



TRADE MARKS ACT 1955

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

Re: Opposition by TAG-HEUER S.A. to registration of trade mark application number 589991 in the name of PAUL O'BRIEN for the mark TAG in class 9

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 589991 was lodged on 10 November 1992, in the name of Paul O'Brien (the applicant). The application was for the registration of the word **TAG** covering the statement of goods, "Bicycle safety and sporting helmets including motor vehicle helmets", in class 9. The trade mark was advertised as accepted in the *Australian Official Journal of Trade Marks* of 2 March 1995.

Notice of opposition to the trade mark's registration was lodged by Tag-Heuer S.A. (the opponent), following an extension of time to do so, on 1 September 1995. The notice of opposition listed a number of grounds. However, the matters which were later pursued by the opponent at the hearing were under s.33, that the present trade mark was substantially identical with, or deceptively similar to, trade marks already registered by the opponent for goods of the same description or related goods to those covered by the application; under s.40, that the applicant was not the proprietor of the mark in question; and under s.28, that the use of the subject trade mark on the goods claimed would be likely to deceive or cause confusion, and that

it was a trade mark not entitled to protection in a court of law because of some wrongful conduct on behalf of the applicant.

The service and lodgment of the evidence in support was completed by 7 April 1997. There was no evidence in answer. The opponent requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Sydney on 11 March 1998. The opponent was represented by Mr Michael Hall and Mr Adrian Lawrence of Baker & McKenzie, Solicitors and Attorneys. The applicant neither appeared at the hearing nor submitted written submissions specifically to be considered at the hearing. However, there was some correspondence on file from the applicant, which I am entitled to take into account in deciding this opposition. This material related to the applicant's degree of awareness of the opponent's mark, his reasons for seeking registration of his own mark and his belief that his goods and those marketed by the opponent did not overlap.

Evidence

Evidence in Support

Statutory declaration by Tracy Francis dated 13 December 1996, and exhibits TF-1 to 2.

Statutory declaration by David Bryden dated 23 January 1997, and exhibits A to K

There was no evidence in answer.

Background

The applicant's company either manufactures or imports bicycle safety and sporting helmets, including motor vehicle helmets. This company has been using the trade mark TAG on motor cycle helmets since 1989, and on bicycle helmets since late 1992. The applicant said, in a letter to the Registrar, that he honestly used the mark TAG - presumably as an acronym - in a reference to "Totally Awesome Gear". He said that he planned to use the mark in the future on other protective apparel.

The opponent company is a well known international manufacturer of watches and timing instruments. It has used its mark TAG HEUER in Australia, as shown below and in normal script form, since 1985 in relation to its goods.



This use has been closely associated with the timing and sponsorship of a wide variety of Australian and international sporting events, including motor racing - particularly Formula One, skiing, sailing and cycling. The TAG HEUER trade mark has been applied to the sports clothing of competitors in such events and to the equipment that they use - including vehicles, helmets and caps. The opponent's timing equipment been extensively advertised in magazines, including *Sports Illustrated*, *Inside Sports* and *Vanity Fair*. Mr Bryden, the marketing manager of a representative company of the opponent in Australia, said in his declaration, that in addition to the manufacture of its timing equipment, the opponent had also come to manufacture, or to licence others to manufacture, sporting articles under its mark.

Submissions

At the hearing, Mr Hall, on behalf of the opponent, said in relation to the s.33 ground, that the present trade mark was substantially identical or at least deceptively similar to the opponent's previously registered trade marks for goods of the same description. Those registrations were registration numbers 434383 in class 25 for the statement of goods "sporting clothing including sports wear", and 434384 in class 28 for "sporting articles". Mr Hall said that the determination of whether the marks were deceptively similar was a question of fact in the particular circumstances of a particular case, but that certain tests, as enunciated by Parker J in *Pianotist Co's App'n* (1906) 23 RPC 774 at 777, provided guidance. These had been echoed in the judgment in the High Court re *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641.

