



TRADE MARKS ACT 1955

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

Re: Opposition by AVIA GROUP INTERNATIONAL INC to registration of trade mark application number 468436 in the name of ADVANCE BUYING CORPORATION PTY LTD

Background

Application number 468436 was lodged, on 7 July 1987, in the name of ADVANCE BUYING CORPORATION PTY LTD (the applicant). The application was for registration of the mark as shown below, for a statement of goods subsequently amended to, "Clothing", in Class 25. The mark was advertised as accepted in the *Official Journal* of 18 October 1990.



Notice of opposition to the mark's registration was lodged, on 18 April 1991, by AVIA GROUP INTERNATIONAL INC, (the opponent). The primary grounds of the opposition, which were listed in the notice and later pursued at the hearing, were based on s.33 of the *Trade Marks Act*, that the present trade mark was substantially identical or deceptively similar to a prior registered trade mark owned by the opponent; on s.28 that use of the mark by the applicant would be likely to cause deception and confusion and would

also be contrary to law; and on s.40, that the applicant was not the proprietor and first user of the mark in this country.

The evidence

The service and lodgment of the opponent's evidence in support and the applicant's evidence in answer in the matter were completed by 26 March 1993. The evidence comprised:

Evidence in support

- * Statutory declaration by John B Douglass III dated 13 March 1992 and exhibits AG-I to AGI-14.

Evidence in answer

- * Statutory declaration by Adrian Barr dated 8 October 1992 and exhibit AB-1
- * Statutory declaration by Les Johnson of 11 February 1993

In his declaration forming the evidence in support, Mr Douglass, the Vice President of the opponent, described the history of the opponent's mark and its acquisition, by assignment, of registration 466362 in Class 25. He also discussed the previously registered mark, 429488 in Class 25, which was removed from the Register for non-use. Both of those registrations covered the mark AVIA. He said that the opponent was the owner of the mark AVIA in the USA and other overseas countries. He said that the predecessors in title of that mark had used it on women's sports briefs and socks since May 1985. He listed details of sponsorship deals involving the word AVIA, and included advertising and sales figures generated under the mark. He also included copies of invoices and details of use of the mark on sports and other types of shoes. He further said that the opponent's mark had been filed in "about 90 countries worldwide" for registration, and discussed that mark's use in those countries in trade and advertising.

The applicant's Managing Director, Mr Barr, in his declaration lodged as part of the evidence in answer, said that the mark AVIATIC (sic) had been used by the applicant since April 1987. He said that the applicant had no prior knowledge of the opponent's mark and it had received no reports of confusion from the marks' simultaneous use. He said that the mark AVIATIC had been used on denim jeans, jackets and shirts since 1987, and he listed details of sales figures generated under the mark and also the goods' distributors since that year. He said that the applicant had not advertised goods under the mark, but the goods carried extensive ticketing and labels at the point of sale. He said further that, if any advertising had occurred, it would have been through leaflets and pamphlets distributed by retailers. Mr Les Johnson, a Sales Manager, in his declaration completing the evidence in answer, said he knew of the subject mark as being distinctive of the applicant and was not aware of use of the mark AVIA. He said that he would regard use of the mark AVIA (by another person) on clothing of any sort as being confusing and deceptive.

The matter was set down before me, as the Registrar's delegate, for hearing in Canberra on 21 June 1995. The opponent was represented at the hearing, on the telephone, by Mr Richard Gough of Baker & McKenzie. Appearing on behalf of the applicant, also by telephone, was Mr Alfred Tatlock of A. Tatlock & Associates.

Submissions

Mr Gough said that the opponent would be relying upon ss.33, 28 and 40 of the *Trade Marks Act* in the present proceedings and that each of the related issues would be addressed in turn.

In relation to the objection under s.33, Mr Gough said that the mark AVIATIC L'AUTHENTIQUE was substantially identical or deceptively similar to the opponent's prior registration 466362(25) for the mark AVIA. He said that the applicant bore a heavy onus to show that there was no likelihood of confusion between the marks. To establish such

confusion, it was sufficient that a number of people would be caused to wonder regarding the respective origin of the goods - *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592. He said that the use of the marks in a normal and fair manner for all of the goods should be considered for the purposes of comparison - *Smith Hayden & Co Ltd's Appn* (1946) 63 RPC 97. When considering whether the marks were substantially identical, they should be compared side by side. On the other hand, when deciding whether they were deceptively similar, the comparison should take into account the public's imperfect recollection of the marks - *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*, (1963) 109 CLR 407. These tests should give consideration to their visual and aural qualities.

