



TRADE MARKS ACT 1995

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

Re: Opposed application by Bruce E McDougall and Bronwyn McDougall under section 92 to remove 245662(25) UGH-BOOTS registered in the name of Deckers Outdoor Corporation.

DELEGATE:	Ian Thompson
REPRESENTATION:	Applicants: David Stewart instructed by Dr Michael Brewis of Wray & Associates via video conference from Perth Opponent: Chris Dimitriadis instructed by Melinda Upton of Blake Dawson Waldron
DECISION:	s92 proceedings – onus on owner of trade mark to show use within relevant period – use of generics by owner – trade mark to be removed from register. Costs ordered against the opponent.

Background

1. Deckers Outdoor Corporation ('the owner' or 'the opponent') of California, United States of America, owns a registered trade mark, current details of which are:

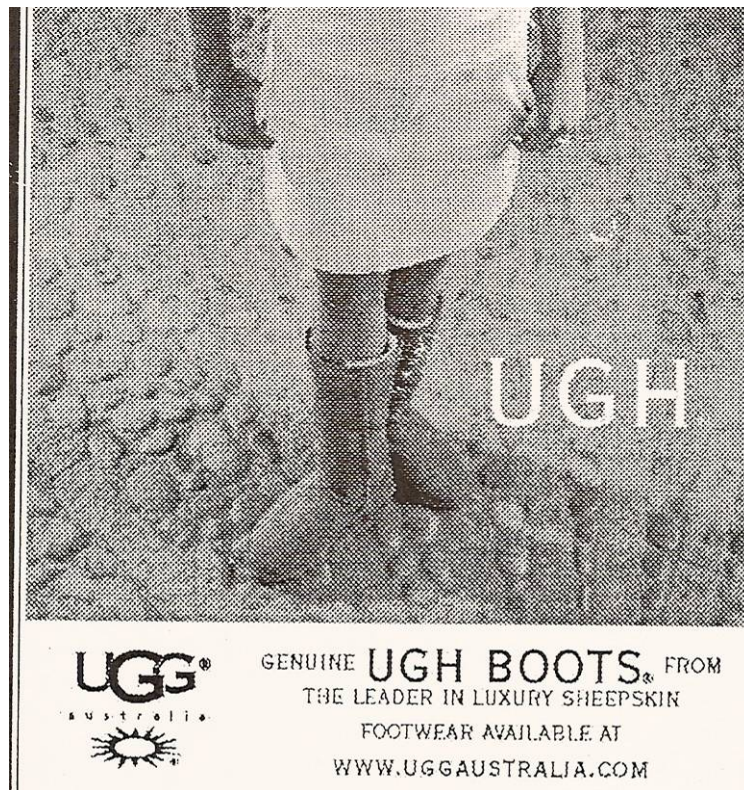
App No: 245662
Registered from: 25 January 1971
Goods: **Class: 25** Boots, shoes and slippers
Trade Mark: UGH-BOOTS
(‘the registered trade mark’)

2. On 30 December 2003, Bruce McDougall and Bronwyn McDougall ('the applicants') filed application under section 92 of the *Trade Marks Act 1995* ('the Act') claiming that during the period 30 November 2000 until 30 November 2003 the registered trade mark was not used or used in good faith by either the owner or an authorised user.
3. On 7 May 2004 Ugg Holdings Inc, a predecessor in business of Deckers Outdoor Corporation, filed notice of opposition to the removal of the registered trade mark alleging as the sole ground of opposition that the registered trade mark had been used within the relevant period.

4. The parties have both served and filed evidence as allowed by the Act and regulations thereto.
5. As a delegate of the Registrar of Trade Marks, I heard the matter at a hearing in Canberra on 24 November 2005. David Stewart instructed by Dr Michael Brewis of Wray & Associates of Perth appeared for the applicants by a video conference link. Chris Dimitriadis instructed by Melinda Upton of Blake Dawson Waldron appeared in person for the opponent.