He said that, in the present case, the applicant's mark was for the word TAG alone, while the opponent's registrations were for the two words TAG HEUER presented together in a stylised manner within a shield device. He said that the most memorable element of the opponent's

trade mark was also the word TAG - and that would be the way that most people would naturally describe it. He relied for support here on the words of Latham J in the case of *Jafferjee v Scarlett* (1937) 57 CLR 115, regarding device marks being orally referred to by users by the part of the mark that they remembered. He said that this was also the case in *Golden Crumpet Co Australasia v Hardings Manufacturers Pty Ltd* (1987) 8 IPR 147, where the comparison of the similar verbal features of two marks gave rise to confusion. He also said that the surname HEUER had been disclaimed in all of the opponent's registrations, meaning that the word TAG was the dominant element. He said that, for the foregoing reasons, the trade marks of the respective parties were deceptively similar.

Mr Hall said that the goods included in the specification of the present application were of the same description as those covered by opponent's two previously registered marks. He referred to the factors which he said should be taken into consideration in determining such matters. These, he said, were found in such precedent cases as *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 606. He said that the phrase, "goods of the same description" should not be interpreted restrictively.

Mr Hall said that, in the present case, three factors indicated that the goods of the respective parties could be considered as being of the same description. The first of these was the nature of the goods. He said that the applicant's bicycle safety, sporting and motor vehicle helmets could be regarded as sporting articles and also as types of sporting clothing. The next factor to be considered was the uses to which all of the goods could be put. Mr Hall said that users of bicycle and motor vehicle helmets were the same classes of persons and were engaged in the same activities - namely sports of various descriptions - as those who used sporting articles and sporting clothing. The third factor was the trade channels through which all of the goods were bought and sold. Mr Hall said that the declaration of Ms Francis showed that it was not uncommon that sporting helmets and sporting articles were sold side by side in the same stores. He said that it was important to note that this evidence had been unchallenged by the applicant.

In relation to the ground under s.40, that the applicant was not the proprietor of the trade mark for which registration was sought, Mr Hall said that, in *Hicks'* case (1897) 22 VLR 636,

Holroyd J examined the nature of the right conferred by registration and concluded that an application should be refused where the use was of the same word in relation to the same kind of thing. Mr Hall said that the whole of the applicant's mark was contained in the opponent's mark and therefore that party could not conclusively claim to be the owner of the present mark for goods which were the same as those covered by the opponent's registrations.

Mr Lawrence continued the submissions on behalf of the opponent in relation to the ground under s.28, that the use of the mark by the applicant was likely to deceive or cause confusion. He said that it had been confirmed in the High Court in the *Southern Cross* case, supra, that registration of a mark should be refused if there was a real risk that use of the mark would cause persons to wonder about the respective goods' origin. He said that, here, people might be caused to wonder as to the source of a TAG helmet if the wearer had just taken off a TAG HEUER cap. He said that the evidence showed that the opponent enjoyed a considerable reputation in Australia and overseas for its marks. He said that this reputation was also connected to sporting events through extensive sponsorship and advertising. This was particularly so when the opponent's well known mark featured in television advertisements and coverage, the print media, on the vehicles and clothing of well known sporting identities, and headgear such as helmets and caps.

With respect to the Registrar's practice that blameworthy conduct needed to be shown on behalf of an applicant, in addition to the likelihood of deception and confusion, Mr Lawrence said that this did not need to be personal dishonesty or deliberate theft of a mark. He said that any conduct which would cause a court of justice to exercise its discretion against an applicant could constitute blameworthy conduct.

