TRADE MARKS ACT 1955

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

Re: Opposition by SOUTHERN CROSS PACKAGED GOODS PTY LIMITED to registration of trade mark application number 619331 in the name of L'OREAL

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 619331 was lodged under s.109 of the Act and claimed a priority date of 4 November 1993 in the name of L'OREAL (the applicant). The application was for registration of the word mark, THE FORBIDDEN FRAGRANCE, for a statement of goods subsequently amended to read, "Perfumery products, perfumes, toilet waters and lotions, soaps, shampoos, creams, gels and liquids for foaming and/or softening effects for the bath, dentifrices, cosmetics, make-ups; body deodorants", in Class 3. The mark was advertised as accepted in the *Official Journal* of 8 December 1994.

Notice of opposition to the trade mark's registration was lodged, on 3 March 1995, by SOUTHERN CROSS PACKAGED GOODS PTY LIMITED (the opponent). Those grounds of the opposition which were pursued at the hearing were primarily based on s.40 of the *Trade Marks Act* 1955, that the applicant was not the first user and proprietor of the trade mark; and also upon s.28 of the Act that, in view of the use and reputation of its own mark, FORBIDDEN, then use of

the mark by the applicant would be likely to cause deception and confusion, and that the applicant had committed blameworthy actions in relation to its claims of ownership of the trade mark.

The evidence

The service and lodgment of evidence in support, evidence in answer and evidence in reply in the matter were completed by 29 August 1996. The evidence comprised:

Evidence in support

* Statutory declaration by William Alistair Millar dated 29 August 1995 and exhibits A to D

Evidence in answer

* Statutory declaration by Norman Harris dated 29 May 1996 and exhibit NH

Evidence in reply

* Statutory declaration by Annick Vincent dated 29 August 1996 and exhibits AV1 to 4

In his declaration forming the evidence in support, Mr Millar, the managing director of the opponent, outlined the history of the opponent's use and adoption of its own trade mark, FORBIDDEN, on a deodorant cologne. He included details of sales generated under the mark from 1989 to 1992, lists of distributors of the opponent's goods and of magazines where the mark had been advertised, and details of print editorial coverage of "giveaways" of the opponent's goods. Mr Millar also included samples of goods bearing the opponent's trade mark.

In the evidence in answer, Mr Harris, the general manager of the applicant's distributor in Australia, gave the history of the applicant's use of the present trade mark and also gave details of sales of goods sold under it. He included as an exhibit to the declaration, an example of an advertisement from 1988 bearing the words, THE FORBIDDEN FRAGRANCE.

In her declaration comprising the evidence in reply, Ms Vincent, a legal practitioner with the opponent's lawyers, said that she had purchased several of the applicant's products and attached exhibits comprising packaging of those goods.

The matter was set down before me, as the Registrar's delegate, for hearing in Canberra. The opponent was represented at the hearing by Ms Annick Vincent, of Phillips Fox, lawyers. Appearing on behalf of the applicant was Mr Robert Strickland of Griffith Hack, patent and trade mark attorneys.

Submissions

Ms Vincent commenced her submissions by referring to the opponent's evidence in support, where the Millar declaration gave details of the launch and continuous use of the opponent's trade mark since 1989, and its widespread use through a variety of distributors. She then reviewed the evidence in answer, saying that the Harris declaration referred to the *phrase* (her emphasis), THE FORBIDDEN FRAGRANCE, being used to promote TABU perfume. She also said that, in the one example of use provided, those words were used in a subordinate and descriptive manner in relation to the TABU trade mark. She said that no actual sales figures had been provided for products bearing the phrase, THE FORBIDDEN FRAGRANCE, because these goods did not exist. She then pointed to her own declaration forming the evidence in reply, where none of the products she had purchased carrying the TABU trade mark also carried the words, THE FORBIDDEN FRAGRANCE.

Ms Vincent then addressed the ground of opposition under s.40, which related to the proprietorship of the trade mark. She said that there was no definition in the 1955 Act of the word "proprietor" in relation to a trade mark, s.40 only referring to a "...person who claims to be the proprietor...". She said that the decisions in the *Kendall Company v Mulsyn Paint and Chemicals* 109 CLR 300 and *Tavefar Pty Ltd v Life Savers (A'asia)* (1988)12 IPR 159 cases showed that opposition under s.40 could only be made when a mark applied for and an opponent's mark were identical, or so similar as to be virtually the same mark. She said that, in the present instance, the words, THE and FRAGRANCE, in the applicant's trade mark were inherently non-distinctive or generic and

could be discarded during any comparison. This left the common element, FORBIDDEN, which was common in both trade marks.