Mr Gough said that the second element of the present mark, L'AUTHENTIQUE, was laudatory and non-distinctive, suggesting to most people that it was merely the French word for "authentic". Given this, users would undoubtedly shorten the mark, in use, to AVIATIC. This was shown in the applicant's own evidence, where the declarants Johnson and Barr referred to the mark in this way, and also the examples of the mark in use which showed L'AUTHENTIQUE as a smaller and separate portion of the mark. He submitted that, accordingly, the only things that should be compared were the words AVIA and AVIATIC. The essential part of those words was the prefix AVIA, the suffix -TIC in the applicant's mark merely changing it to the adjectival form. He said that the marks were therefore identical when placed side by side, the opponent's mark contained completely inside the applicant's mark. Notwithstanding this, they were certainly deceptively similar, both marks clearly having a common derivation relating to birds, and the public would accordingly infer a common origin. This was particularly so as neither mark had a clear meaning in English.

Mr Gough quoted a number of cases where, he said, marks had been considered as likely to be perceived by the public as having a common origin, including WUPPER and WUPPERTALER; JEST and EASY JEST; SPUDS MACKENZIE and SPUDS MACSTUD; GARDEN and GARDENIA; BANDAID and BAND>>IT; and TABAC

ORIGINAL and TABACCO HARAR. He quoted the Hearing Officer from the latter case, *Derria A.G. v Dalli - Werke Maurer & Wirtz K.G.* (1984) 4 IPR 433, where she had discussed the assumption of a connection between marks stemming from a shared "essential feature". He also referred to a decision of the District Court of Marseilles in France, in an infringement matter involving the marks presently in contention, which, he said, went towards showing public confusion when both marks existed in the one market place.

Mr Gough said that, in the Barr and Johnson declarations, both men had referred to the subject mark simply as AVIATIC. Mr Barr had further stated that use of the marks must have occurred simultaneously without confusion, whilst Mr Johnson had declared that use of the same or similar mark would, in his belief, cause confusion in the trade and be deceptive. Thus the evidence was equivocal, with an interested party on one side claiming one thing and an expert on the other claiming the contrary. The subject mark had not been exposed to the public through advertising, meaning that there was less likelihood, up until now, of confusion. However, given the notional use of both of the marks, with an increasing exposure of the subject mark, such confusion would undoubtedly occur. He further said that the fact that the applicant had indicated that it would lodge further evidence from the trade, but had failed to do so, was an indication that such further evidence would have been detrimental to its case. Mr Gough said that, consequently, the applicant had not discharged its onus of showing there was no likelihood of confusion between the marks.

He submitted that, with respect to the s.28 ground, the evidence clearly showed that opponent had, as at the date of the present application, a considerable reputation for the mark AVIA, both in Australia and as a "spillover" from extensive overseas use. This meant that the Australian public would have been well aware of the opponent's mark for some years, and would be deceived or confused by the registration of the present application for registration. He referred for support here to the cases of *ConAgra Inc v McCain Foods (Aust) Pty Ltd* 23 IPR 193 and *Anheuser Busch Inc v Castlebrae Pty Ltd and Others* (1991) 23 IPR 54.

With respect to the Registrar's present practice of requiring blameworthy conduct to be shown for a case to be successful under s.28, Mr Gough said that this apparently derived from a case involving a removal application. However, in *Johnson and Johnson Australia Pty Ltd v Kalnin* (1993) 26 IPR 435, an opposition proceeding, Gummow J had found that an opposition succeeded under a s.28(a) ground without blameworthy conduct needing to be shown. He said that the present case was similar but, if such conduct needed to be shown, then it resided in the applicant seeking to register its mark in the face of the opponent's previous registration.

On the matter of the s.40 ground, Mr Gough said that the applicant was not the proprietor of its mark, AVIATIC L'AUTHENTIQUE, on the basis of the opponent's earlier registration and its use of its mark, AVIA. The marks were substantially identical, as was shown in the opponent's submissions under its s.33 opposition. Therefore, referring to the decision in *Daimler Industries Pty Ltd v Kabushiki Kaisha Daimaru* 27 IPR 124, where DAIMER and DAIMARU were found to be substantially identical, he said that the present situation was analogous. He said that, despite a statement by Mr Barr in his declaration that concurrent use of the competing marks, as contemplated by s.34, must have occurred, the application of that section in the present matter was inappropriate.

