



## TRADE MARKS ACT 1955

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

#### **Opposition by REEBOK INTERNATIONAL LIMITED to the registration of application No 619166 in the name of MAN LI ZHU**

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**

The applicant, Man Li Zhu, lodged trade mark application 619166 on 22 December 1993 seeking registration of the word RECDOK in respect of footwear. The trade mark was advertised in the *Official Journal* on 29 September 1994 as having been accepted for registration. Such registration has been opposed, accordance with the provisions of s 49 of the Act, by Reebok International Limited, (“Reebok”), on 29 March 1995. Reebok relied essentially on grounds coming within ss 40, 28 and 33 of the Act.

Reebok’s service of its evidence in support of the opposition was completed on 29 March 1996. It consisted of a statutory declaration of John Breed Douglas III, a director of Reebok. No evidence was served by the applicant within the time prescribed and the hearing of the matter was set down for 22 October 1996 in Sydney. Mr Gerard Skelly of Baker & McKenzie, solicitors, appeared for Reebok. The applicant did not appear.



Reebok is the registered proprietor of two trade marks covering articles of footwear:

- the word REEBOK in plain block capitals, registration number 483627, and
- the following mark, no 340859:



Reebok's predecessors first used the trade mark in England in 1960 in respect of shoes and other articles of clothing. Use has continued, and developed in many other countries throughout the world. The trade mark is registered in more than one hundred and fifty countries. The mark has also been widely advertised throughout the world. In Australia the mark has been used since 1983 on footwear as well as sports bags and sports clothing and has been extensively advertised.

Mr Skelly opened his submissions by stating that the opponent relied on three main grounds: proprietorship of the mark in suit; that the applicant's mark was substantially identical with, or deceptively similar to, the opponent's registered trade marks in terms of s33 of the Act and that the use of the applicant's trade mark would be deceptive or confusing in terms of s28(a) of the Act. I will deal with each of those grounds in turn.

### ***proprietorship***

To be registered as proprietor, the applicant must be the owner of the trade mark in suit, as per s 40 of the Act. Mr Skelly conceded that for proprietorship to be an issue at all it was necessary that the competing marks be substantially identical: *Carnival Cruise Lines v Sitmar Cruises Limited* (1994) 31 IPR 375; *Karu Pty Ltd v Jose* (1994) 30 IPR 407. The test to be applied was the

familiar one set out by Windeyer J in *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited* (1963) 109 CLR 407 at 414 and 415:

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 dissimilarity that emerges from the comparison.

He referred, however, to cases in which the question of proprietorship was considered to apply: *Kendall Co v Mulsyn Paint & Chemicals* (1963) 109 CLR 300 (for the marks POLYKIN and POLYKEN); *Seven Up Co v O T Ltd* (1947) 75 CLR 203 (7-UP and 8-UP) and *Warner-Lambert Co v Harel* (1995) 32 IPR 189 (DERMAFILM and DERMOFILM). On the basis of those cases he argued that REEBOK and RECDOK were also substantially identical.

I cannot agree with that submission. It is to stretch findings on particular facts to other cases where those facts are not present and where a different answer is required. In the *Dermofilm* case, for example, the delegate of the Registrar held that POLYKIN and POLYKEN were directly in point to the two marks before him. This was because “dermofilm” and “dermafilm were, like “polykin” and “polyken”, words of three syllables with a difference of one vowel in an unstressed position which had little, if any, effect on pronunciation. That is not so in the present case.

In the present matter, although the words are both of two syllables, visually they are quite different, the letters EB and CD, central to both words, being clearly different in appearance. The pronunciations of the two words are also quite different, the applicant’s mark being pronounced, as Mr Skelly conceded, as “wreck-dock”.

The opponent’s registered mark 340859 is also clearly quite different because of the prominent snowflake design. I cannot find therefore that either of the opponent’s trade marks is substantially identical to that of the applicant.

*section 33*

I have already found that the applicant's and opponent's marks are not substantially identical. There is, obviously, no question but that the goods are the same. There remains, under the heading of s 33, the issue of deceptive similarity between the mark applied for and either of the opponent's two registered trade marks.

Here Mr Skelly relied again on *Shell v Esso*, supra. The relevant part of this is as follows:

On the question of deceptive similarity, a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff's mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant's [trade mark].

"Deceptive similarity" is defined in the Act at paragraph 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.

He also referred me to *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd* (1937) 58 CLR 641:

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, their similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded. The course of business and the way in which the particular class of goods are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard. Evidence of actual cases of deception, if forthcoming, is of great weight.

In referring to the overall impression created by the marks Mr Skelly pointed out that both words consisted of six letters and two syllables, both began with the letters “re-” and ended with the letters “-ok”.

Moreover, Mr Skelly stressed that if the applicant’s mark were to be registered it would be in the form as shown, plain block capital letters. It was a fair argument, he said, that the applicant would be entitled to use the mark in any reasonable form of lettering, including one resembling that adopted by the opponent in its registered trade mark 340859. There, the opponent’s mark is represented as follows:

**Reebok**

I would not always assume such pointed coincidences. These are often outside the scope of notional fair use of an applicant’s mark and that principle must never be lost sight of. However, in the present case there is uncontroverted evidence that the present applicant has, in the past, produced shoes with the trade marks RECDOK and REEDOK both on them. While there is no exhibit supporting that allegation, the opponent’s claim, in the declaration of Mr Douglas, has gone entirely unanswered. It supports, therefore, the inference that the applicant is experimenting with renditions of trade marks approaching that of the opponent. Accordingly, I think I can take a somewhat broader view of notional fair use than might otherwise be appropriate. When I approach the matter in those terms, I agree with Mr Skelly. The two words REEBOK and RECDOK are, in the limited circumstances that I must consider here, able to be represented in ways that render them deceptively similar in terms of s 33 of the Act.

***section 28***

Reebok’s evidence shows that its REEBOK trade mark has been extensively used in the same way as shown in registered mark 340859. I have found that the applicant’s mark is deceptively similar to this widely used form of the opponent’s mark and thus s 28(a) is satisfied.

Mr Skelly conceded that it was necessary for him to show also that the applicant was guilty of some form of blameworthy conduct in the adoption of and the attempt to register his own mark. That is

as per the notice set out in the *Official Journal* of 12.9.91, which deals with the overall action and construction of s 28.

Mr Skelly referred me to *Re Sporoptic Pouilloux SA* (1996) AIPC ¶¶91-203. In that case, the delegate of the Registrar found that the applicant in that case was guilty of blameworthy conduct in choosing a trade mark, ARNET, which was deceptively similar to a well-known mark VUARNET.

In that case there was evidence allowing an adverse inference as to the motives of the applicant in adopting the mark. In the present case, the allegation of Mr Douglas has met the threshold test, placing an onus on the applicant to explain the use of the two trade marks RECDOK and REEDOK on the same pair of shoes. There may, of course, be innocent explanations of the events to date and no more than coincidence in the prospects that are open for future deception and confusion. However, the evidentiary onus has passed to the applicant to explain these things and he has not done so.

On the evidence as it now is, I find it more likely than not that the applicant had adopted the trade mark RECDOK with the intention of getting as close as possible to the lettering used in the widely known form of the REEBOK mark. This amounts to blameworthy conduct.

### **Conclusion**

I have found that the opponent, Reebok, has been successful in its opposition on the s 33 and s 28 grounds although not on the issue of proprietorship. I therefore refuse to register application 619166 and award costs in the opposition proceedings to Reebok.

T. Williams  
Hearing Officer  
4.6.97