

TRADE MARKS ACT 1995


DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by **SOS Sportswear AB** to registration of trade mark application 1005901(25) - **S.O.S** - filed in the name of **Leanne Michael Pty Ltd**.

DELEGATE:	Heath Wilson
REPRESENTATION:	Opponent: Gerard Skelly of Spruson and Ferguson Applicant: Self-represented
DECISION:	S 52 Opposition – grounds under sections 42(b), 59 and 60 of the Trade Marks Act 1995; Reputation under s60 unlikely to deceive or cause confusion in the marketplace. Opposition not established. Costs awarded against the opponent 2009 ATMO 23

Background

1. Leanne Michael Pty Ltd (“the applicant”) applied on 9 June 2004, to register the following trade mark:

Trade mark application:	1005901
Trade mark:	
Applicant:	Leanne Michael Pty Ltd
Goods Specification:	Class 25: <i>Clothing, apparel, jeans, T-shirts, jackets, socks, underwear, hats, general clothing items</i>

2. During the examination process, a ground for rejection under section 44 of the *Trade Marks Act 1995* (“the Act”) was raised on the basis of a number of trade marks featuring the acronym “SOS” as their identifying element, being nos. 666240, 753954, 789030 and 976972. Both registrations 666240 and 976972 lapsed, and the owner of marks 753954 and 789030 provided a letter of consent to the applicant. As a result, the provisions of subsection 44(3) (b) of the Act were applied to the current trade mark application, which was thereby able to attain acceptance.
3. The trade mark was advertised as accepted for possible registration in the *Australian Official Journal of Trade Marks* on 17 August 2006. On 20 November 2006, SOS Sportswear AB (“the opponent”) filed a notice of opposition (“the Notice”) to the above trade mark under section 52 of the Act.

4. The parties have filed and served evidence as set out below:

Evidence in Support

- Statutory declaration of Lena Bostrom made on 3 August 2007 with Exhibits “LB-1 to LB-7”

Evidence in Answer

- Statutory declaration of Anne Kelaart made on 8 April 2008 with Exhibits “AK- 1 to AK-11”

Evidence in Reply

- Statutory declaration of Rickard Grann made on 5 August 2008.

Grounds of Opposition

5. The notice of opposition cites grounds of opposition under sections 41, 42(b), 44, 58, 59, 60 and 62 of the Act. However, the opponent has only pressed the grounds under sections 42(b), 59 and 60 at the hearing. For the sake of completeness, I mention that I find the remaining grounds have not been established.
6. I heard the matter as a delegate of the Registrar of Trade Marks on 17 February 2009 in Canberra. Gerard Skelly of Spruson and Ferguson, Patent and Trade Mark Attorneys appeared for the opponent, and Anne Kelaart (Director of Leanne Michael Pty. Limited) representing the applicant, appeared in person.

Reasons

Onus

7. To succeed, the opponent bears the onus of establishing a ground of opposition cited in the Notice on the balance of probabilities (see *Blount v Registrar of Trade Mark* (1998) 83 FCR 50; *Rejfeek v McElroy* (1965) 112 CLR 517 at 521).
8. The opponent is a Swedish company that has distributed its clothing bearing its “SOS” trade mark in Australia through authorised resellers, firstly via the business Perisher Boutique (1981-1984) which has since changed its name to Snowsport Australia Pty Ltd (1984-2004), and subsequently through the company Snowsports International Pty Ltd.

9. As the determination of the opposition ground under section 42(b) of the Act is dependent on a consideration of the reputation in the opponent's mark, I will (for convenience) deal with that ground after the discussion of the reputation under the section 60 ground.

Grounds

Section 59:

The registration of a trade mark may be opposed on the ground that the applicant does not intend:

(a) to use, or authorise the use of, the trade mark in Australia; or

(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.

Note: For applicant see section 6.

10. The act of filing an application for registration is *prima facie* evidence of the requisite intention to use the trade mark (see *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391). As a result, the opponent bears a heavy onus of establishing a *prima facie* case of the applicant's lack of intention to use under section 59 of the Act.
11. While the ground of intention to use was nominated in the notice of opposition, at no point before the hearing was the applicant put on notice that its intention to use its trade mark would be at issue (as was the case in *Phillip Morris Products SA v Sean Ngu* [2002] ATMO 96). This fact conflicts with any argument that the onus has shifted to the applicant to show an intention to use the mark.
12. The opponent's submissions rely on the statement of Anne Kelaart in her declaration in which she stated: "I do not sell ski clothing". This statement can be distinguished from the case of *Herron v Brown* (1999) 45 IPR 321 (Reg), where the applicant had informed the opponent that it had no intention of becoming involved in the business of the goods in the application. The comment of Ms. Kelaart in the present case was made in the context of the applicant having no knowledge of the opponent's mark, and it cannot be inferred that the intention of the applicant is not to sell ski clothing in the future.

