



TRADE MARKS ACT 1995

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

Re: Trade mark application 613697, in the name of CRC Industries (Aust) Pty Limited, for registration of the words SO EASY on a background of horizontal lines.

On 13 October 1993 the applicant, an Australian company, applied through its agent Spruson & Ferguson, patent and trade mark attorneys of Sydney, to register as a trade mark the words SO EASY for goods in class 3, which were subsequently amended to *tyre cleaning preparations*. The first report was issued under the *Trade Marks Act 1955*, in July 1994. The examiner objected to the application under the provisions of section 24 (1) (c), (d) and (e) of the Trade Marks Act 1955, stating that the words SO EASY referred directly to the character or quality of the goods, describing them as preparations which clean easily and are not difficult to use. She said that she had considered the other material in the trade mark, namely, the horizontal lines and the particular way in which the trade mark was represented but these were not sufficiently distinctive to overcome the objection. She further objected to the trade mark under section 33, on the grounds that it was substantially identical or deceptively similar to, two other trade marks. These are:

364682 **S.O.EZY**

in class 21 for goods identified as *detergent filled scouring pads*; and

590601 **SO ..?**

in class 3 for *all goods in this class*.

The mark of this application is:



In response to the first report the applicant submitted that the trade mark met the requirements of subsection 26(2) as it related to distinctiveness and section 34 as it related to honest concurrent use or prior continuous use. In support of this claim, evidence of use was lodged along with a request to amend the goods to accord with the evidence. The examiner was not persuaded and, in maintaining the objections, said that the trade mark was merely a laudatory slogan extolling the ease of use of the goods. She also considered that it was phonetically equivalent to, as well as being, visually, substantially identical to trade mark 364682 which is registered, she said, for goods of the same description. She also noted that, in relation to trade mark 590601, registered for all goods in class 3, the cited trade mark was substantially contained within the subject mark and would indicate, in her opinion, to purchasers of the goods, a common trade source.

On 1 January 1996 the *Trade Marks Act 1995* came into force, and when the examiner's fifth report was issued in March 1996 she advised that, on the advice of a Principal Examiner grounds for rejection continued under section 41 (which replaces section 24 of the repealed Act), and section 44 (which replaces section 33 of the repealed Act).

Subsection 241(3) of the *Trade Marks Act 1995* provides that applications which were not accepted immediately before 1 January 1996 are to be dealt with under the new Act. I shall continue to refer to the *Trade Marks Act 1955* as the repealed Act and the *Trade Marks Act 1995* as the new Act.

On 9 September 1996 the applicant through its attorney made an application for a decision on the written record. Mr Andrew Lockhart made written submissions on behalf of the applicant. The matter was then referred to me as a delegate of the Registrar, for a decision.

Submissions

Mr Lockhart submitted that the mark SO EASY is not in the same category as marks such as PERFECTION which was found to be incapable of being adapted to distinguish and incapable of acquiring a secondary meaning. In contrast, he said, SO EASY only takes on a meaning when linked with other words such as “to use”. In this respect he claimed the mark was similar to the mark TUB HAPPY which was found to be registrable in, *Mark Foy’s Ltd v Davies Coop & Co Ltd* (1956) 95 CLR 190. In particular he referred to the words of Williams J, at page 201:

“The attitude of mind of those who glance at such advertisements may be affected favourably by some sort of vague association of ideas but it falls a long way short of conveying any meaning to them”

He further submitted that the manner of representation including the arrangement of the words and the horizontal lines give the mark the requisite scintilla of inherent capability of distinguishing the goods to meet the requirements of subsection 41 (5) of the Act.

Mr Lockhart declared that the evidence of use supports the proposition that the mark does in fact distinguish the goods. He claims that the evidence shows “impressive levels of sales” and “significant advertising expenditure” in Australia. Moreover, the 15 trade declarants all state that they associate the mark SO EASY with the applicant. Mr Lockhart stated that there was no evidence to suggest that the trade mark SO EASY, or even the expression “so easy”, were used by other traders for the same or similar goods. In this respect he claimed there were similarities with the “*Chunky*” trade mark, (1978) F.S.R. 322 (Ch.D) where it was held that “*Chunky*” was registrable for dog food, there being no evidence that others in the trade had used the word before the applicant.

