



**TRADE MARKS ACT 1955
DECISION OF A DELEGATE OF THE REGISTRAR OF
TRADE MARKS, WITH REASONS**

Re: Opposition by Oakley, Inc to the registration of trade mark application number 562123 in the name of Manta Surfing Products Pty Ltd.

Background:

After examination, trade mark application 562123 was advertised by the Trade Marks Office as having been accepted for registration. The goods specified in the application are flippers for swimming and for bodyboarding. The applicant is Manta Surfing Products Pty Ltd, which I will refer to simply as “the applicant” from this point.

The mark in question is the word BLADE, shown in the application form in a jagged diagonal script form as follows:

The image shows the word 'BLADE' written in a highly stylized, jagged, and diagonal script. The letters are thick and have sharp, irregular edges, giving it a hand-drawn or graffiti-like appearance. The word is slanted upwards from left to right.

However, for convenience I will refer to the trade mark as though it was simply a word in ordinary script.

Oakley, Inc ("the opponent") has opposed registration of the application, on various grounds. The opposition process has followed the course set out in the regulations. Both sides served evidence to support their positions and the opposition came on for hearing and decision by me, as a delegate of the Registrar of Trade Marks.

At the hearing, the applicant was represented by Mr Trevor Stevens, its patent attorney, of the firm Davies Collison Cave. The opponent was represented by Mr Wayne Willis, a legal practitioner of the firm of F. B. Rice and Co, patent attorneys.

Mr Willis made it clear that the opponent was pursuing two grounds of opposition only; conflicting prior registration (s33) and conflicting prior reputation (s28). I will review the evidence and submissions in those terms.

The evidence

The opponent has a registration, number 482862, for the word **BLADES**, in ordinary upper case script, for sunglasses and replacement accessories for these, specifically ear stems, lenses and nose pieces.

The opponent's evidence shows that the opponent is the seller of expensive sunglasses, aimed at what Mr Willis characterised as the "fun in the sun" brigade, particularly those who are image-conscious. Mr Willis argued that, to a significant number of people, the opponent's **BLADES** sunglasses are an icon. The evidence tends to support this. It shows that sales have risen consistently since the product was introduced to Australia in June 1986. In 1990, the year before the disputed application was lodged, some 3,400 pairs were sold with \$48,000 having been spent on promotion in the period to April of that year. The promotion is in specialist magazines such as *Riptide*, *Australian Surfing Life* and *Surfing World*. In 1994 the opponent's sunglasses sold for between \$115 and \$170 per pair.

The opponent's goods are unusual looking, resembling protective eye shields as much as a pair of sunglasses. Prominent on the bridge of these glasses is the word **OAKLEY**, which is also the centrepiece of the advertisements annexed to the opponent's declarations. The apparent thrust of the marketing is that the opponent's goods are sold to a discerning niche market, generally through surf shops.

Though the evidence suggests that the trade mark **OAKLEY** is used more prominently, and is probably better known than **BLADES**, these are not items that, given their price, are bought recklessly. Moreover, the apparent thrust of their marketing is to put them into a niche where the trade marks of fashion items such as sunglasses are taken seriously, as part of the wearer's image. It is clear, from the evidence, that **BLADES** sunglasses are well known in the relevant marketing niche, a not-insignificant group of the general population.

Otherwise, the opponent's trade evidence is to the effect that, in surf or water-sport shops, sunglasses are displayed "alongside or in close proximity" to swim fins.

Mr Stevens, for the applicant, was critical of this aspect of the opponent's evidence. He contrasted a picture painted in such bland and stereotyped words with the picture painted by the applicant's own leading declarant, Terry Fleming. Mr Fleming is the managing director of

the applicant company. He has had nine years experience in the manufacture and sale of swim fins. He declares that goods as bulky as swim fins are not usually sold side-by-side with sunglasses, but rather, because of the space they tend to take in storage and display, at the rear of the shop. Also, as Mr Stevens noted, items such as sunglasses tend to be more easily stolen, so they are often displayed in locked cabinets or under the scrutiny of store staff at the front of a store.

The evidence as to the display of swim fins is somewhat contradictory. The divergent views of the applicant's and opponent's declarants can be reconciled if I take a broad view of what the opponent's trade declarants may have meant by "alongside or in close proximity". I thus take the opponent's declarants, in the lack of anything more specific, as saying little more than that the two lines are not normally sold at opposite ends of stores and that they may possibly be sold side-by-side. This is a very much less compelling reading than would apply if that evidence was taken at face value. I have had to interpret the opponent's evidence in this way because of the stereotyped declarations, where the words of lawyers arguably were put into the mouths of traders and shop managers.

The applicant's remaining declarations are from people in the trade. These declarations are not stereotyped. However, while the declarants are very forthright in saying that nobody could possibly mistake a pair of flippers for a pair of sunglasses, there is, unfortunately, more to the issue than this.

