



TRADE MARKS ACT 1955

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

Re: Opposition by NUTRI-METICS INTERNATIONAL HOLDINGS PTY LTD to registration of trade mark application number 618852 in the name of FOUNTAIN LIFE PRODUCTS (AUSTRALIA) PTY LTD

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 618852 was lodged on 20 December 1993 in the name of Fountain Life Products (Australia) Pty Ltd (the applicant). The application was for the registration of the trade mark, shown below, for a statement of goods in class 5 which was subsequently amended to read:

"Vitamins; herb teas; herbal preparations and products in this class; amino acid products and preparations in this class; dietetic foods and food products in this class; preparations of medicinal herbs, oils and teas for consumption; mineral products and preparations in this class for consumption; food supplements in this class; sport and body building supplements in this class".



The trade mark was advertised as accepted in the *Australian Official Journal of Trade Marks* of 12 January 1995.

Notice of opposition to the trade mark's registration was lodged on 11 July 1995, by Nutri-Metics International Holdings Pty Ltd, (the opponent). The notice of opposition listed many grounds but the only matters which were later pursued at the hearing were under s.28 of the Act, that the use of the trade mark would be likely to deceive or cause confusion and that it would not be entitled to protection in a court of justice; and under s.33(1), that the present trade mark was substantially identical, or deceptively similar, to a prior registered trade mark owned by the opponent for the same goods, or goods of the same description.

The service and lodgment of the evidence in support and answer from the respective parties were completed by 12 September 1996. There was no evidence in reply. The opponent requested a hearing in the matter and it came before me, as a delegate of the Registrar, in Canberra. Mr Sean McManis of Spruson & Ferguson appeared on behalf of the opponent. The applicant was represented by Mr John Waters of Phillips Ormonde & Fitzpatrick, who appeared by telephone.

Evidence

Evidence in Support

Statutory declaration by Keith Arthur Finikin dated 5 February 1996 and Annexures A and B

Statutory declaration by Sean Francis McManis dated 21 February 1996 and Annexures A and B

Evidence in Answer

Statutory declaration by Foon Wing Kam dated 26 August 1996 and Exhibit FWK1

Statutory declaration by John Andrew Waters dated 11 September 1996 and Exhibits JAW-1 to 3

Submissions

At the hearing, Mr McManis, on behalf of the opponent, said that he would only be pursuing the grounds of opposition that the present trade mark was substantially identical to the opponent's trade mark in respect of goods of the same description as the goods for which the opponent's mark was registered, that use of the trade mark by the applicant would be likely to deceive or cause confusion, and that the applicant had engaged in blameworthy conduct sufficient to disentitle the mark to protection in a court of justice.

He said that, in relation to the s.33 ground, that the opponent was relying upon its own trade mark NUTRI-RICH, which was registered as number 537167, for all goods in class 3. He argued that the two marks were substantially identical or, at least, deceptively similar and he referred for support to the words of Windeyer J in *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*, (1961) 109 CLR 407. He said that the opponent's trade mark and the presently applied for mark would be treated as a series by the Office if they had been lodged concurrently by the same party, because the marks shared an essential feature. He said that the presence of other material in a trade mark would not preclude it from being at least deceptively similar to another mark, even if the shared material was disclaimed. He referred for support here to several cases, including: *Golden Crumpet Co Australasia v Hardings Manufacturers Pty Ltd* (1987) 8 IPR 147, *The Garden Company Ltd vs Gardenia Overseas Pty Ltd* 27 IPR 237 and *R & C Products Pty Ltd v Bathox Bathsalts Pty Ltd* 21 IPR 547.

Mr McManis turned to the issue of whether the goods covered by the respective marks were those of the same description. He referred to the relevant principles in determining this and to the leading cases which had considered the topic listed at pp.191-192 of *Australian Law of Trade Marks and Passing Off* (Second Edition) by D.R.Shanahan. He said that these principles could be broken into three broad areas: the nature of the goods; the trade channels, including where and how they were purchased, and how they were marketed and the class of the customers for them; and the usual industry practice, consumer expectations and the rights of trade mark owners.

