



TRADE MARKS ACT 1955

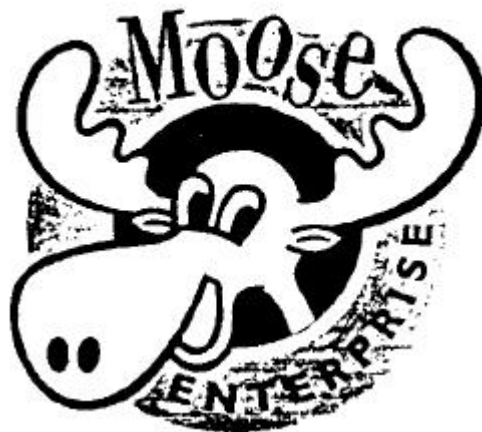
DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Opposition by UNIVERSAL CITY STUDIOS, INC to Trade Mark Application No 615575 in the Name of M & R HAMERSFELD PTY LTD

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, unless otherwise specified, any reference to the Act in this decision is a reference to the *Trade Marks Act 1955*.

Background

M & R Hamersfeld Pty Ltd, trading as Moose Enterprises, of Richmond, Victoria, applied on 8 November 1993 for the registration of the trade mark shown below:



The trade mark was accepted for registration in respect of the goods “toys, games and playthings” and was so advertised in the *Official Journal* of 9 February 1995. On 9 May 1995 notice of opposition to the registration of the trade mark was given by Universal City Studios, Inc of Universal City, California, USA (Universal) pursuant to s49 of the Act. The grounds of opposition were widely drawn but in essence Universal relied on its use of and reputation in the cartoon character shown below:

The evidence stages of the proceedings were completed on 23 December 1996, the evidence consisting of:

evidence in support

- ◆ declaration of Belinda McKeown with Exhibits “A” and “B” made 8 May 1996
- ◆ declaration of Khajaque Kortian with Exhibits KK-1 to KK-8 made 9 May 1996
- ◆ declaration of Richard Lyle made 8 May 1996
- ◆ declaration of Craig Johnson made 9 May 1996
- ◆ declaration of Michael Bede Wright made 9 May 1996
- ◆ declaration of Erika Elizabeth Gazzard made 9 May 1996
- ◆ declaration of Julie Rosandic made 9 May 1996
- ◆ declaration of Brian Scott Meth with Annexure A made 9 May 1996
- ◆ declaration of Alexander Robert Thompson with Annexures A & B made 24 May 1996
- ◆ declaration of Steven Francis Thompson with Annexure A made 27 May 1996
- ◆ declaration of Belinda McKeown with Exhibit BM-1 made 6 June 1996
- ◆ declaration of David Melkman with Annexure A

evidence in answer

- ◆ declaration of Brian Hamersfeld with Exhibits BH-1 to BH-12 made 19 December 1996
- ◆ declaration of Peter Haskin made 18 December 1996
- ◆ declaration of Maximillian with Annexures A-D made 16 December 1996
- ◆ declaration of Fred Brasch with Annexures A-B made 19 December 1996
- ◆ declaration of Eva Bonner with Annexures A-B made 17 December 1996
- ◆ declaration of Michelle Wise with Annexures A-B made 17 December 1996
- ◆ declaration of Michele Wiener with Annexures A-B made 19 December 1996
- ◆ declaration of Peter Bennett with Annexures A-C made 18 December 1996
- ◆ declaration of Peter McDougall with Annexures A-B made 17 December 1996

- ◆ declaration of Helen Ehrlich with Annexures A-B made 19 December 1996
- ◆ declaration of Simon Rogers with Annexures A-B made 19 December 1996
- ◆ declaration of Geoffrey Robert Vale with Annexure A-B made 20 December 1996
- ◆ declaration of Yariv Gary Freed made 20 December 1996

A hearing of the matter was set down in Canberra on 6 June 1997. Mr Bruce Caine of counsel, instructed by Freed & Golding, solicitors, appeared on behalf of the applicant. The opponent was represented by Mr Stephen Burly of counsel, instructed by Spruson & Ferguson, patent attorneys.

Background

A television producer, the late Jay Ward, produced, from 1959 to 1964, internationally well-known animated children's television programmes known as "Rocky and His Friends" and its successor "The Bullwinkle Show", featuring as their main character the cartoon character known as BULLWINKLE J MOOSE. Between 1976 and 1986 Channel Nine broadcast the children's animated television programme featuring the BULLWINKLE character. Between 1991 and 1995 a total of 98 segments of the television programmes were broadcast by the Australian Broadcasting Corporation (the ABC) in all Australian capital cities, except Canberra. Copies of each of the 98 segments are held by the ABC in its archives. Various episodes of "The Adventures of Rocky and Bullwinkle" were also available on video from Roadshow Entertainment from June 1991 to March 1992 through such major retailers as K-Mart, Target, Big W, David Jones, Myer/Grace Brothers, Brash's and Video Ezy. During that period some 23,171 videos were sold by Roadshow.

