



## TRADE MARKS ACT 1955

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

Re: Opposition by **King Koil Licensing Company Inc.** to the registration of trade mark application 612133 for goods in class 20, in the name of **Graeme MacNamara**, for the trade mark **CENTA-SPAN**.

#### **The legislation**

As provided 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, any references to the Act in this decision is a reference to the *Trade Marks Act 1955*.

#### **The application**

On 23 September 1993, Graeme MacNamara of Draper, in Queensland, lodged an application for the trade mark CENTA-SPAN, in plain block capital letters, for goods in class 20 specified as, "Mattresses, beds, pillows." The examiner's first report advising Mr MacNamara that his application would be recommended for acceptance on provision of a statement of use, issued on 28 June 1994. This was provided by the applicant on 11 July 1995 and acceptance of the trade mark application was duly advertised in the *Official Journal Of Trade Marks* on 24 August 1995.

## **Grounds of opposition**

On Monday, 26 February 1996, a notice of opposition to registration of the trade mark was lodged under the provisions of section 49 of the Act, by King Koil Licensing Company Inc, a corporation organised and existing under the laws of the state of Delaware in the United States of America. The opponent had previously sought and been allowed a three month extension of time to lodge notice of opposition

The notice of opposition claimed a number of grounds, set out in some detail, but at the hearing, the grounds relied upon were those based on sections 24, 25 and 28 of the Act, in that it was claimed that the trade mark was not distinctive or capable of so becoming, the trade mark is so like another trade mark already known in the market, that use of the mark is likely to cause deception and confusion, and that it would not be entitled to protection in a court of justice.

The opponent has used the trade mark CHIRO-SPAN, in Australia, for mattresses since 1990, through its licensee, A.H. Beard Pty Ltd, of Riverwood in New South Wales.

## **The evidence**

The evidence in support was lodged on 30 September 1996 and consisted of the following:

- (1) a declaration with Exhibits A and B, (the Marshall declaration), by Timothy David Marshall, a solicitor of Sprusons & Ferguson, Patent and Trade Mark Attorneys, the firm representing the opponent, and
- (2) a declaration with exhibits A and B, by Allyn Beard, managing director of A.H. Beard Pty Ltd, which manufactures mattresses for the opponent.

The applicant chose not to lodge formal evidence in answer, but written submissions were made on his behalf on 19 December 1996, by Victor P. Argæet, of the firm of Fisher Adams

Kelly, Patent and Trade Mark Attorneys. At the same time, it was requested that the matter be set down for hearing. The hearing was conducted before me as the Registrar's delegate in Canberra, on 26 March 1997. Ms Annette Freeman of Spruson & Ferguson appeared on behalf of King Koil. Fisher Adams Kelly had previously advised on 18 March 1997 that they would not attend the hearing and instead would rely upon the submissions already made.

### **Submissions for the opponent**

Ms Freeman said that the opponent describes its trade mark, CHIRO-SPAN as an "extremely important" trade mark both nationally and internationally. It has been used on high quality mattresses for six years, and, sales in Australia have grown to about \$A3 million per year. In September 1993 when the subject application was lodged, the opponent was selling \$A1 million worth of mattresses bearing the CHIRO-SPAN trade mark, in Australia, per year. Much of the promotional material, she said, focuses on the construction of the mattress and its ability to support the back. She referred me to Exhibit A to the Beard declaration which shows examples of mattress labels and a brochure entitled King Koil Sleep Products.

This brochure provides a brief history of the opponent company and lists a number of well known hotel chains which use its products and contains references to various product endorsements such as the Good Housekeeping seal and that of the International Chiropractors Association. It also contains, as do the information sheets in Exhibit B to the Beard declaration, a cutaway diagram of the construction of the mattress.

The trade mark CHIRO-SPAN is used in relation to a construction feature of the mattress. This feature consists of steel reinforced rods which span the centre third of mattresses thus providing extra support for the lower back.

