



## TRADE MARKS ACT 1995

### DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

Re: Trade mark application numbers 566683 and 566684 to register trade marks in the name of FANTASY, INC

#### Background

Application numbers 566683 and 566684 were filed by FANTASY, INC. (the applicant) on 5 November 1991 for the statements of goods “Phonograph records, audio cassette (sic) tapes, audio compact discs”, in Class 9, for the trade marks as shown below:



566683



566684

An examiner of trade marks objected to the trade marks' registration under s.24 of the *Trade Marks Act 1955*, on the grounds that the words that were the main feature of the trade marks referred directly to the character or quality of the goods in the specifications as being original jazz or blues classics in recorded form. Thus they were combinations which other traders were equally entitled to use to indicate their similar goods. However, she offered to reconsider the objection if the applicant provided evidence that the trade marks had become distinctive, or were capable of becoming distinctive, because of substantial commercial use.

The applicant's attorney submitted that the trade marks had acquired very substantial reputations in the market place in relation to the goods on which they were used. To support this contention, the attorney submitted a statutory declaration by Mr Bill Heoy, the company secretary of Festival Records Pty Ltd showing sales figures from 1990 onward. Despite this, the examiner maintained her objections under s.24. Following the repeal of the *Trade Marks Act 1955* by the *Trade Marks Act 1995*, the attorney requested that the trade marks be reconsidered under the provisions of s41 of the latter Act and made further representations as to the trade marks' registrability. The examiner maintained the objections to registration, this time in terms of s41 of the Act, adding that the particular way that the trade marks were represented were not sufficient to make them capable of distinguishing the applicant's goods. She said that the evidence of use provided was not sufficient to allow acceptance of the trade marks under s.41(5) because the marks had so little inherent adaptation to distinguish.

The attorney then filed a further statutory declaration by Mr Alan Hammerman, the assistant secretary of the applicant company and sought a hearing in the matter. That hearing was held before me, as the delegate of the Registrar, in Sydney on 11 March 1997 and was attended by Ms Fleur Hinton, legal practitioner of Spruson & Ferguson.

### **Submissions**

At the hearing, Ms Hinton said that the test for registration of trade marks under the *Trade Marks Act 1995* is that trade marks be capable of distinguishing. She said that the evidence already filed, comprising the Heoy and Hammerman declarations, showed use of the trade mark going back a number of years. She said that all of the objections which had been raised and maintained all referred to the marks as comprising the words, ORIGINAL JAZZ CLASSICS and ORIGINAL BLUES CLASSICS, whereas the marks were in fact devices which included those words. She maintained that other traders were not precluded from using those terms as the applicant was not claiming the exclusive right to the words but only to the trade marks in their entirety. For support here, she referred to the decision in the *Diamond T Motor Co's Appn* (1921) 38 RPC 373 and the words of Lawrence J. There he said, in relation to the registrability of a trade mark, that consideration should be given to

a mark as a whole rather than its possibly non-distinctive elements which another trader might wish to use in relation to their own goods. She said that this consideration had been referred to in several precedent cases, including *Du Cros (W&G) Ltd's Appn* (1913) 30 RPC 660 at 672.

Ms Hinton said that the question here was whether these particular trade marks, in the way that they were presented, were ones which others would wish to use without improper motives. She submitted that traders in like goods would be free to offer jazz classics or blues classics without resorting to using the present devices, the subject of the present applications, in their promotion. She said that the use shown in the evidence was not great when compared to popular music but this was because the goods were specialty goods intended for a small and discerning market. This market would be fully aware of the present trade marks as identifying the applicant's particular goods. She said that, in any infringement action in relation to the present trade marks, a court would consider the overall appearance of the marks in determining the matter and that the present trade marks should also be looked at as wholes. Ms Hinton finally submitted that, in accordance with the *Trade Marks Act 1995*, the present trade marks could also be seen as aspects of packaging, rather than merely as the words contained in them.

### **Discussion**

This application for registration of a trade mark is one which was made under the *Trade Marks Act 1955* and which was pending immediately before 1 January 1996. Under section 241 of *Trade Marks Act 1995*, which came into effect on 1 January 1996, I must consider the matter of the trade mark's registrability under Division 2 of Part 4 of the new Act.

Sub-sections 41(2) and (3) of the Act read, respectively:

- (2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (**designated goods or services**) from the goods or services of other persons.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

As Lord Parker stated in the case of *Du Cros (W&G) Ltd's Appn*, supra, and as quoted by Kitto J. in *Clark Equipment Co v Registrar of Trade Marks*, 111 CLR 511 (the *Michigan* case):

The applicant's chance of success in this respect (i.e. in distinguishing his goods by means of the mark, apart from the effects of registration) must, I think, largely depend on whether other traders are likely, in the ordinary course of their business, and without any improper motive, to desire to use the same mark or some mark nearly resembling it, upon or in connection to their own goods.