Evidence and discussion

6. Detailed discussion of all of the evidence served and filed in this matter would, in my opinion, distract from the question which is at the core of this matter and it is most convenient for me to here discuss the evidence which relates to that question. This question forms the keystone of the submissions of both parties and is also central to my decision.
7. I will discuss the other evidence as it becomes necessary in my reasons.
8. There is one critical piece of supporting documentation in evidence in the material filed by the opponent which might show the trade mark in use within the relevant period of 30 November 2000 until 30 November 2003. This is a newspaper advertisement which appears in *The Sydney Morning Herald* dated 3 November 2003 and which is exhibited to the first declaration of Mr John Kalinich. The copies before me are not of reproducible quality but the advertisement appears to be identical to that below (of a later date) which appears elsewhere in the opponent's evidence:



9. It is Mr Stewart's contention that the above advertisement does not show the registered trade mark in use and, additionally, or in the alternative, that the above advertisement was a 'water tester' in that although the opponent has shown that it might have resulted in a license agreement with an Australian company, Pacific Sheepskins Pty Ltd whereby the Australian company is licensed to use, *inter alia*, this registration 245662 "for the mark UGG BOOTS", the opponent has not shown that there were any sales as a direct result of the advertisement under the registered trade mark.

10. There is also evidence which might suggest sales to Australia from the website www.uggaustralia.com within the relevant period. However, the declarations of Michelle Jansen and Colleen Treloar aver that they are people referred to in the opponent's evidence as having ordered goods on the website from Australia. Both of these declarants aver to not receiving the goods they are purported to have ordered. Moreover, a printout, in evidence, of the Internet website shows that it only permits orders from USA, Canada and the United Kingdom. The owner's leading declarant, Mr Kalinich, attests to 'difficulties' processing credit card orders from Australia. There are thus strong doubts as to whether the other customers listed in fact received goods in the relevant period and the opponent has not shown that the other customers referred to

on the list actually received the goods.¹ It should be relatively simple to provide evidence of postal or courier delivery of such goods within Australia, or declarations from the recipients of the goods to refute the inference that such deliveries did not take place. The fact that such evidence has not been led by the owner may be telling.

11. Furthermore, if any of the customers in Australia actually received the goods they are alleged to have ordered, it was under the signs UGG or UGG AUSTRALIA not under the trade mark UGH-BOOTS, according to Mr Kalinich's evidence.

12. The applicants also rely on a number of dictionary definitions. These are:

The Macquarie Dictionary (1981) defines the term **ug boot** as being a fleecy lined boot with an untanned upper.

The New Shorter Oxford Dictionary (1993) defines the term **ugg** as indicating a kind of soft sheepskin boot.

The Dinkum Dictionary (1988) defines the term **ug boot** as indicating a boot made of sheepskin with the fleece on the inside lining.

The Australian Concise Oxford Dictionary of Current English (1982) defines the terms **ug boot** and **ugg boot** as a fleecy-lined boot with untanned upper

The Oxford English Dictionary Online (2004) gives **ug**, **ugg** and **ugh** as being a proprietary name for a type of soft sheepskin boot.

13. The opponent has introduced its own evidence as relates to dictionary definitions of the terms UGG, UG or UGH BOOTS. There is inferred evidence of a letter from a previous owner of the UGH-BOOTS trade mark, Mr Stedman, to the publishers of the *Macquarie Dictionary* complaining that the entry for 'ugh boot' did not reference its status as a registered trade mark.

14. There is copy of a letter in response, dated 1 August 1983, from David Blair, General Editor of the *Macquarie Dictionary*, which states, *inter alia*, that he should, "... like to reiterate the statement made on the imprint page of all Macquarie Dictionaries that the presence or absence of a Trademark notation is without prejudice to the legal status of such a notation. ... As such, they are advisory only and not to be taken as definitive or as legal statements."

15. Subsequent editions of the *Macquarie Dictionary* in evidence carry the notation '[Trademark]' against the entry for 'ugh boot'. Mr Dimitriadis submitted that these later dictionary definitions generally support the position of the opponent that the various versions of the term UGG BOOTS should be viewed as being the trade mark of the opponent.