He concluded his submissions by asking for costs on behalf of the applicant.

In reply, Mr Tatlock submitted that the s.33 ground of opposition, as it was based on the registration of number 429488, was not valid as that mark had been removed from the Register on the grounds of non-use. At this point, Mr Gough sought to verbally amend the notice of opposition to substitute the opponent's other registration, number 466362, which was lodged on 3 June 1987, a month before the present application and which still qualified as a bar to registration as a prior lodged mark under s.33.

Mr Tatlock said that, despite both of the marks AVIA and AVIATIC L'AUTHENTIQUE having the first four letters in common, they were visually and phonetically distinct. He said that both AVIA and AVIATIC appeared to be invented, although they might share the same root. However, the opponent's mark AVIA seemed to pertain to birds, being a word element of AVIAN, whilst AVIATIC had its origins in relation to mechanical aircraft and to clothing associated with them, especially when considered in relation to the words AVIATION and AVIATOR. He submitted that the public would perceive both derivations and make a distinction between them. The words could therefore not be considered deceptively similar. He said that the list of marks from previously decided cases, submitted by Mr Gough as having been found to be deceptively similar to the public, should be given little weight. It could easily be matched by another list which showed marks, sharing a possible common root, which had been found *not* to be deceptively similar. He said that what should be done in such matters is that the marks should be assessed in the light of the intention of the provisions of s.33 and that each case should be accordingly considered on its own merits. In the present instance, any comparison should be looked at in the context of whether the marks were visually or aurally similar. He submitted that they were clearly not and the respective marks were therefore not substantially identical, nor deceptively similar.

In relation to the opposition as it was based upon s.28, Mr Tatlock submitted that Mr Douglass, in his declaration had said that the present opponent had registered trade mark

429488 from 4 July 1985. A business called "Avia" had used that mark, essentially on women's sports briefs, since 1985 and had been the proprietor of trade mark 466632. In March 1988, rights in 466632, plus the goodwill of the business, was acquired by another entity who then applied successfully to have 429488 struck from the Register for non-use. The opponent then purchased the rights to 466632 in November 1991. Mr Tatlock said that, despite its having been registered for a broad range of clothing, this mark appeared only to have been used in Australia by the previous proprietor between 1985 and 1987 in relation to women's sports briefs and socks, and more recently only in relation to shoes. He therefore submitted that any goodwill which was vested in that mark was not passed to the opponent in November 1991, as the opponent did not appear to have traded in the goods for which the mark may have had a reputation. In contrast, as shown by its evidence, the applicant had traded under its mark since April 1987.

He finished his submissions by asking that costs be awarded in the matter to the applicant.

Discussion

Section 33 - Substantially identical or deceptively similar

Sub-section 33(1) reads:

Subject to this Act, a trade mark is not capable of registration by a person in respect of goods if it is substantially identical with or deceptively similar to a trade mark which is registered, or is the subject of an application for registration, by another person in respect of the same goods, of goods of the same description as those goods, or of services that are closely related to those goods, unless the date of registration of the first-mentioned trade mark is, or will be, earlier than the date of registration of the second-mentioned trade mark.

In considering the question of whether the mark in question is caught by the provisions of s.33, I must firstly determine whether it is substantially identical with, or deceptively similar to, the marks owned by the opponent.

To judge whether the subject mark is substantially identical to the opponent's mark, it is necessary to carry out a straight comparison of the two marks. As submitted by Mr Gough, the pertinent tests are as outlined by Windeyer J. in the case of *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd*, supra. These are:

In considering whether marks are substantially identical they should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or similarity that emerges from the comparison ...

When the marks in question here are compared side by side, they have distinct differences which are readily observed. The applicant's mark comprises the two words AVIATIC L'AUTHENTIQUE in a slightly stylised format. On the other hand, the opponent's mark comprises the word AVIA, solus. Despite having the common element, AVIA, the additional material in the subject mark is sufficient to differentiate it from that of the opponent. Having applied the test of Windeyer J., I therefore find that the marks are not substantially identical and move on to decide if the marks are deceptively similar.

Sub-section 6(3) defines a mark as deceptively similar if it is likely to deceive or cause confusion. Here, the marks should not be placed side by side but consideration should be given to any common net impression inferred from the two marks. I refer here to the judgment in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641, where Dixon and McTiernan JJ. said:

In deciding this question, the marks ought not, of course, to 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 effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, their similarities both of sound and of meaning may play an important part. 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. The course of business and the way in which the particular class of goods are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard. Evidence of actual cases of deception, if forthcoming, is of great weight.