All of the advertising materials make reference to the “vital center third,” the “critical center third”, or the “reinforced center third”. Ms Freeman said that, in view of the descriptive quality of the mark CENTA-SPAN, it seems highly likely, that use on a similar component part of a mattress is intended and that this could lead to confusion. Ms Freeman said that the opponent would have no problem with the applicant using the trade mark CENTA-SPAN on pillows but was most concerned that its use on mattresses containing a similar feature to that for which the CHIRO-SPAN mark is used would lead to confusion and deception. Mr Argeat’s response to the evidence in support noted that the evidence in support provided no instances of actual deception and confusion but, Ms Freeman said, it would appear that the applicant’s trade mark has not yet been used. She said that, when the evidence was being gathered the opponent’s local distributor was asked about the trade mark CENTA-SPAN and he indicated that he was not aware of any use of CENTA-SPAN as a trade mark. She noted that the applicant has provided no evidence that the trade mark has been used in the market place.

Ms Freeman said that it was likely that there was an intention on the part of the applicant to use the trade mark CENTA-SPAN, which she said describes something that spans the centre of anything including mattresses, in relation to just such a feature of a mattress. This, she said, could lead to deception and confusion, in terms of section 28 of the Act, with the opponent’s trade mark CHIRO-SPAN which already has a reputation in this specialised market, for mattresses with a tension reinforced centre portion. She said that to fall foul of the provisions of section 28, it was sufficient if the result will be that a number of persons will be caused to wonder if the two products come from the same source: *Southern Cross Refrigeration Company v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 per Kitto J.

She further submitted that as per Dixon J. in *Jafferjee v Scarlett* (1937) 57 CLR 115,

... in a case where there are features in the two marks which might tend to confuse, the question whether there is a real and substantial probability of deception must be decided by reference to the actual course of dealing.

In the present case, she said it is appropriate to take account of the emphasis, in mattress marketing, on the construction of mattresses, and the marking or branding of special features of construction. She then referred to the “test” to be applied in assessing cases under section 28 set out by Evershed J. in *Smith Hayden & Co. Ltd’s Appn* (1946) 63 RPC 97,

Having regard to the reputation acquired by the name ....., is the court satisfied that the mark applied for, if used in a normal or fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

She added that a “substantial number of persons” was a matter to be decided in relation to the market for the product concerned and here she referred to *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd.* (1979) RPC 409 and *Bali Trade Mark* (1969) RPC 472.

Ms Freeman then said that, when account was taken of the principle of imperfect recollection, there was a strong possibility of deception and referred me to *Rysta Ltd’s Appn.* (1943) 60 RPC 87, for guidance. She said that, in this context, it was important to note that, as far as the opponent is aware, its trade mark is the only one in use in the marketplace for similar goods which ends with the suffix SPAN. She said that, if there were no other SPAN marks used for mattresses, the possibility of CENTA-SPAN being viewed as related to it, if not actually mistaken for it, was strong. Ms Freeman said that Exhibit A to the Marshall declaration is a trade mark search report conducted in September 1996 which shows that the only SPAN marks for mattresses were those of the applicant and the

opponent plus one other unrelated application for STEELSPAN. (This trade mark is now registered).

She submitted that the test for deceptive similarity is not a side by side comparison of the trade marks and referred to D.R. Shanahan in *Australian Law Of Trade Marks And Passing Off*, 2nd Edition at page 173 where he said:

It is not sufficient to seize upon and compare the differences between the marks, for the overall impressions created may be so similar as to lead to confusion.

Even matter which is descriptive and common to the trade cannot be entirely disregarded, she said. She then referred to *Clarke v Sharpe* (1898) 15 RPC at 146 where Byrne J. said:

One must bear in mind the points of resemblance and the points of dissimilarity, attaching fair weight and importance to all, but remembering that the ultimate solution is to be arrived at, not by adding up and comparing the results of such matters, but by judging the general effect of the respective wholes.

Ms Freeman said that, in the context of section 28, this assessment is to be made on the basis of the way in which the opponent has used its trade mark CHIRO-SPAN and it should be asked whether the applicant should be allowed to use its trade mark CENTA-SPAN in a similar manner. She submitted that the provisions of section 28(a) have, in this case, been satisfied in accordance with the principles stated by Kitto J in *Southern Cross* (supra) and subsequently applied in the Federal Court in cases such as *Johnson & Johnson v Kalnin and Another* 26 IPR at page 435. She then referred to the words of Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641, where they 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.

