



TRADE MARKS ACT 1955

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

Re: Opposition by Lonza Ltd. to the registration of trade mark application number A581807, FORTEX, in the name of Kantfield Pty. Ltd. t/a Martogg & Company

Trade mark application A581807 is in the name of Kantfield Pty. Ltd. t/a Martogg & Company. This is a Victorian company (hereafter Kantfield/Martogg) located at 185-195 Frankston-Dandenong Road, Dandenong. It applies to register the word **FORTEX** in respect of

modified polypropylene resin and moulding compounds used in the plastics industry, such resins and compounds being in a semi-processed form of pellets, powders or granulates

The application was accepted for registration and advertised accordingly in the *Official Journal of Trade Marks* on 6 August 1992.

On 4 February 1993 Lonza Ltd., a Swiss company of Munchensteinerstrasse 38, Basle (hereafter Lonza), having obtained an extension of time, lodged a notice of opposition to the registration of this mark. The opposition grounds are widely stated, and comprehend objections under sections 28, 30 and 40 of the Trade Marks Act.

Lonza served evidence in support of its opposition comprising four statutory declarations - two (dated 24 November 1993 and 24 February 1994) by Frank Noone, managing director of Plastral Pty. Ltd. the authorised distributor of Lonza goods in Australia; one by Russell Walker, manager of Warringah Plastics Pty. Ltd.; and one by Annette Freeman,

Lonza's trade marks solicitor. Kantfield-Martogg duly responded with evidence in answer comprising three statutory declarations - one by Wayne Phillip Speirs, company secretary for Kantfield-Martogg; one by Geoffrey Norman Brooks, technical manager for Kantfield-Martogg; and one by Lynette Merrin Meston-Watson, Kantfield-Martogg's trade marks agent. The opponent advised that it did not intend serving evidence in reply, and requested that the matter be set down for hearing.

The hearing came before me in Canberra on 12 July 1995. The opponent, Lonza, was represented by Ms A. Freeman of the Sydney patent and trade marks attorneys, Spruson and Ferguson. The applicant, Kantfield-Martogg, was represented by Mr B. Connor of the Melbourne patent and trade marks attorneys, Carter Smith & Beadle.

Ms Freeman commenced submissions with notice that the opponent put no reliance on the ground that Kantfield-Martogg, at the date of application, had no intention to use the mark, but did assert all other grounds as nominated in the notice of opposition. Essentially, however, the argument and the evidence go to three questions, viz:

- (s40) whether Kantfield-Martogg is the proprietor of the trade mark **FORTEX**
- (s33) whether in the face of Lonza's registered trade mark **FOREX** the application fails, and
- (s28) whether the provision of s28 renders **FORTEX** unqualified for registration.

I shall deal with these issues in turn, and in the usual order.

The proprietorship ground - s40

In respect of the proprietorship claim, that is, per sub-section 40(1), that

[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,

Ms Freeman submits that undisputed evidence from Lonza shows it commenced Australian use of the mark **FOREX** much earlier than any use claimed by Kantfield-Martogg. Per the

directives of *Shell Company of Australia Limited v Rohm and Haas and Another* (1948-49) 78 CLR 601, she says this establishes Lonza as the proprietor of the mark. In support she relies on *re Hick's Trade Mark* (1897) 22 VLR 636, and the finding approved by the High Court in *Shell v Rohm and Haas* (supra p628) that

[a] man cannot be said to have adopted a name if someone else has done so before him

Mr Connor, however, submits that **FORTEX** and the opponent's trade mark **FOREX** are not the same word and said that *re Hick's* (supra) also contains the direction that :

... the word "proprietor" must be taken to mean the person entitled to the exclusive use of the name. If there is anyone else who would be interfered with by the registration of the word "Empress" in the exercise of a right which such person has already acquired to use the same word in application to the same kind of thing, then Hicks ought not to have been put on the Register for that trade mark. (my underlining)

FORTEX and **FOREX** he says are not the same word. Ms Freeman, however, refers me to cases which, I see, are discussed by D.R. Shanahan in his *Australian Law of Trade Marks and Passing Off* (2nd ed., p158) under the heading 'Non-identical claims to proprietorship'. These cases are 7Up in a circle, which succeeded in displacing a proprietorship claim for 8Up in a square; and Polykin which succeeded against Polyken. Mr Shanahan refers to these examples as the widest variation on which the Courts were prepared to uphold a proprietorship claim. But he also notes p157-8:-

A further question that awaits consideration is whether, for conflict under s. 40(1), the parties must be claiming substantially the same right of proprietorship ... 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" such as arise under ss 28(a) and 33.

