



## TRADE MARKS ACT 1955

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

Re: Opposition by THE LITTLE TIKES COMPANY to registration of trade mark application number 614193 in the name of GERRITT JOHANNES VAN DYK and HERMAN VAN DYK JNR

#### Background

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 614193 was lodged on 19 October 1993, in the names of Gerritt Johannes Van Dyk and Herman Van Dyk Jnr (together, the applicants). The application was for registration of the trade mark, as shown below, for the statement of goods, “All goods in this class” in Class 28.



The trade mark was advertised as accepted in Part A of the Register in the *Official Journal* of 20 October 1994. Notice of opposition to the trade mark's registration was lodged, following

the granting of an extension of time to do so, on 20 April 1995, by The Little Tikes Company (the opponent). The primary grounds of the opposition, which were pursued at the hearing, were based on s.28 of the Act, that use of the trade mark by the applicants would be likely to cause deception and confusion because of the reputation of the opponent's trade mark; and on s.33 of the Act, that the present trade mark was substantially identical or deceptively similar to prior registered trade marks owned by the opponent.

### **The evidence**

The service and lodgment of the evidence in support, answer and reply relied upon by both parties in the matter were completed by 16 September 1996.

That evidence comprised:

#### *Evidence in support*

- \* Statutory declaration by John Francis Redenbach dated 24 October 1995.
- \* Statutory declaration by Nathaniel T. Smith dated 3 November 1995 and exhibits NTS 1 to NTS 6 (first Smith declaration)
- \* Statutory declaration by Nathaniel T. Smith dated 16 November 1995 (second Smith declaration)

#### *Evidence in answer*

- \* Statutory declaration by Herman Van Dyk Jr dated 14 May 1996 and annexures A, B, and C

#### *Evidence in reply*

- \* Statutory declaration by Anthony John Sedgwick dated 26 August 1996 and exhibit AJS1 (first Sedgwick declaration)
- \* Statutory declaration by Anthony John Sedgwick dated 13 September 1996 (second Sedgwick declaration)

In his declaration in the evidence in support, Mr Redenbach, the Merchandise Director of Toys R Us Australia Pty Ltd, gave an account of his experience in the trade and declared that he was not aware that the words TIKES or TYKES were used in Australia, or elsewhere, other than

by the opponent. In his first declaration, Mr Smith, the Vice President of Business Development of the opponent, outlined the history of the use of the opponent's trade mark, LITTLE TIKES, on particular goods in Australia and overseas. He included both overseas and Australian sales figures starting from 1979 and 1984, respectively, and the advertising figures for Australia from 1987 to 1990. He also gave details of overseas' registrations of the opponent's trade marks. Attached as exhibits to his declaration were sample brochures, catalogues, copies of the UK *Trade Marks Journal* entries and the Australian acceptance advertisement of the present application. In his second declaration completing the evidence in support, Mr Smith gave details of advertising figures in Australia from 1991 to 1995.

In his declaration comprising the evidence in answer, Mr Van Dyk Jr recited the history of the present trade mark and gave details of sales under it from 1992 to 1996. Annexed to his declaration were supporting declarations by Paul Fitzsimmons and Sharon Hollard who attested to their knowledge of the present trade mark and their knowledge of it in relation to the applicants. Also annexed were samples of swing tags and a wooden block showing the trade mark as used on the goods.

In his first declaration forming part of the evidence in reply, Mr Sedgwick, The Marketing Director of the Educational Experience Pty Ltd, a distributor of furniture, toys, playground equipment and teaching materials for children, attested to his knowledge of the use and subsequent reputation in Australia of the LITTLE TIKES trade mark in relation to the opponent. Exhibited to his declaration were excerpts from one of his company's product catalogues. In his second declaration, completing the evidence in reply, Mr Sedgwick gave details of the methods that his company's customers used for ordering goods by order form or telephone.