Mr Lockhart submitted that even if it should be decided that the mark did not qualify under the provisions of section 41 (5) the evidence of use of the mark prior to the lodging of the application was sufficient to establish that the mark is acceptable under the provisions of section 41(6). He also stated that recent acceptances support the proposition that trade marks of the same type as SO EASY are registrable. Mr Lockhart also submitted that under the new Act there is a presumption of registrability and the benefit of any doubt should be given to the applicant and the application must be accepted if no other grounds for rejection apply.

Mr Lockhart submitted that the cited mark 590601 is neither substantially identical with nor deceptively similar to the subject mark. In relation to marks that are substantially contained within another, he referred to the comments of Hearing Officer Michael Homann in *Tokyo Denki Kabushiki Kaisha v Temco Kabushiki Kaisha* (1995) AIPC 91-177. In relation to both cited marks he said that the marks must be considered in terms of the general rules of comparison established in *Shell Co. (Aust) Ltd v Esso Standard Oil (Aust) Ltd*, (1961) 109 CLR 407 and *Pianotist Co's Application* (1906) 23 RPC 774. He also noted that the cited marks co-exist on the Register.

Section 44.

Section 44 of the new Act reads in part:

(1) Subject to subsections (3) and (4), an application for the registration of a trade mark (**applicant's trade mark**) in respect of goods (**applicant's goods**) must be rejected if:

(a) the applicant's trade mark is substantially identical with, or deceptively similar to:

(i) a trade mark registered by another person in respect of similar goods or closely related services; or

(ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and

(b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

Substantial Identity

In *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd.*, supra, at page 414 Windeyer J said:

"In considering whether 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...".

Applying this test to the subject trade mark and the cited trade marks 364682 and 590601, I do not find the marks to be substantially identical. The subject trade mark contains two known English words forming a frequently used colloquialism, SO EASY.

Trade mark 364682 whilst containing EZY, a phonetic equivalent of the word EASY, is preceded by the letters S and O separated by full stops. These letters are most unlikely to be read as the word SO. Four or more letters which together spell a known word but which are separated by full stops will generally be read as a word because the eye will tend to discount the full stops. For example, S.T.O.P, will be seen by most people as the word STOP. On the other hand, two letters separated by full stops will, I believe, generally be seen only as letters even if without the full stops, they form a known word. We are so accustomed to reading two or three letters as letters, as for instance, before surnames that generally we would not discount the full stops. Purchasers would read this trade mark phonetically as ESS OH EZY which is quite different from the subject trade mark.

Trade mark 590601 consists of the word SO followed by a question mark. This is a well known, emotive and interrogative expression which, depending on the manner of use, may indicate a feeling of amazement, wonder, pleasure or even scorn or contempt. EASY is not

a word that comes to mind as having any obvious connection with the expression. I think it most unlikely that in a side by side comparison any purchasers would consider that SO EASY and SO ..? shared a common trade source.

I find that the subject mark is not substantially identical with either of the cited marks.

Deceptive similarity

Dixon and McTiernan JJ. in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641 said at page 658 in relation to deceptive similarity:

"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."

Using these tests of comparison it is clear that SO ..? and SO EASY are not deceptively similar. Since I agree with Mr Lockhart that the subject mark is neither substantially identical with nor deceptively similar to trade mark 590601, SO..?, this ground for rejection is withdrawn.

However, I find that S.O. EZY and SO EASY are deceptively similar. The impression or recollection which is carried away and retained, would for both trade marks be very similar. Lord Radcliffe observed in the Privy Council in *de Cordova v Vick Chemical Co*, (1951) 69 RPC 103 at 106, “in most persons the eye is not an accurate recorder of visual detail and marks are remembered rather by general impression or by some significant detail than by any photographic recollection of the whole.” A purchaser who knew of one mark and retained an imperfect recollection of it may well be confused into thinking the element EASY was in fact EZY and, likewise, the word SO was in fact the letters S.O.

Given that I have found that the subject mark is deceptively similar to trade mark 364682 for the trade mark S.O. EZY, it is necessary to consider whether the goods are goods of the same description. The products are both used for cleaning and to this extent they are of a similar nature but this is insufficient to describe the goods as being of the same description. They are produced for different markets and are used for essentially different purposes, one being for use in the kitchen for cleaning pots and pans and the other for use in cleaning the tyres of motor vehicles. As the goods are not goods of the same description, this cite is also withdrawn.

Section 33 and the presumption of registrability.

