



TRADE MARKS ACT 1955

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

Re: Opposition by LADYBIRD BOOKS LTD to registration of trade mark application number 546189 in the name of MPH PUBLISHING (S) PTE LIMITED

Background

As provided for in the transitional provisions of Part 22 of the *Trade Marks Act 1995*, the provisions of the *Trade Marks Act 1955* continue to govern this opposition. Accordingly, unless otherwise specified, any reference to the Act in this decision is a reference to the *Trade Marks Act 1955*.

Application number 546189 was lodged, on 22 November 1990, in the name of MPH Publishing (S) Pte Limited (the applicant). The application was for registration of the trade mark, as shown below, for the statement of goods, “Printed matter, travel guide books, magazines, posters and photographs” in Class 16.



The trade mark was advertised as accepted in Part A of the Register in the *Australian Official Journal of Trade Marks* of 8 April 1993.

Notice of opposition to the trade mark's registration was lodged, following the granting of an extension of time to do so, on 8 October 1993, by Ladybird Books Ltd, (the opponent). The primary grounds of the opposition which were pursued at the hearing, were based on

s.40 of the Act, that the applicant was not the proprietor of the trade mark; and on s.33, that the present trade mark was substantially identical or deceptively similar to one or more prior registered trade marks owned by the opponent in relation to the same or similar goods.

The evidence

The service and lodgment of the evidence in support relied upon by the opponent in the matter was completed by 12 February 1996. That evidence comprised a statutory declaration by David Frank Lewis dated 23 January 1996 and Exhibits DFL-1 to 4, and another by Peter Field and Exhibits PF-1 to 5.

In his declaration, Mr Lewis, the Company Secretary of the opponent, stated that his company was the proprietor of Australian trade mark registrations, number 209518 for the trade mark LADYBIRD, and 351453 for the trade mark as shown below, for goods in class 16, and other registrations of the latter trade mark in several classes.



Also included in the declaration were world wide sales and advertising figures in relation to goods sold under those trade marks from 1989 to 1994. Exhibited to the declaration was an illustrated stock list, together with details of overseas registrations of those trade marks.

In his declaration completing the evidence in support, Mr Field, the Managing Director of Penguin Books Australia Limited, the Australian distributor of the opponent's goods, declared that the LADYBIRD trade marks were used on all of the opponent's goods distributed by his company. He gave details of the Australian sale values and volume of the opponent's goods from 1990 to 1995, and also details of retail outlets of the goods.

Exhibited to his declaration were copies of front covers and title pages of books, promotional hangers, examples of changes in style and presentation of the trade marks, and promotional materials used in point-of-sale advertising, in magazines and in brochures.

The applicant did not serve any evidence in answer.

The opponent requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Sydney on 18 October 1996. Mr Ray Walton of Griffith Hack & Co appeared on behalf of the opponent. The applicant did not appear, nor did it make any representations in writing, or by telephone, at the hearing.

Submissions

Mr Walton said that the opponent was the proprietor of the word LADYBIRD and a Ladybird or spotted bug device. These trade marks, he said, were well known in the market place and were shown by the sales figure contained in the evidence to be very valuable items. He said that the opponent was vigorous in protecting these trade marks from subtle erosion, especially given the trade marks did lend themselves to variation - for example to other insect forms. He submitted that, because the trade marks were used particularly on children's early learning books, then that part of the market needed to be protected from deception and confusion by refusing the registration of deceptively similar trade marks. This was particularly so given children might not be aware of subtle differences in trade marks which adults might more easily discern. Given that registration in the present instance would give the applicant rights for its trade mark on all printed matter, which included children's books, then confusion with the opponent's trade marks could well occur.

Mr Walton said that, in addition to trade mark registration, the opponent also had achieved, through considerable sales, extensive common law rights in the word LADYBIRD, and the ladybird or spotted bug devices. He said that devices could be considered deceptively similar if they suggested the same "idea" - as observed by Latham J in *Jafferjee v Scarlett*

(1937) 57 CLR 115. He referred further to page 174 of *Australian Law of Trade Marks and Passing Off* (Second Edition) by D.R. Shanahan, where the words of the Herschell Committee report on the topic were repeated. Mr Walton said that the evidence showed that the opponent was the only party to use a trade mark which incorporated a spotted bug device, or one which suggested a similar idea, on the relevant goods. Therefore, the adoption by the applicant of a trade mark which incorporated the essential feature of a spotted bug device, possessing such similarities to the opponent's trade marks as feelers, legs spots etc., could well lead to deception and confusion in a public well used to seeing the latter trade marks used in all sorts of positions and configurations.

Acknowledging that the present trade mark included the words TRAV and BUGS, in addition to the disputed device, Mr Walton said that those words did not detract from the strong "idea" suggested by the device common to both trade marks. He said that these words could be inferred as a title, or a descriptor, of books produced by the opponent. This was exacerbated by the fact that the opponent's main market was children, who tended to focus on an illustration or form rather than a detailed analysis of what was contained in a trade mark. He said that deception and/or confusion might arise as a consequence of someone seeing and identifying features which were matched with those contained in the memory - *Johnson and Johnson Australia Pty Ltd v Kalnin* 114 ALR 215. He also mentioned the passage at page 339 of Shanahan's book, supra, which referred to the decision in *Polaroid Corp. v N. Sole Pty Ltd* [1981] NSWLR 491 at 497-498 with respect to a defendant not escaping infringement by including in a trade mark other matter (in addition to the essential feature), and also the words of Gummow J. in *Wingate Marketing Pty Ltd and Anor. v Levi Strauss & Co and Anor.* 28 IPR 193 in relation to the comparison of the normal use of a registered trade mark - here the bug device shown by the evidence to be distinctive of the opponent - and a potentially infringing trade mark, ignoring any added matter. He said that, in the present matter, the words TRAV BUGS should also be ignored. He said that, accordingly, if the present trade mark was registered,

then the applicant would have exclusive rights to use a trade mark which could lead to an infringement action.

