



## TRADE MARKS ACT 1995

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

Re: Trade mark application nos. 602441 and 605397 in the name of THE SPORTS CAFE LIMITED

#### **Background**

Trade mark application nos. 602441 and 605397 were filed on 14 May 1993 and 23 June 1993 respectively. Both applications are in respect of “catering services; bar, restaurant, cafe, public house, cafeteria, snack bar and hotel services” in class 42. Trade mark application no. 602441 is for the word trade mark **THE SPORTS CAFE**, and trade mark application no. 605397 is for the word and device trade mark:



An examiner of trade marks objected to both trade mark applications, under the provisions of section 33 of the *Trade Marks Act 1955* (the old Act), because the trade marks were substantially identical or deceptively similar to registered trade mark no. 577436, which covered the same or closely related services of “Retailing of liquor and food; cafes; restaurant and bar services; and all other services in this class relating to food and drink”. The cited trade mark in question is:



One further examiner's report was issued on application no. 602441, maintaining the citation in the face of the attorney's submissions. Two further reports were issued on application no. 605397, also maintaining the citation. In her third report on application no. 605397, the examiner considered the application under the *Trade Marks Act 1995* (the new Act), by then in force. She found that her previous section 33 objection continued as a ground of rejection under section 44 of the new Act, because of the deceptive similarity between the applicant's trade mark and the cited trade mark. She said, in part:

...the cited mark is not just the word CIRCUIT, it also contains the words THE SPORTS CAFE. The question is whether a customer, who knows of one cafe, with the words THE SPORTS CAFE, would be confused about the ownership of the cafes or would consider that the one proprietor owned both cafes. Both the cafes would be referred to as THE SPORTS CAFE, with one of them referring to a particular group of sports.

At this point, the applicant's attorneys sought a hearing on both trade mark applications. The hearing was set down before me, as a delegate of the Registrar, in Sydney. Mr Khai Dang and Mr Anthony Muratore, both of Freehills Patent Attorneys, represented the applicant. Mr Dang made submissions at the hearing on the applicant's behalf.

### **Submissions**

Mr Dang began his submissions by arguing that the three trade marks in question are not substantially identical within the meaning of section 44 of the new Act. He drew upon the definition of substantially identical given in *Shell Co of Australia v Esso Standard Oil*, (1963) 109 CLR 407 at 414, where Windeyer J said:

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

Mr Dang then moved on to the question of deceptive similarity. I have summarised his three essential arguments against the finding that the three trade marks are deceptively similar as follows:

Firstly, Mr Dang submits, the proper approach for determining deceptive similarity has been “correctly and comprehensively” stated in cases such as *Application by Pianotist Co* (1906) 23 RPC 774, and *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641. These cases make clear that the degree of similarity is only one factor contributing to any deception or confusion, other factors such as deceptive use being equally important. The fact that the cited trade mark is in respect of services must be taken into account in this context, as “services are offered by a single source, from a well identified establishment”. Customers of cafes or restaurants are usually very familiar with the business (location, interior decor, kind of food, etc) and would therefore not likely be confused by a similar business name.

Secondly, he says, in determining whether one trade mark is likely to deceive or cause confusion because of its similarity to another, regard must be paid to the essential ideas of the trade marks, to determine whether they are sufficiently similar to cause confusion. The essential idea of the cited trade mark is the word **CIRCUIT**, whereas the essential idea of the applicant’s trade mark is the word **SPORTS**. Furthermore, “...here the idea is not simply a cafe featuring any sport.” As an alternative, even if the Registrar finds that the trade marks in question do have a similar essential idea, the Registrar cannot find deceptive similarity on that basis alone.

Finally, Mr Dang claims that in actual use of a trade mark, the common tendency is to abbreviate. Customers would be likely to abbreviate **THE CIRCUIT SPORTS CAFE** to **THE CIRCUIT**, and would also be likely to abbreviate **THE SPORTS CAFE** to **THE SPORTS**. A photocopy of a “flier”, purporting to be used for advertising purposes by the proprietor of the cited trade mark, was tendered at the hearing. It is headed by a complete representation of the cited trade mark, but in the text beneath, invites patrons to ‘Bring a group of 10 or more kids to the “**CIRCUIT**” and we will entertain them!’