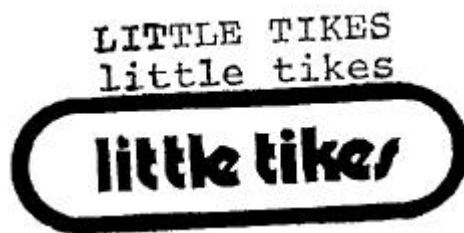
The applicants requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Canberra on 22 January 1997. Ms Gwen Bentley and Ms Gail Hill of F.B. Rice &

Co appeared on behalf of the opponent. The applicants were represented by Mr Martin Pollock of Spruson & Ferguson.

### **Submissions**

Ms Bentley said that, although the notice of opposition recited a number of grounds, the opponent only intended to make submissions at the hearing on ss.28(a) and 33(1) of the Act.

In relation to the s.33(1) ground, Ms Bentley said that the opponent relied upon its own trade mark, registration number 332425, which covered the statement of goods, “Toys, games and playthings” in class 28 for the series trade mark as shown below:



Ms Bentley said that, because the present application covered all goods in class 28 and the opponent’s registration was for certain goods within that class, then both of the trade marks covered goods of the same description. She said that, while she conceded that the competing trade marks were not substantially identical, they were certainly deceptively similar because of the word TYKES in the present application and TIKES in the opponent’s registration. For support in developing this argument she referred to several leading cases on the subject, including *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*, (1963) 109 CLR 407, *De Cordova v Vick Chemical Co.* (1951) 68 RPC 103 and *Jafferjee v Scarlett* (1937) 57 CLR 115.

Ms Bentley said that one meaning which could be found for the words TYKE or TIKE in the *Macquarie Dictionary* was that of, “any small child”, but it was certainly not a usual or general term. She referred here to the opponent’s evidence, where declarants with considerable experience had not heard of the term being used, in relation to the goods, by anyone but the

opponent, who had used it extensively. This exclusivity was further emphasised because the only two trade marks on record at the Trade Marks Office which were included in class 28 and contained the words TYKES or TIKES, belonged to the applicants and the opponent here. Given that situation, consumers of both sets of goods could easily wonder as to the trade marks' common origin. She said it made no difference to the present proceedings that the competing trade marks were already co-existing on the Register for goods in class 20. Different circumstances could well exist in relation to the sale of those goods which had no relevance to the business of selling games and playthings.

Ms Bentley referred to the points which Latham CJ, in *Jafferjee v Scarlett*, supra, had said that the courts should consider in determining the matter of deceptive similarity of trade marks. She said that the circumstances under which the trade marks were used should firstly be considered and here, all the evidence showed that both of the trade marks were applied to their respective goods and packaging, and were therefore used in the same way. She said that the circumstances under which the goods were bought and sold were also relevant and again, in the present case, the applicants' evidence referred to children's furniture and kitchens, which could be considered play items. Although the applicants apparently sold such goods to pre-schools by catalogue, the notional use of the opposed trade mark meant that the goods could also be sold through the usual wholesale and retail outlets in the same way as the applicants' goods were marketed. Any apparent lack of confusion in the market could easily be explained by the fact that the applicants presently only sold goods to pre-schools and the like by catalogue. Orders were made by catalogue number, and instances of deception and confusion might not have come to light. She said that, in any case, claims made of toys sold from catalogues under the applicants' trade mark were doubtful as the applicants' evidence appeared to only show goods for sale under different trade marks, e.g. the mark POD. Sales may have been made under the present trade mark but it was possible that they were less than the sales figures supplied had indicated. She also said that the character of the probable purchasers of both sets of goods was the same.