The applicant's evidence does, however, show that there are a number of registered trade marks, owned by a variety of other companies, for various "blade" marks. ROLLERBLADE, for instance, is a registered trade mark, but coexists with LAZER-BLADEZ and CAVITY BLADE for goods that are listed as, or include, in-line skates. POWER BLADE has been accepted (and is now registered) for snow skis. The applicant has introduced argument, under cover of a statutory declaration, to suggest that there is thus no practical monopoly on registrations of trade marks incorporating the word "blade". The particular goods for which these trade marks are registered are also consistent with the applicant's declared statement that it adopted the mark to allude to the contoured shape of its swim fins and the cutting action of the fin in use.

Finally, the evidence shows that the applicant's swim fins are made by a relatively unsophisticated process, the moulding and curing of natural and synthetic rubber. This contrasts markedly with the more mechanically and optically complex nature of sunglasses. The opponent's production process, per the publicity material in evidence, appears to use the

“most advanced technology available”. Either way, I think it is obvious that sunglasses in general are, compared to swim fins, complex and accurately made assemblages.

Arguments and decision:

Comparison of marks:

The arguments of the opponent fall under two provisions of the Trade Marks Act of 1955, both designed to prevent conflict with prior trade marks. Section 33 deals with the notional possibility of conflict with a trade mark as registered, assuming use in any fair way for any of the goods covered by the registration. Section 28(a), on the other hand, deals with possible conflict between the rights sought by an applicant and the existing and established reputation, at the date of application, of the opponent.

I will set down the relevant provisions at this point, as there is a common thread in the arguments of the parties.

Section 33 (with my emphasis):

(1) 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.**

It will be sufficient if I simply give my brief finding that the trade marks in question, as applied for and as registered, are substantially identical. If that were in doubt, s 6(3) provides that “For the purposes of this Act, a trade mark shall be deemed to be deceptively similar to another trade mark if it so nearly resembles that other trade mark as to be likely to deceive or cause confusion.” For reasons that follow, however, neither finding will be fatal to the applicant.

For the moment, I will leave aside the remaining parts of s 33(1). The part with which I am thus concerned, taken with s 6(3), looks only at the comparison of trade marks, though the goods to which they are applied set the circumstances and context of that comparison. None the less, given the terms of s 6(3), the wording interlocks with s 28, which provides, again with my emphasis:

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.

Therefore, under both s 28 and s 33, I am to consider the issue of deceptive similarity of trade marks. I am to compare the mark as shown in the application form, allowing for all reasonable uses thereof, to, respectively, the mark as used (s 28), and as registered (s33), by the opponent.

Mr Stevens argued that there are notable differences between the applicant's and opponent's trade marks: the script and the fact that one is singular, the other plural. However, in my view, neither of these suffice, for reasons that follow.

The test for deceptive similarity is a practical one which looks to the marks in the circumstances which will apply in everyday use and allows for imperfect recollection. See *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited*, (1963) 109 CLR 407 at 415:

On the question of deceptive similarity, a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff's mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant's [trade mark].

I note, as Mr Willis did, that the applicant's declarants routinely confuse singular and plural. Thus, quite understandably in my view, they (incorrectly) refer to "Manta Blades" or "Oakley's 'Blade' range". If it were not already clear from the principles in *Shell v Esso*, this confusion would itself suggest that the singular versus plural issue is not a sufficient demarcation.

As to the look of the mark, I accept Mr Stevens' argument that these are goods which are often selected by the customer, rather than being asked for by name. Mr Stevens referred to *Deeko Australia Pty Ltd v The Decor Corporation Pty Ltd*, 1988 AIPC 90-479. He argued that the present case also was one where, because of the way the goods are displayed and bought, the look of the mark should be given added weight as against its sound. It is true that the word BLADE is written in a stylised script in the application and is used in another stylised script by the opponent. However, neither script form adds a great deal to the comparison under s 28. Nor, for the purposes of s 33, is there anything in the very ordinary script used to show the trade mark in the form in which it is registered by the opponent.

I therefore find that the applicant's mark and the opponent's, compared as trade marks, are, at the very least, deceptively similar.

The remaining portions of s 33(1), those which I did not previously emphasise, must now be considered. It follows, from them, that the application can proceed only if the goods are sufficiently dissimilar as to not be goods of the same description. For the purpose of s 28, the demarcation would also have to be sufficient to preclude any reasonable likelihood of deception or confusion.

Relevant goods:

Mr Stevens addressed s 33 in terms as per Shanahan's *Australian Law of Trade Marks and Passing Off* at p 191: the matter is to be looked at on the facts of the case, in a commercial and business sense, in the light of principles laid down by the courts.

