



TRADE MARKS ACT 1955

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

Re: Opposition by **SUMITOMO AUSTRALIA LIMITED** to the registration of Trade Mark application number **580710** in the name of **MUSTERDEEN PTY LTD trading as HYDROPONIC CONTROL SYSTEMS**

The acceptance of application No 580710, lodged on 19th June 1992, in the name of MUSTERDEEN PTY LTD trading as HYDROPONIC CONTROL SYSTEMS (the applicant), was advertised accepted in the *Official Journal* of 31st March 1994. It seeks



registration of the mark shown here:

in respect of “plant food”, being goods in class 1.

Notice of opposition to registration of the mark, lodged on 23rd June 1994, by SUMITOMO AUSTRALIA LIMITED (the opponent), recited two grounds of opposition:

- “1. Sumitomo can show prior use of the mark (or similar mark for which Sumitomo currently has trade mark application No 604160 pending) - June 1991;
2. Sumitomo uses this mark in West Australia, Queensland, New South Wales and Australia wide and is recognised by all participants in the fertilizer industry as “SUMMIT”.”

The evidence

The opponent completed serving and lodging of the evidence in support on 23rd November 1994. This evidence comprises a statutory declaration by Dominic Micheal Wilson with exhibits A1-D7. In turn, the applicant served and lodged its evidence in answer on 3rd February 1995 which consists of a statutory declaration by Desmond William de Silva and exhibits A-E2.

Mr Wilson, deputy general manager of the opponent company's business division, states that, in or about 1989, the opponent commenced joint business operations with A G Direct Pty Limited, and, on or about 18th July 1991, those companies became the registered proprietor of the business name "Summit Fertilizers" in the State of Western Australia. These statements are supported by documentary evidence in annexures A1 and A2. It had been decided to create and adopt a logo trade mark to be used in association with the business name, and to that end the opponent had engaged the services of advertising consultants to draft a suitable trade mark, which is now subject of application No 604160. Exhibits A3A and A3B show copies of invoices in relation to the advertising agency's services. That trade mark was first used in respect of "agricultural fertilizers" on or about August 1991.

Mr Wilson has annexed to his declaration the following exhibits: under A4A-A4D, copies of stationery showing the mark; under A5-12, copies of order forms and invoices bearing the mark; under B1-B24, copies of advertising and promotional material; under C1-C5, copies of invoices in relation to advertising, and, under D1-D7, copies of an advertisement, invoice, order forms, stationery and a sample of a bag in relation to use of the mark in Queensland which commenced on or about 21st July 1993.

In the statutory declaration comprising evidence in answer, Mr de Silva, proprietor and director of the applicant company, declares that, on or about 21st June 1989, the applicant commenced business activities and operations in relation to hydroponics and hydroponic nutrients in the state of Queensland. In compliance with the Queensland Agriculture

Standards Act 1952, the applicant obtained registrations for “Summit liquid and granulated plant food” and “Summit hydroponic nutrients” on 1st July 1992 and 10th October 1994, respectively.

Under exhibit E1, Mr de Silva has affixed to his declaration copy of a letter from the Queensland Department of Primary Industries explaining that “Summit 34”, registered for fertilizers by Summit Rural (Qld) Pty Ltd, was considered to be a different name from “Summit” for liquid and granulated plant food.

The hearing for the opposition was set down in Canberra on 9th August 1995. The opponent was represented by Mr Paul Whenman of F B Rice & Co, patent and trade mark attorneys of Sydney. No one appeared on behalf of the applicant, nor were any submissions transmitted.

Submissions

Referring to the evidence in support, Mr Whenman contended that, whilst the adoption of the business name “Summit Fertilizers” was not conclusive of adoption of SUMMIT as a trade mark, Mr Wilson’s statements and the instructions, as evident from exhibits A3A and A3B, to devise the logo mark, clearly showed the opponent’s intention to use the mark in Western Australia and expand its activities in Queensland, and were therefore indicative of authorship. The fact that the opponent intended to expand into the state of Queensland was relevant because the only use of the applicant’s mark appeared to be in that state. The invoices under the said exhibits were issued in July 1991, almost a year before the lodgment date of this application.