In the present case, there has been no evidence adduced of instances of actual confusion and so I will have to consider the matter from a theoretical viewpoint. I think it is obvious that the applicant's mark, when considered as a whole, is dominated by the word AVIATIC. The other portion of the mark, the word L'AUTHENTIQUE, plays a subsidiary role. Mr Gough has asked me to discount the presence of the latter word as it is largely non-distinctive and because even the applicant's declarants in its evidence refer to the mark as merely, "AVIATIC". He has claimed, probably correctly, that the public would infer that L'AUTHENTIQUE means AUTHENTIC. However, it does appear to be a French word and does, I think, add some exotic flavour to the mark as a whole. I agree with Mr Gough that it should be given lesser weight in the comparison but it is part of the mark as lodged and cannot be completely discounted. It is true that the applicant's and opponent's marks share the common element, AVIA, with the applicant's mark having the additional the suffix -TIC. However, even if the only things being compared are the words AVIA and AVIATIC, I am not convinced that the relevant public would carry away the impression that each of the marks was merely a variation of the other. Neither is an accepted dictionary word and they would be pronounced, and look, differently. Additionally, I am more inclined to Mr Tatlock's argument that AVIA has a suggestion of relating to birds, whilst AVIATIC

brings to mind mechanical aircraft. I think that the presence of the last syllable -TIC in the word AVIATIC does add another dimension, albeit slight, and I do not agree that a person would automatically think that the word would be the adjectival form of AVIA. These factors, combined with the lack of evidence of actual instances of confusion are sufficient, in my opinion, to differentiate the marks. I am therefore of the opinion that there is very little possibility of the present marks being considered deceptively similar even taking into consideration the doctrine of "imperfect recollection".

For the foregoing reasons, I find that the opponent's objection, as it is based on s.33, must fail.

Section 28 - Deception and confusion

The provisions of this section of the Act read as follows:

A mark -

- (a) the use of which would be likely to deceive or cause confusion;
 - (b) the use of which would be contrary to law;
 - (c) which comprises or contains scandalous matter; or
 - (d) which would otherwise be not entitled to protection in a court of justice,
- shall not be registered as a trade mark.

As submitted by Mr Gough, the test to be applied under paragraph (a) of these provisions, on which the opponent partly relies, has been well established by cases such as *Southern Cross*, supra, where it was said:

Registration should be refused if it appears that there is a real risk that the result of the user of the mark will be that a number of persons will be caused to wonder whether it might not be the case the two products come from the same source.

However, that risk must extend to a substantial number of people likely to be concerned in the purchasing of the goods: *Kendall Co v Muslyn Paint and Chemicals* (1963) 109 CLR 300. As I have said in my discussion of the issues relating to s.33, despite the marks sharing the common element AVIA, I do not think that it would be generally inferred amongst

purchasers that this meant that goods sold under the marks would originate from the same source.

In assessing the reputation of the opponent's mark in Australia, the relevant date is the date of lodgment of the opposed application - *Southern Cross*, supra, - 7 July 1987. In order to ascertain its reputation at that time, I have considered the evidence lodged by the opponent. It would appear, from the declaration made by Mr Douglass and the attached exhibits, that the opponent was, as at 7 July 1987, the proprietor of trade mark registration 429488(25) for the mark AVIA. This registration, lodged on 4 July 1985, covered "articles of clothing inclusive of footwear and apparel and all other goods in this class". The registration was removed on 12 March 1992 under s.23 of the Act for non-use for the period 21 October 1985 to 21 October 1988. Nothing in the evidence indicates any degree of sales by the opponent under the mark, the subject of 429488, and I therefore cannot find that the opponent, or anyone else, had a reputation attaching to that mark. There is also nothing in the evidence to support Mr Gough's claim of a significant "spillover" of reputation from its overseas use of the mark AVIA as at 7 July 1987. Such cases must be considered in isolation and I do not agree that there is any general rule which can be applied. The mere assertion of such a phenomenon without some convincing corroborating evidence is not enough to persuade me that this is the case.

On 1 November 1991, the opponent was assigned trade mark registration 466362(25) which covered the goods, "clothing including sports clothing, sports briefs, socks, T-shirts, sports clothing accessories in this class". However, at the time of the present application, the mark covered by registration 466362 appears, from the evidence, only to have been used on women's sports briefs and socks. The opponent's present business under the mark appears limited to sporting shoes but nothing has been lodged to show significant sales or reputation for the mark in Australia, as at the appropriate date, even for those items, let alone the wider statement of goods for which the mark is registered. As I mentioned before,

nothing compelling has been lodged to assist any claims of overseas reputation in the mark "spilling over" into this country.