¹ In terms of *Nodotz Trade Mark* (1962) RPC 1, if a party is to rely on slight use of a trade mark, the evidence of that

16. In Yellow Pages® entries from the 1970s through to the 1990s from Brisbane, Adelaide, Perth and Melbourne the words UG BOOTS occur in a number of different iterations – these being UGG BOOTS, Ug Boots, UGH BOOTS, Ugh Boots, Ugg Boots, Uggboots, UGGBOOTS, UGGS, UGG-BOOTS, Ugg-Boots and UGG BOOT. The contexts in which these expressions occur make it obvious that they are being used only as a description of a specific product; none of the entries claim trade mark status and there is no other indication that the words are being used in other than a descriptive sense. Further, none of these usages are apparently by the owner or its predecessors in business.
17. What might be termed the ‘UGG variants’ are used interchangeably in the Yellow Pages® entries. For instance, the 2003 Brisbane Yellow Pages® contains the words Ug Boots and Ugg Boots as generic descriptors of a style of boot on page 2284. The 1980 Brisbane edition contains the words UGH BOOTS, Ugh Boots and UGG BOOTS as generic descriptors on page 1052.
18. There is also in evidence a manual - *How to Make Ugg Boots*, written by George Koleff and published by Encyclotel Pty Ltd in 1991. Additionally, there are various Australian surfing magazines which carry articles about (or advertisements for) UGG BOOTS, ugg boots and Ug boots. There are also various Internet searches which, viewed and considered in combination with the other evidence, make it plain that the terms UG BOOTS, UGG BOOTS and UGH BOOTS are interchangeable.
19. Mr Stewart submitted that the words UGH BOOTS, UGG BOOTS or UG BOOTS (or variants thereof) which occur in the numerous Yellow Pages® entries, magazines and Internet entries in evidence support the earlier dictionary definitions given above. Moreover; critically, submits Mr Stewart, none of these dictionary definitions is the trade mark as registered which is UGH-BOOTS and all of the use shown by the opponent is one of the generic uses as contained within the dictionary definitions rather than being the trade mark as registered.
20. Hence, submits Mr Stewart, in using the terms UGH, UGH BOOTS (with no hyphen) UGG, UGG AUSTRALIA or UGG BOOTS, the opponent has not used its registered trade mark; the owner has only used a generic term.

21. Mr Dimitriadis, counters that the hyphen which is missing from the opponent's trade mark as it appears in use within the advertisement is an alteration or addition which does not substantially affect the identity of the trade mark within the meaning of subparagraph 100(3)(a) of the Act.
22. There are ancillary arguments – such as the forensic interpretation that I should put on the dictionary definitions. It is convenient to dispose of this submission first.
23. I think that, viewed as a whole, the evidence suggests that the publishers of dictionaries are at least partially reliant on the owners of trade marks alerting those publishers to the fact that a proprietary right is claimed in particular dictionary definitions. Publishers of dictionaries are experts on the meanings of words; however, they are not experts on intellectual property law and the letter from David Blair, General Editor of the *Macquarie Dictionary* reflects this. I think that the preponderance of the evidence and my own common-sense and expertise should prevail in any interpretation that I put on such evidence and the dictionary definitions should accordingly be read in the context of the disclaimers at the front of the publications, the evidence of trade usages and other evidence which might go to the question.
24. Thus, while I do not weight the later dictionary definition lightly, I consider that such evidence should be viewed through a rather pragmatic prism of the totality of the evidence which relates to the trade and language usages of the sign and ought to be assessed appropriately.
25. The opponent in essence asserts that because it has alerted at least one publisher that it considers that it has proprietary rights in certain terms, I should be bound by the indications of proprietary rights which appear in dictionaries. However, ultimately, if I am to be bound by the dictionary definitions, it is seemingly only the information that the opponent or its predecessors in business has supplied to the dictionary publishers that I am really to be bound by. Hence, if I were to place great weight on the indications of proprietary rights which appear in dictionaries, I might only be relying on the opponent's claims. However, it is at least partially the opponent's claims which are here in question.

Other Issues

26. At the hearing there was some discussion of if, in these proceedings, I could consider whether a registered trade mark is a generic term and thus incapable of use as a trade mark. While it was not submitted by the applicants that such a course is open to me, I will merely comment that one of the factors that will necessarily enter considerations under section 92, from time to time, is the

inherent nature of the trade mark. If the inherent nature of a trade mark is such that the evidenced usages that the owner has made of it are obviously only descriptive of the nature of the goods, it may be most difficult to find that the owner has demonstrated use of a trade mark. This decision and these reasons is one occasion on which the inherent nature of the trade mark must be considered.