On 28 February 1984, subsequent to the 2nd edition of Mr Shanahan's book, Gummow J, in the Federal Court, observed in *Carnival Cruise Lines Inc v Sitmar Cruises Ltd.*, (1994) AIPC 91-049, at p38,114:-

[*Shell v Rohm and Haas* (supra)] 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 CLR 407 at 414. It requires a total impression of similarity to emerge from a comparison between the two marks. ... There is, as Mr Shanahan points out in his work, p. 158, real difficulty in assessing the broader notion of deceptive similarity in the absence of some notional use in Australia of the prior mark (something postulated by s. 33) or prior public recognition built up by use (para. 28(a)).

Drummond J., in *Karu Pty. Ltd. v Robert Leon Jose*, a judgement of 20 September 1994, and as far as I know, yet unpublished, refers to these observations and says:-

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 words **FORTEX** and **FOREX** are clearly not identical, but the question is whether they are so close that a 'total impression of similarity emerges'. The marks **POLYKIN** it seems is treated in the *Kendall Company v Mulsyn Paint and Chemicals*, (1963-1964) 109 CLR 300, as nothing more than an 'immaterial variation' of **POLYKEN**. Is the difference between **FORTEX** and **FOREX** a parallel case? I think not. **POLYKIN** and **POLYKEN** are phonetically and visually almost identical, **FORTEX** and **FOREX** are not. The only difference in the spelling of **FORTEX** and **FOREX** is indeed the presence of the letter 'T' but this small difference effectively differentiates the words in respect of appearance and pronunciation. The application mark is visibly longer and involves a clear vocalisation of 'T'. **FOREX** sounds like 'four-ex' or 'for-ex'. These are matters of fact on which I find that **FORTEX** is not the same word as **FOREX**. Applying the directives of *Karu Pty. Ltd. v Robert Leon Jose* (supra) I find therefore that the proprietorship claim fails, because the mark used by the opponent, **FOREX**, is not the same mark, as the application trade mark **FORTEX** .

The section 33 ground

Section 33 states that if an application mark is substantially identical with or deceptively similar to an earlier mark, and the goods of those marks are the same, or are goods of the same description, then prima facie it fails to qualify for registration. The enquires under this section are threefold. First is the question of whether the marks are substantially identical; second is the question of whether they are deceptively similar; and third is the question of whether or not the goods of the respective marks are the same, or are goods of the same description. (*The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited*, 109 CLR 407). For a section 33 ground to succeed, however, a finding of substantial identity or deceptive similarity necessarily requires finding that the goods are the same or are of the same description.

I have decided above, under the section 40 head, that the marks are not the same. They are different in appearance and in pronunciation. Moreover, there is a distinction to be drawn between the meanings. To all intents and purposes, in the context of plastic products, I think these marks would be regarded as invented words. However, the application mark **FORTEX** is apparently built around the word *fort* and, in line with words like *forte*, *fortify*, *fortitude*, imparts an allusion to *strength*. The opponent's trade mark **FOREX** has none of this meaning - the spoken word produces an image of four 'X's - and in other contexts it conveys the meaning of *foreign exchange*. In sum, therefore, as well as holding that these two marks are not the same, I also hold, because the verbal difference is reinforced with a difference of ideas, that they are not substantially identical.

Turning then to the question of deceptive similarity. Here, as Ms Freeman points out, the issues are somewhat wider. They go to the general impression created by the marks, and the likelihood of what may result with the advent of imperfect recollection - see *Cooper Engineering Company Proprietary Limited v Sigmund Pumps Limited* (1952-3) 86 CLR 536 at 538. Further, as determined in *Southern Cross Refrigerating Co v Toowoomba Foundry Pty. Ltd.* (1954) 91 CLR 592, deceptive similarity requires a consideration of whether use of **FORTEX** in respect of the application goods, and in the

face of nominal use by Lonza of **FOREX** on any goods comprehended by the registrations of that mark, is likely to lead to deception or confusion. As Ms Freeman says, this consideration is not to be conducted in the abstract, but in terms of the realities of the business world, and the behaviour of those people who will normally deal with the goods. This view was recently approved by Burchett J. in *Polo Textile Industries Pty. Ltd. and Another v Domestic Textile Corporation Pty. Ltd.* (26 IPR 246) - and I shall return to it in considering the third aspect of this ground. In deciding deceptive similarity, however, I must take into account the scope and nature of the goods of the application and the goods of the opponent's registrations.