Since 1991 an associated company of Universal's, MCA/Universal Merchandising, Inc, (MCA/Universal) has been the exclusive worldwide licensing and merchandising agent for Ward Productions, Inc, the owner of the copyright in the character. In Australia, Gaffney International Licensing Pty Ltd (Gaffney) has, since about the same date, been licensed by MCA/Universal to promote the merchandising of that character and others associated with the show. The primary market for the merchandise has been young children although the Bullwinkle character has been used by Scallywags Socks on socks, available through K-Mart stores, since 1993, and, since January 1995, well after the application date, by Bonds Industries Limited (Bonds) on adults' and

children's caps, t-shirts and underwear including boxer shorts, and also by Top Heavy Pty Ltd on headwear and t-shirts.

On 16 July 1985 Mr Brian Hamersfeld the managing director of the applicant company, M & R Hamersfeld Pty Ltd, registered the business name "Moose Enterprise". Apparently the word "Moose" was a nickname he enjoyed while at school. Initially Mr Hamersfeld engaged in the business of manufacturing and selling clothing using a more lifelike four-legged silhouette of that animal as a trade mark device together with the words Moose Enterprize (sic) on labels attached to the articles. He ceased carrying on that business in 1987. In about October 1988 he instructed a Mr Peter Bennett, who was employed by the applicant as a graphic artist, to design a moose character having a "friendly, comical and cool" appearance as being more appropriate to the manufacturing and selling of toys. Apparently Mr Bennett gave full satisfaction as his moose was considered to have the "cool groovy image" that Mr Hamersfeld desired. Until about mid-1991 several versions of Mr Bennett's moose were used. However, in late 1990 a Mr Paul Reading (now called Maximillian) commenced to work for the applicant as a freelance graphic artist and convinced Mr Hamersfeld that the applicant's moose should have "a more friendly, softer and younger" appearance with a "confident, intelligent personality". He also convinced Mr Hamersfeld that the applicant should use only the one trade mark on all its products and in all its publicity. The character thus evolved is the subject of the present application. The applicant's business grew and prospered. The moose trade mark appeared on the packaging of all its products, on all its stationery and in its advertising. Annual sales for the years 1989-1993 sometimes exceeded \$1 million. The goods were sold through Target, K-Mart, Myer and many smaller retailers such as newsagents. Advertising of the trade mark took place by means of the product catalogue, exhibits at toy fairs and through magazines and newspapers. The applicant has received many awards at toy fairs and other exhibitions including the "Toy of the Year" award of The Australian Toy Association. Since the priority date of the application sales of toys under the trade mark have risen to over \$2 million per annum. The applicant also exports to Japan, New Zealand, Britain, Hong Kong and Taiwan.

I now turn to the specific questions in suit.

Proprietorship: s40

Section 40(1) of the Act provides:

40. (1) A person who claims to be the proprietor of a trade mark may make application to the Registrar for the registration of that trade mark in Part A or Part B of the Register.

Mr Caine submitted that it was settled law that the title to a mark sought to be registered is to be determined on the state of facts existing when the application for registration is lodged: *Shell v Rohm & Haas* (1948) 89 CLR 601 at 624 per Dixon J. The relevant date was therefore 8 November 1993.

The basis of a claim to proprietorship in a trade mark was to be found in the combined effect of:

- 1) authorship of the mark;
- 2) the intention to use the mark upon or in connection with the relevant goods;
- 3) the act of applying for the registration of the mark;

Shell v Rohm & Haas, supra, at 627; *Yanx* (1951) 82 CLR 199,203-204 per Williams J.

Mr Caine submitted that the evidence clearly demonstrated that the applicant had used the mark extensively prior to making its application for registration on 8 November 1993: *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391, 401 per Fullagar J. Moreover, the applicant was the author of the mark and it had made plain its intention to use the mark by the evidence of extensive use prior to application.