Ms Vincent referred to the words of Dixon J in *Shell Company (Australia) Limited v Rohm and Haas Co* (1949) 78 CLR 601 where he had said, at 627, that a claim to proprietorship came from the combined effect of authorship of a trade mark, an intention to use it and in applying for its registration. She also quoted McGarvie J in *Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd* 10 IPR 402 in relation to common law proprietorship of a trade mark stemming from first use in Australia. She said that, in opposition proceedings, the relevant date for determining proprietorship was the date of filing - here 4 November 1993. She disputed the applicant's claims of 30 years of use of the present trade mark, saying that, if there had been any use, it adhered to another party. This was because there was no factual evidence of transfer in the rights to the mark, only reported hearsay. She said that, in any case, the only use shown of the phrase, THE FORBIDDEN FRAGRANCE, was in relation to the trade mark, TABU - a mark which was registered by a third party, Marcafin S.A. (Marcafin), a Swiss company. Therefore, if there was any use prior to the date of application, it was in relation to Marcafin as both Mr Harris' company, Frostbland Pty Ltd (Frostbland) and an American company, Dana Perfumes Corporation (Dana) were shown as registered users under the *Trade Marks Act 1955*. She said that, notwithstanding any claims of use, any assignment of rights in an unregistered trade mark could only be made in company with the goodwill of the business - p.303 of *Australian Law of Trade Marks and Passing Off* (Second Edition) by D.R.Shanahan, and *Federal Commissioner of Taxation v Just Jeans Pty Ltd* (1987) AIPC 90-388. As Marcafin was still identified on the Register as the owner of the trade mark, TABU - the mark which was shown in the applicant's evidence to have been used with the phrase, THE FORBIDDEN FRAGRANCE - clearly no goodwill had changed hands. She said that, in any case, any use which might be shown in the applicant's evidence of the trade mark presently applied for was not use as a trade mark as it did not indicate a connection in the course of trade between the specified goods and the applicant. She said that the phrase instead was used to promote another trade mark, TABU, and was incidental to that mark's use. In this regard, she referred to the case of *Mirage Studios v Thompson* 28 IPR 517, where the Hearing Officer had said that the subject

mark there was inherently subordinate to a wider concept. In the present case, any sales figures shown were apparently in relation to the TABU trade mark and there was nothing in the form of written orders, invoices and the like to indicate that the applied for mark was used in a trade mark sense. Therefore, alleged Ms Vincent, the applicant could not claim to have been the proprietor of the present trade mark as at the date of application.

In relation to the ground of opposition under s28(a), Ms Vincent said that, although the initial onus was on the opponent to show that it had legitimate grounds to oppose a trade mark, it then shifted to the applicant to justify the registration of its trade mark and to show it would not be likely to deceive or confuse - *Dunn's Trade Mark* (1890) 7 RPC 311 (HL). She said that the opponent had shown in its evidence that its own trade mark, FORBIDDEN, had been used since August 1989, that it had achieved a high amount of sales and had been widely advertised under that trade mark. She said that, if the doctrine of "imperfect recollection" was applied in the present case, then the respective trade marks, THE FORBIDDEN FRAGRANCE and FORBIDDEN, were confusingly similar - *Aristoc Ltd v Rysta Ltd* (1945) 62 RPC 65. The words, THE and FRAGRANCE, were the only differences between the trade marks and these words did nothing to distinguish the respective products from each other. Therefore the marks were confusingly similar. Ms Vincent said that the opponent had built up quite a reputation and had established considerable market awareness of its own trade mark. She said that purchasers of the applicant's and opponent's respective products were likely to confuse the two trade marks, particularly because the goods were not expensive and did not require a careful and unhurried selection.

In relation to its objection under s.28(d) of the Act, that the mark should not be entitled to protection in a court of justice, Ms Vincent said that the alleged assignment of the words comprising the mark to the applicant was invalid because no goodwill had been assigned at the same time as the unregistered mark. Therefore, the applicant could not be considered the proprietor of the trade mark and that it had made a false declaration when claiming to be so on the application for registration and the statement of use dated 28 October 1994. She said that consequently, if

registration of the mark was granted on the basis of this false ownership, then it would amount to fraud which was "blameworthy" conduct sufficient to satisfy s.28(d).