Lonza has a number of registrations of the word **FOREX**, but, for the purposes of this opposition, the significant trade mark is A460294 registered in respect of :

goods included in class 17 made of synthetic foam or of synthetic foam combined with metallic materials; packing, stopping and insulating materials;

As I mentioned above, the application goods are

modified polypropylene resin and moulding compounds used in the plastics industry, such resins and compounds being in a semi-processed form of pellets, powders or granulates

Both sets of goods are clearly well away from the 'bag of sweets' class. But Ms Freeman points to clause 12 of Mr Noone's 1993 declaration and his statement (clause 11) that Lonza and Kantfield-Martogg are direct competitors, and that both companies supply raw materials to plastic goods manufacturers. If **FORTEX** and **FOREX** are used in relation to raw materials supplied to the same manufacturers, Ms Freeman maintains there is a real probability of general confusion, and the marks must therefore be held to be deceptively similar.

Mr Connor submits that despite the similarity of the overall construction of the words, **FORTEX** and **FOREX** do not sound the same and moreover have different meanings. He claims these differences alone are sufficient to avoid confusion or deception. But in addition,

he points to the nature of the application goods and in particular to Mr Spiers' declaration where at clause 6 he says:

All Martogg's products.... are sold directly to our customers who use injection moulding equipment. We have expert sales staff who regularly visit the premises of each customer to recommend the most appropriate grade of resin or moulding compound with the most appropriate additives for the specific task of each customer. Our customers have injection moulding equipment ranging from a \$10,000 second-hand machine to multi-million dollar installations. Customers generally employ engineering graduates or moulding experts with many years practical experience in injection moulding and these employees discuss their requirements with our expert sales staff and place orders with Martogg.

Mr Connor's submission is that since the marks **FORTEX** and **FOREX** display clear differences in sound and meaning and are being applied to goods which will be purchased and handled by trade representatives and sold by reference to detailed technical specifications necessary to identify polypropylene resins and compounds, there is no risk of confusion or deception. The marks, he says, should not be held to be deceptively similar.

I agree with Ms Freeman, that, taken at face value, the marks are close enough to be held deceptively similar. The awareness of the difference in meanings depends on an accurate and careful first reading. In the main I do not think that this can always be relied upon, and if the goods were to be placed side by side, I think that the words are sufficiently close to be mis-read, and one mistaken for the other. Considering then the matter of imperfect recollection, I again think the words are so close, that when a person has knowledge of the opponent's mark and comes across the application mark, the overall similarity is sufficiently strong to generate confusion or deception.

The special nature of the goods, however, introduces the question of whether, in the normal course of business activities, purchasers would be dealing in such a way as to make these scenarios a real likelihood. I note Kantfield-Martogg's evidence per Mr Speirs' declaration, clause 12. He says:

I do not know any injection moulding customers who would use our injection moulding goods as well as the sheeting goods sold under the mark **FOREX**. I have asked the sales staff of Martogg and no-one has any knowledge of any customer buying the **FOREX** product and Martogg's ... product, and no-one can think of a client who would need to buy Martogg's injection moulding products and the **FOREX** foam sheeting goods of Lonza.

On the other hand Lonza's evidence per Mr Noone's 1994 declaration indicates that manufacturers who use the Kantfield-Martogg's injection moulding plastics would, from time to time, buy plastic rigid sheet material 'for special applications in their own shops, such as guards'. Purchasers of rigid plastic for the simple purpose of constructing a guard require considerably less technical know-how than purchasers who order raw plastics for moulding purposes. Purchase of rigid plastic is a task that quite untrained staff may be asked to do. Therefore, while I am satisfied that the purchase of the Kantfield-Martogg plastic products will only be conducted by technical experts, the evidence does not show that this will be so for purchasers of the Lonza plastic products. Given the similarity between the words **FORTEX** and **FOREX** and the prospect that the goods sold under the **FOREX** trade mark will not be confined to specialists, I conclude overall that there is a real risk that **FORTEX** is likely to give rise to confusion or deception and I must therefore find that the application mark **FORTEX** is deceptively similar to the trade mark **FOREX**.

But the third aspect of section 33 is that it only operates if the goods of the application and the goods of the opponent's trade mark are the same goods, or goods of the same description. The goods here are not the same. The opponent's registration is for goods made variously of synthetic foam; packing, stopping and insulating materials. The synthetic foam is produced in sheets and is used for signs, noticeboards, furniture covers, exhibition stands, partitions, and theatre scenery. Kantfield-Martogg's goods are modified polypropylene resin and moulding compounds in the semi-processed form of pellets, powders or granulates. The question for determination, then, is whether - synthetic foam goods and packing, stopping and insulating material - on the one hand and, on the other, -

semi-processed resins and moulding compounds in pellet, powder and granulate form - are goods of the same description.

