services is not earlier than the priority date for the registration of the other trade mark in respect of the similar services or closely related goods.

(3) If the Registrar in either case is satisfied:

(a) **that there has been honest concurrent use of the 2 trade marks;** or

(b) that, because of other circumstances, it is proper to do so; the Registrar may accept the application for the registration of the applicant's trade mark subject to any conditions or limitations that the Registrar thinks fit to impose. If the applicant's trade mark has been used only in a particular area, the limitations may include that the use of the trade mark is to be restricted to that particular area.

(4) If the Registrar in either case is satisfied that the applicant, or the applicant and the predecessor in title of the applicant, have continuously used the applicant's trade mark for a period:

(a) beginning before the priority date for the registration of the other trade mark in respect of:

- (i) the similar goods or closely related services; or
- (ii) the similar services or closely related goods; and

(b) ending on the priority date for the registration of the applicant's trade mark; the Registrar may not reject the application because of the existence of the other trade mark.

69. The interplay between ss 60 and 44(3) has been an agent for change. In September 2004, IP Australia ventured the following as part of its 'Review of the Trade Marks Act 1995 and Regulations' subsequent to their implementation on 1 January 1996 – see IP Australia's Trade Marks Legislation Review, Paper No.3, 30 September 2004:

### **7. Section 52 - Opposition**

**Issue 1:** The relationships between sections 60 and 58 on one hand and subsections 44(3) and (4) on the other are of concern to the Law Council. An amendment to section 60 may be necessary to restore the effect of the legislation to that achieved under the 1955 Act.

**Discussion:** Section 60 provides grounds for opposition to registration on the basis of a trade mark, not necessarily a registered trade mark, which has acquired a reputation in Australia. The Federal Court has held that the honest concurrent use and prior use provisions of subsection 44(3) do not apply where an opposition has succeeded on section 60 grounds. Justice Kenny in *McCormick & Company, Inc v McCormick* [2000] FCA 1335 (15 September 2000) found that the provisions of the current Act do not work in this way. The Act provides protection for greater reputation rather than earlier and continuous user.

If the current legislation is not amended, reputation will continue to prevail over established use as in the *McCormick's* case. However it may be appropriate for the legislation to be changed so that where an applicant can show both honest concurrent and prior use, that user will prevail and the application may be able to proceed perhaps only for the area of established use.

Where a person has developed localised goodwill over some years before another party developed a reputation in the same or very similar trade mark, there is a view that the Registrar should be able to decide, where appropriate, that both parties are able to continue to use and have protection for their trade marks. In order to provide for this the legislation requires change so that evidence under section 44 (honest concurrent or prior use) could be sufficient depending on the extent of later proven reputation. In some cases, the earlier registrant could also have their trade mark registration restricted to the area of use. This should apply in cases of sections 60 and 58.

Proposal: It is proposed to amend sections 60 and 58 so that evidence of honest concurrent and/or prior use may provide a basis for defence against those grounds of opposition.

70. In *McCormick*, Kenny J said that:

*“whilst I accept...that the doctrine of honest concurrent user is derived from the common law and pre-dates trade mark legislation, I am of the view that s44(3) of the Act does not provide an exception to s60”*<sup>5</sup>.

71. This approach in *McCormick* has been criticised as:

*“giving too little weight to the history of the doctrine of honest concurrent use in trade mark law, and implying that the arrangement of sections in the TM Act 1995 has effected radical change to the substantive law which is not supported by the report which led to its drafting or the Explanatory Memoranda and parliamentary materials which introduced it.”*<sup>6</sup>

72. Nonetheless, *McCormick* has been followed in *Millenium & Copthorne International Limited v Kingsgate Hotel Group Pty Ltd* [2012] FCA 1022; 97 IPR 183, in which Jacobson J at [158] said:

*“In McCormick at [93] and [96], Kenny J expressed the view that s 44(3) of the Act does not provide an exception to s 60 so that even if there is honest concurrent use, s 60 affords an additional ground of opposition. I will therefore address this ground even though I have come to the view that it would be proper to exercise the discretion under s 44(3) in MCIL’s favour.”*

<sup>5</sup> *McCormick & Co Inc v McCormick* (2000) 51 IPR 102 at [96].