### **Discussion**

Both the subject applications for registration were made under the old Act and were pending immediately before 1 January 1996. Therefore, under section 241 of the new Act, which came into effect on 1 January 1996, I must now consider the registrability of both applications under division 2 of Part 4 of that Act. Trade mark application no. 605397 has already been assessed under the new Act by the examiner, and the objection taken under section 33 of the old Act maintained as a ground of rejection under the equivalent provisions of section 44 of the new Act. For the sake of completeness, I mention that the objection

against application no. 602441 carries forward in the same manner, so that the discussion below of the registrability of both trade marks is expressed in terms of section 44 of the new Act.

Subsection 44(2) requires that an application for a trade mark in respect of services must be rejected if it is substantially identical with, or deceptively similar to a trade mark (with an earlier priority date) registered by another person in respect of similar services. Section 10 defines a trade mark taken to be “deceptively similar” to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion.

No submissions were put forward at the hearing against the examiner’s premise that the applicant’s services and those covered by the cited trade mark are similar services within the meaning of section 44. I believe that we are agreed upon this point. It follows, then, that the question to be decided here is whether the relevant trade marks are substantially identical, or deceptively similar, also within the meaning of section 44.

At the outset, I must agree completely with Mr Dang’s submissions in regard to the question as to whether the trade marks at issue are substantially identical. When compared side by side, although the words THE SPORTS CAFE are common to all three, the trade marks still have notable differences. The cited trade mark also contains the prominent word CIRCUIT, and features an oval border device. One of the applicant’s trade marks contains a quite different device, behind the words THE SPORTS CAFE.

The question of whether the trade marks are deceptively similar is, however, far more complex. Mr Dang has not sought to convince me that the relevant trade marks are not similar. This would be difficult indeed, given that all three trade marks feature the words THE SPORTS CAFE. Rather, his submissions have concentrated on the argument that the trade marks, although similar, are not *deceptively* so. I will deal in turn with each of the main points of his case, and explain why, despite due consideration of them all, I have concluded that the three trade marks are indeed deceptively similar.

It is true that a degree of similarity is only one factor contributing to any deception or confusion, and other factors must be taken into account. Mr Dang argued that the nature of the applicant’s services, and the services of the cited trade mark, is such as to make customers of those services difficult to confuse or deceive by use of similar business names. He believes that customers of THE CIRCUIT SPORTS CAFE, being familiar with many aspects of it, and having carefully chosen to patronise it in the first place, would not believe any connection existed between that cafe, and THE SPORTS CAFE that they might come across at a different location. This argument might have been valid many years ago in this

country, when national chains of take-away food shops and budget restaurants were not common. Now, however, it is common knowledge that, as well as national chains, there are many multinational restaurant chains in Australia. Such chains provide, under a single trading name, virtually identical services and facilities to customers all over the world.

Against this background, I do not have the slightest doubt that a patron of THE CIRCUIT SPORTS CAFE, when faced for the first time with an eating establishment with such a similar name as THE SPORTS CAFE, could do anything other than expect that they were looking at another branch of a chain of restaurants. They would assume, as the examiner pointed out in her reports, that THE CIRCUIT SPORTS CAFE was simply a branch of the chain situated near, or having some other particular connection with, a circuit of some kind.

In saying this, I hark back to one of the tests for deceptive similarity drawn to my attention by Mr Dang, described in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641, at 658:

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 response I have described depicts, I believe, “the usual manner in which ordinary people behave”. One does not even need to take into account the “doctrine of imperfect recollection” in order to come to this conclusion, as it is a response which is likely even from a customer with perfect recollection of the cited trade mark.

The reason for confusion lies with the trade marks themselves. This brings me to the second argument raised by Mr Dang, that the essential ideas of the trade marks in question are quite different. He bases this argument on the premise that, because the cited trade mark is dominated by the word CIRCUIT, this forms its essential idea. In contrast, he says, the essential idea of the two subject trade marks is SPORTS. I cannot agree with this premise because, although the word CIRCUIT looms large within the cited trade mark, it is nevertheless qualified by the words SPORTS CAFE beneath it. The expression SPORTS

CAFE is sufficiently distinctive to stand alone and function as a trade mark. In the context of this composite trade mark, it continues to perform that function. As a distinctive particular, it constitutes an element of the trade mark which customers, and potential customers, will carry away and retain. When those persons are confronted by the trade mark THE CIRCUIT SPORTS CAFE, they will perceive the words SPORTS CAFE and, very likely, assume a connection with the SPORTS CAFE trade marks. The word CIRCUIT is likely to be read as indicating that this particular SPORTS CAFE outlet features, or is located adjacent to, a “circuit”. (*The Macquarie Dictionary*, I note, defines *circuit* as a type of racing track, and *circuit* is also currently used to denote a lay-out of exercise equipment used in gyms and the like.)