Mr Walton said that the rules of comparison provided by Parker J in *Pianotist Co's App'n* (1906) 23 RPC 774 applied equally to words and devices, and care here should be given to the rule relating to the nature and kind of customer who would be likely to buy the relevant goods - here children purchasing early learning books. He said that children would suffer as much as adults from the "imperfect recollection" mentioned in *Rysta Ltd's App'n* (1943) 60 RPC 87.

Commenting that the applicant had not served any evidence in answer in the proceedings, Mr Walton said that it had therefore not discharged the onus upon it to show that there was no likelihood of deception or confusion arising from the registration of the opposed trade mark - *Hermes S.A. v E.T. Swift & Co Pty Ltd* (1984) 2 IPR 432. He closed his submissions by seeking costs in the matter in favour of the opponent.

Discussion

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...

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 trade mark in Australia - for the relevant goods or services and prior to the date of application - becomes the proprietor at common law. As to the use of the trade mark by a distributor who sells the goods of an overseas manufacturer exporting to Australia, Windeyer J. observed in *Estex Clothing Manufacturers Pty Limited v Ellis & Goldstein Limited* (1967) 116 CLR 254 at 271:

When an overseas manufacturer projects into the course of trade in this country, by means of sales to Australian retail houses, goods bearing his mark and the goods, bearing his mark are displayed or offered for sale or sold in this country, the use of the mark is that of the manufacturer.

I believe, in deciding the issue of proprietorship, that s.40 only applies when the trade marks are identical or so similar as to be virtually the same trade 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 trade marks of the respective parties are clearly different, although the goods covered by the present application and some of the opponent's registrations are certainly the same. The subject trade mark, as shown on page 1 of this decision, shows an insect with spots on its back, arguably a ladybird, emerging from a hole or burrow, together with the words TRAV BUGS. The opponent's trade marks which include a device, as shown in the example on page 2, also show a spotted insect, probably a ladybird, albeit a rounder and obviously better fed one, and the word LADYBIRD. There are some variations to this, with the insect facing the different way and a different positioning of the word but all of the opponent's registrations, which include the bug device, are basically the same trade mark. Because of the significant differences between the applicant's and opponent's respective trade marks, particularly the words contained within them, I believe that they are not the same trade mark. Accordingly, I am also of the opinion and that the applicant has not been shown to not be the owner of its trade mark. Given the foregoing, I find that the opponent is not successful on this ground of opposition.

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.

As I have said, there is no doubt that the respective sets of goods covered by the applicant's application and some of opponent's registered trade marks are of the same description. The present application covers "printed matter" while the opponent's registration number 209518, for the word LADYBIRD, covers "books and printed publications" and that of number 341776, for the word LADYBIRD and a ladybird device, covers "stationery and stationery articles". That being the case, in considering the question of whether the trade 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 trade marks owned by the opponent.

Mr Walton said that the trade marks were deceptively similar. Sub-section 6(3) defines a trade 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 impression carried away 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. The opponent's trade mark, the word LADYBIRD, solus, covered by registration number 209518 covers "books and printed publications". From the evidence, it is clear that it is one of a family of trade marks owned by the opponent and is nearly always used in conjunction with a variation of the opponent's ladybird device marks such as that covered by registration number 341776, which is registered for, "stationery and stationery articles". The applicant's trade mark includes the device of an insect which looks like a spotted beetle or bug and the latter inference is reinforced by the word BUGS included in the trade mark. The Macquarie Dictionary lists the word "ladybird" as a noun, meaning:

a beetle of the family Coccinellidae, of graceful form and delicate colouration. The larvae feed upon plant-lice and small insects. Also, lady beetle, ladybug.

Given the words LADYBIRD and LADYBUG appear to be interchangeable, I am prepared to accept that the word BUGS in the applicant's trade mark, together with the spotted bug device, would quite possibly suggest that the creature was indeed a ladybug or ladybird. The devices contained in the applicant's and opponent's respective trade marks are certainly not unlike and could be confused especially, as was suggested by Mr Walton, given that the intended public of the opponent's trade mark is children at the pre or early reading stage. This would, in my opinion, exacerbate any "imperfect recollection" which might arise. Children could, quite possibly, be looking for the opponent's books with a ladybird or ladybug device on them, or just simply the word LADYBIRD, and be deceived or confused into thinking that the applicant's products bearing its own "ladybird" or "bug" device were the ones they were seeking. The other material in the applicant's trade mark,

the word TRAV, is suggestive of travel and might be seen by the purchasing public, parents and children alike, as indicating a variation of the LADYBIRD or LADYBUG books - perhaps travel books for children. It is therefore not, in my opinion, a significant difference in the trade marks. All of the foregoing circumstances then would appear to render the trade mark deceptively similar to the opponent's prior registrations. I accordingly find that the opposition, as it is based upon s.33 of the Act, is successful.

Conclusion

I find that the opponent, while not being successful in showing that the applicant is not the proprietor of the trade mark applied for, has succeeded in showing that the trade mark is deceptively similar to its own prior registered trade marks for goods of the same description which could, in my opinion, lead to deception and confusion. It follows that the opposition as a whole is successful. Accordingly, I refuse to register the trade mark the subject of this application. I can see no reason why costs should not follow the result and I therefore award costs in the matter to the opponent.

Ian Forno
Hearing Officer

24 January 1997