The concept of proprietorship of a mark was explained by Fullagar J in *Aston v Harlee* (supra) as follows, at 398-399:

"Section 32 of the Act provides that any person claiming to be the proprietor of a trade mark may apply to the Registrar for the registration of his trade mark. The right to registration depends, therefore, on proprietorship of a mark. The conception of proprietorship, other than proprietorship acquired by a user which has made the mark distinctive of the applicant's goods, is a difficult conception, but it has been explained by Dixon J. in *Shell Co. of Australia Ltd v Rohm and Haas Co* (1), where his Honour refers to the history of the English legislation. His Honour quotes Cotton L.J.

as saying in *In re Hudson's Trade Marks* (2): "The difficulty is this: Is a man to be considered as entitled to the use of any trade mark when he has never used it at all? That is a difficulty, but I think the meaning is this. If a man has designed and first printed or formed any of those particular and distinctive devices which are referred to in the first part of s 10, he is then looked upon as the proprietor of that which is under that Act a trade mark, which will give him the right so soon as he registers it." (3). Dixon J. then sums up the position by saying: "It is clear enough from the course of legislation and of decision that an application to register a trade mark so far unused must, equally with a trade mark the title to which depends on prior user, be founded on proprietorship. The basis of a claim to proprietorship in a trade mark so far unused has been found in the combined effect of authorship of the mark, the intention to use it upon or in connection with the goods and the applying for registration" (4). "Authorship", says his Honour a little later, "involves the origination or first adoption of the word or design as and for a trade mark." (5).

(1) (1949) 78 CLR 601, at pp.625 et seq.

(2) (1886) 32 Ch.D., at p.319,320.

(3) (1949) 78 CLR at p.626.

(4) (1949) 78 CLR at p.627

(5) (1949) 78 CLR at p. 628

His Honour went on to explain that authorship of a mark does not mean that the applicant must have been the "true and first inventor" or have "thought of it first". The applicant may yet be the author although he has copied or adopted a mark registered in a foreign country in respect of the same description of goods. "Local authorship" will suffice. What *is* essential to a valid claim to proprietorship is that no other person has acquired a prior right to use the mark in Australia for the goods or services in question. The only evidence of the possible use of the Bullwinkle character earlier than the date of application for registration is the use on socks by Scallywags Socks at some time in 1993. In any case the evidence makes it clear that the applicant began use of the moose character, as it sought to be registered, in or about 1989. On the question of acquiring proprietorship McGarvie J said, In *Settef v Riv-Oland Marble* 10 IPR 402 at page 413:

The basic common law principle is that the first person who uses a trade mark of an appropriate type within a country becomes the proprietor of the mark there: *Re Registered Trade Mark "Yanx"*; *Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 at 203; *Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd* (1974) 131 CLR 592 at 603; *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No2)* (1984) 59 ALJR 77 at 83. A person who becomes proprietor of a trade mark in this way is entitled at common law to restrain a person who later commences to use the trade mark."

And further at pages 413-414 his Honour stated:

In considering who, within s 40(1) of the Act, was at the time of Settef's application for registration the proprietor of the trade mark, one considers who at common law was the proprietor in Australia: *The Shell Co of Australia Ltd v Rohm & Haas Co* (1949) 78 CLR 601 at 625 and 627. Settef claims to be the first person to have used the trade mark in Australia and therefore to have been proprietor at common law in Australia."

A claim to proprietorship in the mark will therefore depend on whether a person can successfully demonstrate first use in Australia. The use of the mark on which the person relies must be use for the purpose of indicating, or so as to indicate, a connection in the course of trade between the relevant goods and that person: section 6 of the Act, *W D & H O Wills (Australia) Ltd v Rothmans Ltd* (1956) 94 CLR 182 at 191 and *Estex Clothing Manufacturers Pty Ltd v Ellis & Goldstein Ltd* (1967) 116 CLR 254 at 271.

Moreover, it will depend on the circumstances to determine how a mark is seen and if, in each case, it is in use as a trade mark: *Shell Co v Esso Standard Oil* 109 CLR 407, at p 422 and 425.

In the absence of any evidence of the use *as a trade mark* of the Bullwinkle character by the opponent or any other person before the first use by the applicant of that mark in Australia in relation to toys, games or playthings I am satisfied that the applicant is entitled to be considered the proprietor of the trade mark in Australia.

Section 28

Section 28 of the Act provides:

28. 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.

Mr Burley submitted that the applicable principles were as set out by Kitto J in *Southern Cross Refrigerating Company v Toowoomba Foundry Pty Limited* (1954) 91 CLR 592 at 594-5:

- a) in all applications for registration of a trade mark the onus is on the applicant to satisfy the Registrar (or the Court) that there is no reasonable probability of confusion;
- b) it is not necessary in order to find that a trade mark offends against the section, to prove that there is an actual possibility of deception leading to a passing off. While a mere possibility of confusion is not enough - for there must be a real, tangible danger of its occurring ... it is sufficient if 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 that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt;

- c) in considering the possibility of deception, all the surrounding circumstances have to be taken into consideration. (This includes the circumstances in which the goods will be bought and sold, and the character of the probable purchasers of the goods);
- d) in applications for registration, the rights of the parties are to be determined as at the date of the application;
- e) the onus must be discharged by the applicant in respect of all goods coming within the specification in the application ... and not only in respect of those goods on which the applicant is proposing to use the mark immediately. And the onus is not discharged by proof only that a particular method of user will not give rise to confusion. The test is, what can the applicant do if it obtains registration?

