



TRADE MARKS ACT 1955

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

Re: Opposition by THE LITTLE TIKES COMPANY to Trade Mark Application Number 512137 in the name of DEBRA JOY CIARDULLO

Application number 512137 was lodged on 5 June 1989 in the name of DEBRA JOY CIARDULLO (the applicant). The application was for a composite mark (see below) comprising the words LITTLE TYKE in a scroll and the device of a CLOWN'S HEAD and was advertised accepted in the *Official Journal* of 31 October 1991 for the statement of goods: Articles of Clothing (in class 25).



Notice of opposition to the mark's registration was lodged on 31 January 1992 by THE LITTLE TIKES COMPANY (the opponent) and various grounds formed the basis of the opposition. However, the main ground, as pursued at the hearing into this matter, related to s.33 of the Act, that the mark is substantially identical to, or deceptively similar to, the

opponent's own registered mark B332425 which is registered in respect of "Toys, games and playthings" in class 28 for the words LITTLE TIKES.

Service and lodgement of the opponent's and applicant's respective evidence was completed by 10 January 1995 and consists of:-

Evidence in Support

Statutory Declaration by Nathaniel T Smith with Exhibits NTS.1 through to NTS.7; Statutory Declaration by Gwendoline Ruth Bentley with Exhibits GRB.1 through to GRB.7; Statutory Declaration by Paul Michael Valon with Exhibit PMV.1; and Statutory Declarations by Kathleen James, Francis Xavier Kavanagh, Julie Dunbar, Ross W Alexander, Jeanette Jessie Bond and Steve Cenatiempo.

Evidence in Answer

Statutory Declaration by Debra Joy Ciardullo with Exhibit DJC1.

Evidence in Reply

Statutory Declarations by David Richard Tolmer, Catherine Clarke and Ian Frederick Gaffney with Exhibits IFG.1 through to IFG.3.

The opponent requested a hearing in the matter and the case was set down before me, as the Registrar's delegate, in Canberra on 22 February 1995. Representing the opponent from F B Rice & Co was Mr Wayne Willis, accompanied by Ms Gwen Bentley. The applicant's attorneys, Griffith Hack & Co, did not appear but, instead, Mr Ward from that firm lodged written submissions.

Submissions

Mr Willis rightly pointed out that for a mark to offend against s 33 of the Act, the two elements, separately, must be satisfied: the marks in question must be found to be substantially identical or deceptively similar, and the goods must be found to be the same goods or goods of the same description.

As to the first leg, Mr Willis said that it could be argued that the marks are substantially identical because, although there is a device added in the applicant's mark, the essential feature of each mark was the same. But, he said, if not substantially identical, the marks could be considered to be deceptively similar because deceptive similarity involves the consideration of broader terms of reference, not merely relying on a face to face comparison. In this regard, Mr Willis reminded me that where a mark is a composite word/device mark, the mark is usually known by its verbal features; in this case, the applicant's mark would be referred to as the LITTLE TYKE mark and, when used to identify the goods in question, would give rise to confusion with the opponent's mark LITTLE TIKES. Mr Willis asserted that the fact that the words LITTLE TYKE have been disclaimed did not lessen the effect of deception or confusion and noted that there was enough case law around to bear this out.

Mr Willis next tackled the second leg of s 33 - whether the respective goods were goods of the same description. He said that the 3-part test as devised by Romer J. in *Jellinek's Application* (1946) 63 RPC 59 at 70 for determining whether goods are of the same description, should be kept in mind; however, he said, the marketplace of today is different from that when this test was devised - 1946 - and so, while the test is

useful, it should not be seen as determinative. In this regard, Mr Willis drew my attention to *Invicta Trade Marks* (1992) 23 RPC 541 where, at 546, Robin Jacobs said:

This three-fold test has been approved on a number of occasions, though it is clear that it is not conclusive, and the matter is one of judgment and degree.

Mr Willis said that although the goods of both the applicant and the opponent did not always appear in the same shops, this was not a measure of whether or not the goods involved were of the same description. However, he continued, when the goods were sold in the same retail outlets, the goods were sold adjacent to one another where possible. This was borne out in the opponent's evidence in the statutory declarations of people of long standing in the trade. Mr Willis argued that it was a commercial reality and economic imperative that these goods were placed together because of the potential for increased sales.