<sup>6</sup> Elkington B et al, *Annotated Trade Marks Act 1995* (2010) at p101-102.

73. And recently in *Flexopack S.A. Plastics Industry v Flexopack Australia Pty Ltd* [2016] FCA 235, Beach J referred to the proposition with approval, saying at [185]:

*“Any finding under s 60 is not read subject to s 44(3); in other words, if any trade mark applied for by the First Respondent is rejected under s 60 then it could not secure registration even if s 44(3) were to apply (McCormick & Co Inc v McCormick (2000) 51 IPR 102 at [93] and [96] per Kenny J). Section 44(3) does not act as an exception to s 60.”*

74. By the case law to date it is apparent that s 60 will not be read down. The concerns expressed by IP Australia back in September 2004 may only be advanced by amendment to s 60.

#### **F. COMPARISON OF TESTS (s18 ACL, passing off, s42(b) TM Act)**

##### *Section 18 of the Australian Consumer Law*

75. Section 18(1) of the Australian Consumer Law (ACL) provides that “A person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.”
76. Neither s 18 nor its predecessor, s 52 of the *Trade Practices Act 1974* (TPA), include the word “reputation”.
77. *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Limited* (2007) 159 FCR 359, concerned the question of whether the use by the respondent of a shade of the colour purple in connection with chocolate confectionery might mislead consumers to mistakenly conclude that there was some connection between the respondent’s and the appellant’s businesses. There the Full Court considered the distinction between the elements of a passing off action and proceedings under the TPA, and the question of reputation and said at 418-419:

*“There is an overlap between causes of action arising under Pt V of the Trade Practices Act and the common law tort of passing off. However, the causes of action have distinct origins and the purposes and interests that both bodies of law primarily protect are contrasting. Passing off protects a right of property in business or goodwill whereas Pt V is concerned with consumer protection. Part V is not restricted by common law principles relating to passing off and provides wider protection than passing off.*

*Whether or not there is the requirement of some exclusive reputation as an element in the common law tort of passing off, there is no such requirement in relation to Pt V of the Trade Practices Act. The question is not whether an applicant has shown a sufficient reputation in a particular get-up or name. The question is whether the use of the particular get-up or name by an alleged wrongdoer in relation to his product is likely to mislead or deceive persons familiar with the claimant’s product to believe that the two products are associated, having regard to the state of knowledge of consumers in Australia of the claimant’s product.”*

#### **Passing off**

78. In *Reckitt & Coleman Products Ltd v Borden Inc* (1990) 17 IPR 1; (1990) RPC 341 Lord Oliver listed the three elements that have to be demonstrated in a passing off action:

“(1) that the trader’s get-up, including any brand name, is recognized by the public as distinctive, specifically of the plaintiff’s goods; (2) that there has been a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods offered by the defendant are the plaintiff’s goods (whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods is immaterial, provided they are identified with a particular source, eg by means of a brand name which is in fact the plaintiff’s); (3) that the plaintiff suffers or, in a quia timet action is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the course [sic] of the defendant’s goods is the same as the source of those offered by the plaintiff.”

79. This approach was endorsed in Australia in *Bodum v DKSH Australia Pty Limited* [2011] FCAFC 98, 92 IPR 222 at [212].

80. As to the question of the role of “reputation” in an action for passing off, in *Hansen Beverage Company v Bickfords (Australia) Pty Ltd* [2008] FCAFC 181; 171 FCR 579, Tamberlin J said:

[34] In order to succeed in a passing off action, an applicant must establish, as one element of tort existing as at the date when the conduct commenced, that the applicant had the requisite reputation in the name or goods in the jurisdiction of the respondent and that there is a likelihood of deception among consumers or potential consumers resulting from the respondent’s actions. An applicant must prove that there are, within the relevant jurisdiction, a substantial number of persons who were aware of the applicant’s name or product and are possible consumers. It is necessary to show in a practical and business sense a sufficient reputation in the forum and this requires an evaluation of the size and distribution of the population of prospective consumers likely to be affected: see *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302 at 342, 343, 346 (per Lockhart J), and 380 (per French J).