With respect to the nature of the goods, Mr McManis said that the respective statements were quite broad, with the class 5 goods, as listed, of the applicant versus the opponent's registration for all goods in class 3. He said that particular consideration should be given, in comparing the sets of goods, to such goods as cosmetic preparations for skin care, slimming purposes, cosmetic creams and toiletries, and essential oils used in aromatherapy. Many of these were natural products intended for general good health. He said that these could be considered as goods of the same description as those included in the present statement, especially given that not all of the applicant's goods were limited to those which were ingested. He referred here to several cases, including *Vono Ltd's Appn* (1949) 66 RPC, with respect to the comparison of medicated and unmedicated toilet preparations, and a US decision, *Pharmavite Pharmaceutical Corporation* 193 USPQ 511, which found that use of similar marks on vitamin capsules and skin creams was likely to cause confusion. He submitted that the market conditions in the USA were similar to Australia. He further said that many skin care products and other class 3 goods are enriched with vitamins and minerals which have significant therapeutic and beneficial effects, adding that the evidence showed that it was common for skin care treatments to involve a combination of creams and supplements, such as antioxidants. He also said that many herbs were used for both medicinal and cosmetic purposes, pointing to a number of references in both sides' evidence regarding goods being intended for general health and well being, in addition to being for care of the skin and hair.

Mr McManis said that both sets of goods were commonly sold through the same outlets and this was supported by the evidence. He said that all of the goods were marketed to the same class of customers, more commonly women, because of their interest in beauty and body care, and their general responsibility for family health. He said that the goods concerned were for general use and were not high cost, highly technical or specialised. He submitted that these goods were usually offered for sale in self service outlets, relying upon buyers readily making a distinction between the respective trade marks.

Mr McManis said that the Finikin declaration in the evidence was a good example of the usual industry practice as it related to the goods in question and it was clear that the range of goods sold by the applicant fell into that marketed by the opponent. He referred to the words of Burchett J in *Polo Textile Industries Pty Ltd and Anor. v Domestic Textile Corporation Pty Ltd* 26 IPR 246 at 259 regarding the use by two different parties of a mark on goods of the same description. He said that there was an onus on an applicant to establish that a mark should be registered - especially for such a wide range of goods as here and that any doubt should therefore favour the opponent - *Dunn's Trade Mark* (1890) 7 RPC 311 (HL). He said that the applicant had applied for the same mark in class 3 to cover the same goods as were included in the opponent's own registration and had agreed to its association with the class 5 mark. He said that the declaration by Foon Wing Kam went towards showing the links between cosmetics and food supplements in the applicant's business dealings and in the market place generally. He said that the notional use of all of the goods of the applicant's and opponent's respective marks should be considered in deciding whether they were, having regard to all of the circumstances, goods of the same description.

Mr McManis said that, despite opposition to removal action continuing in the case of the opponent's trade mark registration number, 537167, there was no need to delay a decision in the present instance. The matter in the present case was entirely separate to the attempted removal of the opponent's trade mark registration and the date that the situation needed to be looked at here was that of the present application for registration.

With respect to the opposition under s.28 of the Act, Mr McManis said that use of the present mark would lead to deception and confusion given the widespread reputation of the opponent's trade mark. He said that he was mindful of the current Office practice that blameworthy conduct by the applicant needed to be shown, in addition to the likelihood of deception and confusion, before an opposition could be successful on this ground. He said

that this conduct was evident in the choosing of a mark which was the same as the opponent's because of it being so well known. This meant that the applicant had deliberately copied the opponent's trade mark. On the matter of blameworthy conduct, he referred for support to the Office decision, *Sporoptic Pouilloux v Arnet Optic Illusions Inc* 32 IPR 430, where the actions of the applicant had been considered by the delegate to be blameworthy.