With respect to the comparison of the trade marks themselves, Ms Bentley said that Latham CJ in *Jafferjee v Scarlett*, supra, had said that customers would not always have the opportunity of seeing the competing trade marks side by side and would have to rely upon their recollections of one or the other of them. Ms Bentley said that the trade marks would be referred to by the words only and thus the “smiley face” element of the present application could largely be discounted. She said that the words HAPPY and LITTLE were also not important as they were only description of a condition and that both of the trade marks would leave a similar impression - the similarly spelt words TYKES or TIKES. This was particularly important where the goods of either party were ordered orally, almost certainly by reference to the latter words.

In relation to the opposition under paragraph 28(a) of the Act, Ms Bentley said that the evidence showed that the opponent had used its own trade mark overseas for some time and in Australia since at least 1984, and that it had developed a considerable reputation for it in that time. In contrast, the applicants had only used the subject trade mark for 18 months and the extent of their reputation in the mark was unclear. She said that the applicants’ evidence did not differentiate between sales of playthings and furniture, and that there was some ambiguity regarding the classification of certain items, e.g. toy kitchens. She said that, on the basis of the opponent’s reputation, the use of the present trade mark by the applicants was likely to cause purchasers to wonder whether that mark had some association with the opponent and that it therefore failed to qualify for registration because it contravened the provisions of paragraph 28(a) of the Act.

Ms Bentley concluded her submissions by seeking costs in the matter in favour of the opponent.

Mr Pollock, in his submissions in reply, conceded that both of the competing trade marks covered goods of the same description. With respect to the s.33(1) ground of opposition, he said that the opponent’s trade mark had originally been cited as a bar to registration of the

present trade mark during examination but that objection had subsequently been withdrawn following submissions by the applicants concerning the non-distinctive term TYKES and the significant differences between the marks. He said that the presence of the “smiley face” symbol in the present trade mark was another distinguishing feature, as did the different words HAPPY and LITTLE in the applicants’ and opponent’s respective trade marks.

He submitted that the issue here was whether deception and confusion would ensue from the normal and fair use of applicants’ composite trade mark on one hand and the opponent’s different trade mark on the other. He said that a trade mark was deceptively similar to another mark if it so nearly resembled it so as to be likely to cause deception and confusion. In this regard, he referred to the tests enunciated by Kitto J in *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592. He then went through these criteria in relation to the competing trade marks. He said that the respective trade marks did not look the same and that different impressions which would certainly be carried away by consumers - the word HAPPY and the “smiley face device, in addition to the word TYKES, in the present trade mark, and the word LITTLE, in addition to the word TIKES in the opponent’s mark. Additionally, the meanings of the words HAPPY and LITTLE in the marks were different, further distinguishing them. These words, he said, were more than mere descriptions but were, instead, integral parts of the respective marks.

Mr Pollock further said the sound of the trade marks, when spoken, was important in determining the matter, referring to several precedent cases for support here, including: *London Lubricants (1920) Ltd’s Appn* 1925 42 RPC 264, *Hypertec Pty Ltd v Kabushiki Kaisha Tec (also t/a Tec Corporation)* (1996) AIPC 91-245, *Gardenia Overseas Pte Ltd v The Garden Company Ltd (No 2)* (1994) AIPC 91-096 and *Happi-Nappi Trade Mark* (1976) RPC 611 (UK Reg.), where it had been found that, even if there was a common element or idea between trade marks, they were not necessarily deceptively similar.

Mr Pollock said that the nature of the respective goods and customers should also be considered and here, he said, they were the same. The applicants' evidence showed that it sold toys and playthings, some of which were educational in nature, as were the opponent's goods. He said that the customers for both sets of goods would overlap and the goods would appear in the same market place. Both the applicants and the opponent had co-existing registrations for their trade marks in class 20 and the respective parties both sold their goods in the respective classes by catalogue. He said that customers were used to seeing both parties' marketing styles and a mix of goods offered for sale in both classes 20 and 28.

Mr Pollock said that the situation should be looked at as at the date of filing - here 19 October 1993. He said that the evidence showed that the applicants had used their trade mark for 18 months before that, meaning that customers would be used to seeing the competing marks used on a wide range of goods. There had been no instances of confusion between the trade marks shown in the evidence and therefore no great weight could be given to any claims that such would occur.