[35] The tort of passing off is designed to protect the property and goodwill of a business. It is only available where an applicant can show goodwill or reputation in relation to the name or get-up of his or her goods or services because they have become distinctive of his goods or services in a particular market. An applicant will succeed where he or she can show that a potential customer is likely to be misled into believing that the respondents’ goods are goods of the applicant or are somehow associated with the applicant: see *Cadbury-Schweppes Pty Limited v Pub Squash Co Pty Limited* (1980) 32 ALR 387 at 393.

[44] It should be noted that s 52 of the TPA imposes no requirement that any particular reputation must be established before a breach of s 52

can be made out. ...[s52] is not concerned, as such, with any unfairness of competition in trade as between two traders. Accordingly, the sufficiency of the reputation which is required to be shown may be less in proceedings under the TPA than in proceedings alleging passing off.

81. Further, unlike a trade mark opposition proceedings under s 60, in which the focus of attention is on the trade mark for which application is sought, in an action for passing off a court may look to other aspects of the particular product and whether those aspects together give rise to a deceptive similarity.

**Section 42(b) of the Trade Marks Act 1995**

82. Section 42 provides as follows:

*“An application for the registration of a trade mark must be rejected if:*

- (a) the trade mark contains or consists of scandalous matter; or*
- (b) its use would be contrary to law.”*

83. This ground requires the Registrar to be satisfied that use of the mark ‘would’ (not ‘could’) be contrary to law: see *New South Wales Lotteries Commission v Novamedia BV* (2001) 52 IPR 638 at 650 (Reg) citing *Advantage Rent a Car Inc v Advantage Car Rental Pty Ltd* (2001) 52 IPR 24 at 31-32 (in particular at para [28]) (Madgwick J).
84. A case under s 42(b) may be advanced on the basis that the use of the opposed mark in Australia would constitute contravention of one or more provisions of the *Competition and Consumer Act 2010* (Cth) (or in the case of causes of action which accrued before 1 January 2011, the *Trade Practices Act 1974* (Cth) (**TPA**)).
85. As a result of this, a ground of opposition under s 42(b) may in effect be subsumed under the test under s 18 of the ACL and (for example) s 29 (1)(g) and s 29(1)(h) of the ACL.



## ANNEXURE 'A'

## Text of Relevant Legislative Provisions

Section	Text of provision
<p><b>Section 39 –</b> Trade mark is/contains prohibited or proscribed signs</p>	<p>39 Trade mark containing etc. certain signs</p> <p>(1) An application for the registration of a trade mark must be rejected if the trade mark contains or consists of a sign that, under regulations made for the purposes of section 18, is not to be used as a trade mark.</p> <p>(2) An application for the registration of a trade mark may be rejected if the trade mark contains or consists of:</p> <p>(a) a sign that is prescribed for the purposes of this subsection; or</p> <p>(b) a sign so nearly resembling:</p> <p>(i) a sign referred to in paragraph (a); or</p> <p>(ii) a sign referred to in subsection (1); as to be likely to be taken for it.</p>
<p><b>Section 41 -</b> Trade mark is not capable of distinguishing the applicant's goods and/or services</p>	<p>41 Trade mark not distinguishing applicant's goods or services</p> <p>(1) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (the <i>designated goods or services</i>) from the goods or services of other persons.</p> <p>Note: For <i>goods of a person</i> and <i>services of a person</i> see section 6.</p> <p>(2) A trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons only if either subsection (3) or (4) applies to the trade mark.</p> <p>(3) This subsection applies to a trade mark if:</p> <p>(a) the trade mark is not to any extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons; and</p> <p>(b) the applicant has not used the trade mark before the filing date in respect of the application to such an extent that the trade mark does in fact distinguish the designated goods or services as being those of the applicant.</p> <p>(4) This subsection applies to a trade mark if:</p> <p>(a) the trade mark is, to some extent, but not sufficiently, inherently adapted to distinguish the designated goods or services from the goods or services of other persons; and</p> <p>(b) the trade mark does not and will not distinguish the designated goods or services as being those of the applicant having regard to the combined effect of the following:</p> <p>(i) the extent to which the trade mark is inherently adapted to distinguish the goods or services from the goods or services of other persons;</p> <p>(ii) the use, or intended use, of the trade mark by the applicant;</p> <p>(iii) any other circumstances.</p> <p>Note 1: Trade marks that are not inherently adapted to distinguish goods or services are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:</p> <p>(a) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services; or</p> <p>(b) the time of production of goods or of the rendering of services.</p> <p>Note 2: For <i>goods of a person</i> and <i>services of a person</i> see section 6.</p> <p>Note 3: Use of a trade mark by a predecessor in title of an applicant and an authorised use of a trade mark by another person are each taken to be use of the trade mark by the applicant (see subsections (5) and 7(3) and section 8).</p> <p>(5) For the purposes of this section, the use of a trade mark by a predecessor in title of an applicant for the registration of the trade mark is taken to be a use of the trade mark by the applicant.</p> <p>Note 1: For <i>applicant</i> and <i>predecessor in title</i> see section 6.</p> <p>Note 2: If a predecessor in title had authorised another person to use the trade mark, any authorised use of the trade mark by the other person is taken to be a use of the trade mark by the predecessor in title (see subsection 7(3) and section 8).</p>