13. It is clear from the Kelaart declaration (and exhibit AK-3) that samples of clothing (specifically jeans, caps and tops) bearing the applicant's mark have now been made. This fact alone indicates an intention to use the mark on clothing, and the applicant has obviously spent time and money in preparation for this course. I have accorded little weight to the submission that an inference should be drawn from the fact that the examples are primarily on women's clothing.
14. The fact that no steps have been taken to sell the goods at this time is not unexpected. It is not uncommon for business plans involving a trade mark to be put on hold, once an opposition matter is afoot. In *Paintmaster Products v Lewis Berger & Sons* (1925) 25 AOJP 1915, the Registrar observed that an applicant might properly elect to delay use pending the outcome of the application for registration. The adoption of this approach is usually to ensure that trade mark rights are assured before time and money are expended in the promotion of that mark.
15. In *Intel Corporation v Magratex International Pty Ltd* (1998) 41 IPR 406, Hearing Officer Homann said:

“It is not appropriate in opposition proceedings for the registrar to instigate an investigation in detail of the use or intention to use in respect of each and every item which might be covered in the applicant's specification and the lodgement of the application and the applicant's statement of use or intention to use must on the principles explained in *Aston v Harlee* be accepted as prima facie evidence of the relevant use or intention to use. The onus must be on the opponent to lead evidence showing a lack of intention or incapacity to use the mark for the relevant goods.”
16. The ambiguity in the context of the applicant's statement combined with the preparations to sell the clothing mentioned by the applicant, means that the onus is not on the applicant to establish intention in this matter. The opponent has not shifted the onus or proven a lack of intention to use the mark on the part of the applicant. The ground of opposition under section 59 has, therefore, not been established.

Section 60:

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.

Note 1: For deceptively similar see section 10.

Note 2: For priority date see section 12.

17. As the filing date of the current application is 9 June 2004, the unamended provisions of section 60 of the Act apply. As a result, it is a threshold requirement that the opponent's and the applicant's marks be substantially identical or deceptively similar in order for a ground of opposition to be successful under this section.
18. While the opponent concedes that there have been a number of variations on the "SOS" mark since the early 80s, (some including the words "Sportswear of Sweden") the main element has always been the acronym "SOS." For visual comparison, the opponent's trade mark that has been used recently is shown in trade mark application

no. 1048056:  in **Class 25:** *Clothing, footwear, headgear.*

Substantially Identical

19. The visual differences between the marks on a side-by-side comparison are evident (see comments of Windeyer J in *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd* (1961) 109 CLR 407 at 414-415). The presence of a device or words in one mark and not in the other, and the differences between the devices in the respective marks preclude a finding of substantial identity. In any event, the opponent did not press the issue of substantial identity during the hearing.

Deceptively Similar

20. In relation to the issue of deceptive similarity between the two trade marks, it is of assistance to consider the comments of Dixon and McTiernan JJ in *Woollen Mills Ltd v F. S. Walton and Company Ltd* (1937) 58 CLR 641 (at 658):

‘the marks ought not ... be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same ... The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded.’

21. Where a trade mark combines a device with a word, customers will more naturally refer to the word when ordering the product (*American Trading & Shipping Co Ltd's Appn* (1936) 6 AOJP 78 (Reg); *Sizzler Restaurants International Inc v Sabra International Pty Ltd* (1990) 20 IPR 331 (Reg)). The use of the Morse code symbols in the applicant's trade mark is not immediately obvious, but even if they were more prominent, those symbols would merely reinforce the importance of the "SOS" element in the mark. As a result, the similarities (SOS) between the verbal elements of the two trade marks may give rise to confusion despite the accompanying devices being entirely dissimilar.
22. In this matter, both marks predominately consist of the word/acronym "SOS." Even if the opponent invariably uses "Sportswear of Sweden" in combination with the "SOS" mark, the average consumer would be misled. The differing meanings of the "SOS" acronym in the applicant's mark ("Save Our Souls/Saviour of our Souls") and the opponent's marks ("Sportswear of Sweden") would not be evident to the average consumer of clothing.
23. Under section 60, the consideration of the goods' similarity is only necessary for determining the level or likelihood of confusion based on the opponent's reputation in its "SOS" trade mark. It is clear that the goods are of the same description, as the opponent deals with skiwear and winter clothing. The opponent submits that it has used its mark on summer clothing via a summer catalogue (exhibit LB-4), but the extent of the reputation that the opponent enjoys in its trade mark is not in this area.
24. The goods claimed by the applicant are broad enough to encompass skiwear and winter clothing, regardless of where the clothing is sold. This reasoning applies because a notional use of the applicant's trade mark for the whole of Australia must

be considered when determining the closeness of the goods. Mason J in *Berlei Hestia Industries Ltd v Bali Co Inc* (1973) 129 CLR 353 at 362; 1 ALR 443 at 450 observed:

“...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.”