This would not be the case, of course, if beneath the word CIRCUIT in the cited trade mark was a simple description such as COFFEE SHOP, or TAKE-AWAY. I do not think that the trade mark applicant would wish me to believe that the words SPORTS CAFE that constitute its trade marks (particularly application no. 602441) fall into the category of descriptive matter such as COFFEE SHOP or TAKE-AWAY. However, this is what I would have to accept, in order to also accept that the idea of the cited trade mark does not include the idea SPORTS CAFE.

I was a little surprised by Mr Dang’s comment in relation to the essential idea of his client’s trade marks that “...here the idea is not simply a cafe featuring any sport.” Although one of the trade marks does feature the word SPORTS in large letters, in front of a ball-shaped device, the complete wording in the trade mark, by which it would be known, is still THE SPORTS CAFE. The second of the applicant’s trade marks, being simply THE SPORTS CAFE in plain type, does not seem to lend itself to any variations in interpretation of its essential idea.

Mr Dang completed his submissions in relation to the essential ideas of the trade marks in question by quoting *Cooper Engineering Co. Pty. Ltd. v. Sigmund Pumps Ltd.*, (1952) 86 CLR 536 at 539:

But it is obvious that trademarks, especially word marks, could be quite unlike and yet convey the same idea of the superiority or some particular suitability of an article for the work it was intended to do. To refuse an application for registration on this ground would be to give the proprietor of a registered trademark a complete monopoly of all the words conveying the same idea as his trademark. The fact that two marks convey the same idea is not sufficient in itself to create a deceptive resemblance between them, although this fact could be taken into account in deciding whether two marks which really looked alike or sounded alike were likely to deceive.

The last part of this quotation is most pertinent to the present case. Although I agree that the owner of a trade mark should not be given “a complete monopoly of all the words conveying the same idea as his trade mark”, nevertheless there is a very strong argument presented here for deceptive similarity between the two trade mark applications and the citation. That argument rests on the similarity of the trade marks SPORTS CAFE and CIRCUIT SPORTS CAFE, and again in the similar ideas which the concept of SPORTS CAFE and CIRCUIT SPORTS CAFE invoke.

The final plank of Mr Dang’s argument against deceptive similarity between the trade marks depends upon the likelihood that, given a natural tendency to abbreviate trade marks, customers will abbreviate the cited trade mark to THE CIRCUIT. In contrast, the applicant’s trade marks would be abbreviated to THE SPORTS. This argument is supported by the “flier” described above. Although I have taken note of the manner in which the owner of the cited trade mark apparently promotes it, I am not prepared to accept this single photocopy as sufficient to show that this abbreviated form of the trade mark is known to the majority of the people who use the services associated with it. In my experience, it is not common practice to abbreviate a trade mark. Indeed, such a course could raise questions of use. Further, I have already mentioned that the trade mark in its entirety appears at the top of the flier, so that the advertisement does not solely promote the words THE CIRCUIT - it promotes the cited trade mark *in toto*.

In addition, I have been offered no evidence whatsoever that the applicant’s trade marks would not be known as THE SPORTS CAFE, but simply as THE SPORTS. Even if I did accept this proposition, I have already said that the combination THE SPORTS CAFE is distinctive and memorable, such that people who saw the whole trade mark, even if they had heard the venue described as THE SPORTS, would still be aware that its complete name was THE SPORTS CAFE. Such people would then be given cause to wonder at the connection with THE CIRCUIT SPORTS CAFE.

**Decision**

For all the reasons given above, I am satisfied that trade mark application nos. 602441 and 605397 are deceptively similar to trade mark registration no. 577436. Accordingly, in the absence of any evidence that the provisions of subsections 44(3) or (4) might be applied, I find that grounds of rejection in terms of subsection 44(1) exist against the subject trade marks. Therefore, under the provisions of subsections 33(3) and (4) of the Act, I now reject both trade mark applications.

Claudia Murray  
Senior Examiner

28 April 1997