On the matter of any surrounding circumstances relative to the matter, Mr Pollock said that the competing trade marks' co-existence on the Register, the linking by both parties of class 20 and 28 goods in their catalogues and the fact that the opponent had not taken any action to stop the applicants using their own trade mark were all important. On the latter point, Mr Pollock referred to the case of *Canon Kabushiki Kaisha v Brook and Another (t/a Cannon Watch Company)* (1996) AIPC 91-268. He said that the opponent had only lodged its own trade mark in respect of children's footwear in 1995 in the face of the prior registered trade mark TIKE HIKE and it was inconsistent of it to now oppose the present application.

He said that much of the opponent's evidence should be discounted because it referred to the reputation which the opponent enjoyed for their own trade mark which was not germane to any case alleging deceptive similarity. Similarly, much of the opponent's evidence was based on

opinion and not fact, and in some cases referred only to the words TYKES or TIKES and not the marks as wholes.

In relation to the opponent's case under paragraph 28(a), Mr Pollock said that it should be disregarded because the Trade Marks Office now required a conjunctive reading of paragraphs (a) and (d) of s.28, meaning that blameworthy conduct needed to be shown, in addition to deception or confusion, before an opposition could be successful under that section. He said that nothing regarding blameworthy conduct had been put forward by the opponent and, accordingly, the opposition based on s.28 should be dismissed. He referred for support here to the words of Tamberlin J at 37,717 in the case of *Canon Kabushiki Kaisha v Brook and Another (t/a Cannon Watch Company)*, supra.

## **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.

The present application covers all goods in class 28, while the opponent's trade mark is registered for toys, games and playthings. Therefore there is no doubt that the respective sets of goods covered by the two competing trade marks are of the same description. That being the case, in considering the question of whether the trade mark in question is caught by the provisions of s.33, I must firstly determine whether it is substantially identical with, or deceptively similar to, that owned by the opponent.

Ms Bentley acknowledged that the two trade marks in question were not substantially identical - and I agree - although she maintained that, because of the memorable shared element comprising the words TYKE or TIKES, they were certainly deceptively similar. Sub-section 6(3) defines a mark as deceptively similar if it is likely to deceive or cause confusion. Here, the marks should not be placed side by side but consideration should be given to any common impression carried away from the two marks. I refer here to the judgment in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641, 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.

In the present case, there has been no evidence adduced of instances of actual confusion and so I will have to consider the matter from a theoretical viewpoint.

The question here is whether the trade marks, considered as wholes, are deceptively similar. It is true that both marks share the word TYKES or TIKES - the difference in spelling is, to my mind inconsequential. However, overall, the marks are different. I am of the opinion that the mark in question has other significant memorable elements. These are the word HAPPY - in similar typeface and perhaps having a low capacity to distinguish if it was on its own - but also the reinforcing element of the "smiley face" device. It is this association of word and device

which tends to lift the emphasis off the word TYKES and onto the entire combination which comprises the entire trade mark. On the other hand, the opponent's trade mark consists of a series comprising the words LITTLE TIKES. The endless belt device surrounding the third version of that series and the manner of its presentation is, to my mind, of negligible distinguishing value.

The question thus remains as to whether the common - but differently spelt - word TYKES/TIKES is sufficient to render the marks as wholes deceptively similar so as to cause members of the purchasing public to be deceived or confused. I do agree that the word TYKES/TIKES is not an often used description in relation to children. However, it is also not an obscure term in that regard and it is on the Register, already co-existing in class 20, as part of the same trade marks and owned by the respective parties in competition here. The word is also included in registration number 591003 for the trade mark TIKE HIKE - together with devices - in class 25 for children's footwear. Ms Bentley submitted that nothing should be read into the co-existence of the class 20 trade marks, as different sales conditions might well exist. However, I have considered the evidence lodged by both parties and there appears to be a great deal of "crossover" in the marketing and character of both sets of goods of interest - children's furniture, and educational toys and games. I am therefore of the opinion that the presence of the competing trade marks already on the Register for goods which are offered and ordered in a similar market situation are quite relevant to the present situation.

