



TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS

Re: Trade mark application number 619697 in the name of KAMYR, INC

Background

Application number 619697 was lodged by KAMYR, INC (the applicant) on 4 January 1994 for the statement of goods, “paper pulp producing equipment, paper pulp handling equipment, and all other pulp mill equipment in this class, including digesters, either continuous or batch, and component parts thereon”, in Class 7, for the trade mark LO-SOLIDS in plain type.

An examiner of trade marks objected to the trade mark’s registration under paragraphs 24(1)(c), (d) and (e) of the *Trade Marks Act* 1955, on the grounds that the trade mark consisted of the phonetic equivalent of LOW SOLIDS, which refers directly to the character and quality of the goods as being “paper producing equipment which produces low consistency pulp having low solids”.

Over the course of examination, the statement of goods has been restricted to: “digesters, either continuous or batch, suitable for use in paper pulp producing and handling and component parts of digesters”. The application was also transferred from Part A to Part B. No evidence of use has been submitted, except a copy of a single-sheet brochure published by the applicant. The application has had five reports issued upon it in total, the last one being issued by a Principal Examiner on 23 October 1995. In this report, after considering the brochure provided, the Principal Examiner found that:

“...the expression LO-SOLIDS is apt for description of any pulp digesting process, including that of the applicant that (from the brochure) appears to rely on diluting the dissolved solids by adding brownstock filtrate to the digester cook zone.

“Furthermore, the expression LO-SOLIDS is also an expression required by other manufacturers to refer to any part of processes in the paper industry which reduce solids (whether soluble or insoluble) in the various product and effluent streams.

“In my view, because the word LO is a standard abbreviation in copywriting, the mark LO-SOLIDS is devoid of inherent adaptation to distinguish and incapable of registration in Part B of the Register under the *Trade Marks Act 1955* regardless of any distinctiveness in fact that may have accrued to the applicant.”

After receipt of this report from the Principal Examiner, the applicant waived its right to be heard, and requested that a decision on the registrability of the trade mark be issued.

Submissions

No evidence of use has been filed in connection with this application, the applicant relying instead on detailed written submissions by the attorney. These have dealt mainly with explanation of the actual use of the word “solids” and the phrase “low solids” in the specialist paper pulp industry.

A copy of US Registration No. 1,946,041 for the trade mark LO-SOLIDS in respect of the same goods covered by the present application was also tendered with the attorney’s most recent submissions.

A single-sheet brochure relating to the applicant’s goods was provided earlier during the course of examination.

Discussion

This application for registration of a trade mark is one which was made under the *Trade Marks Act 1955* and which was pending immediately before 1 January 1996. Under

section 241 of the *Trade Marks Act 1995* (the new Act), which came into effect on 1 January 1996, I must now consider the matter of the trade mark's registrability under Division 2 of Part 4 of the new Act.

Sub-sections 41(2) and (3) of the Act read, respectively:

(2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (designated goods or services) from the goods or services of other persons.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

In his fifth report to the applicant, the Principal Examiner has stated that the mark LO-SOLIDS is devoid of inherent adaptation to distinguish, regardless of any distinctiveness in fact that may have accrued to it. If this was the case, I would now be required to assess this application under the provisions of subsection 41(6) of the *Trade Marks Act 1995*, which provides that:

If the Registrar finds that the trade mark is not inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:

(a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant—the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;

(b) in any other case—the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons.

As I have no evidence before me as to the extent of use of this trade mark by the applicant, either before the filing date of 4 January 1994, or indeed at any other time, I would have no

discretion whatsoever to take any other course but to reject the application. However, I am not convinced that the trade mark LO-SOLIDS quite falls into the category of being “not inherently adapted to distinguish” the applicant’s goods. The explanatory note associated with subsection 41(6) outlines that:

Trade marks that are not inherently adapted to distinguish goods or services are mostly trade marks that consist wholly of a sign that is ordinarily used to indicate:

- (a) the kind, quality, quantity, intended purpose, value, geographical origin, or some other characteristic of goods or services; or
- (b) the time of production of goods or of the rendering of services.

By being comprised of the hyphenated single word LO-SOLIDS, with the “w” from “LOW” omitted, rather than the two words LOW SOLIDS, I think this trade mark just escapes being a trade mark consisting wholly of a sign that is ordinarily used to indicate a “characteristic” of the applicant’s goods, being the type of pulping process performed by them. Although LO-SOLIDS is the phonetic and otherwise obvious equivalent of the expression LOW SOLIDS, I concede that the ordinary expression most likely to be used by other traders would be the two words LOW SOLIDS, not the composite word LO-SOLIDS.

Having concluded that this trade mark does not fall into the category of trade marks described by subsection 41(6), I must then turn my attention to its acceptability under the provisions of subsection 41(5), as a trade mark possessing merely a scintilla of inherent adaptation to distinguish. Such trade marks are not, *prima facie*, capable of distinguishing and evidence in terms of sub-section 41(5) is needed to enable registration.