Trade marks that are not inherently adapted to distinguish one trader's goods from those of other traders are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:

- (a) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic of goods or services; or
- (b) the time of production of goods or of the rendering of services.

Such signs may be required for use by other traders and as a result, are not inherently adapted to distinguish. I am of the opinion that the words contained in the subject marks, viz. ORIGINAL JAZZ CLASSICS and ORIGINAL BLUES CLASSICS, respectively, are not, by themselves, capable of distinguishing the applicant's goods from those in of others in the market place. All of the words are well known, and their respective combinations have clear meanings which add nothing to the trade marks' capacity to distinguish.

However, I believe that the getup of the respective combinations does give to the trade marks a low level of inherent adaptation to distinguish. The words ORIGINAL and CLASSICS in both trade marks are unremarkable - being presented in an ordinary underlined typeface. However, the word JAZZ in application number 566683, although descriptive in itself of the type of recorded music being offered for sale, is presented in a reasonably special or fanciful manner. Thus, I believe, it does help to give to the trade mark, as a whole, a slight degree of inherent adaptation to distinguish. The word BLUES included in application number 566684 also has a descriptive

function although, in my opinion, the representation of it does have some inherent adaptation to distinguish although to a lesser degree than that covered by its co-application. Ms Hinton argued that I should consider the trade marks' capability of distinguishing in terms of the decision in *Diamond T Motor Co's Appn*, supra. However, the degree of descriptiveness of the words contained in the marks is so great that, despite their combination with their individual getup, the end result is two trade marks at the very low end of the scale of inherent adaptation to distinguish. However, I am willing to concede that there is just sufficient in the combination in both of the trade marks to render them worthy of further consideration. Such trade marks are not, *prima facie*, capable of distinguishing and compelling evidence, in terms of sub-section 41(5), is needed to enable registration.

Sub-section 41(5) Of the Act reads:

(5) If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

(a) The Registrar is to consider whether, because of the combined effect of the following:

(i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

(ii) the use, or intended use of the trade mark by the applicant;

(iii) any other circumstances;

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) if the Registrar is then satisfied that the trade mark does or will distinguish the designated goods or services - the trade mark is taken to be capable of distinguishing the applicant's goods or services from the goods or services of other persons; and

(c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services - the trade mark is taken not to be capable of distinguishing the applicant's goods or services from the goods or services of other persons.

This means that I must assess the combined effect of sub-paras (i), (ii) and (iii) of para (a) in order to determine the trade mark's registrability. As I have said, I think that the trade marks have a small degree of inherent adaptation to distinguish - one to a greater degree than the other.

In relation to the use, or intended use of the trade marks by the applicant, the evidence provided by the applicant includes sales figures which are somewhat confusing and contradictory. In the Heoy declaration, the sales amounts given for Australia under the ORIGINAL JAZZ CLASSICS trade mark are said to be a certain number of millions of dollars per year between 1990 and 1994, whilst those of the ORIGINAL BLUES CLASSICS label are said to be approximately one third to a half of that. However, in the Hammerman declaration, the actual quantities of units sold under the trade marks are supplied for the years of 1994 and 1995 which shows that, even with the most generous of valuations attributed to each item sold, the dollar amounts generated are only a small fraction of the sales figures supplied for the preceding years. This indicates to me the possibility that the figures quoted by Mr Heoy could well, inadvertently, include overseas sales, especially as he says that his own company, a licensee, does not maintain records of sales figures, but relied on the sales figures supplied by the applicant. The Hammerman declaration, in contrast, has been made by the assistant secretary of the applicant, a Californian corporation, who has supplied, as I have said, the actual number of units sold. I have taken into consideration the fact that jazz and blues represent only a small segment of the total recorded music market in this country. However, given that I have found that there is very limited inherent adaptation to distinguish resident in the trade marks, I feel that the evidence is still insufficient, even on that basis, to redress the balance.

I have also taken into consideration Mr Heoy's explanation of the paucity of details supplied regarding promotion of the goods bearing the trade marks, especially in dollar terms. Mr Heoy, in his declaration, does exhibit some advertising material, saying that this was a small sample of the overall publicity which the trade marks have been given over the years. However, if this is the case, then the question arises as to why more evidence of this publicity was not included to allow the Registrar a better assessment of the trade marks' registrability. If the applicant wished to convince the Registrar that the trade marks do or

will distinguish the goods as being those of the applicant then I think that it should have heeded Ms Hinton's warnings that substantial evidence of use (which includes compelling promotional information) was required.

I turn now to the third and final criterion provided in subsection 41(5), " any other circumstances". Other than the relative size of the music markets, which I have discussed, I have not been able to detect that any other circumstances exist to aid the trade marks' registrability.

**Decision**

Having assessed these trade marks against all three criteria offered by subsection 41(5), I find that, in terms of paragraph 41(5)(c), I am not satisfied that the trade marks do or will distinguish the applicant's goods. Therefore, under the provisions of subsection 33(3) of the Act, I must reject the applications.

Ian Forno  
Hearing Officer

16 April 1997