Ms Vincent concluded her submissions by seeking costs in favour of the opponent.

In his submissions in reply, Mr Strickland said that the basis of the applicant's case rested on the Harris declaration in the evidence in answer. There, Mr Harris had said that the phrase, THE FORBIDDEN FRAGRANCE, had been used (presumably by Dana and also Frostbland) in promotional material for over 30 years. He said that Mr Harris had also declared that he had been advised in 1994 that Dana, who claimed to be the owner of the trade mark, had assigned it to the applicant. He said that Mr Harris' declaration also showed that sales under the TABU mark, with reference to the present mark, had been quite extensive over the past ten years. He said that it was for the Registrar to assess the legitimacy of the Harris declaration.

Mr Strickland submitted that, in regard to whether the use of the phrase, THE FORBIDDEN FRAGRANCE, in the advertisements and point of sale material constituted trade mark use, then the *Yanx* case - *Amalgamated Tobacco Corporation Limited* (1951) 82 CLR 199 at 205 was pertinent. There, use in connection with the goods rather than on them was considered sufficient user under the Act for proprietorship purposes. He said that here, although he agreed that there was other dominant material in the example of use shown, consumers would still see the words as a memorable promotional phrase and thus trade mark use.

Discussion

Section 40 - Proprietorship

The provisions of s.40, so far as is relevant here, are that:

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

On that subject, McGarvie J said in the case of *Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd*, supra:

> 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 (No 2)* 59 ALJR 77 at 83.
> ...
>
> 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* (1949) 78 CLR 601 at 625 and 627.

In other words, the first user of the mark in Australia - for the relevant goods and prior to the date of application - becomes the proprietor at common law. That proprietorship, however, is limited to "the same kind of thing", as per Holroyd J in *Hick's trade mark* (1897) 22 VLR 636. Any small amount of use will suffice, but the effect of the act relied on to constitute use must be the creation, in the minds of those concerned, of an impression that goods of a particular trader are being offered for sale in Australia. This has been affirmed in later cases such as in *Seven Up Co v O.T. Ltd* (1947) 75 CLR 203

What I have to decide under s.40 of the Act is whether the applicant is the "author" of the mark for the appropriate goods in this country. What matters is whether another trader had already acquired a prior right to the mark through use in Australia - *Merv Brown Pty Ltd v David Jones (Aust) Pty Ltd* (1987) 73ALR 504 and *Saturno's Norwood Hotel Pty Ltd v Potter Family Hotels Pty Ltd* (1989) AIPC 90-534. Given this, I think there are two matters which need to be decided in

determining the present question of proprietorship. Firstly, was the applicant the first to use the mark in Australia or was another party the first user of the mark here? Secondly, if the applicant is shown to have used the mark first, was such use in the course of trade?

I believe that, in deciding the issue of proprietorship when an opponent is claiming that it is the rightful proprietor of a trade mark for particular goods by virtue of its first use of its own mark, s.40 only applies when the competing marks are identical or so similar as to be virtually the same mark - *Carnival Cruise Lines Inc v Sitmar Cruises Ltd,* (1994) AIPC 91-049, and *Karu Pty Ltd v Jose* (1994) AIPC 91-101. The mark applied for here is the phrase, THE FORBIDDEN FRAGRANCE, whilst the opponent's trade mark is the word, FORBIDDEN. To my mind, the former phrase, although containing the definite article and a name which is an alternative to "perfume", would be seen as a bit of advertising puffery and as more than the sum of its parts. I think that it can be differentiated, for the purposes of s.40 comparison, from the single word of the latter trade mark. Although the inclusion of the word, FRAGRANCE, in both trade marks might possibly comprise an objection of deceptive similarity under s33 of the Act, that is not the question I am presently called on to decide. I therefore find that there is no evidence of prior rights by the opponent in the subject trade mark.

Nevertheless, the opponent has also raised the issue of whether the applicant was the first user and therefore can claim to be the proprietor of the combination of words, THE FORBIDDEN FRAGRANCE. The only evidence that the applicant has shown of use of that phrase is in an advertisement for TABU perfume in the magazine *New Idea* of 17 December 1988. Ms Vincent submitted that, as that trade mark was- and still is - registered in the name of Marcafin, then any use of the mark was on behalf of that entity. Both Dana and Frostbland were shown as registered users under the 1955 Act and I must agree that any use by either party would adhere to the registered proprietor. Mr Harris declared in the evidence in reply that he was advised by Dana that the right to use the phrase had been assigned to the applicant. However, who carried out this "assignment", or when, is not supported by any other evidence. Consequently, on the material before me, I find that,

if anyone has a claim to the phrase then that is the first and only user, Marcafin, a company which is not a party to the present proceedings.