He concluded his submissions by seeking costs in the matter in favour of the opponent.

In his submissions in reply, Mr Waters first addressed the s.33 ground of opposition. He referred to the comments of Mr D.R. Shanahan at pp.191-192 of his book, *supra*, regarding the considerations in determining what were goods of the same description. He said that two of the first of these were the nature and characteristics of the goods. Here, the goods to be compared were the specific goods in class 5 covered by the present application and the statement covered by the opponent's mark comprising all goods in class 3. He said that this was the only matter for consideration which could be made and no reliance at all could be placed on the applicant's now lapsed class 5 application. He said that, apart from the common chemical nature of the goods, there was a marked contrast between the nature of the respective statements. He submitted that the applicant's products were natural goods specifically intended for ingestion to improve one's health and the opponent's class 3 goods were generally manufactured goods for intended for topical application to an animate or inanimate surface. Therefore, there was an inherent characteristic difference between the goods. He disputed Mr McManis' reliance upon the US decision, as he said the various circumstances there might differ from the Australian environment. He said that, in any case, it was clear from that decision that the goods considered there had the same vitamin ingredient which was not necessarily so here. He also disputed the opponent's reliance on the *Vono* case, *supra*, as the goods compared there were closer in nature.

With respect to the origin and distribution of the goods, Mr Waters said that, apart from larger manufacturers, the makers of the respective goods tended to be of a specialist nature. In considering the sale of the goods, ie where the goods were sold and the type of customer, he said that, although the evidence did show that some class 3 goods were sold in the same shops as sold the applicant's goods, the nature of those shops and the customers who frequented them should be considered. These shops, he said were usually specialist in nature and the proprietors of them had a duty of care to their customers to point out the differences in the goods. Similarly, the customers of such outlets would be discriminating and would not confuse the goods. This was especially so as the goods were, in the case of the opponent's goods, for application, or in the applicant's case for ingestion. He said that people who bought the respective goods made such a distinction every time they went to the bathroom cupboard.

Concluding his submissions on this ground, he asked that, if I did find that the present application failed on this ground because of the existence of registration number 537167, then I should only issue an interim decision pending the outcome of removal proceedings currently being taken against that mark.

In relation to the s.28 ground of opposition, Mr Waters said that the comparison was between the likely use of the trade mark applied for and the reputation of the opponent's trade mark. He said that, while the opponent had an undoubted reputation for skin care products, the reputation as it related to its mark NUTRI-RICH was limited to only those particular skin care products shown in the opponent's evidence. This use, on facial scrub and facial oil, represented only a limited number of goods in a wide range, while the applicant's goods, in contrast, were only intended for ingestion,. He said that the evidence also showed that the opponent's goods were sold by direct marketing and that this lessened the possibility of deception and confusion.

Mr Walters said that he was aware that it was now Office practice for paragraphs (a) and (d) of s.28 to be read conjunctively. This meant that the opponent needed to be shown to have engaged in blameworthy conduct, in addition to the likelihood of deception and confusion occurring. Here, no such conduct had been shown. He said that the declaration by Foon Wing Kam showed how the trade mark was selected for use by the applicant and he pointed to the list of NUTRI- marks already on the Register.

He closed his submissions by seeking costs in the matter in favour of the applicant.

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.

In considering the question of whether the 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, the marks owned by the opponent.

To judge whether the subject mark is substantially identical to the opponent's mark, it is necessary to carry out a straight comparison of the two marks. As submitted by Mr McManis, the pertinent tests are as outlined by Windeyer J. in the case of *Shell Co (Aust) Ltd v Esso Standard Oil (Aust) Ltd*, supra. 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 ...