<p><b>Section 42 –</b> Trade mark is scandalous or contrary to law</p>	<p><b>42 Trade mark scandalous or its use contrary to law</b> An application for the registration of a trade mark must be rejected if: (a) the trade mark contains or consists of scandalous matter; or (b) its use would be contrary to law.</p>
<p><b>Section 43 –</b> Trade mark likely to deceive or cause confusion</p>	<p><b>43 Trade mark likely to deceive or cause confusion</b> An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.</p>
<p><b>Section 44 –</b> Substantially identical / deceptively similar trade marks</p>	<p><b>44 Identical etc. trade marks</b> (1) Subject to subsections (3) and (4), an application for the registration of a trade mark (<i>applicant's trade mark</i>) in respect of goods (<i>applicant's goods</i>) must be rejected if: (a) the applicant's trade mark is substantially identical with, or deceptively similar to: (i) a trade mark registered by another person in respect of similar goods or closely related services; or (ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services. Note 1: For <i>deceptively similar</i> see section 10. Note 2: For <i>similar goods</i> see subsection 14(1). Note 3: For <i>priority date</i> see section 12. Note 4: The regulations may provide that an application must also be rejected if the trade mark is substantially identical with, or deceptively similar to, a protected international trade mark or a trade mark for which there is a request to extend international registration to Australia: see Part 17A. (2) Subject to subsections (3) and (4), an application for the registration of a trade mark (<i>applicant's trade mark</i>) in respect of services (<i>applicant's services</i>) must be rejected if: (a) it is substantially identical with, or deceptively similar to: (i) a trade mark registered by another person in respect of similar services or closely related goods; or (ii) a trade mark whose registration in respect of similar services or closely related goods is being sought by another person; and (b) the priority date for the registration of the applicant's trade mark in respect of the applicant's services is not earlier than the priority date for the registration of the other trade mark in respect of the similar services or closely related goods. Note 1: For <i>deceptively similar</i> see section 10. Note 2: For <i>similar services</i> see subsection 14(2). Note 3: For <i>priority date</i> see section 12. Note 4: The regulations may provide that an application must also be rejected if the trade mark is substantially identical with, or deceptively similar to, a protected international trade mark or a trade mark for which there is a request to extend international registration to Australia: see Part 17A. (3) If the Registrar in either case is satisfied: (a) that there has been honest concurrent use of the 2 trade marks; or (b) that, because of other circumstances, it is proper to do so; the Registrar may accept the application for the registration of the applicant's trade mark subject to any conditions or limitations that the Registrar thinks fit to impose. If the applicant's trade mark has been used only in a particular area, the limitations may include that the use of the trade mark is to be restricted to that particular area. Note: For <i>limitations</i> see section 6. (4) If the Registrar in either case is satisfied that the applicant, or the applicant and the predecessor in title of the applicant, have continuously used the applicant's trade mark for a period:</p>

