



TRADE MARKS ACT 1955

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

Re: Opposition by MICROSOFT CORPORATION to registration of trade mark application number 566813 in the name of PURAX FEATHER HOLDINGS PTY LTD

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 566813 was lodged on 7 November 1991, in the name of Purax Feather Holdings Pty Ltd (the applicant). The application was for the registration of the trade mark, MICROSOFT, for the statement of goods subsequently amended to read, "Padding, stuffing and filling materials included in class 22". The trade mark was advertised as accepted in Part B of the Register in the *Australian Official Journal of Trade Marks* of 27 July 1995.

Notice of opposition to the trade mark's registration was lodged on 22 September 1995, by Microsoft Corporation, (the opponent). The notice of opposition listed many grounds of opposition but the only matters which were later pursued at the hearing were under s.40 of the Act, that the applicant was not the proprietor of the trade mark; under s.33(1), that the present trade mark was substantially identical or deceptively similar to a prior registered trade mark owned by the opponent for the same goods, or goods of the same description;

and also under s.28, that the use of the trade mark would be likely to deceive or cause confusion and that it would not be entitled to protection in a court of justice.

The service and lodgment of the evidence in support, answer and reply from the respective parties were completed by 19 September 1996. The opponent requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Sydney. Mr Trevor Stevens of Davies Collison Cave appeared on behalf of the opponent. The applicant was represented by Mr Alfred Tatlock of A. Tatlock & Associates.

Evidence

Evidence in Support

Statutory declaration by Robert A. Eshelman dated 12 January 1996 and Exhibit A

Evidence in Answer

Statutory declaration by Bill Katsios dated 19 April 1996 and Exhibit BK1

Evidence in Reply

Statutory declaration by Faye Chatillon dated 12 September 1996 and Exhibit EJB1

Submissions

At the hearing, Mr Stevens, on behalf of the opponent, said that he would only be pursuing the grounds of opposition that the applicant was not the proprietor of the trade mark, that it was substantially identical to the opponent's trade mark in respect of goods of the same description as the goods for which the opponent's mark was registered, that use of the trade mark by the applicant would be likely to deceive or cause confusion, and that the applicant had engaged in blameworthy conduct sufficient to disentitle it to protection in a court of justice.

Mr Stevens reviewed the evidence from both sides in the case, referring to the declarations and exhibits in turn. At this point, Mr Tatlock objected to certain aspects of the opponent's evidence, pointing to what he said were deficiencies in the declarations. I said that I would proceed with the matter, taking into account his concerns and giving all of parts of the evidence what I considered to be due weight in coming to a decision in the matter.

Mr Stevens said, with respect to the opposition under s.40, that the applicant was not the proprietor of the trade mark MICROSOFT, this mark being owned instead by the opponent for the goods in question and other goods. He said that the onus was on the applicant, in opposition proceedings where serious doubts were raised as to proprietorship, to establish such a claim. He said that the three criteria which needed to be satisfied to show this had been laid down in such cases as *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391. These were, briefly, the authorship of the mark, a demonstrated intention to use it and the lodging of an application to register it. In relation to the first of these, the authorship of the mark, Mr Stevens pointed to the applicant's adoption of the trade mark, saying that there were unanswered questions about how the mark was selected - especially given the fact that it comprised a made-up word - the extent and identity of the goods on which it was used, and the date of its first use on different goods.

Mr Stevens said that the statement of goods covered by the present application comprised all padding, stuffing and filling materials in class 22. This was, he said, a very wide claim, despite the evidence only showing use on specific goods within those descriptions, viz. bedding products and polyester ball fibre. However, he said that the opponent was the true owner of the mark because it had used the trade mark MICROSOFT on packaging materials well before any claimed use by the present applicant. The kind of packaging used by the opponent, he said, was designed to be protective because of the delicate nature of the computer related goods it produced. He said that, therefore, the goods covered by all of the competing trade marks here comprised the same kind of thing as contemplated in the authorities. Mr Stevens referred for support here to the Registrar's decision in *DMH Imports (Aust) Pty Ltd v The Boeing Company* (1995) AIPC ¶91-141. He said that the

statutory declaration by Robert Eshelman, which formed the opponent's evidence in support, and that of other declarants showed the extent of use of the opponent's trade mark MICROSOFT worldwide on its goods and packaging materials.

In relation to the opponent's case under s.33 of the Act, regarding the present trade mark allegedly being substantially identical or deceptively similar to the opponent's prior registered trade marks for the same goods, or goods of the same description, Mr Stevens said that the present mark was the same as the opponent's registered marks, registration numbers 377674 in class 16, which covered primarily paper materials, and 643260 in class 25 for all goods in that class. He said that, as the marks were exactly the same, the question arose as to whether the goods of the present application could be considered goods of the same description as those of the opponent's registrations. He said that padding, stuffing and filling material could be made of soft cotton material and could also be used as padding in clothing, eg in shoulder pads. Additionally, the description of the paper goods in the opponent's class 16 registration was broad enough to be considered of the same description as the packaging materials covered by the present statement of goods. He said that all of the goods could pass through the same channels in the marketplace and that, because of all of the foregoing, the goods of the present application could be considered goods of the same description as those covered by the present application.