Sub-section 41(5) of the Act reads:

If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

(a) the Registrar is to consider whether, because of the combined effect of the following:

(i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

(ii) the use, or intended use of the trade mark by the applicant;

(iii) any other circumstances;

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) if the Registrar is then satisfied that the trade mark does or will distinguish the designated goods or services - the trade mark is taken to be capable of distinguishing the applicant's goods or services from the goods or services of other persons; and

(c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services - the trade mark is taken not to be capable of distinguishing the applicant's goods or services from the goods or services of other persons.

This means that I must assess the combined effect of sub-paras (i), (ii) and (iii) of para (a) in order to determine the trade mark's registrability. I have already indicated that I believe that the trade mark LO-SOLIDS contains only a "hint of inherent distinctiveness" (to quote the attorney's own description). I must therefore place significant weight upon the second and third criteria outlined above.

The second criterion relates to "the use, or intended use of the trade mark by the applicant". *The Trade Marks Office Draft Manual of Practice and Procedure* discusses at Part 22.6 the value of evidence of use, or intended use, for the purpose of showing that, at some future date, a trade mark will distinguish one trader's goods from those of another.

As Lord Parker stated in the case of *Du Cros (W&G) Ltd's Appn* (1913) 30 RPC 660 and as quoted by Kitto J. in *Clark Equipment Co v Registrar of Trade Marks*, 111 CLR 511 (the *Michigan* case):

The applicant's chance of success in this respect (ie. in distinguishing his goods by means of the mark, apart from the effects of registration) must, I think,

largely depend on whether other traders are likely, in the ordinary course of their business, and without any improper motive, to desire to use the same mark or some mark nearly resembling it, upon or in connection to their own goods.

The more a mark with some adaptation to distinguish is used, or its intended use is promoted, the less likely it will be that other traders, having no improper motive, will need to use the mark in connection with their own goods or services.

In the present case, I have not been provided with any documented evidence of use, or proposed use, of the mark, other than the attorney's mention of the fact that "digesters offered for sale under the LO-SOLIDS trade mark cost many millions of dollars, while component parts used to retrofit existing digesters cost several hundred thousand dollars". This information is certainly suggestive of the applicant's use, but without a declaration from the applicant detailing the nature and extent of that use (as described in Part 23.2 of *The Trade Marks Office Draft Manual of Practice and Procedure*) I am not able to safely surmise that even one such digester has actually been sold.

Furthermore, the single brochure provided by the applicant showing use of the mark, although indicating in the title that LO-SOLIDS is a trade mark, nevertheless uses LO-SOLIDS in all references (including the title) in conjunction with the words "cooking" or "pulping". The brochure describes the improved LO-SOLIDS COOKING process. This does nothing to support the attorney's contention that, although the phrase "low solids" may be used in other parts of the paper-making process, the mark LO-SOLIDS is, notwithstanding, adapted to function as a trade mark in relation to digesters, as it is not ordinarily used to indicate any characteristic of such equipment. It would appear that the applicant itself uses the term LO-SOLIDS COOKING to describe the pulping process used in its digesters.

In view of all the above, I cannot rely on the criterion of "the use, or intended use of the trade mark by the applicant" in deciding whether the trade mark does or will distinguish the designated goods of the applicant in this case.

I turn now to the third and final criterion provided in subsection 41(5), “any other circumstances”. With his final submissions, the attorney provided a copy of a certificate of registration for the trade mark LO-SOLIDS for the same goods of interest in the US. He argues that the fact that the mark has been registered in the US is a relevant “other circumstance” in deciding the capacity of the mark to distinguish the applicant’s goods. While I cannot say that it has no relevance, I am not aware of the actual circumstances under which the trade mark was registered in the US. I do note that, although the application was filed in December 1993, the date of first use in the US was only August 1995.

I do not believe that I should accept that the registration of the mark LO-SOLIDS elsewhere in the world should *in isolation* be the determining factor enabling me to ignore the earlier concerns of the examiner and the Principal Examiner, which I now share, and decide that this trade mark does or will distinguish the applicant’s goods in Australia in accordance with the criteria set down by subsection 41(5) of the *Trade Marks Act 1995*.

Decision

Apart from the evidence of US registration, I have nothing new before me to support the attorney’s contention that the word LO-SOLIDS is “adapted to and does function as a trade mark”, and that other traders are *not* likely, in the ordinary course of their business, and without any improper motive, to desire to use the same mark or very similar mark in relation to their own goods. Instead, I have the attorney’s admission that reference to “low solid content” is used elsewhere in the “paper making phase of the process”, and the applicant’s brochure showing its own use of the phrase LO-SOLIDS COOKING to describe the pulping process used in its digesters. It therefore seems to me more than likely that many traders in the applicant’s trade will, either now or in the future, require to use the term “low solids” or its phonetic equivalent LO-SOLIDS in connection with their goods.

Having assessed this trade mark against all three criteria offered by subsection 41(5), I find that, in terms of paragraph 41(5)(c), I am not satisfied that the trade mark does or will

distinguish the applicant's goods. Therefore, under the provisions of subsection 33(3) and (4) of the Act, I must reject the application.

Claudia Murray
Senior Examiner
28 February 1996