As I mention above, Ms Freeman referred me to *re J. Lyons and Coy Lt's Application* [1959] RPC 120 and Lord Justice Evershed's directives that the question of whether one set of goods should be regarded as being 'of the same description' as another set of goods, is a question that should be considered in a pragmatic business sense - and not on the basis of abstract reasoning - a view approved by Burchett J. in the much more recent *Polo Textiles Industries Pty. Ltd. and Another v Domestic Textiles Corporation Pty. Ltd.* (26 IPR 246). His Honour says, p259, referring back to Lord Evershed's judgement in *Re Lyons* (supra):

That object seems plainly to be the avoidance of confusion and deception in the market place, which would be likely to arise should a mark become available for use by two or more different companies, which are unrelated, upon goods of the same description. From that point of view, the expression "goods of the same description" is generally to be understood in such a sense that, if two different items are held not to fall within the expression, their sale under the same mark by different companies is not likely to lead to confusion or deception. That approach would seem to me to accord with the common sense business view recommended by Lord Evershed.

Ms Freeman also pointed out that at p128 Evershed M.R. warns against giving too restrictive a construction to the term 'of the same description'. He says that at all events, the concept should not be limited to goods which are substantially analogous in kind, or commonly used as mere substitutes or alternatives, the one for the other.

Mr Connor, however, presses the point that the injection material made up by the modified polypropylene resin and moulding compounds of Kantfield-Martogg specification are essentially the raw materials used in the elementary stages of the manufacturing process. He points to Mr Spiers' description of at clause 6 (supra) and in particular draws attention to the evidence that Kantfield-Martogg's resins and compounds are sold directly to businesses who use injection moulding equipment, and that these purchases are handled by graduate

engineers with years of experience in the injection moulding process. He also pointed to Mr Spiers' clause 7 where he states that the resins and compounds are sold in 25 kilogram bags of pellets, powders or granules. In sum, Mr Connor says that the application goods are essentially different from the opponent's goods because Kantfield-Martogg's modified polypropylene resin and moulding compounds are semi-processed plastics products which constitute raw materials. Lonza's goods of synthetic foam, and its packing, stopping and insulating materials, he says, fall into the category of a manufactured product.

Determining the matter of goods requires the application of the familiar tests set down in *Jellinek's Application* (1946) 63 RPC 59, and *John Crowther* (1948) 65 RPC 369: are the respective goods, goods of the same nature; are they used by the same people for the same purposes; and are the trade channels the same. No one of these tests in itself is conclusive. And the assessment, as per the directives of Burchett J. and Evershed M.R. (*supra*), must be on the basis of business realities and common sense.

Both sets of goods comprise plastics. However, I am satisfied that the application goods are raw materials which, until they have been processed through another stage of manufacturing, are, in practical terms, only useful to manufacturers with injection moulding equipment. The Lonza goods, on the other hand, are fabricated plastics, ready for use in constructing guards, signs, noticeboards, display stands and stage scenery. The packing, stopping and insulating material must likewise be ready for use. On these facts I find that although both the Lonza and the Kantfield-Martogg goods are plastics, the nature of the plastics comprehended by the application and by the opponent's registration is, in practical terms, quite different, and I hold that they are not goods of the same nature.

The second question is what purpose will the goods be used for and who are the people who will use them. It is quite clear that the application goods will only be purchased by manufacturers who produce goods with injection moulding equipment. Foam plastics cannot be used for this purpose (Brooks declaration clause 4). It may well be the case that a manufacturer may sometimes have the need for foam plastic sheeting - but it will be for a

different purpose, and realistically, it seems to me, foam plastic sheeting for making guards, signs and displays is no more relevant to the injection moulding industry than to any other industry where there is a need to construct guards, signs and displays. I find therefore that the application goods and the opponent's goods are not used by the same people for the same purposes.

The third question of trade channels appears to be settled by Mr Spiers' statements that the Kantfield-Martogg goods are sold by its own sales staff direct to the manufacturers. This precludes **FORTEX** and **FOREX** goods from being dealt with through any common channel, or being sold side by side.