Notwithstanding the above, it is true that there are cases, such as *De Cordova v Vick Chemical Co.* (1951) 68 RPC 103 and *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147, where it was found that, if the later mark incorporates the essential or distinguishing feature of the earlier mark, then confusion is likely to result. However, I do not agree that the present case falls into this category. For the foregoing reasons, I find that use of the applicant's mark will not lead to deception or confusion. I am therefore satisfied that the requirements of paragraph 28(a) have not been made out.

Following the High Court decision in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Ltd* 18 IPR 385, the *Moo* case, the Registrar now follows the practice as laid out in the decision of Hearing Officer Homann in *Titan Manufacturing Co v John Terrence Coyne* 22 IPR 613 - that is, that all paras of s.28 should be read together. This means that, had I found that the mark was likely to deceive or cause confusion, then it would also have been necessary to find that it would not have been entitled to protection in a court of law before an opposition could succeed under s.28. I note Mr Gough's comments regarding blameworthy conduct not being, in his estimation, required to successfully make out a case under s.28. However, despite the inconvenience that the Office practice might have for opponents relying upon s.28, the need to show some blameworthy conduct by the applicant has been included for some time in Office decisions without adverse judicial comment, or having being overruled in an appeal situation. I therefore can see no reason to break with such a requirement in this decision.

In the present case, I note that there is nothing before me to show that there has been any blameworthy conduct on the part of the applicant, nor any other circumstance which would disentitle the mark to protection in a court of justice. I cannot agree with Mr Gough that, by applying for the present mark in the face of the opponent's registration, the applicant has

committed a blameworthy act. I find, therefore, the requirements of paragraph 28(d) have also not been made out. The opponent's case, in terms of its objection under s.28, must therefore fail.

Section 40 - Proprietorship

The provisions of s.40, so far as is relevant here, are that:

A person who claims to be the proprietor of a trade mark may make application to the Registrar for registration of that trade mark in Part A or Part B of the Register

On that subject, McGarvie J said in the case of *Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd* 10 IPR 402:

The basic common law principle is that the first person who uses a trade mark of an appropriate type within a country becomes the proprietor of the mark there: *Re Registered Trade Mark "Yanx"*; *Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 at 203; *Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd* (1974) 131 CLR 592 at 603; *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2)* 59 ALJR 77 at 83.

...

In considering who, within s.40(1) of the Act, was at the time of Settef's application for registration the proprietor of the trade mark, one considers who at common law was the proprietor in Australia: *The Shell Co of Australia Ltd v Rohm & Haas* (1949) 78 CLR 601 at 625 and 627.

In other words, the first user of the mark in Australia (for relevant goods and prior to the date of application) becomes the proprietor at common law. That proprietorship, however, is limited to "the same kind of thing", as per Holroyd J in *Hick's trade mark* (1897) 22 VLR 636. Any small amount of use will suffice, but the effect of the act relied on to constitute use must be the creation, in the minds of those concerned, of an impression that goods of a particular trader are being offered for sale in Australia. This has been affirmed in later cases such as in *Seven Up Co v O.T. Ltd* (1947) 75 CLR 203, where Williams J. said at 211,

But the position is different if at that date the mark has become identified with the goods of the foreign trader in Australia because those goods have been brought into Australia by the foreign trader himself or by some importer or in some other manner.

Mr Gough has argued that the applicant is not the proprietor of the mark AVIATIC L'AUTHENTIQUE in Australia on the basis of the opponent's prior registration and use of its mark AVIA . However, as I have found in relation to the s.33 ground of the opposition, the marks are neither substantially identical nor deceptively similar. I believe, in deciding the issue of proprietorship, that s.40 only applies when the marks are identical or so similar as to be virtually the same mark - *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994)AIPC 91-049 and *Karu Pty Ltd v Jose* (1994) AIPC 91-101. Here, the marks of the respective parties are clearly different. Given the foregoing, I find that the opponent is not successful on this ground of opposition.

Conclusion

I find that the opponent has failed on all of the grounds relied upon in the notice of opposition. I therefore dismiss the opposition and, subject to any appeal from this decision, the mark should proceed to registration. I can see no reason why costs should not follow the result and I accordingly award costs in the matter to the applicant.

Ian Forno
Hearing Officer

28 July 1995