



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

Re: Opposition by Meadow Lea Foods Limited to the registration of application 583095 in the name of Unilever PLC.

Background

The above trade mark application was advertised, on 28.10.93, as accepted for registration. The application is in the name of Unilever PLC ("Unilever") and it was lodged on 24.7.92. The trade mark the subject of the application is the word PHASE and the goods specified in the application are "edible oils and fats; margarine and butter; dairy products; and all other goods included in this class".

Registration of the application has been opposed, as provided for by sub-section 49(1) of the Trade Marks Act 1955, by Meadow Lea Foods Limited ("the opponent"), on grounds which, as argued at the hearing, come down to three: that the applicant is not the proprietor of the mark, that the application should be refused as use of the applicant's mark would be likely to deceive or cause confusion, and that the application is blocked by a prior registration for a deceptively similar trade mark.

After the opponent had served the necessary copies of its evidence in support of the opposition, the matter was set down for hearing on 2.3.95. The opponent was represented by Mr Gerard Skelly, a patent attorney of the attorney firm of Spruson and Ferguson. The

applicant was represented by Ms Lesley Waters, a solicitor of the firm of B F Jones, solicitors.

Having heard the parties, I turn to the evidence, which I have assessed on its merits in the light of the submissions of both sides.

The opponent is relying on both use and registration of its trade mark PRAISE. The opponent has various registrations, but the two which give rise to its broadest claims are:

- 189377, for the word PRAISE, simpliciter. That trade mark is registered in respect of mayonnaise, salad oils and dressings and all other dressings included in class 29; edible oils and fats; margarine.
- 449538, for what is at first sight a very specific composite label as follows, registered for all goods in class 29:



However, the registration is endorsed:

Registration of this trade mark shall give no right to the exclusive use of the words NATURAL, TASTE THE DIFFERENCE, and the device of a PRESCRIPTION SYMBOL.

In use the description POLYUNSATURATED LO SALT MAYONNAISE appearing in the mark is varied in accordance with the application of the mark to other goods comprised in the specification.

The trade mark PRAISE was originally used on mayonnaise in 1964 and it is declared that the mark was subsequently also used for margarine, edible oils and salad dressings. Ms Waters queried the extent to which the opponent has marketed anything other than mayonnaise and

salad dressings, and the total picture presented by the evidence suggests that there has been little use outside those two specific lines.

Decision.

Proprietorship.

To be validly made, an application must be made by the proprietor of a trade mark, or at least by an honest concurrent user of it. Let me say simply that the two trade marks PRAISE and PHASE are not sufficiently close for the opponent's claim to ownership of the former to be able to impede the claim of anyone else to ownership of the latter. While Mr Skelly noted the comments of Gummow J in *Johnson and Johnson v Kalnin* 26 IPR 435 about the uncertainty of the processes by which words are recognised and compared with others, it is too much of a stretch of those concerns to say that the two trade marks are anything like meeting the test for "substantially identical". That term is defined in *Shell Co of Australia v Esso Standard Oil*, (1963) 109 CLR 407, as follows - per Windeyer J at p 414:

... (the two marks) 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

It is only substantially identical trade marks that can give rise to the same claims to proprietorship, hence it is only on such grounds that one claimant to proprietorship can displace another. Here I rely on the decision in *Karu Pty Ltd v Robert Leon Jose* (unreported) in which Drummond J followed Gummow J's decision in *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 120 ALR 495 or 1994 AIPC 91-049. Drummond J comments that Justice Gummow's views on the issue of competing claims between non-identical marks were obiter to the latter decision. None the less, Drummond J applied them directly to the matter before him. He noted in particular the portion of Gummow J's decision which reads:

When the decision (*Shell Co of Australia v Rohm and Haas Co.* (1949) 78 CLR 601) 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 *Shell Oil Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 at 414. It requires a total impression of similarity to emerge from a comparison between 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. 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 user in Australia of the prior mark (something postulated by s. 33) or prior recognition built up by user: s.28(a)

Section 33.

My finding, above, that the trade mark PHASE is not substantially identical to the trade mark which has been used by the opponent, PRAISE, was confined to the marks as used by the opponent and as sought to be registered by the applicant. However, the opponent has also registered the trade mark it uses, so the findings above are relevant to the comparison, under s 33 of the Trade Marks Act, of the mark as registered by the opponent with the one the applicant seeks to register. Sub-section 33(1) of the Trade Marks Act provides that:

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.

I therefore decide that the applicant's mark is not substantially identical to the trade marks the subject of various registrations in the name of the opponent including, inter alia, numbers 189377 and 449538.