	<p>(a) beginning before the priority date for the registration of the other trade mark in respect of:</p> <p>(i) the similar goods or closely related services; or</p> <p>(ii) the similar services or closely related goods; and</p> <p>(b) ending on the priority date for the registration of the applicant's trade mark;</p> <p>the Registrar may not reject the application because of the existence of the other trade mark.</p> <p>Note 1: An authorised use of the trade mark by a person is taken to be a use of the trade mark by the owner of the trade mark (see subsection 7(3)).</p> <p>Note 2: For <i>predecessor in title</i> see section 6.</p> <p>Note 3: For <i>priority date</i> see section 12.</p>
<p><b>Section 58</b> – Registration may be opposed on the ground that the applicant is not the owner of the trade mark</p>	<p><b>58 Applicant not owner of trade mark</b></p> <p>The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.</p> <p>Note: For <i>applicant</i> see section 6.</p>
<p><b>Section 58A</b> – Registration may be opposed on the ground that the opponent has prior use of a similar trade mark</p>	<p><b>58A Opponent's earlier use of similar trade mark</b></p> <p>(1) This section applies to a trade mark (<i>section 44 trade mark</i>) the application for registration of which has been accepted because of:</p> <p>(a) subsection 44(4); or</p> <p>(b) a similar provision of the regulations made for the purposes of Part 17A.</p> <p>Note: Subsection 44(4) prevents rejection of an application for registration of a trade mark that is substantially identical with, or deceptively similar to, a registered trade mark or a trade mark whose registration is being sought where the first-mentioned trade mark has been continuously used since before the priority date of the other trade mark.</p> <p>(2) The registration of the section 44 trade mark may be opposed on the ground that the owner of the substantially identical or deceptively similar trade mark (<i>similar trade mark</i>) or the predecessor in title:</p> <p>(a) first used the similar trade mark in respect of:</p> <p>(i) similar goods or closely related services; or</p> <p>(ii) similar services or closely related goods;</p> <p>before the owner of the section 44 trade mark or the predecessor in title in relation to the section 44 trade mark first used the section 44 trade mark; and</p> <p>(b) has continuously used the similar trade mark in respect of those goods or services since that first use.</p> <p>Note: For <i>predecessor in title</i> see section 6.</p>
<p><b>Section 59</b> – Registration may be opposed on the ground that the applicant does not intend to use the trade mark</p>	<p><b>59 Applicant not intending to use trade mark</b></p> <p>The registration of a trade mark may be opposed on the ground that the applicant does not intend:</p> <p>(a) to use, or authorise the use of, the trade mark in Australia; or</p> <p>(b) to assign the trade mark to a body corporate for use by the body corporate in Australia; in relation to the goods and/or services specified in the application.</p> <p>Note: For <i>applicant</i> see section 6.</p>
<p><b>Section 60</b> – Registration may be opposed on the ground</p>	<p><b>60 Trade mark similar to trade mark that has acquired a reputation in Australia</b></p> <p>The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:</p>

<p>that use of the trade mark may confuse or deceive because of another trade mark with a reputation in Australia</p>	<p>(a) another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and</p> <p>(b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.</p> <p>Note: For <i>priority date</i> see section 12.</p>
<p><b>Section 61</b> – Registration may be opposed on the ground that the trade mark contains or consists of a false geographical indication</p>	<p><b>61 Trade mark containing or consisting of a false geographical indication</b></p> <p>(1) The registration of a trade mark in respect of particular goods (<i>relevant goods</i>) may be opposed on the ground that the trade mark contains or consists of a sign that is a geographical indication for goods (<i>designated goods</i>) originating in:</p> <p>(a) a country, or in a region or locality in a country, other than the country in which the relevant goods originated; or</p> <p>(b) a region or locality in the country in which the relevant goods originated other than the region or locality in which the relevant goods originated;</p> <p>if the relevant goods are similar to the designated goods or the use of a trade mark in respect of the relevant goods would be likely to deceive or cause confusion.</p> <p>(2) An opposition on a ground referred to in subsection (1) fails if the applicant establishes that:</p> <p>(a) the relevant goods originated in the country, region or locality identified by the geographical indication; or</p> <p>(aa) the sign is not recognised as a geographical indication for the designated goods in the country in which the designated goods originated; or</p> <p>(b) the sign has ceased to be used as a geographical indication for the designated goods in the country in which the designated goods originated; or</p> <p>(c) the applicant, or a predecessor in title of the applicant, used the sign in good faith in respect of the relevant goods, or applied in good faith for the registration of the trade mark in respect of the relevant goods, before:</p> <p>(i) 1 January 1996; or</p> <p>(ii) the day on which the sign was recognised as a geographical indication for the designated goods in their country of origin; whichever is the later; or</p> <p>(d) if the registration of the trade mark is being sought in respect of wine or spirits (<i>relevant wine or spirits</i>)—the sign is identical with the name that, on 1 January 1995, was, in the country in which the relevant wine or spirits originated, the customary name of a variety of grapes used in the production of the relevant wine or spirits.</p> <p>(3) An opposition on a ground referred to in subsection (1) also fails if the applicant establishes that:</p> <p>(a) although the sign is a geographical indication for the designated goods, it is also a geographical indication for the relevant goods; and</p> <p>(b) the applicant has not used, and does not intend to use, the trade mark in relation to the relevant goods in a way that is likely to deceive or confuse members of the public as to the origin of the relevant goods.</p> <p>(4) An opposition on a ground referred to in subsection (1) also fails if the applicant establishes that:</p> <p>(a) the sign consists of a word or term that is a geographical indication; and</p> <p>(b) the word or term is a common English word or term; and</p> <p>(c) the applicant has not used, and does not intend to use, the trade mark in relation to the relevant goods in a way that is likely to deceive or confuse members of the public as to the origin of the relevant goods.</p> <p>Note 1: For <i>applicant, predecessor in title</i> and <i>geographical indication</i> see section 6.</p> <p>Note 2: For <i>originate</i> (in relation to wine only) see section 15.</p>
<p><b>Section 62</b> – Registration may be opposed on the grounds of</p>	<p><b>62 Application etc. defective etc.</b></p> <p>The registration of a trade mark may be opposed on any of the following grounds:</p> <p>(a) that the application, or a document filed in support of the application, was amended contrary to this Act;</p>

