



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

Re: Opposition by Mobil Oil Corporation Limited to the registration of trade mark applications number 617735 and 617736 in the name of Reinsurance Australia Corporation Limited.

Background:

After examination, trade mark applications 617735 and 617736 were advertised by the Trade Marks Office as having been accepted for registration. The applicant is Reinsurance Australia Corporation Limited, which I will refer to simply as “the applicant” from this point.

The marks in question are:

617735



617736



The services covered by the applications at the time they were accepted were:

Insurance services including all classes of general reinsurance and underwriting; financial services including actuarial services, financial analysis, financial management, financial

advisory and consultancy services in this class, financial evaluation, financial assessment and appraisal investment services, risk assessment and management

Mobil Oil Corporation Limited ("the opponent") opposes registration of the applications on various grounds. The opposition process has followed the course set out in the regulations. Under the transitional provisions of the Trade Marks Act 1995, the provisions of, and regulations under, the former 1955 act continue to govern the matter.

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.

Just prior to the hearing, the the applicant restricted the statement of services of the application, to read:

Insurance services including all classes of general reinsurance and underwriting; financial services including actuarial services, financial analysis, financial management, financial advisory and consultancy services in this class, financial evaluation, financial assessment and appraisal, investment services, risk assessment and management; none of these services being provided by service stations or related to the supply of oil, petrol, gas or related goods and services provided by service stations.

Towards the close of the hearing, in the light of the argument put by the opponent, the applicant made a further concession. It foreshadowed that it would restrict its services to:

Reinsurance services; financial services related to reinsurance.

That has now been done, and it is on that basis that the opposition is to be decided.

The applicant was represented at the hearing by Anthony Franklin of counsel, instructed by the applicant's solicitor, Michael O'Connor, of the solicitor firm Phillips Fox. The opponent was represented by its patent attorney, Malcolm Bell, of the firm of Phillips Ormonde and Fitzpatrick.

Evidence

Applicant's request to allow further evidence

At the hearing, the applicant sought permission to file and serve further evidence. I heard both sides on that question and gave my decision to exclude the additional evidence. I have already given the parties my reasons but I will now set them down for the public record.

The material that the applicant sought to adduce goes to the convergence of the financial and reinsurance industries "in the period since Mobil lodged its Notice of Opposition". The applicant

decided that there was no need to bring the additional material into its evidence in answer because it believed that the opposition could be resolved.

Mr O'Connor argued that, in terms of the *Oxon Italia SpA's application*, [1981] FSR 408, the importance of the evidence would counterbalance a failure to serve it at the proper time. As Mr Bell argued in reply, that would be a strong basis only if the evidence was of particular import. However, I agree with him that it is not. All it tends to show is that, since the time the application was opposed, reinsurance services have become more specialised and less open to little players and generalists. There are three problems with the new evidence.

Firstly, as I see the matter, the applicant argues that, since opposition was commenced, the risks of deception and confusion have been somewhat reduced as the market for its services becomes more specialised. However, the extent to which that has happened still appears to be entirely conjectural. Even if the market has changed to some degree, there is no convincing evidence that the change has been even and consistent over substantially the entire market.

Secondly, there is no evidence about the extent to which the specialisation will reduce the incidence of deception and confusion that is at issue in this matter. Instead, the applicant has relied on a further elaboration of its basic tenet: that those in the trade simply wouldn't expect the opponent to be in the same business as the applicant in the first place, and that the more specialised the trade becomes, the truer this grows. Given the plain fact of the opponent's registration, that speculation is quite irrelevant. So long as that registration exists, it must be given full weight. The opponent is, notionally, in precisely the same trade as the applicant.