In addition, he submitted that it was not necessary for an opponent to establish deception by reference to a prior trade mark use. An objection based on s28 did not need to be based on a trade mark at all: *Radio Corporation Pty Limited v Disney* (1973) 57 CLR 449 per Rich J:

It cannot be denied that the opponents have obtained great reputation or notoriety for the form and name of Mickey Mouse and Minnie Mouse, his feminine counterpart. But it is said that that reputation is unconnected with the sale or handling of goods and is analogous rather to the fame of some personage of fiction or history. In matters such as this we are dealing with the vague and indefinite impressions of the great mass of the public who neither are required nor desire to refine upon distinctions of this sort. To them it is shown that the name "Walt Disney" summons up a picture of "Mickey Mouse" and the picture of Mickey Mouse reminds them of "Walt Disney". The foundation of this is authorship no doubt. But somehow or other, how, it is fruitless to inquire, they connect the appearance on an article of the name or form of "Mickey Mouse" with "Walt Disney". This being so, it is, I think, impossible for the appellant to negative all likelihood of confusion. It is no part of our duty to state in definite terms precisely how the public will be misled or what kind of connection they will impute.

Therefore, argued Mr Burly, the enquiry under s28 is wide enough to catch any form of deception or confusion and is not limited to conflicting trade mark usage: *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Limited* [1979] RPC 410 at 422-3. Moreover, in testing the question whether a mark would be likely to deceive or cause confusion one ought to note the so-called doctrine of imperfect recollection whereby one assumes that the probable purchaser will be a person of ordinary intelligence and sense who has an ordinary recollection of the mark but not one "who sets the trade marks side by side and examines them with particularity" (Shanahan, *Australian Law*

of *Trade Marks and Passing Off*, 1990, at page 183 citing *Jafferjee v Scarlett* (1937) 57 CLR 115 at 122.)

Mr Burly submitted that from a comparison of the opposed mark with the Bullwinkle character it became clear that there were many features in common and that one immediately noticed:

- a) the similar structure of the antlers;
- b) the identical style of writing of the words “Moose Enterprises” in the opposed mark;
- c) the use of the “porthole” style of image;
- d) the fact that the opposed moose image, when appearing with a body, has three fingers and a thumb;
- e) the use of the word “Moose”

In combination, he argued, the overall impression of the two marks would be confusing to the ordinary consumer of the goods in question. He submitted that such a consumer would be familiar with the practice of character merchandising and would not expect to see images of well-known animated characters used on or in relation to merchandise except under licence: *Anheuser-Busch v Castlebrae* (1991) 32 FCR 64.

For the opponent to succeed, Mr Burly submitted, it must establish that the likelihood of confusion arises because of the blameworthy conduct of the applicant: *Titan Manufacturing Company Pty Limited v Coyne* (1991) 22 IPR 613; *Nike International Limited v United Pharmaceutical Industries (Australia) Pty Limited* (1996) 35 IPR 385 at 403 and that such conduct is made out if the Registrar accepts that the opposed mark was adopted to take advantage of the opponent’s mark: *Anheuser*, supra. He submitted that the applicant’s evidence seeking to teach away from the notion that there was a connection between BULLWINKLE and the opposed mark was telling. The moose image initially used by the applicant was clearly an authentic moose figure with no similarity to BULLWINKLE. The applicant then looked around for a better image in 1987 or so; an image was sought which would be more readily appealing to children and the graphic designer Bennett came up with the “cool” moose image which was styled as a cartoon character.

BULLWINKLE was the only well-known cartoon figure of a moose. Mr Hamersfeld and Bennett both conceded that they were aware of the BULLWINKLE character well before the opposed mark was drawn. Mr Hamersfeld recognised that the “porthole” style of portraying a cartoon character was the “classic” style for cartoon characters such as Bugs Bunny to appear. That and other references to similarities with cartoon characters betrayed the fact, he said, that the applicant clearly intended that consumers would equate the opposed mark with the cartoon character BULLWINKLE.