Mr Willis directed me to the statutory declaration of Ian Frederick Gaffney whose experience in the area of children's toys and clothing, he said, made Mr Gaffney well qualified to make an authoritative comment on the present state, in Australia, of the marketing of children's toys and clothing; Mr Gaffney comments that " in my experience, it has been common practice since well before 1989 to market toys and children's clothing under the one trade mark. Strong sales of toys bearing a trade mark are often accompanied or followed by strong sales of children's clothing bearing the same trade mark. It is common to exploit the market recognition of a trade mark in relation to toys by expanding into the use of the trade mark in relation to children's clothing...". Mr Willis said that 1989 was specifically mentioned because that was the year the application in suit was lodged and it would make sense to look at market conditions at that time. Moreover, he said, although market conditions change, it is not likely that they would change dramatically over a twelve month period.

Finally, Mr Willis directed my attention to the present state of the Register regarding the commonality of registrations of the same trade mark in classes 25 and 28 as is evidenced in the Statutory Declaration of Gwendoline Ruth Bentley. This trend, he asserted, suggests a reasonable degree of connection between children's goods in those two different classes. He said that the opponent's evidence established that there are proprietors and manufacturers actually using the same trade mark on children's clothing and children's toys and this was exemplified by the Gerber and Playskool trade marks, to name but two. Although the opponent, he said, was a well-known and well-developed manufacturer of children's plastic toys and furniture, it was not inconceivable that THE LITTLE TIKES COMPANY would want to extend its operation to include the manufacture of children's clothing which is, these days, increasingly made from synthetic products; the opponent could apply the same technology and equipment to produce the synthetic clothing materials as they do in producing plastic toys and plastic furniture without necessarily needing to change its entire base of manufacture.

In conclusion, Mr Willis stated that the opponent's submissions were directed solely to children's clothing. He reiterated that I should consider carefully the commercial reality of presenting children's toys and children's clothing in adjacent areas in stores; and I should look at the likely impact on the average consumer buying goods bearing the same or a similar trade mark from each of these areas, through the eyes of Robin Jacob in the *Invicta* case (supra).

Mr Ward, in his written submissions, disputed the opponent's contention that the goods in question were goods of the same description; he directed attention to the Statutory Declaration of Debra Joy Ciardullo whose research in large department stores and into manufacturers of children's clothing and toys shows that the vast majority of children's clothing and toys are made by entirely different manufacturers and usually sold through

different outlets as evidenced by the great many stores which sell only children's clothing or sell only children's toys. Mr Ward did, however, concede that there were instances, namely, in character merchandising, where the same proprietor uses the same mark on children's clothing as on children's toys. But, he said, character merchandising did not mean that all goods become goods of the same description. Mr Ward also submitted that there is a clear visual difference between the applicant's mark and the opponent's mark; and the applicant's trade mark gained acceptance, not only because the goods involved are not goods of the same description but also as a result of this visual difference.

Mr Willis, in reply, urged a degree of scepticism when weighing up the contents of the applicant's evidence; he said that the applicant's evidence was hearsay: the result of enquiries made by a person, party to these proceedings and then put into declaratory form. He said that greater emphasis should be afforded the opponent's evidence because it came from highly qualified people in the trade.

Discussion

In considering the question of whether the mark in question offends against the provisions of s 33, I must firstly determine whether it is substantially identical with, or deceptively similar to, the opponent's mark.

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.

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. In the case of *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd* (1963) 109 CLR 407 at 414, Windeyer J. said that the marks should be considered side by side and the collective similarities and differences carefully weighed; the total impression of resemblance or dissimilarity is the test.

When considering the applicant's and opponent's marks under this criterion, it is obvious that the marks are not substantially identical. The marks have distinct differences which are readily observed. The subject mark comprises the words LITTLE TYKE in a scroll and the device of a clown's head, while the opponent's mark consists of the words LITTLE TIKES. 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 so nearly resembles another trade mark that it is likely to deceive or cause confusion. Regarding this question, I note the judgement in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58

CLR 641, where Dixon and McTiernan JJ. said, at 658:

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.

