



TRADE MARKS ACT 1995

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

Re: Trade mark applications numbers 598116 and 598117 in the name of BLOUNT, INC.

Applications numbers 598116 and 598117 were lodged by Blount, Inc. (the applicant) on 15th March 1993. The first of these applications is in respect of “machines and machine tools and all other goods in this class”, in class 7, while the second application embraces “hand tools and implements and all other goods in this class”, being class 8. Both applications are seeking registration of an identical trade mark which is shown here:

Having examined the applications, the examiner raised an objection to registration of the trade marks in terms of paragraph 24(1)(d) of the *Trade Marks Act 1955* on the grounds of the geographical significance of the word OREGON appearing in the marks. The attorneys for the applicant submitted that the subject marks consisted of more than simply the word OREGON and filed a statutory declaration, with exhibits, by Kathleen O Gasperson to show the long and continuous use of the marks in Australia which, in the applicant’s view, would render the marks distinctive of the applicant’s goods. On evaluating the evidence, the examiner reported that the marks were not acceptable under the provisions of sub-section 24(2), having regard to the geographical significance of the word

OREGON, and that others in the trade were equally entitled to use the word to indicate the origin of their goods.

Following the commencement of the *Trade Marks Act 1995* on 1st January 1996, in a letter of 9th January 1996, the applicant's attorneys requested reconsideration of the marks under the provisions of that Act. The examiner issued further reports on the applications, stating that the grounds for rejecting the applications continued under section 41 of the current Act. Registrability of the marks had been considered under the provisions of paragraph 41(6)(a), but was found not to satisfy those provisions on the grounds of the marks' inherent inability to distinguish. The examiner also advised the applicant of regulation 4.4, which does not allow the inclusion of the expressions "all goods" or "all other goods" in the specifications of goods. The applicant has not amended the specifications of goods to comply with the regulation.

Subsequently, the applicant's attorneys sought a hearing, which was held in Sydney on 18th October 1996. It was attended on behalf of the applicant by Ms Fleur Hinton, solicitor of Spruson & Ferguson, patent and trade mark attorneys of Sydney.

Submissions

Before commencing her submissions, Ms Hinton tendered a further statutory declaration, together with exhibits, by Neil McLeod in relation to use of the marks in Australia. Referring to *Oxford University Press v Registrar* 17 IPR 509, where the geographical word OXFORD was refused registration, Ms Hinton argued that the present situation was slightly different in that the goods concerned were not in the public eye generally, but were used by persons involved in a specialized industry. In *Burger King Corporation v Registrar of Trade Marks* (1973) 128 CLR 417, she submitted, although the mark in question was not a geographical name, Gibbs J enunciated that a trade mark had to be factually distinctive for it to proceed to registration in Part B of the repealed Act, and that it had to have some degree of inherent distinctiveness. A geographical name like OXFORD had been rejected registration, because, although found to be distinctive, it had to be taken

into consideration that some other person may wish to use that geographical name quite legitimately to describe the origin of his goods.

Under the current Act, she said, two new provisions were introduced which are relevant to the present case: sub-section 33(1) and sub-section 41(6), both of which had been satisfied by the applicant. Whilst acknowledging that the word OREGON was not inherently adapted to distinguish, she said, sub-section 41(6) deemed that such a mark will be capable of distinguishing if the amount of use demonstrated that it was in fact capable of distinguishing. The evidence filed by the applicant showed that the marks did, in fact, distinguish the goods of the applicant in Australia.

Having heard the matter, I advised Ms Hinton that I would reserve my decision. In a letter of 16th December 1996, I informed her that I could not accept the applications under the provisions of sub-section 41(6) of the Act, and, briefly, I set out the reasons for rejecting the applications. I also indicated that the applicant may seek detailed reasons for my decision, in accordance with regulation 21.20. I have now been requested to issue such a decision.

Discussion

Sub-sections 41(2) and 41(3) of the current Act read:

(2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (designated goods or services) from the goods or services of other persons.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

Registrability of the applicant's mark will therefore depend upon deciding the question of whether other traders in the ordinary course of their business and without improper motive are likely to wish to use the mark, or a mark nearly resembling it, upon or in connection with their own goods (see *Clark Equipment Co v Registrar of Trade Marks* 111 CLR 511).

I must consider then the extent to which the subject marks are adapted to distinguish the designated goods from those of other traders.