Finally, the applicant attended at the hearing knowing that it was still seeking a broad claim of services: insurance services in general. That broad claim rendered the evidence as to the increased specialisation of a particular segment of the insurance industry, the reinsurance business, irrelevant. The applicant did not seek to restrict its services until after I had given my decision on the further evidence and until, even beyond that, the opponent had made its submissions. I do not think that I can, or should fairly, reverse my decision simply because the applicant has discovered, after a first amendment of the scope of the application on the eve of the hearing, that it can find scope and preparedness to further reduce its claim. The applicant wants it both ways; it wants all the benefit of things that have emerged only during the opposition process, while seeking a broader claim than its own evidence may tend to justify. I do not think that such a haphazard approach, which inflicts costs on all users of the system, should be rewarded. If this places the applicant's claim to registration at risk, that is a problem of the applicant's own making. The possible failure of these applications, in such a situation, cannot result in bad registrations and therefore cannot be in any way detrimental to the public interest in the reliability of the register.

My discretion to allow in further evidence is broader than in *Oxon Italia*, supra, as is discussed in *Studio SrL v Buying Systems Aust Pty Ltd* (1992) 22 IPR 580. For all that, I do not think the applicant has made a case in the present matter. The evidence that I am able and prepared to consider is therefore that which the parties served at the appropriate stages.

Opponent's evidence

The opponent relies on the evidence of Derek Leong, its Managing Counsel and Company Secretary. Mr Leong refers to a relevant registration in the name of the opponent.

That registration is number 327772 and is for the following trade mark:



That trade mark is registered in class 36 for the following services:

Insurance and financial services, being accident insurance, banking, insurance brokers, capital investment, organising of charity collections, advice regarding credit, financial transactions, financing, insurance, leasing of real estate, including leasing of service stations, investing of wealth - all being services included in this class

Much of the opponent's declaration goes to establishing the strength and extent of its reputation. However, s 33, on which this application can readily be decided, does not depend on reputation. I will therefore not need to deal any further with the evidence as it relates to the scope and depth of the opponent's reputation.

The opponent also relies on by 14 declarations by named individuals. These constitute a mini-survey and I will refer to them now, if only to dispose of them. They are made by people who are identified by name and address and who sign their names to the following statement, with my own paraphrasing in italics where appropriate:

1. I have been shown (*representations of the opposed trade marks*). I recognise these to be the flying horse trade mark of Mobil Oil Corporations ("Mobil") which is well known to me.

2. If I saw either device used in relation to (*the services specified at the time the application was accepted*) I would associate those services with Mobil.

In statistical terms, the worth of any such survey of a mere handful of declarants is minimal. I also reject the present survey as having been badly constructed. The final sentence of the first paragraph is, in the absence of any explanation of how the declarations were obtained, clearly and obviously leading. I can give such a flawed survey no weight at all as establishing likely perceptions of the public, or the relevant trade.

Mr Bell argued that, even so, I could give the declarations some value as illustrations of how deception or confusion might arise. I accept this, but give them little weight even in that capacity. The declarations illustrate how people might be confused but they do not establish the likelihood that they will be.

Applicant's evidence

The applicant, for its part, relies on the declaration of Anthony Crossley, its Company Secretary. His declaration establishes that: reinsurance is "a professional market which relies primarily on personal contact and skills rather than any form of image marketing. The applicant has no dealings with the general public, only with large insurance institutions and brokers". In simple terms, reinsurance is the sharing around of large risks. It is analogous to hedging bets but, according to the evidence, is done to limit the impact of risks where these are concentrated in a particular geographical area or type of business.

Mr Crossley declares that the device elements in the mark were adopted to combine Pegasus, a Greek symbol of strength, with the Southern Cross, a symbol depicting the New World. The marks are said to have been first used in November 1993, only one month before the opposed applications were filed. However, what Mr Crossley means by use is not clear. The applicant was not listed on the stock exchange until December of that year. It is quite possible, therefore, that the "use" of which Mr Crossley speaks was not extensive use, or not use in trade at all, in November. I give Mr Crossley's assertion that "the mark first appeared in commerce at the end of October 1993 when the Applicant took delivery of its letterhead" no weight at all on the question of the first public use in conducting a trade in reinsurance services. The mere possession of stationery does not establish anything about the use, or the extent of the use, to which that stationery is put.

