

TRADE MARKS ACT 1995

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

Re: Opposition by Rinnai Australia Pty Ltd to registration of trade mark application 1047711(11) - **HOT WATER FREE FROM THE SUN** - filed in the name of Solahart Industries Pty Ltd.

DELEGATE:	Jock McDonagh
REPRESENTATION:	Opponent: No appearance Applicant: Sophie Goddard SC instructed by DLA Phillips Fox
DECISION:	2009 ATMO 11 Section 52 opposition – ss41, 58, 60 & 62(b) grounds not established – costs awarded against opponent

Background

1. Solahart Industries Pty Ltd ('the applicant') filed an application to register a trade mark, current details of which appear below:

Application number: 1047711

Filing date: 24 March 2005

Specifications: Class: 11 Water heaters and water heaters (apparatus) including commercial water heaters, electric water heaters, gas water heaters, solar water heaters and heat pumps; parts and accessories in this class for all the foregoing goods

Trade mark: **HOT WATER FREE FROM THE SUN**

2. The trade mark was accepted for possible registration, under the provisions of the *Trade Marks Act 1995* ('the Act'), and advertised for opposition purposes. Rinnai Australia Pty Ltd ('the opponent') filed a Notice of Opposition under section 52 of the Act, objecting to the registration of the trade mark. The opponent served and filed evidence in accordance with the *Trade Marks Regulations 1995* after which the matter was set down before me, a delegate of the Registrar of Trade Marks, for a hearing on 17 October 2008, in Sydney.

Evidence

3. The following evidence was filed and served pursuant to the Act:

Declarant	Status	Date, Known as	Exhibits
<i>Evidence in Support</i>			
Richard William Thomson	Director Bindust Pty Ltd, T/A Beasley Hot Water Solutions	11 January 2007, Thomson	A to D
<i>Evidence in Answer</i>			
Stephen Cranch	National Sales Marketing manager of applicant	27 November 2007, Cranch 1	Annexes A to TT, Exhibits SC1 to SC8
Stephen Cranch	National Sales Marketing manager of applicant	20 December 2007, Cranch 2	Annexure A

4. The evidence in support of the opposition provided in Thomson is to the effect that Beasley Hot Water Systems has been manufacturing hot water systems since 1938 and solar water heaters since 1962. The company was acquired by the opponent in 2005. Beasley has been using phrases such as “free hot water from the sun”, “free energy from the sun”, “free heat from the sun” and “hot water free from the sun” since February 2000 in advertising material referring to its products.
5. Thomson also gives details of other companies and organizations using similar phrases, and examples are exhibited with the declaration.
6. Thompson refers to a Freedom of Information request conducted by its legal representatives relating to the Trade Marks Office examination of application 1047711. It notes that the examination considered the trade mark lacked distinctiveness as it referred to “the nature, function, effect or some other characteristics of the goods claimed”. The report was responded to by way of evidence provided by the applicant.
7. Thomson asserts that the phrase comprising the applicant’s trade mark would be required by other people in legitimately describing their activities with regard to solar hot water.
8. Cranch 1 details the history of the applicant’s use of the mark and provides a great deal of material demonstrating the use of the mark over a long period of time, along with sales figures and advertising and promotional activities.
9. Cranch 2 corrected a formality error with regard to Annex X of Cranch 1 and re-exhibits that annex in the correct form.

The Hearing

10. The opponent did not appear at the hearing and did not provide written submissions. The applicant was represented by Sophie Goddard SC instructed by DLA Phillips Fox.
11. The Notice of Opposition cited four grounds of opposition available to the opponent under the Act, those under sections 41, 58, 60 and 62(b).

Discussion

12. Section 41 of the Act provides a scheme for the assessment of the inherent capacity of a trade mark to distinguish the goods or services of one trader from the similar goods or services of another trader. If the trade mark is found to lack inherent capacity to distinguish, section 41 also provides a scheme for the assessment of whether the trade mark has acquired capacity to distinguish the goods through its use in trade.¹
13. It is usual to commence assessment of the trade mark against section 41(3) of the Act, which states that:

In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

14. In *Clark Equipment Co. v Registrar of Trade Marks* (1964) 111 CLR 511, at 513 Windeyer J observed:

That ultimate question must not be misunderstood [that is, "whether the mark is registrable as being 'adapted to distinguish' the applicant's goods"]. It is not whether the mark will be adapted to distinguish the registered owner's goods if it be registered and other persons consequently find themselves precluded from using it. The question is whether the mark, considered quite apart from the effects of registration, is such that by its use the applicant is likely to attain his object of thereby distinguishing his goods from the goods of others. In *Registrar of Trade Marks v W. and G. Du Cros Ltd.* ((1913) AC 624 at 634, 635) Lord Parker of Waddington having remarked upon the difficulty of finding the right criterion by which to determine whether a proposed mark is or is not "adapted to distinguish" the applicant's goods defined the crucial question practically as I have stated it, and added two sentences which have often been quoted but to which it is well to return for an understanding of the problem in a case such as the present. His Lordship said: "The applicant's