These principles are quoted, at p 192 of the same text, from the case of *John Crowther & Sons (Milnsbridge) Ltd's application*, (1948) 65 RPC 369:

In arriving at a decision upon this issue the reported cases show that I have to take account of a number of factors, including in particular the nature and characteristics of the goods, their origin, their purpose, whether they are usually produced by one and the same manufacturer or distributed by the same wholesale houses, whether they are sold in the same shops over the same counters during the same seasons and to the same class or classes of customers, and whether by those engaged in their manufacture and distribution they are regarded as belonging to the same trade. In the case of *Jellinek's Application* (63 RPC 59), Romer J. classified these various factors under three heads, viz., the nature of the goods, the uses thereof, and the trade channels through which they are bought and sold. No single consideration is conclusive in itself.

Mr Stevens noted footnote 17 at page 192 of Shanahan, the case law used to support the author's statement that goods are not of the same description merely because they are used in close association.

Mr Stevens then pointed out the dissimilarities in the way sunglasses and swim fins are made. These centre on the simple make-up of swim fins on one hand, against, on the other, the more complicated design and the need for accurate light transmission combined with adequate eye protection. As to uses, the differences are obvious. However, Mr Stevens highlighted the sections of the opponent's evidence that make it clear that, above and beyond their functional uses, sunglasses have a fashion component. This, in my view, is entirely lacking in swim fins.

Mr Willis, for his part, did not dispute the broad principles relied on by Mr Stevens. He argued, however, that what was at issue here was two lines of sporting goods. He cautioned against an overly narrow approach to the concept of "goods of the same description", reminding me that, per the INVICTA trade mark 1992 RPC 541, each such decision is one of judgement and degree.

As to the common description, Mr Willis argued that section 33 needed to be applied to the facts as they exist now. It was, he said, time to recognise that commerce had changed since the courts first began to consider these issues. He argued that any manufacturer could, through offshore manufacture, produce a more diverse range of goods than was formerly possible or normal. Likewise, licensing is now a normal business practice, so the public is used to seeing the same trade mark denoting some form of common commercial connection across a wide range of diverse goods.

I have already said that there is some overlap in trade channels at the retail end. However, as Mr Stevens argued, the same shops will sell things as diverse as beach towels, jewellery and divers' weights. The issues to which Mr Willis has pointed will certainly argue for a different outcome, now, to what s 33 might have yielded many years ago. None the less, for s 33 I must ignore any effects of the fame of an opponent's trade mark. When I look at the two lines of goods in this way, there is so little in common between them that I cannot accept that they are goods of the same description.

I therefore find that the opposition fails under s 33.

I note Mr Willis's arguments about the circumstances of modern marketing. These will operate more powerfully under s 28 than under s 33. Under s 33, only those trends that are likely to be considered the norm by a significant number of people should be considered. Under section 28, on the other hand, it will be sufficient for an opponent to establish that it is the sort of trader whose mark is expected, for its own particular reasons, to be franchised or licensed on the two diverse lines at issue.

As to s 28, I note the extent of the opponent's reputation. On the other hand, the reputation resides not just in the word BLADES but in OAKLEY. While the opponent's BLADES are no doubt well known in relevant circles, the trade mark OAKLEY would be better known. It, not BLADE, is the house mark. In the relevant circles, it would be well known that this is so, since this is the clear inference from advertising material in evidence. There is no evidence that the trade mark OAKLEY is licensed, or that the opponent itself produces a wide range of goods, much less that it is known to do so. Why, therefore, would any reasonable person assume that either trade mark, but particularly BLADES, had crossed the gap that separates sunglasses from swim fins?

Mr Willis argued that truly image-conscious buyers will co-ordinate the image of everything they do and wear. Here I agree in principle. But the extent to which it will happen among ordinary people is not high enough to affect the outcome in this opposition. Swim fins are functional items. Though they may be bought by many sorts of buyers, including the most extremely image conscious, the trade marks on them are not normally part of the buyer's personal fashion statement. Moreover, I have not been shown why the presence, on sunglasses and on swim fins, of the word BLADE or BLADES, would lead to speculation about a common trade origin or trade connection. I thus have no reason to expect this belief to arise among any significant number of people, even those whom I will characterise as being unusually image-conscious. Nor do I believe that the ordinary person, less extremely image conscious, would speculate on such a possibility. For all that the onus under the 1955 act is on the applicant to show that it is entitled to registration, there is simply no case for it to answer under s 28(a).

I will leave the secondary question of the overall action of s 28 to be debated elsewhere. Like Mr Stevens, I rely on the practice as set out in the *Official Journal* of 12.9.91. This says, in brief, that an opponent cannot rely only on s 28(a) in isolation, but must address the overall action of the entire section.

Conclusion and costs

The opposition has failed under both headings, s 33 and s 28. I therefore direct that, in the absence of an appeal, the application proceed to registration. I award costs to the applicant.

T.E. Williams
Hearing Officer

21 May 1996