



TRADE MARKS ACT 1955
DECISION OF A DELEGATE OF THE REGISTRAR OF
TRADE MARKS, WITH REASONS

Re: Opposition by Sony Music Entertainment Inc to the registration of trade mark application number 616271 in the name of Michael John Cardy.

Background:

The Trade Marks Office of AIPO advertised application 616271 as having been accepted for registration. The applicant is Michael John Cardy (“the applicant”).

The mark in question is as follows:



The applicant seeks to register that trade mark in respect of: “Recording discs, tapes, records and other apparatus for the transmission, recording, or reproduction of sound or images; and all other goods in class 9”. In simple terms, this includes a very wide range of electrical goods and goods for scientific purposes.

Registration of the application is opposed by Sony Music Entertainment Inc (“the opponent”) on various grounds. As set down 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, the provisions to which I will refer, below, are those of the 1955 act.

At the hearing the opponent advanced only three specific grounds of opposition.

Under s 40:

- That the opponent has a prior right to the mark in question.

- That the applicant does not use or intend to use the mark for all of the goods specified

and, under s 33:

- That the opponent has a prior registration, for essentially the same goods, for a trade mark which is at least deceptively similar to that of the applicant.

The opposition process has followed the course set out in the regulations. Both sides served evidence to support their positions and the opposition came on for hearing and decision by me, as a delegate of the Registrar of Trade Marks.

At the hearing, the applicant appeared and made his own submissions. The opponent was represented by Ms Ann Makrigiorgos, of the firm of Griffith Hack and Co, patent attorneys.

Some of the evidence relied on by the applicant was not overly relevant to the specific issues pursued by the opponent. Mr Cardy has made a survey, in a format resembling a petition. I must exclude this, as it was made under circumstances which are not in evidence. Mr Cardy said that it was intended partly to counter the evidence of the reputation of the opponent's trade mark. However, the opponent is not relying, in any way, on establishing a reputation. It relies, in defending its own position, on the simple facts of use in Australia for relevant goods, and of a registration for its trade mark in respect of those goods.

Likewise, the declarations of various traders, on whose opinions Mr Cardy sought to rely, are of little value to my decision here. They are mere statements of personal opinion. While no doubt genuinely held, and held by traders of some experience, the beliefs of a handful of such people do not greatly assist me in assessing the risks of confusion among traders and customers in general.

Having said that, I give equally little weight to the trade declarants on whose equally genuine, but diametrically opposed, views the opponent seeks to rely.

Proprietorship:

I will turn first of all to opponent's attack on the applicant's entitlement to claim to be the proprietor of the trade mark in question. The applicant, in terms of s 40, asserts that he is the proprietor of the trade mark. Given the definition in s 6, he thus asserts that he is the proprietor of a mark used or intended to be used for the purpose of conducting a trade in relevant goods in class 9.

Ms Makrigiorgos argued that the applicant's own evidence shows that the applicant's mark is not used or intended to be used for any trade in any goods in class 9. She argued that the applicant has only used the words "Legacy of Sound" as a business name and/or as the name of his band. She

argued, relying on *Levi v Wingate*, 26 IPR 215, that the applicant did not apply the mark to his goods to indicate either their source or their origin. It was used, at most, as a description of the artist or band featured on the cassettes which Mr Cardy distributes for the purpose of promoting his band, in the hope of securing a recording contract.

In support, she contrasted the applicant's cassettes, which are pictured in the evidence, with those made by prominent recording studios. She used the examples of DECCA, SONY and HMV. In such cases, she argued that it is always possible to see and distinguish the manufacturer and seller of the recording from the artist, with the name of the artist being always prominent on the cassette. That was consistent with the labels of other artists' cassettes which were pictured in the applicant's evidence. As Ms Makrigiorgos argued, it is possible to look at cassettes shown in the applicant's evidence and see that ARISTA is selling recordings of the singer Patti Smith, or that EPIC is selling cassettes of the recordings of Jamie Morgan. The pattern, she said, was consistent across the trade. In the applicant's case, on the other hand, she argued that the name LEGACY OF SOUND was being used only as the name of the group featured on the cassette, in a descriptive way, not as an indication of the source of the cassette.