As to deceptive similarity, s 6(3) provides that one trade mark will be found to be similar to another trade mark if it so nearly resembles that other trade mark as to be likely to deceive or

cause confusion. Therefore, the trade mark PHASE must be found to be deceptively similar to those of the opponent unless, per *Southern Cross Refrigeration v Toowoomba Foundry*, (1954) 91 CLR 592, I am satisfied that there is no reasonable risk of the applicant's mark giving rise to deception or to confusion.

The context of that test is set out in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, their similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded. The course of business and the way in which the particular class of goods are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard.

Mr Skelly noted the similarities in sounds, both PRAISE and PHASE being short, sharp words with identical endings and differing only in the initial syllables. Mr Skelly argued that an R can resemble an H in upper case. I presume that he referred, in that submission, to a context of those letters being the second letters of two marks of, respectively, six and five letters. It is otherwise hard to envisage a script wherein a letter R looks overly much like a letter H.

Mr Skelly noted the differing and ordinary meanings of the two words at issue. However, as the meaning of neither word would readily attach itself to the goods, he argued that this was an easily overlooked factor. On the other hand, he argued that supermarkets are stressful places where ordinary buyers are not necessarily buying with what they themselves might see as their

ordinary level of care and attention. To this he added the other ordinary possibilities of reduced eyesight, errands being run by children and the possibilities of less than ideal literacy or of a lack of fluency in English.

He also argued that I cannot ignore the similarities in sound that result from the similarities in spelling. He noted, for instance, that in a supermarket it is possible to ask employees to bring, from a remote storeroom, an item which is normally sold by the supermarket but which is absent from the shelves. Similarly he noted the comments of Gummow J in *Johnson and Johnson v Kalnin* 26 IPR 435. In that case Justice Gummow first of all noted the English view in a decision of Mr Justice Whitford in *Mars GB v Cadbury Ltd* [1987] RPC 387:

I have, of course, referred to those words of Parker J. (in the PIANOTIST case, supra) which deal with the need to consider not only the look of the marks but their sound. However, in present day conditions, when all items of confectionery of this size - as is apparent from the evidence before me in this case - are sold packaged with the brand appearing clearly on the packaging, and when the goods are, for the most part, picked up by the customers, and on the goods as picked up the marks will be clearly visible, the question of sound is perhaps becoming of diminishing importance."

I think it is a well-known fact, and one of which I can take note, that retail outlets of the type referred to here operate on the principle that the customers select their purchases from display shelves with little or no intervention from sales staff, as one of the means whereby operational costs are reduced and product prices are kept as competitive as possible.

Justice Gummow said:

There is, I think, some force in this observation, but nevertheless, it must be kept in mind that, for example, both aural and visual presentation are combined in television advertising.

Finally, Mr Skelly argued that I must allow for genuine accidents in the similarities of labels or the get-up of containers. This must, however, and as Ms Waters argued, stop short of assuming any malicious passing off of the one product as the other.

In further reply, Ms Waters argued that there was no reason to assume that these dissimilar words, with dissimilar looks (five letters versus six) and meanings, would give rise to deception or confusion. She also noted that the mark the subject of registration 449538 was a

composite device, with the word PRAISE in letters in a specific flowing style and in a double ellipse border. It was going too far, she argued, to postulate a coincidental use by Unilever in the same script and double ellipses.

I will deal first of all with the issue of Unilever's mark PHASE being deceptively similar to the trade mark shown in registration 449538.

The inquiry as to imperfect recollection is broad, as are the effects of the endorsement which allow the words "Polyunsaturated Lo Salt Mayonnaise" to be varied as appropriate to any goods in class 29. I have already noted the difficulties to which Justice Gummow has referred in *Johnson and Johnson v Kalnin*, supra, in allowing for the way one mark will be compared with another, or more specifically with the recollection of another held only in memory. I must assess the likelihood that ordinary buyers of margarine or other foods in class 29, familiar with the form or forms in which the registration may notionally be used, will mistake it for the word PHASE, or vice versa. In that assessment, I must assume that the latter trade mark will be used fairly and honestly.

I note that, in *Gardenia Overseas Pte Ltd v The Garden Company* (No 2) (1994 AIPC 91-096), Lindgren J held that words with "a meaning connected in some way with the goods" may be better remembered because of that connection. However, I do not think that the converse would necessarily apply. The present two marks are words which have radically different meanings, though neither of them attaches at all well to the goods. It seems to me that, as words pure and simple, the two will generally be distinguished.