In relation to the s.28 ground, that use of the trade mark would be likely to deceive or cause confusion, Mr Stevens said that the present application was for an identical trade mark to the opponent's mark which, by virtue of very widespread use had become quite famous for a broad range of goods and services. He said that, because of this reputation, deception or confusion would inevitably occur because any observer of the two marks would make a wrongful connection between them. With respect to showing that the present trade mark would not be entitled to protection in a court of justice, so offending the provisions of s.28(d), Mr Stevens said that, if the present application was in breach of s.33 of the Act, then this was sufficient to show that the applicant had indulged in blameworthy conduct.

He concluded his submissions by seeking costs in the matter in favour of the opponent.

In his submissions in reply, Mr Tatlock said, in relation to the opposition under s.33, that the opponent was not able to rely on this ground with respect to registration number 643260 which covered clothing in class 25. This was because the date of registration of that mark was after the present date of the present application.

Mr Tatlock said that the other trade mark relied on by the opponent, registration number 377674, was the same as the present mark but the goods for which it was registered were paper products for use with computer equipment. There was no mention of paper intended for use as padding materials in the statement of goods. He submitted that, in contrast, the statement of goods covered by the present application had been restricted to goods contained in class 22 and there had been no ambiguity at all in references to the goods of interest in the evidence which were clearly filling for bedding products, such as stuffing for quilts and associated goods. He said that, as such, they were clearly not goods of the same description as those marketed by the opponent.

Mr Tatlock said, in respect of the s.40 ground of opposition, that although Mr Katsios' declaration in the evidence in answer did not give details on the applicant's adoption of the present trade mark, it was simply a combination of two common words which had not been developed from the opponent's mark. This combination was a registrable word in respect of the goods and the meaning of the mark had been the subject of some correspondence during examination, with the mark finally proceeding to acceptance. He said that the goods covered by the present application and those marketed by the opponent were clearly different, and that there was no benefit to be gained by a manufacturer of the applicant's goods by adopting the trade mark of a computer manufacturer. He referred to the well known tests contained in such cases as *Jellinek's App'n* (1946) 63 RPC 59 with reference to whether the goods covered by the opponent's trade mark and cited by Mr Stevens -

paper goods used in relation to computers and clothing - and the present application - padding, stuffing and filling materials - could be considered as being of the same description. He submitted that they were not because the nature of the goods, their uses and trade channels were all different. He said that there could conceivably be some large stores which sold all of the goods but no one would think that they all were made by the same manufacturer.

Mr Tatlock referred to the s.28 ground of the opposition, saying that he agreed that the onus was on the applicant to show that the mark was registrable but that this onus had been met. He said that the argument here was whether the goods produced by the respective parties were of the same description, which they were clearly not. He said that he agreed that the opponent's mark was a famous one in relation to computers and related goods but that the opponent appeared to be alleging that the word MICROSOFT was recognised as its own property for all goods, including padding, stuffing and filling materials. He said that there was nothing in the evidence which showed any instances of confusion had occurred in relation to the respective goods. He submitted that, if it was accepted that, because a manufacturer put its trade mark on the packaging of its goods, it owned the mark in relation to all packaging material, then this would be granting a monopoly to which it was not entitled. He said that such labelling was not use on those goods.

He closed his submissions by seeking costs in the matter in favour of 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.

There is no doubt that the applicant's and opponent's respective trade marks are identical, both being the word MICROSOFT. What I therefore have to consider is whether the goods covered by the respective marks are the same goods or those of the same description. In the present case, there has been no evidence adduced of any instances of actual confusion occurring. I will therefore have to consider the matter from a theoretical viewpoint.

I agree with Mr Tatlock that there is no basis for an objection on this ground in relation to the opponent's registration number 643260, which covers all goods in class 25. The date of registration of that trade mark is 14 October 1994, while the present application was made on 7 November 1991 - almost three years earlier. I therefore do not have to consider whether the goods of the present application and those of the class 25 registration are of the same description. However, I will say that Mr Stevens is drawing a long bow in his claim that clothing on one hand - whether padded or not - can be considered as being goods of the same description as padding, filling or stuffing materials. In applying the *Jellinek* tests, *supra*, it is obvious I think that the nature, uses and trade channels of both sets of goods are quite different.