He said that, here, from the applicant's own correspondence, it was clear that the applicant was familiar with motor racing where the opponent's reputation was very strong. Mr Lawrence said that the applicant had indicated in his letters to the Office and the opponent's attorneys that he was well aware of the opponent's marks and yet had still adopted a mark which was closely similar to them. Mr Lawrence said that the applicant had apparently done this without conducting any enquiries or searches for possible conflicting marks, because he claimed to

believe that the opponent's rights only extended to time-keeping apparatus. Mr Lawrence said that such recklessness in the choice of a mark amounted to wrongful conduct and he relied for support upon such findings allegedly found in recent Office decisions such as *Sporoptic Pouilloux v Arnet Optic Illusions Inc* 32 IPR 430. Mr Hall added to this by saying that the applicant's failure to inquire regarding the extent of registration and reputation of opponent's marks was a factor sufficient to disentitle his mark to relief in a court of justice. He relied for support here on the judgment of Lockhart in *Lumley Life Limited and IOOF of Victoria Friendly Society* 100 ALR 600 which he said was similar in this aspect.

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.

To determine the matter of whether the goods claimed by both parties are those of the same description requires, I think, the application of the familiar tests set down by Romer J. in *Jellinek's Appn*, (1946) 63 RPC 59, which was cited with approval by the Australian High Court in the *Southern Cross* case, supra. As Mr Hall said, these considerations have been determined as: whether the respective goods are of the same nature; whether they are used by the same people for the same purposes; and whether the trade channels are the same. No one of these tests is, in itself, conclusive and the assessment, as per the directives of Burchett J. and Evershed M.R. in *Polo Textiles Industries Pty. Ltd. and Anor v Domestic Textiles Corporation Pty Ltd* 26 IPR 246, must be on the basis of business realities and common sense. In this way I am to compare the present application's statement of goods - which encompasses bicycle, sporting and motor vehicle helmets, with the opponent's registrations, which include clothing for sports wear and sporting articles, respectively.

In relation to whether the goods are of the same nature, I am aware that the concern of s.33 is the deception or confusion which would reasonably arise from the notional fair use of an applicant's trade mark in the face of equally notional fair use of the opponent's trade marks in respect of the goods for which they are registered. I am of the opinion that the applicant's helmets and the opponent's sports clothing, covered by registration number 434383, are not generally of the same nature. Helmets are primarily for protection from head injuries, whereas sports clothing and sport wear is mainly intended for covering, comfort, style and team identification. On the other hand, I do concede that helmets may be seen as sporting articles, as covered by registration number 434384, and do qualify as being of the same nature as each other. On the second test, as to whether all of the goods covered by the respective marks would be used by the same people for the same purposes, I do agree with Mr Hall that all of the goods would be used by the same people - generally those taking part in sport. However, while I agree that sporting articles and helmets would be used for the same purpose, I think that, again, sports clothing and sport wear are not always used for playing sport. Such articles may merely be worn for their style and comfort. Therefore, they are not necessarily used for the same purpose as helmets - the protection of the wearer. In relation to the last test, whether the trade channels of all of the goods is the same, I agree with Mr Hall that the Francis declaration shows that, certainly, helmets and sporting articles are sold in the same outlets and in close proximity to each other. However, this is not necessarily so for sports clothing and sport wear which are not always sold in sports goods shops. Such items may be sold in clothing or department stores. For the foregoing reasons, I find that, while the goods covered by the present application and those covered by registration number 434384 may be considered as being of the same description, those covered by registration number 434383 are not. I therefore exclude the latter registration from my consideration of the s.33 ground of opposition.

I now move on to determine whether the trade mark, TAG, the applicant's trade mark, and the opponent's mark, covered by registration number 434384, TAG HEUER, can be determined as being deceptively similar. Sub-section 6(3) defines a mark as deceptively similar if it is likely to deceive or cause confusion. To determine the deceptive similarity of marks, they should not be placed side by side but consideration should be given to any common net impression inferred

from the two marks. I refer here to the judgment in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd*, supra, at 658, where Dixon and McTiernan JJ. said:

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. Evidence of actual cases of deception, if forthcoming, is of great weight.

Here, the situation relies upon the so-called “imperfect recollection” of the marks in the market place. 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.