When the marks in question here are compared side by side, they have distinct differences which are readily observed. The applicant's mark comprises the conjoined word "NutriRich", together with the devices of a mountain scene in an inverted triangle with scroll. On the other hand, the opponent's mark is comprised of the hyphenated word, NUTRI-RICH, solus. Despite having the obvious common elements of the words NUTRI and RICH, the additional material in the subject mark is sufficient to differentiate it from that of the opponent. Having applied the test of *Windeyer J*, I therefore find that the marks are not substantially identical and move on to decide if the marks are 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 net impression inferred 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.

Here, the situation relies upon the so-called "imperfect recollection" of the marks in the market place. In the present case, there has been no evidence adduced of any instances of actual confusion occurring. I will therefore have to consider the matter from a theoretical

viewpoint. The additional material in the present mark is significant but, in my opinion, it is the word in the disputed marks which would be remembered by those purchasing the respective goods. Therefore, I do think it highly likely that the present mark would be referred to as the “NUTRIRICH” mark. Therefore, despite the additional material of the mountain scene with trees and the inverted triangle, it is quite probable that a verbal request for goods of either party could lead to confusion and deception. I think that this instance is very similar to that outlined in the *Golden Crumpets* case, supra, where it was found that similarities between the verbal features of two marks might give rise to confusion, notwithstanding that the accompanying devices are entirely dissimilar. Therefore, if a customer was exposed to goods bearing the opposing marks in the same market place, it would be highly likely that he or she would be deceived into thinking that they shared a common origin. This is despite the fact that the applicant had agreed to disclaim that word, as it arguably had a reference to the goods. I think the words of Mr Shanahan at 221 of his book, supra, are applicable in this instance:

However, under s.33...(the) Registrar is concerned only to ascertain whether the marks are substantially identical or deceptively similar and not with the limits of the proprietor’s statutory monopoly, and may therefore regard two marks as being in conflict even where they correspond only in some element that has been disclaimed in the prior mark

I therefore find that the trade marks here are deceptively similar and move on to consider whether the goods covered by both trade marks can be considered as being those of the same description. While the classic tests, as outlined in *Jellinek's App'n* (1946) 63 RPC 59, comprise the nature of the goods, their uses and trade channels, Mr McManis added some refinements in his submissions which could be useful in helping to determine the matter.

With respect to the nature of the goods, there are obvious differences. On one hand, the applicant’s goods generally comprise products which are ingested for the intention of improving one’s health or general well being. However, a literal reading of the statement does reveal some items which could fall outside this description. The opponent’s goods, covered by registration number 527167, are all of those covered by class 3. The class heading there reads:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

Mr McManis has pointed to the evidence to show some overlaps of the two sets of goods, especially in relation to herbs which, increasingly, could be either used for medicinal, therapeutic, flavouring, cosmetic, or aromatic purposes. He has also referred me to examples of where cosmetic creams and ingested supplements such as anti-oxidants and oestrogens are intended to be used concurrently.

Most importantly, the respective statements of goods are very broad. I am aware that, in the case of *Hermes Sweeteners Ltd v Hermes* 17 IPR 382, it was found that the class 5 goods of the applicant and the class 3 goods of the opponent were not of the same description. However, the statements of goods covered by the marks involved there were very specific, being “Dietetic foods, but excluding any goods consisting of or comprising olives or edible oils, such as olive oil” in the applicant’s case, and “Soaps, perfumery, essential oils, cosmetics and hair lotions, and toilet preparations and shampoos”, for the opponent’s two marks. Mr Walters has asked me to consider the differences between the “natural” products intended for ingestion sold by the applicant and the “manufactured” goods intended for topical application sold by the opponent. However, as I have said, there appear to be exceptions to these descriptions, especially given the current trend for “naturally produced” soaps, perfumery, essential oils, cosmetics and hair lotions, and also given the competing statements of goods which are quite wide in scope. I therefore conclude, in the present case, that there are some goods contained in the opponent’s and applicant’s statements which might be considered to be of the same nature.