With respect to the s.33 ground, as it is based on the opponent's prior registration number 377674 in class 16, I do not think that the paper goods covered by that registration can be

construed as being of the same description as the filling, padding and stuffing goods of the present application. Mr Stevens said that the class 16 statement was wide enough to include material intended to be used for protective packaging and that this might, in turn, be related to the present goods. He said that I should consider the notional use of all of the sets of goods. However, the statement of goods for registration number 377674, the opponent's registration in class 16 reads:

“Printed instructional and teaching material related to computers and computer software; books; paper and printed matter for use with computer equipment; computer hardware and software manuals; newsletters featuring information about computer hardware and software; paper, paper tape, cards for recordal of computer programs; all being goods in this class”

Even considering the widest possible use of the goods included in the foregoing statement, I think it is obvious that they are intended to be inferred as relating to computers and the like. There is no reference to “special” uses, such as protective packaging which might include padding. In contrast, the applicant's goods here: “Padding, stuffing and filling materials included in class 22”, are clearly intended to mean material which is inserted inside an outside cover for the purposes of protection, insulation and the like. This is supported by the evidence. I therefore cannot agree that the two sets of goods can be considered as being goods of the same description.

For the foregoing reasons, I find that the opponent's objection, as it is based on s.33, must 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 *Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd* 10 IPR 402 at 413:

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.

I am concerned, in deciding the issue of proprietorship, with whether the marks are identical or so similar as to be virtually the same mark - *The Kendall Co v Mulsyn Paint and Chemicals*, supra; and *Tavefar Pty Ltd v Life Savers (Australasia) Ltd* 12 IPR 159. In the present case, the marks used by both parties are one and the same and both parties are claiming to be the first user and therefore proprietor of the mark in this country for the goods included in the specification.

From my own experience, I am aware that the mark, as used by the opponent, is indeed famous in relation to computers and related goods. Mr Eshelman has declared, on behalf of the opponent, that it has been used in this country since 1983 and this is undisputed by the applicant. Mr Katsios, on behalf of the applicant, has said in his declaration, that the mark

was adopted for use on its own goods by the applicant in September 1991. It is therefore obvious that the mark itself was first used in Australia by the opponent. However, the question now to be answered is whether the opponent's use was on the "same kind of thing" as contemplated in the *Hicks* case, supra. This would mean that the opponent would succeed in its opposition to the present application on the ground of s.40 of the Act. I am of the opinion that the goods of the parties are not those of the same description. The opponent's evidence shows that it used the word MICROSOFT on its goods since 1983 and presumably also on packaging for those goods since that time. I appreciate that the opponent's products are delicate and require some protection in transit, and that the cardboard boxes attached as exhibits to the declaration of Ms Chatillon are reasonably robust. However, I do not consider they are the kind of protective packaging which might be related to the applicant's goods. In my experience, computing equipment, when packaged, is protected by polystyrene foam blocks, beads of such material, or bubble plastic sheets. The opponent is not claiming that it used its mark on those goods. The prior use of the mark cannot therefore be said to be on the appropriate goods for a successful claim of ownership in the present instance.

For the foregoing reasons, I find that the opponent is not successful on this ground of its opposition.

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.

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.

That risk must extend to a substantial number of people: *Kendall Co v Muslyn Paint and Chemicals* (1963) 109 CLR 300.

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, should I find that the mark is likely to deceive or cause confusion, then it will also be necessary to find that it would not be entitled to protection in a court of law.

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. I accept from the opponent's evidence, and from my own knowledge that, at the relevant date, the opponent had a very well established reputation in this country for its mark - although this reputation extended only to computers and related goods and services. The opponent does not appear from the evidence to have had any reputation for padding, stuffing and filling materials, as at the date of the present mark's application. There has been no evidence put forward by the opponent to show any instances of deception caused by the use of applicant's mark. I find nothing sinister in the selection of the mark by the applicant. The mark has some allusion to the goods in the specification and an objection was raised by the examiner of the application that the trade mark was descriptive of those goods. However, she had agreed that the mark was capable of becoming distinctive of the goods and the mark was accepted in Part B of the Register. I must agree with Mr Tatlock that the choice of a trade mark owned by a computer manufacturer would appear to have no advantage whatsoever to a maker of padding, stuffing and filling materials. Accordingly, I cannot accept the opponent's assertion that purchasers would be confused or deceived as to the

origin of the two marks in question. The two sets of goods of interest to both parties are most certainly not, in my opinion, goods of the same description. I cannot agree that the opponent's undoubted reputation for computers and the like extends to the materials which are the subject of the present application. For the foregoing reasons, I find that use of the applicant's mark will not lead to deception or confusion and that the requirements of para 28(a) have not been made out.

Given the above, I need not proceed further in relation to the s.28 objection. However, for the record, 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 find, therefore, that the requirements of para 28(d) have also not been made out. The opponent's case in terms of s.28 must therefore fail.

Conclusion

I find that the opponent has failed on all of the grounds pursued at the hearing. I therefore dismiss the opposition and, subject to any appeal from this decision, the trade mark should proceed to registration. I award costs in the matter of the opposition proceedings to the applicant.

Ian Forno
Hearing Officer

11 August 1997