It is true, as Mr Hall has said, that the latter mark would be referred to by the words in it - despite its distinctive “getup”. However, I think that anyone referring to the mark would use both of the words - TAG HEUER. It matters not if a large portion of the mark, the surname HEUER has been disclaimed by the opponent - the mark must be considered as a whole in any comparison. I note that, in all of the evidence, I did not see the words TAG or HEUER used separately. The mark is always used as those two words together.

Mr Hall also submitted that the word TAG is wholly contained in the stylised mark TAG HEUER, and that customers would naturally refer to the opponent’s mark as TAG, giving rise to confusion. However, as I have said, the word HEUER is a significant part of the mark and cannot be discounted in any comparison. I think that users would refer to *both* words - TAG HEUER - when referring to the opponent’s mark and this is, I think, supported by the examples of use in the evidence. In any case, in the Office decision *Tecmo Kabushiki Kaisha v Tokyo Denki Kabushiki Kaisha*, 1995 AIPC 91-177, where the opponent’s mark TEC was wholly

contained within the applicant's trade mark TECMO, it was submitted that it would be sufficient in itself to make the use of the applicant's mark an infringement of the opponent's mark. Therefore, it was alleged, the marks must be substantially identical for the purposes of s 62 and, consequently, also for the purposes of s.33. The Hearing Officer there commented that a delegate of the Registrar was not entitled to speculate on whether a court would find that the use of the applicant's mark would be an infringement of the opponent's mark, or to decide that it would be. As such, it would be improper for a delegate to apply the reasoning in the *Bubble Up case - Seven-Up Co. v. Bubble Up Co. Inc.* (1987) AIPC 90-433, which was a decision involving a consideration of substantial identity and deceptive similarity of two marks in an infringement action. I am of the opinion that the present situation, where TAG is wholly contained within TAG HEUER, is on all fours with the *TEC v TECMO* decision and I am also not prepared to apply the reasoning in the *Bubble Up case*, supra.

Given all of the foregoing, and having applied the tests outlined in the *Australian Woollen Mills* case, I find that, although the applicant's helmets and the opponent's goods sporting articles can be considered as being of the same description, the marks are not deceptively similar. The opposition, as it is based on the s.33 ground, must therefore fail.

Section 40 - Proprietorship

Sub-section 40(1) reads:

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 the case of *Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd* 10 IPR 402:

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 marks in Australia, for the relevant goods and prior to the date of application, becomes the proprietor at common law. 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. This has also been the situation in such precedent cases as *Seven Up Co v O.T. Ltd* (1947) 75 CLR 203.

The applicant first used his trade mark in Australia in 1989, while the opponent first used its trade mark in this country in 1985. However, I believe, in deciding the issue of proprietorship, that s.40 only applies when the trade marks are identical, or so similar as to be virtually the same trade mark - *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) AIPC 91-049 and *Karu Pty Ltd v Jose* (1994) AIPC 91-101. Here, the trade marks of the respective parties are clearly different, although the goods covered by the present application and one of the opponent's registrations can be considered the same kind of thing. The subject trade mark is the word TAG in normal script. In contrast, the opponent's trade mark is the words TAG HEUER in a stylised manner, although use has also been made of the words in normal script. Therefore, because of the significant differences between the applicant's and opponent's respective trade marks, particularly the significant integer of the word HEUER included in the latter mark, I believe that they would not be seen as the same trade mark. Given the foregoing, I find that the opponent is not successful on this ground of 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 Refrigerating Co v Toowoomba Foundry Pty Ltd* , supra, where it was said, at 608:

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.

However, that risk must extend to a substantial number of people likely to be concerned in the purchasing of the goods - *Kendall Co v Mulsyn Paint and Chemicals* (1963) 109 CLR 300. In assessing the reputation of the opponent's mark in Australia, the relevant date is that of lodgment of the opposed application, 10 November 1992 - *Southern Cross*, supra.