Therefore, in consideration of all of the above and, in relation to the tests laid out by Dixon and McTiernan JJ. in the *Australian Woollen Mills* case, supra, I am of the opinion that the net impressions left by both trade marks would be sufficiently unlike each other so as to differentiate them. Given the other material in the marks, I do not believe that purchasers would find the marks deceptively similar. I am of the opinion that this would be so, even taking into consideration the doctrine of "imperfect recollection" as enunciated in *Rysta Ltd's App'n* (1943)

60 RPC 87. For the foregoing reasons, I find that the opponent's objection, as it is based on s.33, must fail.

*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*, (1954) 91 CLR 592, 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.

However, that risk must extend to a substantial number of people likely to be concerned in the purchasing of the goods: *Kendall Co v Muslyn Paint and Chemicals* (1963) 109 CLR 300.

In assessing the reputation of the opponent's trade mark in Australia, the relevant date is that of the lodgment of the opposed application - *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd*, supra. The opponent's reputation at that date in this country, with respect to its own mark and goods, is undisputed. From the evidence, the opponent had, at the appropriate date, a reasonable reputation in this country for its trade mark. However, I think that those who purchase the opponent's goods, as per the evidence supplied, would tend to be educators or parents of children interested in their children's education and development. This would be, I believe, a well informed group who would be careful when selecting goods for

children in their care, and would not be deceived and confused by the co-existence of the trade marks. I accordingly believe that the relevant public would not be caused to wonder as to the origin of the two marks.

Notwithstanding the above, it is true that there are cases, such as *De Cordova v Vick Chemical Co.* supra, and *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147, where it was found that, if the later mark incorporates the essential or distinguishing feature of the earlier mark, then confusion is likely to result. However, as I have previously said, I do not agree that the present case falls into this category. The only common element is the word TYKE/TIKE and, and as I have said, the other material is significant in differentiating the trade marks. Taking all of the preceding factors together into consideration, I am satisfied that use of the applicants' trade mark will not lead to deception or confusion. I therefore find that the requirements of paragraph 28(a) have not been made out.

The opponent did not pursue the matter of its opposition under paragraph 28(d) at the hearing. However, as Mr Pollock observed, following the High Court decision in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Ltd* 18 IPR 385, the *Moo/Moove* case, the Registrar now follows the practice as laid out in the decision of Hearing Officer Homann in *Titan Manufacturing Co v John Terrence Coyne* 22 IPR 613 - i.e., that all paras of s.28 should be read together. This means that, had I found that the mark was likely to deceive or cause confusion, then it would also have been necessary to find that it would not have been entitled to protection in a court of law before an opposition could succeed under s.28. As Mr Pollock said, this interpretation has recently been endorsed by Tamberlin J of the Federal Court in Sydney in *Canon Kabushiki Kaisha v Brook and Another (t/a as The Cannon Watch Company)*, supra.

In any event, in the present case, I note that there is nothing before me to show that there has been any blameworthy conduct on the part of the applicants, nor any other circumstance which

would disentitle the mark to protection in a court of justice. I therefore find that the requirements of paragraph 28(d) have also not been made out. The opponent's case, in terms of its objection under s.28, must therefore fail.

**Conclusion**

I find that the opponent has failed on all of the grounds relied upon in the notice of opposition. I therefore dismiss the opposition and, subject to any appeal from this decision, direct that the mark should proceed to registration. As the applicants have been successful in this matter, I hereby award costs in their favour in accordance with the Official scale.

Ian Forno  
Hearing Officer

30 April 1997