The applicant "is listed in the July 1996 Standard and Poor [sic] Rating Agency's listing of top 100 global reinsurers by premium and capitalisation". A selection of newspaper and magazine references makes it reasonably clear that the applicant is indeed well known, now, in its field. However, let me state now my assessment that the evidence does not show the device elements of the opposed trade marks to be well known. Aside from the applicant's stationery, there is no evidence suggesting that

the device elements have become well-known in the reinsurance business. How extensively this stationery was used in the "personal contacts" to which the applicant refers is not clear. In summary, it is impossible to say, from this evidence, that the trade mark devices, as distinct from the word ReAC, were widely known at the time of filing or that this has happened since then.

The evidence establishes that the applicant company is newly floated but apparently well known under the trade mark ReAC. It does not establish that this reputation in ReAC extends beyond reinsurance to "financial services related to reinsurance". Nor does it establish that the present marks, with their Pegasus device, have coexisted, in extensive use, with the opponent's mark. The applicant's reputation, on the evidence before me, resides in its name, not in its Pegasus trade mark.

Issues and Decision

Mr Bell relied on s 33(2):

Subject to this Act, a trade mark is not capable of registration by a person in respect of services 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 services, of services of the same description as those services, or of goods that are closely related to those services, 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.

It is common ground that the services specified in the opponent's registration directly overlap those for which the applicant seeks registration.

Mr Bell did not allege that the competing marks were substantially identical. As he approached the case, the issue is one of deceptive similarity. He argued, quite correctly, that what is relevant is the impression that will be made on a person who encounters the previously unknown mark in the absence of the known one. As Shanahan notes at p 152 of *Australian Law of Trade Marks and Passing Off*, the context is one of notional or hypothetical use of the applicant's mark for any relevant services, having regard to the opponent's right to use its trade mark for any goods covered by its registration. Any fair and reasonable possibilities open to either side must be considered.

As to the relevant standard, Mr Bell noted cases as diverse as *Saville v June Perfect* 58 RPC 147 and *Dial-an-Angel Pty Ltd v Saggitaur Services Systems Pty Ltd* 19 IPR 171. He noted the differences in competing marks in the latter case, and in the present case also. However, as Mr Bell approached the matter, the device of Pegasus was a common essential feature of the competing marks, making deception or confusion inevitable.

In *Dial-an-Angel*, Wilcox J was considering the importance of common features and their balance with distinguishable features. He noted a proposition of long standing: "a man infringes the mark of

another if he seizes upon some essential feature of the plaintiff's mark". Wilcox J qualified this as follows:

Perhaps that statement should be read subject to a qualification that the similarity of an essential feature may be negated by another feature which tellingly distinguishes the two marks. But this will ordinarily be difficult, for the reasons spelled out in *Jafferjee*. (*Jafferjee v Scarlett* (1937) 57 CLR 115)

In that context, he portrayed the competing marks as differing only in "identifiers added to the opponent's flying horse trade mark", leaving it, at the end, still the opponent's mark.

Mr Franklin, for his part, argued that *Dial-an-Angel* had been decided on the presence of a "common idea" - a principle also in *Jafferjee v Scarlett*, to which Wilcox J referred. As Mr Franklin argued the matter, there was more to it than this. The cases where a common idea had been found and the marks were not distinguished by the differing elements were ones where there was a common "storyline". The storyline in *Dial-an-Angel*, he said, was "an angel caring for children". In another case, *Taw Manufacturing Co Ltd v Notek Engineering Co Ltd* (1951) 63 RPC 271, the storyline was of two cats' faces with headlights for eyes. Again, in *Application by Danish Bacon Co Ltd* (1934) 51 RPC 148 the storyline was "three pigs" and it did not save the application that the three pigs were, as a group of three, incorporated into a trade mark with a fourth and much larger pig.