Section 33 of the new Act reads:

(1)

The Registrar must, after examination, accept the application unless he or she is satisfied that:

- (a) the application has not been made in accordance with this Act, or
- (b) there are genuine grounds for rejection

(2)

The Registrar may accept the application subject to conditions or limitations.

(3)

If the Registrar is satisfied that:

- (a) the application has not been made in accordance with this Act: or
 - (b) there are grounds for rejecting it;
- the Registrar must reject the application.

(4)

The Registrar may not reject the application without giving the applicant an opportunity to be heard.

The new Act does not use the term *presumption of registrability* but this term was used by the Working Party which reviewed the trade marks legislation and recommended that the legislation should be expressed in terms that made it clear that when a mark was examined there was to be a presumption of registrability.

Under the repealed Act there were specific requirements to be met by a mark in order to qualify for registration. The onus was on the applicant for registration to demonstrate that the mark should be registered. Where the Registrar remained in doubt as to the registrability of a mark the mark was refused. This approach was seen by the Working Party as being too rigid in that it prevented registration of marks which were demonstrably capable of distinguishing the owners' goods.

In relation to the provisions of sub-section 33(1) of the new 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 said:

“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.”

Section 41

Registrability of a mark hangs on its level of inherent adaptability to distinguish or, if it has no inherent adaptation to distinguish, the extent to which the mark has been used before the filing date. As it refers to registrability section 41 of the new Act reads:

41 (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 from the goods or services of other persons.

41 (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.

41 (4) Then, if the Registrar is still unable to decide the question, the following provisions apply.

41 (5) If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

(a) the Registrar is to consider whether, because of the combined effect of the following:

(i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

(ii) the use, or intended use, of the trade mark by the applicant;

(iii) any other circumstances;

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken to be capable of distinguishing the applicant's goods or services from the goods or services of other persons; and

(c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken not to be capable of distinguishing the applicant's goods or services from the goods or services of other persons.

41 (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.

The provisions of sub-section 41(2) direct that if a trade mark is not 'capable of distinguishing' an applicant's goods, it must be rejected. Sub-section 41(3) directs that 'capable of distinguishing' is to be tested first by assessing the degree to which a mark is 'inherently adapted to distinguish'. Kitto J, in *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 514, in defining "adapted to distinguish" said this was to be

“...tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives - in the exercise, that is to say, of the common right of the public to make

honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess - will think of a word and want to use it in connection with similar goods in any manner which would infringe a registered trade mark granted in respect of it.”

The words SO EASY are ordinary English words which are intended to convey some general, positive information about the character or quality of the goods. It does not matter that the trade mark is not absolutely specific as it would be with the addition of words such as “to apply”, “to clean”, “to use”, “to polish” or “to shine”. The fact that SO EASY conveys only general and positive information makes it more likely that other traders without improper motives will think of these words and want to use them for their descriptive significance on or in connection with their similar goods. I am confident that so far as the ordinary purchaser in Australia would be concerned the mark goes well beyond the allusive and emotive connotation of a trade mark such as TUB HAPPY. The mark informs the purchaser that the goods possess highly desirable qualities.

The evidence of use shows that the words SO EASY are printed in red, upper case lettering on a background of alternating blue and red stripes. I consider that in colour the mark does have a minimal inherent adaptation to distinguish so the mark must be considered under the provisions of subsection 41(5) of the Act.

The evidence of use shows that, when the product was launched in Australia in October 1989, it was the subject of an aggressive marketing campaign in the media and through Goodyear Tyre & Brake Services branches throughout Australia. In 1990, the number of units sold was 173,358 and between then and 1994 the sales varied from a peak of 195,000 units in 1992 to 186,000 units in 1994. These numbers, contrary to Mr Lockhart’s submission are not, I think, particularly impressive. Given the very large number of motor vehicles in Australia, the market potential is high but at this stage it is evident that the mark has scarcely penetrated the market. Although the declarants who are all connected to the automotive spare parts and accessories industry declared to a knowledge of the trade mark, the sales do not indicate that the trade mark is as yet known to a

significant number of end purchasers. I am convinced that in the absence of any other particular circumstances neither the extent to which the mark is inherently adapted to distinguish nor the evidence of use are sufficient to allow acceptance of this mark.

Conclusion

I am not satisfied that the trade mark does or will distinguish the applicant's goods and therefore the application must be rejected as provided for under the provisions of subsection 41(2). In accordance with the authority of section 33 (3) I now reject this application.

Mary Skivington

Senior examiner

Trade Marks Hearings

21 April 1997