Ms Freeman then addressed the matter of blameworthy conduct. She said that she was aware that since the *Murray Goulburn Co-Operative Co. Ltd. v New South Wales Dairy Corporation* 18 IPR 385, decision of the High Court, the Trade Marks Office practise has been to require that section 28(a) be read conjunctively with section 28(d). She said it is a misreading of the case to contend that it is an absolute requirement to show an element of blameworthy conduct on the part of the applicant in a pre-registration situation. In the present case, she said, the likelihood of deception and confusion arises because of the similarity in the trade marks. She questioned how it could be said that the likelihood of deception and confusion could arise because of blameworthy conduct when the trade mark, so far as she knew, had not yet been used.

Nevertheless, she then submitted that the applicant's blameworthy conduct in this case was to take a well known trade mark used to brand a desirable feature of a mattress and to change it slightly and to then claim it as his own. She said the trade mark chosen by the applicant begins with the same letter and ends with the same suffix. The applicant's trade mark refers to the "centre" of the mattress as does the explanation of the mattress feature of the opponent's mattresses. The applicant has tried to "come close" to the opponent's well known trade mark, she said, and extrapolating from the descriptive nature of CENTA-SPAN, intends to use the trade mark on a similar feature to that of the opponent's, thereby trading off the opponent's reputation. She said this could well amount to passing off, or misleading or deceptive conduct under section 52 of the *Trade Practices Act* and would therefore be contrary to law under section 28(d).

Ms Freeman then turned to the provisions of sections 24 and 25 of the Act. She said that the trade mark CENTA-SPAN makes direct reference to the character or quality of the mattresses, referring to a span across the centre of a mattress and that, by reason of this, the trade mark is not eligible for registration under the provisions of section 24. Additionally, she submitted that, in terms of section 25, the trade mark is not capable of becoming

distinctive. She said that, in the opponent's pamphlets, the words CENTER and SPAN were very commonly used in a descriptive manner to describe mattress construction and frequently used quite closely together. She said that, it is easy to see that the two words would be used closely together in a description of a mattress and that they are not capable of becoming distinctive of the goods of one party alone. She went on to say that the words which comprise the trade mark are apt for descriptive purposes and other traders may need to use these words close together to describe something which spans the centre of a mattress. Thus registration of the trade mark would trespass on the rights of other traders to use the English language. In support of her submissions she referred to principles established in *Samuel Taylor Pty Ltd. v The Registrar of Trade Marks* (1959) 102 CLR 650, *Mark Foy's Ltd. v Davies Co-op & Co. Ltd.*, (1956) 95 CLR 190, *Keystone Knitting Mills Ltd's Trade Mark* (1928) 45 RPC 421 at 426, *Palmolive Trade Mark* (1932) 49 RPC 421 and *Howard Auto-Cultivators Ltd. v Webb Industries Pty. Ltd.* (1946)72 CLR 175.

Ms Freeman then said that whether a mark would have been acceptable for registration in Part B, that is whether it can be considered capable of becoming distinctive, is a matter of degree, and this trade mark, she claims, falls well short of being distinctive and has very little adaptation to distinguish. Therefore, since no evidence of use was forthcoming, she concluded, the mark is not eligible for registration under the 1955 Act.

### **Submissions for the applicant**

Mr Argeat, in his written submissions, addressed the need to compare the trade marks as a whole in accordance with the rules established by case law. He said that, in a proper comparison of the trade marks, consideration must be given to the visual resemblance between the respective marks as a whole, the phonetic resemblance and the resemblance between the net impressions or ideas conveyed by the marks. Here he referred for support, to *Jafferjee v Scarlett* (supra), *Bailey (William) (Birmingham) Ltd's Appn*, 52 RPC 136 and, *Pianotist Co's Appn*, 23 RPC 774.

He submitted that, visually, the applicant's combination trade mark, CENTA-SPAN can clearly be distinguished from the opponent's trade mark CHIRO-SPAN. He said that even though the trade marks shared a common suffix, the prefix CENTA, has a different impact on the eye and the mind from the prefix CHIRO. Thus, he claimed, there was no damaging nexus of visual similarity between the trade marks.

Phonetically, he noted that CENTA and CHIRO are quite different and, in this respect, he referred to *London Lubricant Ltd's Appn* (1925) 42 RPC 264 where Sargent L.J. said, "the first syllable of a word is, as a rule, far the most important for the purpose of distinction." Since the trade marks are phonetically different there is, he said, no damaging nexus of oral similarity between them.