Ms Makrigiorgos noted that such use in a descriptive way is not trade mark use. She relied on *Musidor BV v Tansing (t/a Apple Music House)*, (1994) AIPC 91-083. Briefly, that case was a decision of the full Federal Court, on appeal from an earlier decision of Beaumont J. Justice Beaumont had found that prominent use of the words "The Rolling Stones" in a particular manner was not an infringement of a trade mark, ROLLING STONES, registered for sound recordings in class 9. This was because the words in question were being used, on the recordings, only as an indication of the name of the band featured on the compact discs sold by Tansing. This was upheld on appeal, with Justices Gummow and Heerey holding that, on the facts of the case, the use was a normal and reasonable description of the content of the CD, but was not an indication of its origin.

From this, a failed infringement action, Ms Makrigiorgos argued somewhat further: that the use, on a recording, of the name of a group or band is, of necessity, not use as a trade mark. However, the facts of the ROLLING STONES case are unlike those of the present matter. The majority decision in the Federal Court turned on the fact that there was, in particular, a clear indication of the name Banana Label, the producers of the offending ROLLING STONES album. The judges also noted that there was no other reasonable way to indicate that the musicians featured on the recordings were in fact the Rolling Stones.

Mr Cardy and his band, on the other hand, do not have a recording contract with a studio. If the Banana Label or any other producer was to start promoting Legacy of Sound as a band, Mr Cardy would not need to promote his own band himself and the problem would not have arisen in the first

place. But the fact is that Mr Cardy does promote his own band. The name of the band is the only name appearing on the cassettes he distributes. The norms by which recordings of famous bands, released by major recording companies, are sold through regular trade channels, simply do not apply to the present case. As Gummow and Heery JJ noted in *Musidor v Tansing*, context is all-important.

Mr Cardy appears to be promoting, almost door-to-door, the recordings of his band's own work. LEGACY OF SOUND, used on the cover of his recordings when he offers those cassettes to the world, may be trade mark use. To put it simply, if Legacy of Sound is not the source of those cassettes, who is? The mark is able, if used as intended, to function as a trade mark. If done carefully, there is nothing fundamentally incompatible between the use of words as the name of a band and the use of the same words as a trade mark.

Perhaps, five years from now, a similar cassette, with a small but clear logo of, for example, Wombat Recordings on the cover, and sold through a record store, will not be judged in the same light. Perhaps then Mr Cardy will have to work harder to defend his claim of trade mark use, but for the moment I think the sort of argument relied on by Ms Makrigiorgos is likely to fail.

There is, however, a second level to Ms Makrigiorgos's arguments. She noted that there was no evidence that the applicant had ever sold a single recording or offered one for sale, and no evidence that he actually intended to sell any. She argued that the evidence all ran counter to such an intention, with the clear inference that the applicant's aim was not to sell recordings but to promote his band and secure a recording contract.

Mr Cardy asserted, at the hearing, that formal evidence of sales was available if needed. However, it was not and is not before me. This is because Mr Cardy had been unaware of its importance. Had the evidence been needed, the matter could have gone badly for the applicant. If an application fails because an applicant has ignored key issues of law until the hearing, so be it. There would have been no justification, at that point, for allowing an applicant more time to reinvent its case.

Without documentary evidence of sales, the closest the formal evidence comes is mere assertion, in Mr Cardy's own statutory declaration, that he has used the trade mark in question. He declares: "I have been using the proposed trade mark for ... selling to retail outlets and directly to the public for promotional and financial gain". He also declares that "The purpose of the trade mark is that it acts as a band or artist name and is currently used on sale cassettes ... as a form of advertising and identification".

It would, of course, be for the opponent to make a case, to the necessary degree, that the applicant neither uses nor intended, at the relevant date, to use the trade mark in trade. See, for instance, the TITAN case, *Titan Manufacturing Co v John Coyne*, 22 IPR 613 at 617. I understand the inference which Ms Makrigiorgos attempts to draw from the applicant's evidence. None the less, I do not think the evidence undermines the applicant's case. Although details of sales could potentially have strengthened the applicant's case, I think that there is sufficient in Mr Cardy's declared intent to allow me to dismiss this aspect entirely.

Moreover, if the opponent does have the beginnings of a case of lack of intent, it is not a strong one. Having heard Mr Cardy's submissions, I am satisfied that he has the intention of selling his recordings. It is quite clear that this is not his ultimate aim, and that he intends to be the manager and a member of a successful band with a recording contract. For the moment, however, he has "a resolve or settled purpose" to sell his recordings in any way he can. I find it likely that he had that intention at the relevant date, the date of application. Even though his submissions were not made on oath, I think they are sufficient to resist Ms Makrigiorgos's attempts to undermine his case using his own words in the formal evidence.