As evidence of first use of the opponent’s mark, Mr Whenman identified a copy of an order form dated 16th September 1991, exhibit A5, citing *Angoves Pty Ltd v Johnson* (1982) 32 ALR 349 and *Alexander v Tait-Jamison* (1993) 28 IPR 103 in support of use of the mark within the meaning of s 6. He emphasized the quantity of the product on order, 17 tonnes of trisodiumphosphate fertilizer. In this regard, Mr Whenman noted advertising of the product in the local press, but particularly, in a nationally circulated magazine for the rural

industry, Elders Weekly, in the months of August, October and November 1991, all before the present application was lodged.

From Mr de Silva's declaration, Mr Whenman inferred that the earliest date the applicant could ascribe proprietorship in its trade mark was 19th June 1992, the actual use of the mark having occurred on or about 1st July 1992 when wholesale distribution of the product commenced to retail outlets in Queensland.

Mr Whenman further remarked that, from Mr de Silva's statements where he acknowledged the opponent and A G Direct Sales Pty Ltd as persons carrying on business under the name "Summit Fertilizers" on or about 18th July 1991, it was reasonable to conclude that, not only had the applicant conceded knowledge of the opponent's mark, arguably prior to the filing of its own trade mark, but the applicant had also provided further evidence of the opponent's prior use of its mark.

Mr Whenman then moved on to considering the question of similarity between the applicant's and the opponent's marks. While conceding differences between the marks, he directed my attention to the most prominent and distinctive parts of each of the marks in the word SUMMIT, which, he said, would be the word remembered by the purchasers. He saw the devices of a mountain peak in each of the marks as merely reinforcing the significance of the word SUMMIT. The words FERTILIZERS in the opponent's mark and PLANT FOOD in the applicant's mark were totally descriptive and would be given no significance by a purchaser.

From this analysis he concluded that the marks were substantially identical. In relation to the term "substantially identical", he cited *Carnival Cruise Lines, Inc v Sitmar Cruises Ltd* (1994) AIPC 91-049, where Gummow J said that the total impression of similarity must emerge from a comparison between the marks. He also referred to *Daimer Industries Pty Ltd v K K Daimaru* (1993) 27 IPR 124 where the marks DAIMARU and DAIMER were found to be substantially identical.

The applicant's goods, "plant food", and the opponent's goods, "fertilizers", were the same goods, or at least they overlapped to a substantial extent, so that the applicant's mark would be an infringement of the opponent's mark in terms of s 62. In fact, he said, the goods of the respective marks could be described generically as fertilizers or plant foods.

Taking three issues which were considered in relation to the proprietorship claim in *Allworth v Dixon* 27 IPR 263, Mr Whenman summarised the opponent's case as follows: prior use of its SUMMIT mark had been established; the prior use was use as a trade mark in terms of s 6; the applicant's and opponent's goods were generically the same; and the opponent's and the applicant's marks were substantially identical.

On the matter of costs, Mr Whenman submitted that costs should be awarded in favour of the opponent, should it be successful. However, in the event of the opponent not being successful, each party should bear its own costs, given the applicant did not appear at the hearing, nor make any submissions on the matter.

Decision

Proprietorship

Under the provisions of sub-section 40(1) of the Act:

A person who claims to be the proprietor of a trade mark may make application to the Registrar for the registration of that trade mark in Part A or Part B of the Register.

The opponent has contended that the applicant cannot claim to be the proprietor of the subject mark as the evidence shows that the opponent had used its mark earlier than the first use of the subject mark, or the lodgment date of this application, 19th June 1992.

In *Settef SpA v Riv-Oland Marble Co (Vic) Pty Ltd* (1987) 10 IPR 402, McGarvie J stated at pp 413-414:

"Acquiring proprietorship

...