25. However, the actual use of the opponent's mark must be assessed to determine whether it had a reputation capable of misleading or deceiving the relevant Australian public before 9 June 2004.

Evidence of Reputation in the opponent's mark

26. The opponent has made the submission that the use of the “SOS” trade mark in Australia began in 1981 (paragraph five in the declaration of Lena Bostrom, director of Snowsports International Pty Ltd); however I have little or no evidence before me that corroborates this statement. Despite this discrepancy, the opponent has clearly established that its similar mark has been used before the applicant's priority date, (being 6 June 2004) on goods encompassed in the applicant's specification.
27. The Lena Bostrom declaration also states that the use of the opponent's mark has been “throughout all the States and Territories of Australia with the exception of the Northern Territory.” However, there is no evidence of such widespread use, or indeed any use, other than use in or around the Thredbo region in NSW. The opponent has stated that its clothing has been sold in the Thredbo store “as well as in other Australian retailers of skiing goods such as INSKI, AUSKI and Paul Reader...” so it is clear that the reputation of the mark resides in specialised goods, as it was made available primarily to customers interested in skiwear. There is nothing to indicate the amount of clothing products which were sold from the retailers mentioned above (as opposed to the Thredbo store), or even if the mark is known outside of NSW.
28. In *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 33 FCR 302 at 343; 23 IPR 193 at 234, Lockhart J commented that:

“[R]eputation within the jurisdiction may be proved by a variety of means including advertisements on television or radio, or in magazines and newspapers within the forum.”

29. The majority of the exhibits at LB-4 of the Lena Bostrom declaration are largely undated, with the exception of the catalogues in summer 1999, winter collection 1995/1996, 1992 and winter 1993/1994, which indicate use on a wider range of clothing than merely skiwear including items such as jackets, pullovers, vests, cargo pants, shorts, shirts, t-shirts. Despite this broader use, the advertising focus for the opponent's mark is clearly on skiwear.
30. The opponent has provided evidence of catalogues and advertisements indicating a number of slightly different trade marks, which all have the acronym SOS as their major element. There is no indication of where in Australia these catalogues were distributed, or the quantity of brochures distributed. As a result, this evidence does little to assist in the determination of whether the mark has become associated in the minds of a substantial number of the Australian public with the relevant goods.
31. It is difficult to see how the evidence of the incomplete sponsorship agreements with skiers (exhibit LB-3) assists in the establishment of a reputation. This evidence does indicate a link with people known in Thredbo, or within the sport of skiing. While these documents do contain a date, they are unsigned and do not indicate if they were agreed to, whether that agreement was before 6 June 2004, or the number of the Australian consumers exposed to the trade mark as a result of the said agreements.
32. Both the advertising expenditure and the sales figures indicate a steady growth, continuing up past the priority of the opposed application. The wholesale figures for sales of clothing bearing the opponent's mark were substantial and the advertising expenditure, (while growing) were not substantial enough to suggest the required level of reputation in the mark. There is little evidence that the opponent's mark has reached a broad range of consumers within the clothing field, such that registration of the applicant's mark would be likely to deceive or cause confusion.
33. The opponent submits that the company's website has been live from as early as 1996. However it does not state whether the mark featured prominently on the website and, if it did, when this use commenced. The printouts from the website bear the most recent variation of the "SOS" mark of the opponent. The catalogues from 1996, on the other hand, depict the SOS mark with a different logo in use at that time. The printouts of the website provided as exhibit LB-5 are recent (19 July 2007) and as

such they do not establish a reputation in the mark before the priority date of the opposed application.