I find from the evidence that whereas the application goods are raw materials, the opponent's goods are manufactured products, that the respective goods do not serve the same purpose, are not used by the same people, and are not dealt with through the same trade channels. I therefore find that the applicant's goods, polypropylene resin and moulding compounds; and the opponent's goods, synthetic foam and packing, stopping and insulating materials; are not goods of the same description. This outcome is not unprecedented: *Darwin Ltd. 's Application* (1946) 63 RPC 1, holds that raw material and end products are not goods of the same description.

The final position as regards the section 33 ground is, therefore, that although I have found the marks **FORTEX** and **FOREX** deceptively similar, I dismiss that ground on the finding that the application goods and the goods comprehended in the opponent's trade mark A460294 are not goods of the same description.

The section 28 ground

The last ground of opposition, founded on paragraph 28(a), is that, as a consequence of the reputation of Lonza's trade and its trade mark **FOREX**, the application mark **FORTEX** is likely to deceive or cause confusion. In dealing with the section 33 ground I have come to the conclusion that the words of the marks are sufficiently close to be found deceptively

similar. However, as is now well known, the Trade Marks Office practice is to apply the directives of *Riv-Oland Marble Co (Vic) Pty. Ltd. v Settef SpA*, (1987-8) 12 IPR 321, and *Murray Goulburn Co-Operative Co. limited v The New South Wales Dairy Corporation*, (1990) AIPC 90-664 and to read paragraph 28(a) as being governed by paragraph 28(d). This practice was advertised in the *Official Journal of Trade Marks* of 19 and 26 July 1990, and, following the High Court's judgment on the *Murray Goulburn* appeal, the practice was confirmed in the *Official Journal* notices of 12 and 19 September 1991. The practice spelt out in these notices is followed by the delegate (Hearing Officer Homann) in *Titan Manufacturing Company Pty. Ltd. v John Terence Coyne*, 22 IPR 613. Ms Freeman comments with apparent disapproval that the decision of a delegate in *Allergan, Inc. v Glaxo Group Limited* (trade mark registration A467935(5) - opposition dismissed) is another example of the application of the Registrar's practice note on the operation of paragraph 28(a) and indeed it is. It is perhaps useful for me to state, therefore, that since development of the practice, all oppositions citing grounds under paragraph 28(a) have been considered in light of the governing function of paragraph 28(d).

Ms Freeman submits that the findings of the *Murray Goulburn* case should only be read as applying to registered trade marks, and that the findings that the paragraphs of section 28 are to be read conjunctively, do not apply to trade marks at the application stage. However, the majority of the High Court found, in *Murray Goulburn*, that paragraph 28(a) only operates to disqualify registration if the proprietor of the mark is culpable of blameworthy conduct. Paragraph 28(a) is thus relegated to a threshold test. And the High Court did not direct that the provisions of section 28 should be read one way for registered marks and another way for applications. Indeed it seems to me to be a nonsense to suggest that the Registrar should treat section 28 in that way. I confirm the Trade Marks Office application of the findings of the *Riv-Oland* and *Murray Goulburn* cases, and I decline to adopt the alternative interpretation of section 28 proposed by Ms Freeman which, she submits, would be in tune with the overall policy of the Trade Marks Act.

Ms Freeman also pointed to *Johnson & Johnson v Kalnin*, (1992-93) 26 IPR 435. Here paragraph 28(a) is applied without reference to 28(d) and she contended that this confirmed her submission that at the application stage, paragraphs 28(a) and (d) should be read disjunctively. The very fact that the issue was not dealt with, however, precludes me from accepting that *Johnson & Johnson v Kalnin* provides grounds for ignoring the findings of *Murray Goulburn*.

One final point put by Ms Freeman involved a consideration of clauses in the 1995 Trade Marks Bill. When enacted, that Bill will, of course, constitute the law. At present, however, all trade mark applications are governed by the 1955 Act, and the 1995 Trade Marks Bill has no force.

I find that the arguments put by Ms Freeman do not establish any reason for departing from the Registrar's practice in applying the *Murray Goulburn* and *Riv-Oland* findings. Consequently, as Lonza makes no allegation of blameworthy conduct on the part of Kantfield-Martogg, nor is there any evidence whatever of blameworthy conduct, the opposition grounded on section 28 fails.

Decision

I have found that the opposition is not made out in terms of the section 40, the section 33 or the section 28 ground. The opposition in sum is therefore dismissed. In the event that there is no appeal to a prescribed court, I direct that the application may proceed to registration.

Costs

In accordance with the usual practice, the costs here should follow the event, and I therefore award them to the trade mark applicant, Kantfield-Martogg.

Helen R Hardie
Deputy Registrar
30 August 1995