In dealing with the two marks as wholes, however, the comparison is not so much of one word with another as with the visual impressions created by those words as they are to be used, as trade marks, on tubs of margarine, on bottles on a shelf or otherwise. In that context, it is significant that the letter R in PRAISE is emphasised. This must, in my opinion, assist the recollection of the mark for those who are guided by the visual aspect of trade marks as much

as by the (distinguishable, in this case) meanings of the words that comprise the marks. It is not so much that the long tail of the letter R is unusual as that it leads the attention to the point at which the two marks are most different. A person seeing the mark in those terms will be much less inclined to mistake the word PHASE, however it is rendered, for the registered mark.

I therefore conclude that the applicant's mark is not deceptively similar to the one the subject of registration 449538.

The second question concerns the trade mark registered as 189377. That registration is limited as to goods and shows the word PRAISE in plain block letters. Now, when considering various applied-for marks in *Gardenia Overseas*, supra, Lindgren J regarded the "bare word ... in bold print" as being intended for use in exactly that form. That point was not at issue in his decision but I presume that there is some freedom left to a proprietor to make minor changes to the typeface in which the registered mark is used, just as there is a degree of notional freedom left to the applicant. Even if there is no such freedom, the comparison in that case becomes one of two bare words in bold print; my conclusions below would not be changed by that event.

It is easy to imagine scenarios where PRAISE and PHASE can coexist without deception or confusion. However, it is equally reasonable to expect that, given quite predictable coincidences in colours or typefaces, the unwary will be inadvertently misled. For all that the two words may differ, the magnitude of those differences is not great and will not prevent deception or confusion in ordinary circumstances of imperfect recollection or carelessness. I do not need to quantify that likelihood of deception or confusion, beyond finding that it is reasonable.

Alternatively, as the matter was put in *Sym Choon and Co v Gordon Choon Nuts Ltd*, (1949) 80 CLR 65 at 78:

The basic principle is that the proposed mark must be so unlike the rival mark that it is not reasonably probable that a purchaser who knows of the latter and has an imperfect recollection of it is likely to be confused.

In noting that formulation, however, let me emphasise that I take the onus as being on the applicant only in respect of reasonable probabilities, not in respect of minor or negligible ones. To that extent, the test is simply the other side of the framing of the "real tangible risk" test in *Southern Cross*, supra.

I therefore conclude that the applicant's mark is deceptively similar to the one the subject of registration 189377.

The goods in question

Sub-section 33(1) requires, if I find the applicant's mark to be deceptively similar to a prior registration owned by another person, that I consider the goods for which that deceptively similar trade mark is registered.

It will not be possible for me to define just what goods are goods of the same description as those the subject of 189377, which is registered for "mayonnaise, salad oils and dressings and all other dressings for foods included in class 29; edible oils and fats; margarine". The scope of the registered goods is indeterminate and goods of the same description as an indeterminate set must be even more indeterminate.

Suffice it to say that the application presently includes both the same goods and goods of the same description as those the subject of the registration.

Conclusion.

Section 33 of the Trade Marks Act requires me to refuse registration of the present application unless the scope of the application is reduced.

I therefore require that the application be amended to exclude mayonnaise, salad oils and dressings and all other dressings in class 29, edible oils and fats and margarine and, further, exclude goods of the same description as those goods. That is a somewhat cumbersome wording and may not meet the requirements of the parties for certainty about their respective positions. I am, of course, prepared to accept a narrower restriction and I may be prepared to accept an alternate amendment of the goods, particularly if the latter is done with the agreement of the opponent. I leave it to the applicant to negotiate with the opponent as to any variation of the restriction I have proposed above. In the meanwhile, I allow the applicant one month from the date of this decision to consider the situation and take whatever action it finds appropriate.

Leaving scope for agreement between the parties is in no sense a re-opening of the hearing. I do not intend to enter into debate in the matter, and if the scope of the application is not reduced to my satisfaction I will simply refuse the application as it stands. If, alternatively, the application is amended to my satisfaction I will dismiss the opposition.

The s33 matter being indeterminate at the moment, it is neither necessary nor useful for me to attempt to decide the matter under s 28 of the Act. Mr Skelly expressed reservations about the correctness of the present Office practice set out in the *Australian Official Journal of Trade Marks* of 12.9.91 and I can sympathise with his views. However, the issue will have to be determined elsewhere.

I leave the question of costs to be decided when the outcome of the application is known.

T. Williams
Hearing Officer

20 April 1995