The applicant's marks consist of the word OREGON represented in ordinary upper case bold large letters, in a heavy oval border device. OREGON is a state on the Pacific coast north of California, in the United States of America. Forest-products manufacturing like lumber, plywood and hardboard, pulp and paper, ranks as its leading industry - *The New Encyclopaedia Britannica*, 15th edition. In addition, according to *Reader's Digest Guide to Places of the World*, (1987) instrument making also forms one of its main industries. The same source indicates the population in the state to be 2,687,000. Having regard to its developed reputation for the timber and instrument products, the state of OREGON has an obvious close connection with the goods specified in both of the present applications, particularly machines, machine tools, hand tools, implements, and parts and accessories for all the foregoing goods. In such circumstances, it is highly likely that the word OREGON would be required by other manufacturers of similar goods so as to indicate the origin of those goods. Consequently, I believe, the word OREGON is not capable of distinguishing the designated goods.

In assessing the nature of the mark, I have not ignored the fact that the word OREGON is surrounded by an oval device. This, however, is an ordinary common-place device which, in view of the non-registrable prominently featured geographical name, fails to enhance the registrability aspect, as elucidated by Romer L J in *Clement et Cie's Trade Mark* (1899) 16 RPC 611, at p 618:

"I desire to say this, that our judgement will in no way, I think, give rise to any idea that it would sanction the registration of words which in themselves would not constitute a proper trade mark, merely because some flourishes were colourably put around them to try and make out a distinctive label - a compound label - when, in fact, what was really sought to be registered and intended to be registered were the words alone."

Sub-section 41(6) states as follows:

(6) If the Registrar finds that the trade mark is not inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:

(a) If the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant - the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;

(b) in any other case - the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons.

Note 1 under these provisions defines, inter alia:

Trade Marks that are not inherently adapted to distinguish goods or services are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:

(a) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic, of goods or services ...

According to the statements of the first declarant, Ms Gasperson, who is the assistant secretary of the applicant company, the subject marks were first used in Australia in 1978 in respect of “cutting chains, chainsaw bars, chainsaw sprockets and sharpening accessories”. Since then use of the marks has been extended to all of the goods covered by each of the applications throughout Australia. Value of the sales bearing the marks for “saw chains”, “guide bars” and “other lines” for the period from 1978 to 1994, stated in United States dollars, amounts to approximately \$44 million. The advertising expenditure for the same period, also in U.S. dollars, has exceeded \$1,162,000. Some advertising material showing the mark in use is annexed to the statutory declaration.

Mr McLeod, who has made the statutory declaration as a product manager on behalf of Husqvarna Pty Ltd, the distributor in Australia of the applicant’s goods, states that his company became the distributor of a range of hand tools and power tools components bearing the subject marks on 1st March 1991, but that he has been aware of use of the mark in Australia ten years prior to that date. He attests to the fact that the marks have been used in relation to chainsaw components for over twenty years. Since his company became the distributor of the applicant’s goods, sales of the goods under the subject marks until 1995 have been estimated to be well over \$24 million and represent 35% - 40% market share of such goods. While Husqvarna Pty Ltd is the distributor of the goods in the

states of New South Wales and Victoria, there are other major distributors for each of the other states. Mr McLeod has annexed to his declaration samples of selected advertisements in relation to the marks.

Unquestionably, the presented evidence demonstrates impressive sales of the applicant's goods under the subject trade marks, which have been exposed to the relevant trade for an extensive period of time before the applications were filed. I do not think it can be doubted that the applicant has successfully established a substantial market reputation in Australia for those goods. In *Clark Equipment v Registrar*, supra, however, considering registration of the geographical name MICHIGAN, under *Trade Marks Act 1955-1958*, Kitto J said, at pp 515-516:

“The consequence is that the name of a place or of an area, whether it be a district or a county, a state or a country, can hardly ever be adapted to distinguish one person's goods from the goods of others when used *simpliciter* or with no addition save a description or designation of the goods, if goods of the kind are produced at the place or in the area or if it is reasonable to suppose that such goods may in the future be produced there. In such a case, the name is plainly not inherently, i.e. in its own nature, adapted to distinguish the applicant's goods; there is necessarily great difficulty in proving that by reason of use or other circumstances it does in fact distinguish his goods; and even where that difficulty is overcome there remains the virtual if not complete impossibility of satisfying the Registrar or the Court that the effect of granting registration will not be to deny the word to a person who is likely to want to use it, legitimately, in connexion with his goods for the sake of the geographical reference which it is inherently adapted to make. The leading authorities on the subject include the *Yorkshire Copper Case* [(1954) 71 RPC 150] (the judgment of Lord Evershed in that case when it was in the Court of Appeal [(1953) 70 RPC 1] contains a valuable discussion of the topic), the *Glastonbury Case* [(1938) AC 557; (1938) 55 RPC 253] and the *Liverpool Electric Cable Co Case* [(1929) 46 RPC 99]. These cases show, as the Registrar said in the *Dan River Case* [(1962) RPC 157, at p.160] in a decision which was endorsed by Lloyd-Jacob J., that there is a category of words which are so adapted for descriptive purposes that no amount of acquired distinctiveness can justify their registration, and that among such words are the names of large and important industrial towns or districts, and also of small towns or districts if they are a seat of manufacture of the goods for which registration is sought.”