Mr Caine countered with the argument that the opponent bore the initial onus of establishing a sufficient reputation in its mark upon which to found objections under s28: *Arthur Fairest Ltd's Application* (1951) 68 RPC 197, and that only if that onus was discharged did it then shift to the applicant: *Eno v Dunn* (1890) 7 RPC 311; *Jafferjee v Scarlett* (1937) 57 CLR 115. Furthermore, the rights of the parties were to be determined as of the date of the application for the registration of the trade mark: *Southern Cross Refrigerating v Toowoomba Foundries Pty Ltd* (1953) 91 CLR 592, 595; *Jellinek's Application* (1946) RPC 59; *Merv Brown Pty Ltd v David Jones (Australia) Pty Ltd* 9 IPR 321, 333; *Re Application by Simac SpA Macchine Alementari* (1987) 10 IPR 81, 91. The test to be applied under s28 was that set out in *Southern Cross*, supra, at 595, per Kitto J and at 607-8, per the Full Court, and also in *Smith Hayden & Co Ltd's Application* (1945) 63 RPC 97. The opponent had to demonstrate more than a “mere possibility” of confusion. What had to be shown was that there was “a real tangible danger of it (confusion) occurring” (per Kitto J at 595). Evidence of actual cases of deception (or in the present case the absence of such evidence) was of great weight: *Australian Woollen Mills v F S Walton & Co Ltd* (1937) 58 CLR 641, 658.

Mr Caine went on to submit that even if contrary to his submissions it were to be found that the applicant's use of the mark in suit would, at the priority date, have offended against s28(a) because the use of it would be likely to deceive or cause confusion, the rights acquired by the applicant at lodgment were not thereby extinguished. The opponent had to go further and demonstrate that the likelihood of such deception or confusion was brought about by blameworthy conduct on the part of the applicant: *Titan Manufacturing Company Pty Ltd v Coyne* (1991) 22 IPR 614; *New South*

Wales Dairy Corporation v Murray Goulburn Co-operative Co Limited (1990) 171 CLR 363;
Riv-Oland Marble Co (Vic) Pty Ltd v Settef SpA (1988) 12 IPR 321.

As submitted by Mr Caine the test to be applied under s.28 may be stated as follows, paraphrasing the words of Evershed J. in *Smith Hayden & Co Ltd's Application* (1946) 63 RPC 97, in which he compared the tests under ss11 and 12 of the *Trade Marks Act 1938* (UK), which correspond to ss28 and 33 of the *Trade Marks Act 1955* (Cth):

The questions for my decision ... have been formulated, and I think accurately formulated, as follows:

(a) (Under s.28) "Having regard to the reputation acquired by the cartoon character BULLWINKLE, is the Registrar 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?";

Evidence of the reputation of the BULLWINKLE character is to be found in the declarations of Belinda McKeown of the ABC and Richard Lyle and Craig Johnson of Channel Nine as to the extent of transmission of television programmes featuring the BULLWINKLE cartoon character, including transmissions after the date of application, and that of Khajaque Kortian as to the associated advertising. There is also evidence of the distribution of 23,171 "Bullwinkle Videos" between 24 June 1991 and 19 March 1992 to major retailers and video rental stores in the declaration of Alexander Robert Thompson.

The evidence of the use of the mark by Bonds dates from 1995, well after the date of application, and is therefore irrelevant. The same applies to the declaration of David Melkman of Top Heavy Pty Ltd which was licensed to merchandise the BULLWINKLE character in January 1995. The use by Scallywags is from an unspecified date in 1993 and also cannot be taken into account.

In addition to the above declarations there are three "consumer" declarations going to the likelihood of deception or confusion. Typical of these is that by Michael Bede Wright who states:

1. I was born in 1968.

2. I recall watching as a child, the children's television animated programs ("Bullwinkle Television Programs") featuring the character known as BULLWINKLE ("BULLWINKLE Character").
3. Annexed hereto and marked "A" is a copy of a picture of the BULLWINKLE moose character which, I recognise from the Bullwinkle television program.
4. Annexed hereto and marked "B" is a copy of a picture of a moosehead which has been shown to me by the patent attorneys for Universal City Studios ("Moosehead picture"). If I had seen the Moosehead picture used in relation to toys or games or other children's products, I would have thought it was somehow associated with the BULLWINKLE Character or the maker's [sic] of the BULLWINKLE television programs.

Annexure "A" shows the cartoon characters clearly identified as "BULLWINKLE THE MOOSE" (above) and BULLWINKLE (below) and ROCKET J SQUIRREL (above) and ROCKY (below). Annexure "B" consists of the trade mark in suit with the addition of two arms emerging from behind a wall which clearly indicates that the moose character is standing behind the wall with his head protruding through a "porthole".

To the same effect and in virtually the same words are the declarations of Erika Elizabeth Gazzard and Julie Rosandic (born 1974 and 1976 respectively). All three witnesses give addresses in New South Wales but are not further identified. Moreover, to the extent that the BULLWINKLE character is clearly identified by name and by his association with the ROCKY character the questions are leading.