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)* (1984) 59 ALJR 77 at 83. A person who becomes proprietor of a trade mark in this way is entitled at common law to restrain a person who later commences to use the trade mark.

...

In considering who, within s 40(a) 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 Co* (1949) 78 CLR 601 at 625 and 627. Settef claims to be the first person to have used the trade mark in Australia and therefore to have been proprietor at common law in Australia."

Where questions of proprietorship are raised, however, the parties in conflict must be claiming the same mark, or one which is substantially the same. In *Australian Law of Trade Marks and Passing Off*, by D R Shanahan, 2nd edition, the author states on pp 157 and 158:

"In those cases in which the High Court has upset a claim to proprietorship by reference to s. 40(1), the parties were claiming rights in the very same mark, while the greatest variations in other cases where prior use has been considered by the court under s. 40(1) were between "7Up" in a circle and "8Up" in the square [*Seven Up Co v O T Ltd* (1947) 75 CLR 203] and between the marks "Polykin" and "Polyken" (alleged to be "an obvious appropriation of 'Polykin'") [*Kendall Co v Mulsyn Paint & Chemicals* (1963) 109 CLR 300 at 304]. Thus it may well be that for prior use to be raised under s. 40(1), the parties must be claiming proprietorship of substantially the same mark and there is no room for the consideration of questions of "deceptive similarity"...."

This principle has recently been reaffirmed by Gummow J in *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) AIPC 91-049 at p 38,114:

"When the decision is understood in this way, it does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice. The phrase "substantially identical", as it appears in s. 62 (which is concerned with infringement) was discussed by Windeyer J in *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited* (1961-1963) 109 C.L.R. 407 at 414. It requires a total impression of similarity to emerge from a comparison between the two marks. In a real sense a claim to proprietorship of the one extends to the other. But to go beyond this is, in my view, not possible."

In referring to the above observations, Drummond J, in *Karu Pty Ltd v Jose* (1994) AIPC 91-101, said at p 38,636:

“Although Gummow J’s comments were obiter, I think they show that the Registrar’s delegate was right in holding that disputed claims to proprietorship of marks can only arise where the marks in question are identical or substantially identical.”

The test of determining whether marks are “substantially identical” is outlined by Windeyer J in *Shell v Esso*, supra, at p 414 as follows:

“In considering whether marks are substantially identical they should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison.”

The opponent’s mark of application, now registration No 604160, is shown below:



Viewed in light of the above criteria by Windeyer J, when placed side by side, it is obvious that the opponent’s and the applicant’s marks share a common element in the prominent word SUMMIT. Another common feature is said to exist in the devices of a snow-capped mountain peak; however, the depiction and the positioning of the mountain in each of the marks create quite a different effect. While the mountain peak in the applicant’s mark, which rises in a conically shaped sharp projection with a circular device behind it, is placed on the right hand side away from other particulars in the applicant’s mark and therefore is easily discernible and recognizable, that in the opponent’s mark, appearing above the word SUMMIT and being almost an integral part of the letters “MM” in that word, is rather obscure, forming what could also be regarded as mere geometric shapes comprising a triangle with a zig-zag base. Other significant distinguishing elements between the marks are found in the words FERTILIZERS and PLANT FOOD as well as their location, even though those words describe the respective goods. In addition, the slanted word SUMMIT, the stripe between that word and the words PLANT FOOD as well as the rectangular dark background in the applicant’s mark leave an entirely different overall impression from the impression produced by the opponent’s mark. Thus, I cannot concur with Mr Whenman that the opponent’s and the applicant’s marks are substantially identical.

Having regard to the above-cited authorities, I conclude that, since the marks under consideration are neither identical nor substantially identical marks, the opponent fails in its claim to proprietorship.

Conclusion

I find that the opponent has failed on its grounds of opposition in these proceedings. I therefore dismiss the opposition and, subject to any appeal from this decision, this application should proceed to registration.

I can see no reason why costs should not follow the result, and I accordingly award costs in the matter to the applicant.

Vija Zars
Acting Hearing Officer
15th February 1996