improper amendment or acceptance on the basis of evidence or submissions false in material particulars	(b) that the Registrar accepted the application for registration on the basis of evidence or representations that were false in material particulars. Note: For <i>file</i> see section 6.
<b>Section 62A</b> – Registration may be opposed on the ground that the application was made in bad faith	<b>62A Application made in bad faith</b> The registration of a trade mark may be opposed on the ground that the application was made in bad faith.
<b>Section 177 and 187</b> – Special grounds of opposition for certification trade marks	<p><b>177 Additional ground for rejecting an application or opposing registration—certification trade mark not distinguishing certified goods or services</b></p> <p>(1) In addition to any other ground on which:</p> <p>(a) an application for the registration of a certification trade mark may be rejected; or</p> <p>(b) the registration of a certification trade mark may be opposed;</p> <p>the application must be rejected or the registration may be opposed if the trade mark is not capable of distinguishing goods or services certified by the applicant or an approved certifier from goods or services not so certified.</p> <p>Note 1: For <i>applicant</i> see section 6.</p> <p>Note 2: For <i>approved certifier</i> see paragraph 173(2)(c).</p> <p>Note 3: Division 2 of Part 4 sets out the main grounds for rejecting an application, but section 41 does not apply to certification trade marks (see section 170).</p> <p>(2) In deciding whether or not the certification trade mark is capable of so distinguishing goods or services certified by the applicant or an approved certifier, the Registrar must take into account:</p> <p>(a) the extent to which the certification trade mark is inherently adapted so to distinguish those goods or services; or</p> <p>(b) the extent to which, because of its use or of any other circumstances, the certification trade mark has become adapted so to distinguish those goods or services.</p> <p><b>187 Additional grounds for rejecting application for registration or opposing registration</b></p> <p>In addition to any other ground on which:</p> <p>(a) an application for the registration of a trade mark as a defensive trade mark may be rejected; or</p> <p>(b) the registration of a trade mark as a defensive trade mark may be opposed;</p> <p>the application must be rejected or the registration may be opposed:</p> <p>(c) if the trade mark is not registered as a trade mark in the name of the applicant; or</p> <p>(d) in the case of a registered trade mark—if it is not likely that the use of the trade mark in relation to the goods or services in respect of which its registration as a defensive trade mark is sought will be taken to indicate that there is a connection between those goods or services and the registered owner.</p> <p>Note: Division 2 of Part 4 sets out the main grounds for rejecting an application but section 41 does not apply to defensive trade marks (see section 186). Division 2 of Part 5 sets out the main grounds for opposing registration.</p>