Although the High Court was satisfied in that case that the word MICHIGAN, the name of a state of the United States of America, had been used extensively by the applicant for more than twenty years in relation to earth moving and like equipment, which use had resulted in such widespread recognition of the goods among the persons interested in the goods so as

to distinguish those goods from other traders, nevertheless, that use was found to be insufficient to achieve registration for the purposes of section 26 of the repealed Act as a mark “adapted to distinguish”. In the judgment, Kitto J noted that, even though there was no evidence that, in Michigan, any other manufacturer produced similar goods to those of the applicant, since in that state there were operating important manufacturing centres, it was reasonable to suppose that persons other than the applicant may, in future, manufacture goods similar to some or all of the goods in respect of which the applicant was seeking registration of the word MICHIGAN.

In *Oxford v Registrar*, supra, the word in contention being the geographical name OXFORD, Lockhart, Jenkinson and Gummow JJ in the Federal Court of Australia, confirmed the primary judge’s conclusion that “on the face of it persons in Oxford other than the appellant might well be carrying on the industry of producing printed publications and recorded films, tapes and discs, and might be expected to do so in the future. They might well also wish to advertise their goods in Australia as originating in Oxford, thereby gaining the benefit of the reputation of the Oxford town-university complex, and they and their distributors should not, by the registration of “Oxford” as a trade mark, be prevented from doing so, or placed at risk of litigation”. The evidence had shown, Jenkinson J found, that a substantial number of persons purchasing books in Australia would not associate the word OXFORD with the appellant “but would suppose, if adverting to the word at all, that that word signified the place where the book had been produced or the place where the publisher had its principal place of business...”. For the word OXFORD to be pronounced distinctive in fact, his Honour said, the evidence ought to establish that the geographical meaning, or the “primary signification” of the word, would be eclipsed in the minds of virtually all potential purchasers of the goods.

In light of the findings in the above-cited cases, despite the existing reputation and long use of the marks, the applicant has been unable to demonstrate that the marks, in the minds of the persons concerned with the goods, be they persons engaged in a specialized industry, designate only the goods of the present applicant to the exclusion of all others, and that the ordinary geographical significance of the word OREGON is eclipsed by the overwhelming

reputation of the applicant's marks. I conclude therefore that the marks in question are not capable of distinguishing the goods of the applicant.

Concerning the provisions of sub-section 33(1) of the current Act, in a decision on *Trade Mark Application 604242, in the name of Grande Brasserie Alsacienne d'Adelshoffen*, issued on 18th October 1996, but not yet published, the Deputy Registrar Helen Hardie explained:

“The new Act sub-section 33(1) gives effect to this changed direction. It denies the Registrar a discretion to reject when s/he holds that the validity of an objection is in doubt. It imports a presumption of registrability and it brings about a shift in the onus.

However, the grounds for rejecting a mark are exhaustively listed under Division 2 of Part 4, and if the Registrar holds, on balance, that one of these grounds constitutes a reason for rejection, the provisions of sub-section 33(3) come into operation. This sub-section sets down the provisions for rejecting an application. It prescribes that if the Registrar is satisfied either that the application is not in accordance with the Act, or that there are grounds for rejection, the application must be rejected. This is mandatory language and of some greater force than the equivalent part of sub-section 44(1) of the repealed Act. Under 44(1) the Registrar had discretion to refuse applications. This discretion to refuse has not been carried over in to the new Act. On the contrary, sub-section 33(3) now lays down that if the provisions of paragraphs 33(3)(a) or (b) apply, the Registrar must reject the trade mark application.

There are then two clear differences between the operation of section 33 of the *Trade Marks Act 1995* and section 44 of the *Trade Marks Act 1955*. First - under the new Act - if there is doubt as to whether the application is in accordance with the Act, or as to whether a ground for rejection is valid, the application will be allowed the benefit of that doubt. Second - under the new Act - if the Registrar is satisfied that the application is not made in accordance with the Act or that there are grounds for rejection, there is no longer a discretion to refuse: the application now must be rejected.”

In view of the foregoing reading, I am of the opinion that the provisions of sub-section 33(1) have not been met by the applicant.

Conclusion

Having found that the trade marks of the above applications are not capable of distinguishing the applicant's goods from the goods of other persons in terms of sub-section 41(6), I am obliged to reject the applications. In accordance with the provisions of sub-section 33(1) of the Act, I now reject both applications

Vija Zars
Hearing Officer
12th March 1997