Mr Franklin's submission was that, in the present matter, there was no such storyline. Here, the opponent's mark is Pegasus; the applicant's mark is Pegasus with a Southern Cross. He argued that it is of no great weight that the competing marks both incorporated a Pegasus device. In such a case, the Southern Cross device, either with or without the word ReAC, would distinguish the competing marks.

Mr Bell countered in terms of *Sym Choon and Co Ltd v Gordon Choon Nuts Ltd* (1949) 80 CLR 65 at p 78. In that case, Williams J puts the matter in the following terms:

The basic principle is that the proposed mark must be so unlike the rival mark that it is not reasonably probable that a purchaser who knows of the latter and has an imperfect recollection of it is likely to be confused.

Mr Franklin suggested that there was evidence that the competing marks are used in different markets for entirely different types of financial services. That is not to the point: under s 33, I must assume that the two marks may be used for the services specified in, on the one hand, the opponent's registration and, on the other, the applicant's latest proposed statement of services. The

comparison is a notional one, unlike that under s 28. See *Johnson and Johnson v Kalnin* (1993) 26 IPR 435 at 440.

Under s 33, I cannot allow for the opponent's reputation, on one hand, or for the fact that it may choose to use its registered trade mark in particular ways - or even not use it at all. Were I to accept Mr Franklin's argument, Mobil would gain less benefit from its registration than would a completely unknown registered owner. This flies in the face of the entire purpose of s 33, and the insistence of the courts that the matter be one of notional comparison. I refuse, therefore, to accept the argument that sophisticated buyers, whom I accept are likely to be fairly common in the reinsurance industry, will know, or eventually come to know, Mobil's Pegasus from ReAC's device of a Pegasus and Southern Cross. That may indeed be the factual situation, but it arises outside the scope of s 33.

I do not think I need to do more to elaborate the positions of the two representatives. I agree with Mr Bell that the Southern Cross device in the applicant's mark, while being by no means commonplace, is readily explained as being a reference to the Southern Hemisphere. Its presence in the applicant's Pegasus mark will not significantly reduce the otherwise high notional likelihood of deception or confusion. I simply do not accept Mr Franklin's argument that the Southern Cross device, either alone or in conjunction with the trade mark element ReAC, will "clearly and tellingly" distinguish the applicant's services, under the marks in question, from the services which I must assume may be provided by the opponent under its Pegasus mark.

The section 33 ground relied on by the opponent is therefore established.

Conclusion and Costs

I find that both trade mark applications are deceptively similar to the opponent's registration, and that the opposition, in terms of s 33, is made out. My decision is to refuse to register the applications.

Mr Franklin was highly critical of the fact that the opponent elected not to pursue any grounds of opposition other than s 33. He argued that, in such a case, many of the grounds of opposition had failed and that this should affect the award of costs. Mr Franklin noted that he had prepared argument on s 28, in particular, and that this was now wasted because of the tactics of the applicant. I do not agree. It is true that the opponent, in filing its evidence, laid the basis for an opposition under, among others, s 28 as well as s 33. However, such issues are notoriously complex and I think it would be wrong to say that Mr Bell is to be criticised for, at the finish, keeping matters to a single winning issue. By so doing, he has reduced the cost of the hearing. It was open to Mr

Franklin to discuss the case with Mr Bell, as one professional to another, just as it was open to Mr Bell to notify the applicant that this was to be the case. In the lack of such communication, the burden of full preparation falls on both representatives.

The opponent has succeeded outright and the basic principle is that costs should follow the cause unless there is some reason why that would be unjust or unreasonable. The opponent in this case is entitled to its costs. Those costs, which include the time lost in the failed attempt to adduce further evidence, should be paid by the applicant to the extent set by the scale in the regulations.

T. Williams
Hearing Officer
24 February 1999