In contrast with the above three declarations are four on behalf of the applicant. Fred Brash, for example, states that he is a parent of 4 children aged under 11 years, that he is a 41 year-old accountant and that he has no connection with the applicant. He also remembers having watched the Rocky & Bullwinkle (sic) show as a boy. He too is shown copies of two drawings "A" and "B", of an unidentified BULLWINKLE and of the trade mark as it was applied for. While recognising the BULLWINKLE character he also recognises the applicant's trade mark as used in connection with toys. He further states that he has never associated the Moose Trade Mark with the Bullwinkle character or the makers of the Bullwinkle television programs.

To similar effect is the declaration of Eva Bonner, a 35 year-old mother of 2 daughters aged 8 and 10 years and one son aged 5 months who works part time and rarely shops for toys but states that she has no connection whatsoever with the applicant. She, however, did not recognise either the Bullwinkle character or the applicant's trade mark but was firm in her opinion that she would not confuse the two or assume a connection between them.

Michelle Wise is also a mother, of 2 children aged 6 and 7 years old, and is a 36 year-old chiropractor with no connection whatsoever with the applicant other than as an occasional purchaser of its products. She also recalls watching the Rocky & Bullwinkle show as a child. She immediately recognised both the Bullwinkle character and the applicant's trade mark and immediately stated that she had never associated that trade mark with the Bullwinkle character or with the makers of the television programs.

In similar circumstances Michele Wiener wrongly identified the Bullwinkle character as Rocky although she had been a viewer of the television programs as a child. She immediately recognised the applicant's trade mark, however, having associated it with "colourful clever toys" since 1992.

There is also evidence from three declarants associated with the retailing of toys no one of which associates the applicant's toys with the Bullwinkle character or the makers of the television programs. The same applies to two "experts" in the toy industry who were interviewed by the solicitor for the applicant who himself has declared that all the above declarants were the only ones interviewed by him. The evidence for the applicant is therefore not selective.

In relation to the question of deception or confusion Mr Hamersfeld himself has made the following declaration at para 20 of his declaration:

(b) In paragraph 4 of his Statutory Declaration, Mr. Kortian refers to Gaffney International Licensing Pty Ltd ("Gaffney"). Gaffney is the largest independent licensee of toys in Australia owning the rights to such products as "Barbie Dolls", "Power Rangers", "Ninja Turtles", "Sesame Street", "Thomas the Tank Engine" and "Bananas in Pyjamas". Gaffney has a strong reputation for professionalism and for ensuring that it and all of its sub-licensees are protected against any infringements of

their rights. For example, I recall once exhibiting a product at one toy fair when Rachel Gaffney (who is the daughter of Fred Gaffney who I believe is the managing director of Gaffney) demanded that I withdraw a hoola hoop which featured a character that resembled a barbie doll. I have known Fred Gaffney for approximately 6 years and I seen (sic) him at every significant Australian toy fair since then. In approximately 1990, Fred Gaffney invited the Applicant to participate in the "Life Be In It" promotional campaign. Fred Gaffney has on several occasions before the Priority Date offered to assist the Applicant with introductions to the major Australian retailers. Fred Gaffney (and indeed most if not all of the numerous employees of Gaffney) has been aware of the Applicant's products and the Moose Trade Mark since at least 1990. I have no doubt that if Gaffney believed that there was any possibility that the Moose Trade Mark would cause confusion in the market place with Bullwinkle, or that consumers would think there was some connection between the Applicant and Bullwinkle or the makers of Bullwinkle, then Gaffney would have immediately demanded that the Applicant cease using the Moose Trade Mark. My relations with Gaffney have always been cordial and I have never had received any objection from this company nor any other company to the Moose Trade Mark. Fred Gaffney has in fact been most complimentary of the products sold by the Applicant. I have made several presentations to major companies in Australia and overseas (such as Cadbury's, BARTER International (Hong Kong), Burlon Socks and Berkley Clothing and Reed for Kids), in relation to the licensing of the Moose Trade Mark. These companies would be most concerned if they thought there could be any confusion caused between the Moose Trade Mark and Bullwinkle. Not one of these companies has ever queried whether there was any connection between the Moose Trade Mark and Bullwinkle. Since 1991, I have attended approximately 7 trade fairs every year in Australia and 5 trade fairs every year overseas including in the U.S.A., Europe, Japan and Canada. The Moose Trade Mark has appeared prominently in relation to the Applicant's products and in its own right at all of these fairs. From my attendance at these fairs, I am aware that every major Australian retailer and every major international toy company (as well as thousands of agents, licensees, distributors and retailers) have attended fairs where the Applicant has been an exhibitor. Not one person at any trade fair in Australia or overseas has ever queried me as to whether there is any connection between the Applicant (or the Moose Trade Mark) and Bullwinkle or the makers of Bullwinkle.