I think that, despite the device, the net impression of each of the marks, certainly in oral references, would be LITTLE TYKE and LITTLE TIKES. The next question to be considered is whether the words LITTLE TYKE so nearly resemble the registered mark LITTLE TIKES as to be likely to deceive or cause confusion. I do not think there is any doubt but that these marks are deceptively similar and I agree with Mr Willis that there would be a great deal of confusion when the applicant's mark is used to identify goods.

The opponent's objection to the mark now hinges on whether the goods of this application and the goods of the opponent's registered mark could be considered to be goods of the same description. In applying the test of Romer J. in *Jellinek's Application* (supra) for determining goods of the same description, I take note of Mr Willis' entreaty to take account of the change in the marketplace of today as opposed to that state of affairs which existed in 1946. The three-fold test takes account of: (1) the nature of the goods in question; (2) the respective uses of the goods; and (3) the trade channels through which the goods are bought and sold.

The nature of the goods

I do not think that the nature of the goods is the same. Toys, in this instance, are made from plastic but can be made from a variety of materials while clothing is manufactured from fabric. Mr Willis submitted that children's clothing "is increasingly made from synthetic

products and will have plastics applied or attached to the fabric in some way" and that the technology and machinery of the opponent could be applied to making these synthetic products and plastic appliques. I concede that it may be the case that the opponent could very well make the plastic appliques. However, I think to say that this same machinery and technology that goes to producing plastic toys and furniture could be applied to making synthetic fabrics for clothing is a somewhat fanciful notion. In instances where the goods use materials in common, as per plastic appliques for clothing, I think that those engaged in their manufacture would regard them as belonging to different trades, even in this day and age.

The respective uses

The purpose of children's clothing is to clothe the child; the purpose of children's toys is to enable the child to be engaged in playful activities. The first group of goods has no relationship to utilising the second group. I would therefore surmise that the respective uses for each set of goods is different.

The trade channels

It is common knowledge that some manufacturers of children's toys also apply their mark to children's clothing; this is borne out by Mr Gaffney's comments and photographic exhibits attached to his statutory declaration. But, I think that this practice is more as a result of character merchandising than a common trend among most manufacturers of children's toys. I take note of Mr Willis' submissions that children's clothing and children's toys are sold and stocked in large department stores and may be found in adjacent areas in these stores. I can see, as Mr Willis referred to it, the economic imperative for store owners doing this and, while it is clear that some weight must be given to these factors, I cannot see that this economic imperative would alter the manufacturing base of a toy manufacturer or, for that matter, a clothing manufacturer; so, I am of the opinion that children's toys and children's clothing are not usually produced by the same manufacturers.

Therefore, while children's toys and children's clothing may have some trade channels in common (as demonstrated by the opponent's evidence), and even, in some cases, the same manufacturers, this connection is outweighed by the notable differences in their nature and purpose.

I note Mr Willis' submissions regarding the state of the Register and the commonality of registrations of the same trade mark in classes 25 and 28, as noted in exhibits attached to the Statutory Declaration of Gwendoline Ruth Bentley. I do not dismiss this submission out of hand and, although carrying some weight, I find, as Mr Willis himself said, this fact is not determinative. I found that out of the 18 registrations referred to in evidence, at least 8, to my knowledge, could be classed as being the subject of character merchandising. As I inferred above, character merchandising does not really give us a true picture of the state of affairs in the marketplace in relation to whether the same manufacturers would be involved in producing children's toys and children's clothing. I take note that all the marks cited by Ms Bentley have been required to be associated; I also note that all these marks were examined and registered before a review and subsequent change of Office Practice took place following the High Court decision in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Ltd* 18 IPR 385.

Decision

Although the applicant's mark and that of the opponent are deceptively similar, I find that the goods covered by the application in suit are not goods of the same description as those covered by the opponent's registration. The objection in terms of section 33 of the Act therefore do not exist. Subject to an appeal from this decision, I will accept this application.

Costs

Each party sought cost in this matter. As costs usually follow result and I can see no reason to stray from this practice, I award costs in the matter to the applicant.

Sharyn Sullivan
A/g Hearing Officer

21 March 1995