With respect to the trade channels of, and the customers for, the respective goods, I think it is clear from the evidence that the kinds of goods sold by both parties are advertised side by side in magazines and at the point of sale in health food shops, pharmacies and the like. I think it is also true that the class of customers for both sets of goods would be the same - persons interested in the health and well being of themselves and their family. I have also considered Mr Walters’ claim that the opponent is a direct marketing organisation and does

not sell its goods through normal retail outlets. However, I must consider the terms of section 33 in light of the notional use of the applicant's trade mark on the full scope of these goods and it is not inconceivable that the goods of both parties could, in the future, be offered side by side. It is my own experience that similar goods to those of the parties in dispute are sold in self service health food shops, where the only contact with staff is at the cash register. I have also considered the US decision, *Pharmavite Pharmaceutical Corporation*, supra, with respect to the comparison of vitamin capsules and skin creams in determining the likelihood of confusion. Whilst I am not bound by any decisions emanating from that country, I am of the opinion that the markets for the respective goods there are similar to those in Australia. Therefore I believe that the same degree of confusion could ensue regarding the source of goods of the same description offered under deceptively similar marks.

For the foregoing reasons, I find that the present trade mark is deceptively similar to that of the opponent's registration for goods of the same description. Therefore, the s.33 ground of opposition is successful.

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, at 608:

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 Mulsyn Paint and Chemicals* (1963) 109 CLR 300. In assessing the reputation of the opponents' mark in Australia, the relevant date is the date of lodgment of the opposed application, 20 December 1993 - *Southern Cross*, supra.

I have already found that the present trade mark is deceptively similar to the opponent's registration for goods of the same description. However, the evidence shows that the opponent only has a limited reputation for its registration in relation to skin products, namely facial scrub and a skin oil. This limited reputation for two goods from a very wide range means, in my opinion, that there would not be a "substantial number of persons" who would be caused to wonder whether the goods emanated from the same source.

For the foregoing reasons, I find that the opposition fails in relation to the ground under s.28(a). There is therefore no need for me to continue with the discussion as it relates to s.28(d). However, as both parties made lengthy submissions on this ground, I will continue.

Following the High Court decision in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Ltd* 18 IPR 385, the *Moo* 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 - that is, that all paras of s.28 should be read together. That interpretation has been accepted by Tamberlin J in the recent case of *Canon Kabushiki Kaisha v Brook & Ors*, 1996 AIPC 91-268. 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 be entitled to protection in a court of law for the opposition to be successful on this ground.

However, there is nothing before me to show that there has been any blameworthy conduct on the part of the applicant nor any other circumstance which would disentitle the mark to protection in a court of justice. I do not regard the selection of the present mark to have any

sinister connotations. Given the opponent's limited reputation for its goods, it is highly unlikely that the applicant even knew about the opponent's registration when it chose its mark. Mr McManis said that blameworthy conduct also resided in the applicant not having carried out a proper search of the Register for deceptively similar marks. However, the applicant may have genuinely believed that its goods were not of the same description as those covered by the opponent's registration, despite any similarity of the words in the marks. Accordingly, I cannot agree that there was anything untoward in this process. I find, therefore, that the requirements of para 28(d) have also not been made out. The opponent's case in terms of s.28 must therefore fail.

Conclusion

I have found that the opponent has failed on the s.28 ground, because the subject trade mark has not been shown to be likely to deceive or cause confusion to a significant number of persons, or that it would not be entitled to protection in a court of justice. However, I have found that the opposition succeeds in terms of s.33, because the trade mark is deceptively similar to that of the opponent's registration for goods of the same description. It follows that the opposition as a whole succeeds and I therefore refuse to register the application. I do not see any reason why this decision should not issue pending a finding in the removal action being brought against registration number 537167. I am of the opinion that the matters being considered here, and in that case, are different and should not be dependent upon each other.

Costs

I can see no reason why costs should not follow the event and I award costs in the matter of the opposition proceedings to the opponent.

Ian Forno
Hearing Officer

28 August 1997