(c) I refer to Exhibit "KK-2" of Mr. Kortian's Statutory Declaration. I note that: -

- (i) None of the Australian licensees referred to therein are authorised to sell games or toys or sporting articles.
- (ii) The Applicant regularly exhibits its products at toy fairs in the United States and all over the world. The Applicant has not received a single query from any licensee or any other person or company at the Australian or overseas fairs as to whether there is any connection between Bullwinkle and the Applicant.

On the whole of the evidence I am not satisfied that the use of the applicant's mark has caused or is likely to cause the deception or confusion of a substantial number of persons. While there is evidence of the number of transmissions of the Bullwinkle television programmes there is none as to the extent of the audience for those programmes. Likewise, although a substantial number of videos were distributed to retailers and video rental stores in the course of a year there is no evidence as to the extent of sales or rentals of those videos. I can give no weight to the evidence of merchandisers of the Bullwinkle character since all such use took place after the date of application for registration. Similarly I can give little weight to the evidence of the three "consumer" declarants who were not sufficiently identified and were led. On the other hand I accept Mr Hamersfeld's evidence as to the lack of any deception or confusion in the relevant market and the evidence of retailers in the trade to the same effect. Likewise, I give more weight to the "consumer" declarants of the applicant who declared their interest and were not led.

I therefore find that the opponent has failed to make out its case in terms of s28(a). If I am wrong as to that there remains the question of blameworthy conduct as to which both Mr Caine and Mr Burly made submissions. The application of s28 in opposition proceedings has been considered on two occasions recently by the Federal Court. In *Canon Kabushiki Kaisha v Robert James Brook and Rachel Brook trading as The Cannon Watch Company* 36 IPR 88 Tamberlin J, after considering the judgments in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Limited* (1990) 171 CLR 363, concluded that in his view the reasons for judgment delivered by members of the High Court left the matter open as to whether there was a need to find blameworthy conduct in opposition proceedings based on s28(a) as opposed to expungement proceedings. He went on to find that:

Notwithstanding the diverse opinions expressed by members of the High Court in *New South Wales Dairy Corporation* case, I consider that I should follow the views expressed by the Full Federal Court in that case, with the result that in the case presently before me the opponent to the application for registration is required to demonstrate "blameworthy conduct".

The Full Federal Court in the *New South Wales Dairy Corporation* case, concluded that, as a matter of interpretation, s28(a) was qualified by s28(d) and that "blameworthy

conduct” was one, but not the only, circumstance which could render a mark “not entitled to protection in a court of justice”. (see 86 ALR 549 per Gummow J), (24 FCR 370 Lockhart, Pincus and Von Doussa JJ).

In the instant case, Canon has not established any “blameworthy” conduct or any other matter on the part of the respondents in relation to the present application, which would disentitle the mark to protection in the courts and as a result the challenge under this provision must fail....

In the present matter, the delegate of the Registrar, when considering the s28(a) ground, relied on what was described as the “fully settled” practice of the Registrar developed from the *Murray Goulburn* case and dismissed the opposition on this ground because in her view there was “no hint of blameworthy action”. See also *Titan Manufacturing Company Pty Ltd v John Terence Coyne* (1991) 22 IPR 613; *Unidrive Pty Ltd v Dana Corporation* (1995) 32 IPR 155. Cf *Johnson & Johnson v Kalnin* (1993) 26 IPR per Gummow J where the point was apparently not raised.

In *Nettlefold Advertising Pty Ltd v Nettlefold Signs Ltd* (unreported, 11 July 1997) Heery J also analysed the judgments of the High Court in *Murray Goulburn* and went on to say:

It is difficult to see how a disjunctive reading of s28 could have been unintended. After all, if para (d) is to be read conjunctively with para (a), presumably the same reading must apply to paras (b) and (c). It does seem odd, to say the least, that if a mark contained scandalous matter, a finding to that effect would not be sufficient in itself to prevent (or expunge) registration.

As to authority, the New Zealand Court of Appeal in *Pioneer Hi-Bred Corn v Hy-Line Chicks* [1978]2 NZLR 50 in dealing with a statutory provision very similar to s28 (see *Murray Goulburn* at 427) rejected a cumulative construction. Richmond P (at 52) considered that the New Zealand legislature has “deliberately departed” from the wording of the UK provision. His Honour said:

The result is that in this country the words “the use of which would be likely to deceive or cause confusion” are no longer governed by the words “would...otherwise, be disentitled to protection in a Court of justice.” They should accordingly be given effect in accordance with their ordinary and natural meaning.

Pioneer was a case of opposition to registration and thus, unlike *Murray Goulburn*, on all fours with the present case.