34. In considering the opponent's reputation in its mark, it is fair to say that the relevant marketplace for the trade mark is specific in relation to ski and winter clothing. While the opponent may sell other types of clothing, it would be those Australians who are interested in this specific field, (those shopping in certain ski stores, or the store in Thredbo) who are likely to be exposed to the trade mark. The statement of Lena Bostrom in paragraph 16, which states 'that by at least 9 June 2004, the "SOS" trade mark was well known amongst Australian winter sports enthusiasts', reinforces this assumption. As this market is a quite specific field, the opponent does have a reputation within that field, and those goods are clearly encompassed within the applicant's broad specification of goods. The crucial issue is whether that reputation is sufficient to lead to deception or confusion in the marketplace between the two marks.

Likely to deceive or cause confusion

35. The causal link between the opponent's reputation in skiwear and the likelihood of deception or confusion resulting from that reputation must be considered. It is true that a notional use of the applicant's mark could overlap with the reputation in the opponent's mark. However, once one moves from the narrow confines of the skiwear clothing business, the chances of confusion between the marks is reduced drastically. The reputation of the mark shown in relation to skiwear is not particularly compelling and has not been established either, due to the moderate amount of advertising, and the lack of sales evidence outside of Thredbo NSW. Therefore, the likelihood of deception or confusion in relation to the applicant's goods is not real and tangible.
36. Heerey J commented in *Le Cordon Bleu BV v Cordon Bleu International Ltee* (2001) 50 IPR 1 (at 20); that:

'What is "significant" or "substantial" will depend on the nature of the goods or services in question. For highly specialized products, awareness among a few thousand persons, or even less might be sufficient ... 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.'

37. The opponent's goods are (with the exception of skiwear) commonplace, and as a result the awareness in Australia must be established for a larger group than has been demonstrated by the opponent. The opponent has not done so. While the notion of brand extension is a factor (*Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45; 46 IPR 481 (HC)), the reputation in the opponent's mark cannot be said extend to clothing generally.
38. Accordingly, the opponent has not discharged the onus of establishing a reputation in its trade mark that is likely to mislead or cause confusion in the marketplace. The ground of opposition under section 60 has not been made out.

Section 42 (b):

An application for the registration of a trade mark must be rejected if:
(b) its use would be contrary to law.

39. The opponent has submitted that the registration of the applicant's mark would be contrary to law, under sections 52 and 53 of the *Trade Practices Act 1974*, and under the tort of passing off.
40. It has earlier been found by me that the reputation in the opponent's mark that is likely to deceive or cause confusion in the marketplace under section 60 before the priority date was insufficient (see paragraph 38 above). As the criterion for section 42(b) of the Act is whether use "would" not "could" be contrary to law (*Advantage Rent - A-Car Inc v Advantage Car Rental Pty Ltd* (2001) 52 IPR 24 at 32 [28] (FC)), this is a more onerous threshold requirement than that required for the section 60 ground of opposition.
41. One expression of the relevant test under sections 52 and 53 of the *Trade Practices Act 1974* is whether there exists "a not insignificant number of persons" who would be potential customers of the opponent's product (per Justice French in *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 23 IPR 193 at 271; Justice Tamberlin in *Hansen Beverage Company v Bickfords (Australia) Pty Limited* [2008] FCAFC 181 at paragraph 36). If the similarity complained of is "commercially irrelevant" having regard to the number of people who know of that similarity, then the name or get-up is not misleading or deceptive. Adopting that approach, in the present instance (and

on the facts and circumstances which are before me) I find that the conduct of the applicant does not amount to misleading or deceptive conduct under section 52 of the *Trade Practices Act* or in respect of those specific grounds of false or misleading representations which are provided under section 53 of that Act. It is also unnecessary for me to consider the issue of passing-off in relation to this ground as the opponent's reputation in its trade mark in Australia at the time of the applicant's filing date is insufficient to satisfy the threshold requirement of that action.

42. Therefore, the ground of opposition under section 42(b) has not been established.

Decision

43. Section 55 of the Act provides:

Decision

55. Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:

(a) to refuse to register the trade mark; or

(b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;

having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For limitations see section 6.

For an opposition matter to succeed under section 52 of the Act, it is only necessary that one ground of opposition be established on the balance of probabilities. The opponent has not established a ground of opposition under the Act.

44. The trade mark application no. 1005901 "S.O.S" may then proceed to registration one month from the date of this decision. If the Registrar has been served with a notice of appeal before that time, I direct that registration shall not occur until the appeal has been decided or discontinued.

Costs

45. I note that the applicant was legally represented at various stages of the opposition process, but not at the hearing itself. As the opposition is unsuccessful, the applicant

is entitled to costs which I award against the opponent in accordance with the official scale contained in Schedule 8 of the *Trade Mark Regulations 1995*.

Heath Wilson
Hearing Officer
Trade Marks Hearings
20 March 2009