The evidence clearly shows that the opponent has a significant reputation for its timing apparatus and also for its association with sports. Mr Lawrence submitted that people could be deceived or confused if they saw the applicant's and opponent's marks used on helmets and headwear, respectively, which were being worn by sportspersons - particularly Formula One racing drivers. However, the opponent's reputation resides in watches and chronometric instruments, and also the sponsorship of major sporting events. There is nothing in the evidence which suggests that the opponent has any reputation for sporting equipment. Most of the uses shown there are on timing equipment and vehicles, racing driver overalls and baseball caps. The latter uses are in the form of promotional material seemingly to advertise the opponent's major goods of interest - precision timing apparatus. Accordingly, I do not think that any racing devotee - or even the part time spectator - would seriously think that the official time-keeper and racing car sponsor also made the driver's helmet. Even if the opponent's mark TAG HEUER was emblazoned on the baseball cap worn by the driver when not in racing mode, I think that most observers would make a clear distinction when he donned the applicant's helmet with his mark TAG attached and would not be deceived and confused.

Accordingly, I find that the use of the applicant's trade mark would not be likely to deceive and cause confusion. The opposition must therefore fail in terms of s.28(a). Therefore, I need not proceed further on the matter of blameworthy conduct by the applicant in using and applying for his mark. However, both Mr Hall and Mr Lawrence made submissions upon the opponent's allegations here and, for the sake of completeness, I will proceed.

As Mr Lawrence said at the hearing, the Registrar now requires that blameworthy conduct be shown, in addition to the likelihood of deception and confusion, for an opposition based upon s.28 to be successful. This followed the High Court decision in *New South Wales Dairy Corp v Murray Goulbourn Co-operative Co Ltd* 18 IPR 385 (the *Moo/Moove* case). The practice was 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 practice has recently been supported by the Federal court decision, *Canon Kabushiki Kaisha v Robert James Brook and Rachel Brook trading as The Cannon Watch Company* 36 IPR 88, where Tamberlin J, after considering the judgments in the *Moo/Moove* case, concluded that, in his view, the reasons for judgment delivered by members of the High Court left the matter open as to whether there was a need to find blameworthy conduct in opposition proceedings based on s.28(a) as opposed to expungement proceedings. He went on to find that:

Notwithstanding the diverse opinions expressed by members of the High Court in New South Wales Dairy Corporation case, I consider that I should follow the views expressed by the Full Federal Court in that case, with the result that in the case presently before me the opponent to the application for registration is required to demonstrate "blameworthy conduct".

The Registrar's practice means that, for the opposition to be wholly successful on the s.28 ground then, in addition to any possible finding that the use of a trade mark would be likely to lead to deception and confusion, it would also be necessary to find that it would not be entitled to protection in a court of law. However, there is nothing before me here 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. There is simply no evidence to

support Mr Hall's claim that the applicant chose the mark with any ulterior motive. I do not believe that the trade mark's selection can be interpreted as an attempt to benefit from the opponent's reputation and advertising. The applicant has given an explanation of why he chose the present mark and nothing was put forward by the opponent to convincingly dispute this. Mr Hall said that blameworthy conduct resided in the applicant's failure to inquire about the opponent's registrations and its reputation. However, given that I have found that the trade marks were not deceptively similar and also that the opponent does not appear to have a significant reputation for sporting articles, this lack of investigation does not seem surprising, as the applicant may have reached the same conclusion.

I find, therefore, that the requirements of paragraph 28(d) have not been made out. The opponent's case in terms of s.28 must therefore fail.

Conclusion

I have found that the opposition has failed on all of the grounds relied upon at the hearing. I therefore dismiss the opposition in total. Therefore, providing all other matters are in order, and subject to any appeal from this decision, the application should now proceed to registration.

Costs

The applicant did not serve any evidence or appear at the hearing. I therefore do not make any award as to costs.

Ian Forno
Hearing Officer

30 April 1998