Additionally, Mr Argeat claimed, that any shared component must be considered in light of the common idea or net effect generated by the respective wholes. He then referred to references in the current *Macquarie Dictionary* to the meaning of the word element CHIRO, and to the meanings of words derived from it and to the meanings attributed to the word CENTRE, the phonetic equivalent to CENTA. He said that there is no reasonable likelihood of deception and confusion occurring among people of average intellect between these trade marks because the net impressions or ideas conveyed by these two trade marks

are completely dissimilar: *Shell Company (Aust) v Esso Standard Oil (Aust) Limited* (1963) 109 CLR 407.

In relation to the word SPAN which is common to both trade marks Mr Argeat drew my attention to the fact that it is a descriptive word over which no one should be granted a monopoly.

Mr Argeat noted that the evidence in support indicated that CHIRO-SPAN is used in conjunction with the word POSTURIZATION, so the emphasis is on the fact that extra support provided is for the purpose of posture improvement. In closing, he added that it appears that CHIRO-SPAN is mainly associated with the opponent's house trade mark, KING KOIL which, in his opinion, further decreased any possibility of deception or confusion.

## **Discussion**

Section 24 (1) of the Act reads:

A trade mark is registrable in Part A of the Register if it contains or consists of:

- (a) the name of a person represented in a special or particular manner;
- (b) the signature of the applicant for registration or of some predecessor in his business;
- (c) an invented word;
- (d) a word not having direct reference to the character or quality of the goods or services in respect of which registration is sought and not being, according to its ordinary meaning, a geographical name or a surname; or
- (e) any other distinctive mark.

CENTA-SPAN was accepted under the provisions of section 24 (1) (d) of the Act as a word mark not having direct reference to the character or quality of the goods in respect of which registration is sought and not being a geographical name or a surname. Both parties are in agreement that SPAN is a word that means to extend over or across something, including mattresses. It follows that that CENTA-SPAN, if it does have a meaning, refers

to something which extends across the middle or centre section of something. However, as Dixon C.J. said, in *Mark Foy's Ltd v Davies Coop & Co Ltd*, supra:

It is, I think, a mistake first to assume that words like ..... do convey a meaning either to people in general or to a particular class of persons and then on that assumption to inquire what exactly the meaning is. Indeed to institute a search for a meaning almost necessarily implies that in ordinary English speech the words do not possess a connotation sufficiently definite to amount to direct reference to the character or quality of the goods.

The reason for introducing the word “direct” to the legislation was, as Dixon C.J. said in the same case, “to check the tendency which had been disclosed by certain decisions to find a sufficient reference to the character or quality of goods in expressions from which it could only be spelled out.” I am not persuaded that the trade mark CENTA-SPAN does any more than make an indirect reference to the goods. The trade mark does not provide any person, interested in purchasing a new mattress with any useful indications as to its character or quality. At the very most, CENTA-SPAN, conveys the idea to purchasers that there is something which extends across the middle of the mattress but this is insufficient to amount to a direct reference. It provides no information about the materials from which the mattress has been made, their strength and durability, how the mattress has been made, whether it is a soft or firm mattress, whether it provides additional features such as added support or, indeed, what it is that spans the centre of the mattress. I find that the trade mark does not make direct reference to the goods and that its acceptance as a distinctive trade mark, in Part A of the Register was in order. Given that I have found that CENTA-SPAN is a trade mark that is distinctive for the goods and therefore meets the provisions of section 24, it follows that it also meets the lesser provisions of section 25.

I must now consider this trade mark under the provisions of section 28 of the Act which reads:

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.

Section 28(a) is chiefly concerned with the public interest and precludes registration where the opponent's trade mark is so well known in the market place that use of the applicant's trade mark is likely to deceive or cause confusion. The test to be applied has been well established by cases such as *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd*, supra where it was said:

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.

The risk of confusion must extend to a substantial number of people: *Kendall Co v Mulsyn Paint and Chemicals* (1963) 109 CLR 300.

It is not clear how significant the opponent's reputation for the trade mark CHIRO-SPAN is, because the exhibits provided with the evidence indicated that it is used in a subordinate way, with the opponent's house mark KING KOIL, and a humanised bed spring device wearing a crown. I think that purchasers may recognise CHIRO-SPAN as a trade mark associated with products bearing the KING KOIL trade mark but I am less certain that they would recognise CHIRO-SPAN as a trade mark solus. However, I will proceed on the basis, that, on the date this application was lodged, the opponent had a reasonable reputation in the mark CHIRO-SPAN.