Notwithstanding the above, I feel that the sole example of use of the phrase shown in the evidence, especially when used with equal prominence to the other words accompanying the TABU mark, CARESSED BY THE FRAGRANCE OF ROMANCE, appears not to be intended as trade mark use but merely as extraneous material and not intended to identify the goods as those of the proprietor. Thus I agree with Ms Vincent that the situation is analogous to that considered by Hearing Officer Williams in *Mirage Studios v Thompson*, supra, where he found that the word applied for there was also not used as a trade mark but as an exclamation or phrase.

On consideration of all of the above, I find the applicant is not the proprietor of the trade mark applied for and that the opposition under s.40 is accordingly 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.

As I have found that the opponent has been successful under s.40, there is no need for me to continue to decide the matter under s.28. However, as Ms Vincent made quite comprehensive submissions on that leg of the opposition I will, for the sake of completeness, make reference to it in this decision.

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:

> 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*, supra.

In assessing the reputation of the opponents' mark in Australia, the relevant date is the date of lodgment of the opposed application - *Southern Cross*, supra, here the convention priority date of 4 November 1993. In order to ascertain its reputation at that time, I have considered the submissions and the evidence from both sides to the dispute. The sum of the opponent's submissions and evidence was that, given the fairly widespread advertising and sales of its products - especially in supermarkets - under its trade mark, FORBIDDEN, then deception or confusion would be likely to result from the use of the applied for trade mark, THE FORBIDDEN FRAGRANCE, by the applicant. The applicant did not respond to this argument in its evidence or in Mr Strickland's submissions.

I am of the opinion that the opponent had a substantial reputation for its own mark as at the relevant date. On the other hand, there has not been shown to me any use of the applied for mark by anyone, including the applicant, other than a sole advertisement in the *New Idea* in 1988. I therefore find it difficult to believe that, based on this single shred of evidence, anyone could have had a reputation for the present mark as at the date of application. I have already found, in relation to s.40, that any use of the phrase was on behalf of an entity other than the applicant and could not really be considered to be proper use as a trade mark - viz., to indicate a connection in the course of trade between the goods and the proprietor of the mark. In contrast to my finding, in relation to the s.40 leg of the opposition, that the phrase which comprises the present trade mark and the single word of the opponent's trade mark are not the same and therefore can be differentiated, I feel that it is a distinct possibility that persons buying the perfumery products, deodorants or "fragrances" of the applicant might think that they were those of the opponent, given the reputation it had for its own goods as at the relevant date. Consequently, I feel that the use of the subject mark by the applicant

on the goods applied for would be likely to lead to deception or confusion amongst a considerable number of people.

However, following the High Court decision in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Ltd* 18 IPR 385, the *Moo/Moove* 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 - i.e., that all paras of s.28 should be read together. This means that, now I have found that use of the mark will be likely to deceive or cause confusion, then it will also be necessary to find that the mark is not entitled to protection in a court of law before an opposition can succeed under s.28. I note Ms Vincent's comments regarding blameworthy conduct residing in the applicant making an allegedly false claim of proprietorship when the present mark was lodged and also in the statement as to use of the mark. However, I think it is clear from Mr Harris' statement in his declaration that he had been advised that the applicant had been assigned the rights in the trade mark so that the applicant truly believed that it had the right to apply for the mark. Perhaps it should have checked that this was a fact before making an application for registration but I cannot agree that such an oversight constitutes "blameworthy conduct". There does not appear to be any other circumstance which would disentitle the mark to protection in a court of justice.

I find, therefore, that the requirements of paragraph 28(d) have not been made out. The opponent's case, in terms of its objection under s.28, must therefore fail.

Decision

In summary then, I have decided that the opponent has been successful in its opposition under s.40. In relation to the leg of opposition under s.28, I have found that, although deception or confusion would be likely to ensue if the mark was registered, the opponent has not shown that the applicant has committed any blameworthy actions, necessary for an opposition to succeed under a conjunctive reading of that section.

It follows that the opposition as a whole has been successful and I accordingly award costs in the matter to the opponent.

Ian Forno
Hearing Officer

8 April 1997