However, by the same token, I am satisfied that the applicant did not, and does not, intend to trade in most of the goods in class 9. If matters had not gone as they do in the reasons which follow, I would have required restriction of the goods specified to accord with what I understand to be Mr Cardy's intentions.

I think that the applicant can, aside from this, make a claim to proprietorship, for some at least of the goods specified. I must therefore determine if the opponent has a superior claim which would defeat the applicant's.

The trade mark the opponent has been using is precisely the mark it has registered. Ms Makrigiorgos dealt with the mark as though it was simply the word LEGACY, but it is not. As applied to the goods, the opponent's mark is as follows:



Additionally, the opponent has relied on exhibit C of its principal declaration in evidence. If a document described as "a computer print out showing its range of goods sold under the trade mark"

constitutes trade mark use, which I doubt, the opponent has also used the trade mark COLUMBIA LEGACY.

Ms Makrigiorgos conceded that only quite similar marks could give rise to competing claims of proprietorship. While various decisions of the Trade Marks Office have addressed this issue, the Federal Court is the best guide on the question - see *Karu Pty Ltd v Jose* (1994) AIPC 91-101. It seems to me, from that case and from the law as was there considered, that only substantially identical trade marks can give rise to conflict under s 40.

Is the applicant's trade mark substantially identical to the one applied for by the applicant? Ms Makrigiorgos argued that the words "of sound" do not affect the current proprietorship issue. She argued that the applicant and opponent are, to all practical purposes, in dispute over the same trade mark, LEGACY. However, I do not agree with this. It may be arguable that the applicant's and opponent's trade marks are deceptively similar, but they are not substantially identical, for reasons which I will now set down.

The pertinent tests are as outlined by Windeyer J. in the case of *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd*, (1963-64) 109 CLR 407. These are:

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 similarity that emerges from the comparison ...

I think it is obvious from the above and from decisions of this office, that "substantially identical" is a practical test, in which impressions still have a part to play. The matter is one of careful judgement as well as of comparison. "Substantially identical" is, in particular, not meant to indicate just "identical".

Even if the applicant's and opponent's mark did not appear as they do, even if the applicant's mark was simply the words LEGACY OF SOUND in ordinary script, I would not find the two trade marks to be substantially identical. I cannot discount the meaning of the words "of sound" in the combination "legacy of sound". Whatever a "legacy of sound" may be, the applicant's mark is not a substitute for "the LEGACY sound". A legacy of sound has an identity of its own, somewhat removed from the concept of "legacy" pure and simple.

When to this is added the appearance of the marks the case is clear. The applicant's and opponent's marks are not substantially identical.

However, given the following findings under s 33, the need for a restriction of the goods to properly reflect intended use, and hence proprietorship, is academic. Under other circumstances, it would have been possible to dismiss the opposition so far as it relates to proprietorship. That would have needed only a requirement that the goods be restricted to sound recordings, the only goods in class 9 on which the applicant has ever had the requisite intention to trade.

Section 33:

Here, the opponent relies on its prior registration of a trade mark incorporating the word LEGACY and a large letter L, in exactly the form I have reproduced above. The opponent hopes to establish, in terms of s 33:

Identical marks

33. (1) 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.

To this must be added the provisions of s 6(3):

For the purposes of this Act, a trade mark shall be deemed to be deceptively similar to another trade mark if it so nearly resembles that other trade mark as to be likely to deceive or cause confusion.

I have already said that I do not think that the applicant's mark is substantially identical to the trade mark used, in various forms, by the opponent. Since the goods covered by the opponent's registration, number 547089, specifically include audio-visual and sound recordings, there is an inevitable conflict of goods. For the purposes of s 33, it remains only to consider the question of deceptive similarity between the applicant's and opponent's trade marks.

Ms Makrigiorgos, in arguing that the opponent's mark was deceptively similar to the applicant's, reminded me that I must allow for imperfect recollection. She also noted that the sorts of deception or confusion envisaged by s 6(3) would include the wrongful expectation, on the part of a reasonable number of ordinary consumers, of some connection between what she called the two LEGACY labels.