27. It was not a ground of opposition that the applicants are not persons aggrieved. While it would seem that both parties prepared evidence and/or submission concerning this point, I indicated at the hearing that, in order to streamline proceedings, and as the ground was not entered on the Notice of Opposition, I would not hear submission on this point as to do so (and to consider it) would lack procedural fairness. When I asked Mr Dimitriadis at the hearing whether the opponent wished to apply to amend the Notice of Opposition, he sought instruction and declined to follow this course.

Reasons

28. Section 92 relevantly provides:

92 Application for removal of trade mark from Register etc.

- (1) A person aggrieved by the fact that a trade mark is or may be registered may, subject to subsection (3), apply to the Registrar for the trade mark to be removed from the Register.
- (2) The application:
 - (a) must be in accordance with the regulations; and
 - (b) may be made in respect of any or all of the goods and/or services in respect of which the trade mark may be, or is, registered.
- (3) An application may not be made to the Registrar under subsection (1) if an action concerning the trade mark is pending in a prescribed court, but the person aggrieved may apply to the court for an order directing the Registrar to remove the trade mark from the Register.

Note: For *prescribed court* see section 190.

- (4) An application under subsection (1) or (3) (*non-use application*) may be made on either or both of the following grounds, and on no other grounds:
 - (a) that, on the day on which the application for the registration of the trade mark was filed, the applicant for registration had no intention in good faith:
 - (i) to use the trade mark in Australia; or
 - (ii) to authorise the use of the trade mark in Australia; or
 - (iii) 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 to which the non-use application relates and that the registered owner:

- (iv) has not used the trade mark in Australia; or
- (v) has not used the trade mark in good faith in Australia;
in relation to those goods and/or services at any time before the period of one month ending on the day on which the non-use application is filed;
- (b) that the trade mark has remained registered for a continuous period of 3 years ending one month before the day on which the non-use application is filed, and, at no time during that period, the person who was then the registered owner:
 - (i) used the trade mark in Australia; or
 - (ii) used the trade mark in good faith in Australia;in relation to the goods and/or services to which the application relates.

Note: For *file* see section 6.

29. In these proceedings, Mr Stewart, for the applicants, argues under subsections 92(4)(b)(i) and (ii) that during the period 30 November 2000 until 30 November 2003 the person who was then the registered owner did not use the trade mark in Australia or use the trade mark in good faith in Australia.

30. Mr Stewart submits that the uses of the terms UGH BOOTS, UGG BOOTS and UGG AUSTRALIA by the opponent are not a use of the registered trade mark UGH-BOOTS. Mr Stewart also points to deficiencies, generalizations or weaknesses in the opponent's evidence. For example, Mr Kalinich, Vice-President, Licensing, of the opponent, avers in his first declaration that:

- 4. In 1996 my company had the UGH-BOOTS trade mark and the UGH trade mark assigned to it from the previous owner, Mr Shane Stedman. I am aware that the UGH-BOOTS trade mark and the UGH trade mark have been recently made the subject of removal actions for non-use regarding, respectively, the periods 30 November 2000 to 30 November 2003 and 10 January 2001 to 10 January 2004.
- 5. Footwear bearing a trade mark phonetically identical to and/or very similar to the UGH-BOOT trade mark and the UGH trade mark has been sold by my company regularly during those periods. Annexed hereto and marked Exhibit "Confidential Annexure JK1" is a representative list of sales of my company's products sold under these similar trade marks, i.e. under the trade marks UGG and UGG AUSTRALIA.
- 6. All boots, etc sold by my company in Australia were marked via a hang-tag, a sewn on label and on the shoe box with "UGG AUSTRALIA". Sales in Australia are effected through my company's wholly owned subsidiary, Holbrook Ltd (A Hong Kong Corporation), trading as UGG Australia. Customers and sales personal routinely verbally refer to the boots sold by my company as "UGG boots" which is, of course, phonetically identical to the registered trade mark "UGH-BOOTS". Moreover, customers and sales personnel verbally refer to the other products sold by my company by reference to "UGG" which is, of course, phonetically identical to the "UGH" trade mark. Sales of my company's products have been primarily in New South Wales, although there have also been sales in Victoria and Western Australia.
- 7. Annexed hereto and marked Annexure "JK2" is a copy of an advertisement which appeared in the Sydney Morning Herald on 3 November 2003. The advertisement clearly features the UGH-

BOOTS trade mark and the UGH trade mark in relation to the offer for sale of footwear and refers customers to my company's Australian website www.uggaustralia.com.