¹ *Blount Inc v Registrar of Trade Marks* [1998] 440 FCA

chance of success in this respect (ie. in distinguishing his goods by means of the mark, apart from the effects of registration) must, I think, largely depend upon whether other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods. It is apparent from the history of trade marks in this country that both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the Trade Marks Acts a monopoly in what others may legitimately desire to use." The interests of strangers and of the public are thus bound up with the whole question, as Hamilton L.J. pointed out in the case of *R. J. Lea, Ltd.* (30 RPC 216 at 227); but to say this is not to treat the question as depending upon some vague notion of public policy; it is to insist that the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives - in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess - will think of the word and want to use it in connection with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

15. The trade mark is a word mark with no visually distinctive features. It is a combination of the words "hot water", "free", "from", and "the sun". The trade mark, or words very similar to it, is the type of expression that another trader, actuated only by proper motive, might want to use to describe its like services. Thomson provides examples of similar words used by other traders. The trade mark does not qualify for registration under section 41(3) of the Act.
16. The trade mark examiner accepted the application under the provisions of section 41(5) of the Act. Sections 41(5) and 41(6) are set out below:
 - (5) If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:
 - (a) the Registrar is to consider whether, because of the combined effect of the following:
 - (i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;
 - (ii) the use, or intended use, of the trade mark by the applicant;
 - (iii) any other circumstances;
 the trade mark does or will distinguish the designated goods or services as being those of the applicant; and
 - (b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services – the trade mark is taken

to be capable of distinguishing the applicant's goods and services from the goods and services of other persons; and

- (c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services – the trade mark is taken not to be capable of distinguishing the applicants goods or services from the goods or services of other persons.

Note 1: For *goods or a person* and *services of a person* see section 6.

Note 2: 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 (1) and 7(3) and section 8).

- (6) If the Registrar finds that the trade mark is not inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:

- (a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant – the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;
- (b) in any other case – the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons.

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:

- (a) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of the goods or services; or
- (b) the time of production of the goods or of the rendering of services.

Note 2: 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 (1) and 7(3) and section 8).

17. I do not consider the trade mark to be devoid of all distinctiveness and I believe that the examiner was correct to consider the application under the provisions of section 41(5). However, the degree of inherent distinctiveness of the trade mark is quite low and requires solid proof of acquired distinctiveness in order to justify registration.

18. The plethora of evidence provided in Cranch 1 and Cranch 2 provides such proof. Therefore, I find that this ground of opposition has not been established.

19. Section 58 of the Act states:

58. The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

Note: For *applicant* see section 6.

20. In order to establish this ground, it is incumbent upon an opponent to show that, in the time before filing, the applicant is not the first user in trade in Australia of the applied-for trade mark. To do so, the opponent must show, at a minimum, that not only is the applied-for trade mark at least substantially identical to an older trade mark, but that it is applied to the same kind of goods: *Re Hicks' Trade Mark* (1897) 22 VLR 636 at 640.

21. The opponent has not provided any evidence of any prior trade mark use of an identical or substantially identical by anyone other than the applicant. While there are various descriptive statements, such as those described in paragraph 4, above, there is no trade mark use shown. Therefore, I find that this ground of opposition is not established.

22. Section 60 of the Act, as applicable to this application, is as follows:

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.

23. The opponent has not provided any particulars of any allegedly conflicting trade mark that is relied upon for this ground and there is no evidence to support the ground. I find that this ground has not been established.

24. Section 62(b) of the Act provides:

62. The registration of a trade mark may be opposed on any of the following grounds:

(a) ...;

(b) that the Registrar accepted the application for registration on the basis of evidence or representations that were false in material particulars.

Note: For *file* see section 6.

25. As with the previous ground, the opponent did not provide any particulars of what is alleged to be the false evidence or representations made by the applicant. The

evidence does not assist me or support the ground of opposition. I find that this ground of opposition has not been established.

Decision

26. Section 55 of the Act provides:

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;

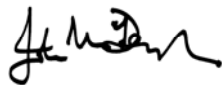
having regard to the extent (if any) to which any ground on which the application was opposed has been established.

27. I find that none of the grounds of opposition have been established.

28. The trade mark application may therefore 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 discontinued, or in the event of a decision from the Court, that the application be subject to that decision.

Costs

29. Both parties sought their costs. I award costs against the opponent pursuant to the official scale.



Jock McDonagh
Hearing Officer
Trade Marks Hearings
2 February 2009