Ms Makrigiorgos also reminded me that the word LEGACY is present in its entirety, prominent in both trade marks. She noted that such an argument, in the case of *7-Up v Bubble-Up* 9 IPR 259, had produced a finding of deceptive similarity. However, let me say at this point that the reasoning applied in that particular infringement case does not necessarily sit well with the assessment of

pending applications. See, in this respect, Shanahan's *Australian Law of Trade Marks and Passing Off*, second edition, p 171. And see *Tecmo Kabushiki Kaisha v Tokyo Denki Kabushiki Kaisha*, 1995 AIPC 91-177.

She also argued that, per *De Cordova v Vick Chemical Co*, the VAPORUB case, (1951) 68 RPC 271, adopting the essential or distinguishing feature of an earlier trade mark will lead to a similar conclusion. In that case, Lord Radcliffe noted that:

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.

This, I think, is at the heart of the present case. Ms Makrigiorgos's arguments are very relevant, though there are conflicting principles at work here. For all that the applicant's mark contains the entire of the word LEGACY, there is more to either mark than this. The visual aspects of both trade marks are very strong, and this must be balanced and allowed for, as Mr Cardy argued.

I must also allow for the various sorts of buyers: those in a hurry, those at leisure, those who have good memories and otherwise. Above all is the principle that, in making these allowances, the application must fail unless it is so unlike the opponent's that there is no reasonable likelihood of deception or confusion.

I turn, firstly, to the question of imperfect recollection or simple mistake. In the applicant's mark, the attention and emphasis are both directed at the word SOUND. That word is hardly distinctive of sound recording goods but, at the same time, the fact that it is present, as part of a composite memorable as "Legacy of SOUND", cannot be ignored. The thrust of this trade mark is that it is more than a few flourishes added to a Legacy trade mark. Even though the recording industry is given to vivid promotions of artists and to unusual or outlandish recording covers, the applicant's mark has a solid and memorable visual identity of its own. Nothing about it brings it close to anything which might resemble, to the eye, a fair or notional use of the opponent's registration.

I turn then to the second and perhaps more subtle question: is there is any particular likelihood that ordinary purchasers would expect an association between the goods bearing one trade mark and the person or firm who is the source of the other? Here, I think the case is not so clear-cut. People can mislead themselves in many ways, some of which may, while being entirely unintended by a trade mark applicant, be entirely reasonable. Where these are reasonable, s 33 is triggered. See Shanahan, p 181.

In the present case, in allowing for all notional or fair uses of the applicant's trade mark, I must envisage the application of this trade mark to compilations of older recordings or older music: rock anthologies, histories of jazz or of a particular jazz performer, re-creations of traditional folk music or whatever. This is a quite normal practice among recording companies and it is one of the norms against which the present applicant's intentions must thus be judged. This appears from the evidence to be the use that the opponent is presently making, although I give this no weight, other than as an illustration of the realness of the prospect. The word "legacy" does, after all, mean: "anything handed down by an ancestor or predecessor" (*Macquarie Dictionary*).

The fact that the current applicant intends, if possible, to be something other than a recording company is not to the point: the applicant has applied on the basis that he intends to trade in goods in class 9. Thus, I cannot discount the norms of the trade. This remains so, even though I realise that the applicant wants, in future, to do something else entirely and intends, even now, to conduct only a restricted trade in a very limited, door-to-door, niche. The test must be: "what can the applicant do if he obtains his registration", *Southern Cross Refrigerating v. Toowoomba Foundry*, 91 C.L.R. 592 at p. 595.

In such a hypothetical enquiry, a person familiar with the opponent's trade mark and encountering a retrospective album put out, hypothetically, by the applicant, would be at least confused, if not outright mistaken. For all that the words LEGACY OF SOUND weld the word LEGACY into a totality, that totality would be expected, by a reasonable number of customers or potential customers, to mark goods coming from the opponent. Once this entirely reasonable situation is allowed for, the application must fail.

I have therefore decided that there is a valid objection to the registration of this application in terms of s 33. I do not see that any sort of restriction of the application could overcome this problem.

Conclusion:

Given my finding under s 33, and that the problem cannot be put right by amendment, it is immaterial that I have also found a lesser and fixable problem under s 40. I am required to refuse to register the application, and this I do. Accordingly, I also award costs, in accord with the official scale, to the opponent.

T. Williams
Hearing Officer

16 July 1996