For an objection under section 28 (a) to succeed, the trade marks must also be so alike that there is real risk that a substantial number of people will be deceived or confused as to the origin of the goods.

In the marketing of mattresses there is a great emphasis placed on their construction. Indeed, in any store selling these goods, one will find prominent displays of cut-away mattress sections showing the special features of their construction. In an item of this nature the number of features that may be promoted is somewhat limited and as a consequence the language used is also somewhat limited. I do not find it surprising that a number of different manufacturers have independently concluded that the word SPAN is a very useful and appropriate word to use in relation to a feature of their mattresses. This one, short, easily pronounced word conveys the information that the mattress has a feature which extends from one side to the other side, or from one end to the other end.

The purchase of a mattress, whether for domestic use or the hotel/motel industries, is not a matter that is lightly undertaken. Customers are likely to spend a considerable amount of time in noting and assessing the various features offered, and will be actively encouraged by the vendors to test the mattresses for comfort and support by lying down on them. Given that most people spend a significant number of hours on a mattress in each 24 hour period and given that they want to get up feeling refreshed from a sound sleep, they are highly likely to give a great deal of thought to which mattress best meets their needs. I think that purchasers will take careful note of the exact trade mark used on any mattress that appears to meet their needs.

Clearly, although CENTA-SPAN alludes to the character or quality of the goods, it does not cross the line from indirect reference to direct reference and the net impression one is left with is that the mattresses bearing this trade mark have a feature that crosses the middle of the mattress. On the other hand, the prefix CHIRO in relation to mattresses, inevitably carries with it a strong suggestion that the mattresses concerned have proper postural support and that they meet the exacting standards of chiropractors as in fact do, the opponent's mattresses. I have no doubt that this element of the trade mark is, "far the most important for the purpose of distinction", per *Tripcastronid London Lubricant Ltd's Appn* 42 RPC 264. CENTA and CHIRO have no similarity in meaning and I find that these

differences far outweighs any significance that may be attributed to the fact that they share a common, descriptive suffix. In making a comparison of trade marks Parker J. in *Pianotist Co.'s Appn* (1906) 23 RPC 774, said:

You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances.

Taking into consideration the aural and visual differences, the goods to which the trade marks will be applied, the type of customers and the circumstances of the trade I find that it is not reasonably likely that purchasers will be deceived and confused as to the origin of the goods and, therefore, the opposition fails under the provisions of section 28 (a).

If I had found that the provisions of section 28 (a) had been established then as per *New South Wales Dairy Corporation v Murray Goulburn Co-Operative Company Limited* (1990) 171 CLR 363 and confirmed by Tamberlin J. in *Canon Kabushiki kaisha v Robert James Brook and Rachel Brook trading as The Cannon Watch Company* (1996) AIPC 91-268, the opponent would also need to show that the applicant was guilty of blameworthy conduct. I have some sympathy for Ms Freeman's position concerning the difficulty of establishing blameworthy conduct in a situation where, so far as is known, the applicant's trade mark has not yet been used. However, I do not agree with her submissions that the applicant was guilty of improper conduct in adopting a trade mark which refers to the middle or centre section of a mattress. This, after all, is the part of the mattress that supports the back and given the importance of good back support for restful sleep, it is not at all surprising that a trader, in the interest of improving his product, will decide to make a mattress with additional support in the middle section and then adopt a trade mark that alludes to this improved feature. Although both trade marks begin with the letter C the prefixes create quite different ideas. The applicant may well have known of the opponent's trade mark at the time he decided to adopt the trade mark CENTA-SPAN but I do not

agree that in choosing his trade mark he deliberately chose a trade mark, possibly well known in the marketplace, changed it slightly and claimed it as his own in order to obtain an unfair advantage. I find that the applicant's adoption of this trade mark is honest and free of any blameworthy conduct.

### **Decision**

I have found that, contrary to the opponent's submissions, this trade mark is distinctive of the applicant's goods and that, as a consequence, the opponent has not made out a case under sections 24 and 25 of the Act. I have also found that these trade marks are not sufficiently alike as to cause deception and confusion and therefore the opponent has failed to establish a case under the provisions of section 28. I therefore dismiss the opposition and, subject to any appeal from this decision, direct that the trade mark should proceed to registration.

The opposition has failed and I award costs to the trade mark applicant.

Mary Skivington

Senior Examiner

15 August 1997