However, there remains the decision of the Full Court of this Court in *Riv-Oland Marble Co (Vic) Pty Ltd v Settef SpA* (1988) 19 FCR 569. Although not an appeal from the Registrar, the issue of contravention of s28 was considered as at the date of registration and in this respect is indistinguishable from the present case. It was held by a majority (Bowen

CJ and Lockhart J, Northrop J dissenting) that s28 was not to be construed disjunctively. Moreover the Full Court in *Murray Goulburn* (at 380-383) adopted the construction of the majority in *Riv-Oland*, although, as already noted, their Honours considered that the circumstances in which a mark was “not otherwise entitled to protection in a court of justice” were not confined to “blameworthy conduct” on the part of the applicant for registration. (As also appears above, a determination of this issue was not part of the ratio decidendi of the High Court in *Murray Goulburn*.)

I conclude that I am bound by the decisions of the Full Court in *Riv-Oland* and *Murray Goulburn* to hold that the requirement of s28(d) is cumulative on s28(a).

Heery J makes no mention of the decision of Tamberlin J in *Cannon v Brook* so that it seems that two judges of the Federal Court at first instance arrived independently at the conclusion that the High Court had left open the matter of the issue of the operation of paras 28 (a) and (d) in opposition proceedings and that they were therefore bound by the decisions of the Full Court of the Federal Court in *Riv-Oland* and *Murray Goulburn*. This tribunal is similarly bound.

The evidence as to the conduct of the applicant in adopting its trade mark is contained in the declarations of Brian Hamersfeld and the graphic designers Maximillian (formerly Paul Reading) and Peter Bennett. Maximillian declares at para 8 of his declaration:

Now produced and shown to me and marked with the letter “O” is a copy of a picture of Bullwinkle which I recognise from having watched the Rocky & Bullwinkle cartoon series when I was young. I did not copy the Bullwinkle character when drawing the Applicant’s Moose, nor did I ever think of Bullwinkle when I drew the Moose Trade Mark or the body of the Applicant’s moose. The first time that I had seen the Bullwinkle character since * (sic) was in December 1996 when Gary Freed requested me to make a comparison between Bullwinkle and the Moose Trade Mark. It never occurred to me that anyone could believe there was an association or connection between the Applicant’s Moose and Bullwinkle or the companies associated with Bullwinkle.

Mr Bennett also declares in para 4 of his declaration:

Neither Mr Hamersfeld nor anyone else associated with the Applicant ever instructed me to copy or in any way duplicate the Bullwinkle cartoon character. Bullwinkle was never mentioned or alluded to by Mr Hamersfeld or anyone else associated with the Applicant. Mr Hamersfeld wanted the moose character to be unique and distinctive so that it would be associated with the Applicant’s products and not the products of any other company.

The evidence of Mr Hamersfeld himself, at para 5(a) of his declaration is in very similar terms:

In about October 1988, I instructed Peter Bennett, who worked as an in-house graphic artist for the Applicant to design a moose character which had a friendly comical and cool appearance and which could be readily identified with the Applicant's products. The moose logo which I used for clothing (exhibit BH2) was clearly not appropriate for a toy company. Now produced and shown to me and marked with the letters "BH4" are copies of the moose drawn by Mr Bennett. I did not at any time instruct Mr Bennett (or indeed any of the graphic artists who worked on the development of the Moose Trade Mark) to copy or in any way duplicate the Bullwinkle cartoon character. I wanted the Moose Trade Mark to be unique and distinctive so that it would be associated with all of the Applicant's products and not the products of any other company. It would not have been in the Applicant's commercial interest to be associated with any other company.

As against this evidence Mr Burly asked me to draw an inference of blameworthy conduct on the part of the applicant from the alleged similarities between the two moose characters and from the fact that Bullwinkle was the only well-known cartoon character of a moose. I am not prepared to draw such an inference in the absence of any evidence to suggest copying and in the face of the firm denials of Messrs Hamersfeld, Maximillian and Bennett.

It follows that even if I could find that the use of the applicant's trade mark would be likely to cause deception or confusion of a substantial number of persons and thus offend against s28(a) I could not be satisfied that the cumulative requirement of s28(d), that the applicant had been guilty of blameworthy conduct in the adoption and use of the trade mark or that the mark was in some other way disentitled to protection in a court of justice, had been satisfied. Thus the opponent's case under s28 fails.

Conclusion

I have found that the applicant is entitled to be considered the proprietor of the trade mark applied for in terms of s40 and that no objection to the registration of the trade mark arises under s28 of the Act. It follows that I must dismiss the opposition and direct that the trade mark be registered, subject of course to the opponent's right of appeal against this decision.

I award costs to the applicant.

Michael Homann
Hearing Officer

23 September 1997