31. Read carefully, one would conclude from the above statement by Mr Kalinich that the opponent did not sell any goods in Australia in the relevant period bearing the exact sign UGH-BOOTS. Further, paragraph 7 is actually misleading since the advertisement to which Mr Kalinich refers quite clearly does not feature the exact trade mark UGH-BOOTS. Moreover, the "Australian website" referred to in the advertisement is apparently run from within the United States since in a later declaration Mr Kalinich avers to the difficulties of processing Australian credit card transactions on this website within the United States.² The evidence also shows that at least two of the Australian customers listed as having ordered goods from the website, did not in fact receive them. Despite claims to the contrary, it is thus difficult to understand how this website might be accurately construed as being Australian.
32. At best, then, the non-specificity of Mr Kalinich's claims (and the documentary support therefore) results in such general claims as being of low probative weight. At worst, such claims might tend to actively mislead. It is therefore appropriate to weigh Mr Kalinich's claims accordingly.
33. I now discuss the inherent qualities of the words UGH BOOTS. It is very apparent that – as concerns the registered trade mark – it is exceptionally weak trade mark material from the viewpoint of its inherent capacity to distinguish the opponent's goods. In *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511, described as "probably the best known Australian authority on the notion conveyed by the phrase 'inherently adapted to distinguish'"³. Kitto J noted:

“... the question whether a mark is adapted to distinguish [is to] 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 connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it”.

² See the comments of Merkel J in *Ward Group Pty Ltd v Brodie & Stone Plc* [2005] FCA 471: the owner's website was specifically aimed at purchasers in the United Kingdom, USA and Canada and thus the trade marks were not used in Australia.

³ *Kenman Kandy Australia v Registrar of Trade Marks* (2002) AIPC 91-817

34. The evidence overwhelming supports the proposition that the terms UGH BOOT(S), UG BOOT(S) and UGG BOOT(S) are interchangeably used to describe a specific style of sheepskin boot and are the first and most natural way in which to describe these goods which should innocently come to the minds of people making this particular style of sheepskin boot. The terms thus lack any inherent capacity to distinguish the particular goods. The Yellow Pages®, Internet, magazine and dictionary uses of these terms make it quite clear that these terms are generic – they are the most immediate and natural ways in which to refer to a particular style of sheepskin boot.⁴ They are terms which are required by other traders without any improper motive to describe those boots. The terms, (as opposed to the registered trade mark), are in all senses analogous to the terms SCHOOLIES - *Sports Break Travel Pty Ltd v P & O Holidays Ltd*, (2000) 50 IPR 51 or CAPS THE GAME - *Powell v Glow Zone Products Pty Ltd* (1997) 39 IPR 506.
35. The orthographical variations are such that I regard the different spellings as being interchangeable and not materially affecting my considerations one way or the other.
36. But, as Mr Stewart observed, the exact term UGH-BOOTS (with a hyphen) does not appear in dictionaries – in these reference works the terms ‘UG BOOT’ or ‘UGG BOOT’ or ‘UGH BOOT’ are used. I also observe that the *Macquarie Dictionary* does not use the plural of the word ‘boot’ in its entry.
37. Mr Dimitriadis argues that the variations between the registered trade mark UGH-BOOTS and the alleged usages that the opponent has made of the trade mark (whether within the relevant period of 30 November 2000 until 30 November 2003 or not) are all alterations or additions which do not substantially affect the identity of the registered trade mark.
38. However, I am forced to the conclusion that whatever identity the term UGH-BOOTS might have as a trade mark must derive from the hyphenated nature of the expression. It is apparent that any loss of the hyphen or misspelling (or other variation from the registered trade mark) by the opponent so that it is rendered UGH BOOTS or UG BOOTS or UGG BOOTS must necessarily involve a change to the identity of the trade mark since these terms are all generic.
39. Accordingly, in the advertisement reproduced at paragraph 8, above, there is no use of the trade mark as it is registered. The only obvious use of a trade mark by the opponent is use of that material in the lower left hand corner of the advertisement which I reproduce below:

⁴ See also *Eutectic Corporation v Registrar of Trade Marks* (1980) 1A IPR 550



40. This reasoning, concerning the trade mark's orthography, which at first blush might seem extreme, is actually in conformity with the office's prior decisions such as that in *Effem Foods Pty Ltd* [1999] ATMO 80 (9 August 1999)(SWARMIES trade mark). Minor orthographical changes may make major changes to the identity of a trade mark. This is especially so when the registered trade mark is weak trade mark material.
41. Changes to words which are inherently non-distinctive and lack any capacity to distinguish (which changes are sufficient to permit registration) are absolute and do not necessarily confer rights in the words from which the registered trade mark is derived. For example, a change from the word QUICK to the trade mark QWICK might, on the establishment of the trade mark's capacity to in fact distinguish in respect of 'courier services', allow registration. However, such registration would not in itself confer rights in the word QUICK and evidence of use of the sign QUICK by an opponent may thus not establish use of the registered trade mark QWICK.
42. Minor orthographical variations, such as elision, may make major differences to how words are perceived and recognized. For example, the different expressions WEE KNIGHTS and WEEK NIGHTS contain the same letters in the same order and (via elision of the space in the respective expressions) may be similarly rendered WEEKNIGHTS and yet the original expressions have quite divergent meanings.
43. I can only conclude, since the trade mark UGH-BOOTS is registered, that it must (since, despite whatever reservations I might have about its capacity to distinguish, it is registered) be viewed in a similar way and that the hyphen is absolutely essential to its identity as a trade mark.
44. The registration should not therefore be viewed as conferring rights in the generic term, or terms, from which it is derived. The uses of these generic terms by the opponent are not, therefore, uses of its registered trade mark.
45. Accordingly, the absence of hyphen from the trade mark is an alteration or addition which does affect the identity of the trade mark as registered.

46. The opponent has not demonstrated any use of the trade mark as registered, whether before, during, or after the period in question. In fact, read closely, Mr Kalinich's sworn statement, above, appears to affirm that the opponent has not used the trade mark as registered.

Other

47. It is difficult to understand how the advertisement on which the opponent relies could be construed as a genuine attempt to use its trade mark in Australia. The evidence shows that the website, www.uggaustralia.com, at that time, made an offer of sale to people in the USA, Canada and United Kingdom but not Australia. The evidence shows that at least two people in Australia who ordered goods from the website did not receive them and the owner has not rebutted the inference that nobody who placed orders for goods from Australia actually received them. Mr Kalinich, Vice-President, Licensing, of the opponent attests that the opponent could not, at that time, process Australian credit card transactions and there is no apparent other way in which Australians could purchase the goods from the website. There does not appear in evidence to be mention of an offer to take money orders, for example, nor any evidence that such money order transactions actually took place in the relevant period. I am also asked to infer that the advertisement resulted in the appointment of the Australian company, Pacific Sheepskins Pty Ltd as licensee after the relevant period; however, the advertisement is not one which expressly seeks licensees – it rather appears to be one which seeks sales from its website, which, the evidence shows, were not possible to customers in Australia. There is thus no direct causal link between the advertisement and the appointment of the licensee.
48. There are possible explanations for the apparent placement by the owner of an advertisement which could not result in the immediate sale of goods. One is that the advertisement was placed so that the number of 'hits' on the website from Australians responding to the advertisement could be gauged; this would both test the efficacy of the advertising medium and whether it was to be worthwhile entering the Australian market. Another explanation could be that the opponent was aware that the trade mark was vulnerable to removal for non use and sought to make some public exposure of it. However, in view of the seeming problems of customers in Australia actually receiving goods, (although it would appear that some ordered them) this does not constitute a use in good faith of the trade mark, not being a 'genuine and commercial' use of the trade mark.⁵

⁵ See *Concord Trade Mark* [1987] FSR 209.

Decision

49. The opponent has not, accordingly, established its opposition to the removal of 245662 (UGH-BOOTS) from the Register of Trade Marks.
50. Subject to any appeal from this decision, filed within the allowed time, I direct that registration 245662 be removed from the register of trade marks.

Costs

51. As the applicant has been successful in these proceedings, I order costs against the opponent at the official scale.

A handwritten signature in black ink, appearing to read 'Ian Thompson', written in a cursive style.

Ian Thompson
Hearing Officer
Trade Marks Hearings
16 January 2006